“Granules India Limited Q1 FY'26 Earnings Conference Call”

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MODERATOR: **MS. PRACHI AMBRE – IR TEAM, MUFG**

Moderator: Ladies and gentlemen, good day and welcome to the Granules India Limited Q1 FY26 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 this conference call, 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 Ms. Prachi Ambre from MUFG IR team. Thank you and over to you, ma'am.

Prachi Ambre: Thank you, Shruti. On behalf of Granules India Limited, I extend a warm welcome to all the participants on Q1 FY26 Financial Results Discussion Call.

Today on the call, we have Dr. Krishna Prasad Chigurupati – Chairman and Managing Director, Ms. Priyanka Chigurupati – Executive Director, Mr. Mukesh Surana – Chief Financial Officer, Dr. P.V. Srinivas – Chief Technology Officer and Mr. Sanjay Kumar – Chief Strategy Officer.

Before we begin the call, I would like to give a short disclaimer:

This call may contain some of the forward-looking statements which are completely based upon our beliefs, expectations and opinions as of today. The statements are not a guarantee of our future performance and involve unforeseen risks and uncertainties.

With this, I would like to hand over the call to Dr. Krishna Prasad, sir for his opening comments. Over to you, sir. Thank you.

Krishna P Chigurupati: Thank you, Prachi. Good afternoon, ladies and gentlemen. Thank you very much for joining us on our Q1 FY26 Earnings Call. We appreciate your continued interest in Granules.

We have uploaded a detailed presentation of our quarterly performance on our website, and I trust you have had a chance to review it.

Let me start with U.S. FDA remediation at our Gagillapur facility:

We are in the final stages of remediation following the August 24th US FDA inspection and subsequent warning letter. A fourth status report was submitted on July 31st, and so far, no concerns have been received from the FDA on the adequacy or pace of our corrective action. We will reach the six-month eligibility milestone for a meeting and re-inspection in September and plan to engage with the agency at that time.

Meanwhile, the site has cleared inspections by German and Danish authorities, with Denmark granting an EU GMP certificate in July '25.

Across our network, multiple regulatory milestones have been achieved. At our US-based GPI site, an unannounced FDA inspection was completed successfully with one observation and has been responded to within the stipulated timelines.

Our API Unit I facility at Bonthapally completed an FDA inspection in June '25, also with a single observation, and the response was submitted in a timely manner.

A key milestone was achieved at our new formulations facility at Genome Valley under Granules Life Sciences, which underwent its first-ever FDA pre-approval inspection from July 28th to August 1st. This was successfully completed with a single procedural observation, and the response will also be submitted within the stipulated timeline. These successful inspections across multiple sites reaffirm our commitment to strengthening quality and compliance across the organization. Our focus remains on embedding a proactive, data-driven, and sustainable culture of quality for the long-term.

Restarting the growth phase:

With these developments, we are confident of returning to the growth trajectory of our formulations business from India, free from delivery constraints. The successful US FDA inspection of our Greenfield Formulations facility at Genome Valley unlocks an additional 10 billion doses of formulations capacity, a 40% increase over the existing 26 billion dose capacity at Gagillapur, and establishes a second source supply of finished dosages and PFIs to the US from India.

Supplies of monograph products to the US have already commenced, and ramp-up of prescription product supplies will follow FDA approval.

In the coming quarters, inspections by European authorities for the Genome Valley sites are also expected.

With remediation at Gagillapur expected to conclude in the near future, post which we anticipate swiftly overcoming the production slowdown from additional protocols, securing new product approval, and enabling the site to fully support our return to the growth trajectory. Together, these steps will free us from delivery constraints in both the US and EU, enabling us to fully leverage the growth potential of our formulations business from India.

Additional growth will come from CNS ADHD segment from our GPI facility in the US, scale-up of large-volume products in the US and Europe, moving up the value chain in Europe, as well as oncology capacity monetization from Unit V, creating a balanced platform for near-term performance and long-term growth.

We have also taken a significant step into high-growth peptide therapeutics and CDMO space with Senn Chemicals and Ascelis Peptides**.**

Sanjay, our Chief Strategy Officer, will elaborate on this strategic platform later in the call.

On the sustainability front, Granules was named to the 2024 CDP Supplier Engagement A-List for Leadership in Supplier Climate Action and Value Chain Emissions Management.

We also joined the pharmaceutical supply chain initiative, furthering our commitment to transparency, sustainable operations, and global supply chain excellence, building on our SBTI-validated net-zero targets and EcoVadis Gold Medal, and CDP Climate Score of B.

To conclude, we are entering the phase of reviving our growth with a stronger quality foundation, expanded capacity, and a more diversified portfolio. Near-term momentum will be driven by the ramp-up of prescription supplies from our Genome Valley facility, continued growth from our US operations, moving up the value chain in Europe, and finally, expected normalization of operations, and new product approvals from Gagillapur post-completion of the remediation. Over the medium to long-term, our strategic expansion into high-value segments such as peptides through Senn Chemicals, and Ascelis Peptides, alongside oncology, will further strengthen our competitive position. Supported by our sustainability commitment and disciplined execution, we are confident in delivering sustained value to all stakeholders. With this, I now hand over the call to "Sanjay Kumar, our Chief Strategy Officer, who will share more on our Peptides and CDMO Growth Platform."

Sanjay Kumar: Thank you, Chairman Sir. Good afternoon, everyone.

I will take you through one of the most exciting strategic developments at Granules, our foray into the peptides and CDMO space through the acquisition of Senn Chemicals and the creation of our wholly-owned subsidiary, Ascelis Peptides.

Peptides have rapidly emerged as a cornerstone of advanced therapeutics with applications spanning diabetes, obesity, oncology, cosmetics, and theragnostics. The advent of GLP-1 drugs such as Simaglutide and Tirzepatide has been transformative for the obesity market, fueling unprecedented revenue forecasts and exceptional consumer interest. With the global peptide market driven in part by GLP-1 receptor agonists now at a run rate of US$78 billion per annum and projected to surpass $130 billion by 2030, this segment represents a compelling long-term growth opportunity. It is reshaping industry and buzzing with innovator activity worldwide, creating a growing need for a credible CDMO partner.

Ascelis anchors Granules transition from a primarily small-molecule oral solid-doses-focused business to a diversified platform encompassing peptides and in time oligonucleotides.

Senn Chemicals is a Swiss-based CDMO with more than six decades of expertise in both liquid-phase and solid-phase peptide synthesis, backed by a strong regulatory credential and a proven track

record in peptide synthesis with a leading innovators company. This expertise forms the foundation for Ascelis as a full-spectrum CDMO solution provider serving innovators across pharmaceuticals, cosmetics, and theragnostics with flexible, high-quality manufacturing solutions.

The team at Senn includes more than 80 highly qualified professionals with more than 50% of the managerial roles in R&D, manufacturing, quality, and business development held by Ph.D. graduates, demonstrating the depth of expertise that drives our CDMO capabilities.

Our execution roadmap for Ascelis Peptides is anchored on “Four Strategic Pillars.” First, we are prioritizing the CDMO arm of Senn Chemicals to deepen engagement with the top innovators. This involves prioritizing flawless execution of ongoing CDMO projects, expanding the customer base to more innovators, enhancing service offerings, and leveraging Senn's long-standing reputation for delivering complex, high-quality peptides.

Second, we are creating the backbone of amino acid derivatives and peptide fragments out of India to serve multi-segment applications across target peptide markets. This capability will ensure a wide range of therapeutic and specialty applications, ensuring that we have the essential building blocks for both the current and the future customer needs.

Third, we are building a dual-site manufacturing network for high-value peptide APIs, leveraging Switzerland for small-scale, high-complexity production, and India for large-scale, cost-efficient manufacturing to serve global markets. This structure provides both flexibility and scale, enabling us to meet the diverse requirements for innovator customers in the CDMO space.

In addition to the pharmaceutical peptides, Senn Chemicals operates in two niche but attractive segments -- Cosmetics and Theragnostics -- forming the fourth pillar.

In Cosmetics, Senn and Ascelis are positioning as an early mover and a credible player in the cosmetics industry's transition towards a TFA-free peptide actives, addressing both performance and sustainability expectations of the customers.

In Theragnostics, peptides serve as a precise targeting agent that can be radiolabeled for imaging and conjugated with therapeutics for treatment, offering strong potential in oncology, rare disease, and personalized medicine.

“The Path Forward.” As I mentioned, we are advancing on two parallel fronts, enhancing Senn's capabilities to target more number of high-value CDMO projects through customer expansion and integrated R&D manufacturing capabilities, while simultaneously establishing a robust India-based R&D and manufacturing infrastructure for amino acid derivatives, peptide fragments, and eventually full-length peptides.

A key milestone of this journey includes the Peptides R&D Facility and Center of Excellence at the Indian Institute of Technology, (IIT), Hyderabad, scheduled to become operational by October of this year, and a commercial scale peptide manufacturing facility in India, targeted for completion by the end of the next financial year.

The integration of Senn Chemicals into the Ascelis platform is progressing well, with cross-functional teams driving synergies across R&D, engineering, quality, and regulatory functions, while harmonizing systems, strengthening governance, and accelerating business development. These initiatives are aimed at positioning Ascelis as a credible, mid-size CDMO player in tight modalities over the next three to five years, serving as an innovation-aligned growth engine for the next decade.

With this, I will now hand over the call to Mukesh Surana – our Chief Financial Officer, who will take you through the Financial Performance."

Mukesh Surana: Thank you, Chairman Sir and Sanjay. Let me take you all through the top financial parameters now.

Revenue:

The 1st Quarter revenue was Rs.12,101 million as compared to Rs.11,799 million in Q1 FY25, reflecting a growth of 3% and revenue grew by 1% as compared to Q4 FY25. This also includes the revenue generated from Senn Chemicals AG of Rs.291 million. North America had a year-on-year growth and Europe grew sequentially. Lower sales in ROW was primarily because of PFI supply backlog from Gagillapur.

The sales break-up as per the business divisions and geographic regions are presented in our investor presentation, which is available on the website.

Gross Margin:

We delivered a strong gross margin of 64.9% in Q1 FY26, representing an improvement of 593 basis points year-on-year and 148 basis points sequentially. Gross margin improved primarily with consolidation of Senn Chemicals AG.

EBITDA and EBITDA Margin:

EBITDA for the quarter was Rs.2,467 million i.e. 20.4% of sales as compared to Rs.2,593 million. i.e. 22% of sales in Q1 FY25, a decline of 159 basis points from Q1 FY25. The decline in EBITDA was primarily due to increase in professional expenses incurred for consultancy and remediation efforts in responses to US FDA observations. EBITDA as a percentage of sales for Q1 FY26 is down by 69 basis points from Q4 FY25. EBITDA percentage is impacted on account of higher manpower costs with consolidation of Senn Chemicals AG.

R&D:

R&D expenses for the quarter were Rs.678 million, which is 5.6% to sales as compared to Rs.620 million, which is 5.3% to sales in Q1 FY25 and Rs.665 million which is 5.5% to sales in Q4 FY25. We will continue to spend similar amounts to support our long-term strategic growth.

Net Debt:

Our net debt stood at Rs.9,480 million post acquisition of Senn Chemicals AG as compared to Rs.7,061 million in Q4 FY25.

Cash-to-Cash Cycle: Our cash-to-cash cycle was 205 days in the current quarter as compared to 202 days in Q4 FY25.

Cash Flow from Operations:

Cash flow from operations for the quarter was Rs.2,806 million as compared to Rs.3,183 million in Q4 FY25.

CAPEX:

CAPEX spent during the quarter was Rs.1,137 million as compared to Rs.1,598 million in Q4 FY25.

ROCE:

ROCE for Q1 FY26 is 16% with increased capital employed post acquisition of Senn Chemicals AG as compared to 16.6% in Q4 FY25.

With this, I open the floor for questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Tushar Manudhane from Motilal Oswal Financial Services. Please go ahead.

Tushar Manudhane: Thanks for the opportunity. Sir, now that remediation measures are more or less done, we have got ramp up of Genome Valley as well, so for FY26, what kind of revenue growth and EBITDA margin one can think of?

Krishna P Chigurupati: Tushar, remediation, we are going to meet the FDA next month. And by the time they come and re-audit us and clear this, it could take up till end of December. So, we see good and also, for the new GLS site, the approval we expect in another 40 days or whatever, 35 days. So, after that, only the real growth would start. And also, the new approvals that are pending with US FDA for Gagillapur site

will also be cleared, and they will take some time to revamp. So, you can see FY27 as a very good growth year, starting from last quarter of this year.

Tushar Manudhane: Got it. So, this peptide segment, what kind of investment one should sort of think of for FY26 to start with? And then over a period of time, overall, what kind of amount are we sort of parking for this space?

Mukesh Surana: Tushar, Mukesh this side. we have acquired this business, equity plus debt, overall enterprise value of about Rs.450 crores. And this year, we are looking at additional investment of probably close to Rs.100 crores in Switzerland, and also another Rs.20-30 crores or so for the backend in India for R&D lab and all. This is for FY26. And FY27, we may want to spend a little CAPEX on the backend manufacturing capability. We are still estimating that.

Tushar Manudhane: Got it. Sir, just thirdly on the EU sales, we have seen slight uptick after FY25 to be sort of muted. So, as we are also moving up the value chain, so what kind of growth prospects can be sought for Europe business?

Priyanka Chigurupati: Europe, yes, there was a small uptick this quarter. There continues to be an uptick. This is essentially because over the last year, we have actually had orders for Europe. So, now that we have started slowly freeing up our capacity, we have started supplying more products to Europe. In addition to that, some of the approvals that we got earlier, we started launching them in Europe through some partners. So, that is essentially it. Going forward, you will see this getting to about 15%, 20% of the revenue.

Tushar Manudhane: Got it. Got it, ma'am. Thanks. That is it from my side. Thank you.

Moderator: Our next question is from the line of Maitri Sheth from Choice Institutional Equities. Please go ahead.

Maitri Sheth: Hi. Thank you for the opportunity. Just a couple of questions. One is on the CDMO and the peptide segment, which is now...

Moderator: Maitri ma'am, your voice is coming very low. Can you please take the device close to you and be -.

Maitri Sheth: So, I just had a question on the CDMO and peptide segment. Now that it is subject to the revenue, how much does it affect total revenue contribution in...

Moderator: Maitri ma'am, sorry. Your voice is breaking when you are speaking.

Maitri Sheth: I will just join back the queue.

Moderator: Okay, ma'am. Please. Thank you. Our next question is from the line of Madhav from Fidelity. Please go ahead.

Madhav: Yes. Sir, I just wanted to understand that for this peptide CDMO franchise which we are looking to invest in, generally CDMO businesses have a slightly longer gestation period to get the pipeline with the innovators and build it up. Just wanted to understand where we are in that journey in terms of client relationship or projects in the pipeline? And how much time does it take before we see some of these molecules commercializing and scaling up for us? So, if you could give some timeline there, it will be helpful just to understand where we are in the cycle?

Sanjay Kumar: So, Madhav, you are right. The CDMO business by very nature is a long gestation projects by itself. But having said that, Senn Chemicals already have a book of business and ongoing projects at various levels, though at a small scale, that gives it some revenue visibility right away. What we are seeing today is both from the innovator company and the other players in the CDMO supply chain geared towards serving the innovator customers, we are seeing enquiries and demands all across the spectrum. And we are responding to those. We believe with Senn legacy, its own customer connect both with the innovators and with the other pharma partners, we are in a good shape. So, the priority is first on to execute well on the ongoing CDMO project that we are partnering on some of the in-clinical assets and simultaneously execute well on all the RFP, RFQ that we are receiving through them. So, we do have a visibility and the story of legacy of Senn backed by the backbone infrastructure that we are creating also out of India in a cost-efficient environment, is the story that has been gaining traction through our initial conversation with the customers. So, I will stop short there and will be able to provide additional visibility in the coming quarters. However, it is sufficient to say that we have an existing book of business and existing set of enquiries that we are responding to giving us a good visibility on the expected business that we can expect in the future quarters.

Madhav: But just a quick follow up, in terms of projects in the pipeline, generally, peers in the space, they give a breakdown in terms of how many projects they have in, phase one, phase two, phase three, something like that, are there any projects which are in phase three today or are we doing more phase one, phase two kind of projects, if you could give some color so we can make some assessment there.

Sanjay Kumar: So, Madhav, we are bound by confidentiality on these assets, and we are not at the freedom to disclose those. But yes, these are in clinical early stages, Madhav .

Madhav: Understood. Got it. Thank you.

Moderator: Our next question is from the line of Devanshi Shah from SDA Finance. Please go ahead.

Devanshi Shah: So, I had a few questions. First one was, with the new peptide R&D facility and integration of Senn Chemicals, what is roadmap for scaling peptide APIs and CDMO services and how do you see this contributing to differentiated growth in regulated markets?

Sanjay Kumar: So, Devanshi, in earlier question I alluded to the ongoing traction that we have on the CDMO side with a few existing projects in line and additional enquiries that we receive. I can provide additional color to the nature of those enquiries. Some of these are linked to the early phase in clinical asset and some of these are by the big innovator company to check for our capabilities as they ramp up their pipeline and more and more assets are expected. They are scouting for the right kind of assets and capabilities, asking the partners to demonstrate these capabilities in specific peptide segments. So, we are getting those tractions as well. In addition, there are needs for amino acid derivatives and small peptide fragments which is a common element across most of the players and they are looking for a reliable and a cost-efficient source outside of China. That is another tailwind that, that industry is facing and Senn Chemicals is well suited with this Ascelis platform to serve those demands.

Devanshi Shah: Okay, got it sir. Also, Europe's revenue contribution has improved sequentially. What factors really drove this recovery, was it like volume growth, say customer additions or improved supply dynamics, so, what was it?

Priyanka Chigurupati: I will take that question. I just answered it with the earlier gentleman. It is an increase in our capability of supply to Europe in addition to some additional launches that we actually pursued this quarter. So, we actually launched one product this quarter and you will see increased revenues coming from that one product going forward as well. And going forward for Europe, we have about 10 approvals that are pending within this year and next year, out of which one or two products we can only launch later because of patent situation, but we have about six products that we can launch upon approval. So, you will see revenues from Europe going up sequentially.

Devanshi Shah: Got it. Thank you so much. Thank you for answering my questions.

Moderator: Our next question is from the line of Maitri Sheth from Choice Institutional Equities. Please go ahead.

Maitri Sheth: So, I just have a couple of questions. One is on the CDMO peptide segment that has now started contributing to the revenue. So, if you can share any color on how much contribution we are expecting by this fiscal end? That is one. Second is on the API segment. If we are expecting any recovery going forward because the segment has been seeing a drag for quite a few quarters. So, maybe by this fiscal end, can we see a low single digit or mid single digit growth in the segment? That is all.

Dr. Krishna Chigurupati: On the API, let me take that question and the other question Sanjay will take that. API has never been a focus which means we are always trying to move forward in the chain. API is converting to PFI

and PFI to tablets. If you see our formulations growth, most of it has come from using our own APIs. And also there was a drag on Paracetamol in the past. That has slowly started picking up… Paracetamol, PFIs and APIs. So, we see some growth happening in APIs, but overall most of the APIs made in our facility will be for in-house use.

Sanjay Kumar: On the peptides, Maitri, the current book of business on an annualized basis is in the range of CHF15 to CHF20 million. But the good thing is now the Senn Chemicals would be out of certain delivery constraints. Earlier it was not able to take certain opportunity because it did not have the backbone of India-based supply infrastructure that we are able to bring to Ascelis. The number two, it did not have the scale-up capability beyond its **(Inaudible) 32:11**. We are addressing both of these constraints and trying to get the best use of, again I keep on saying, the once-in-a-lifetime opportunity that we see in more enquiries, more interaction with the customers, so that Senn is now well suited to leverage and execute on those opportunities, which earlier it was not able to do so.

Moderator: Our next question is from the line of Krisha Kansara from Molecule Ventures. Please go ahead.

Krisha Kansara: Thank you for letting me join again. Sir, I have one question related to our Gagillapur facility. So, you mentioned that the remediation activities will be concluded in near future. So, I have two questions with respect to this. One is, till date, how much have we spent towards this remediation initiative for our formulations facility? That is one. And second is somewhat similar to what the first participant asked. So, I just wanted to reconfirm the timeline because I missed your point? You mentioned that you are going to meet someone from FDA in this month and then they will plan for a re-inspection at our facility by December this year. And post that, it will take one or two months for the approval or the final outcome to come. Am I correct on the timeline? Thank you.

Krishna P Chigurupati: Yes, you are perfectly right, Krisha, on the timelines and the remediation. Basically, we are not supposed to go back to the FDA for six months from the date of the warning letter. So, that six months will be over next month and then we plan to go there. And regarding the other part of your question, Mukesh will take it.

Mukesh Surana: Yes, Krisha. So, with respect to remediation expenses and also there were some air freight costs we have incurred quarter-on-quarter, both put together, over the last three quarters, we have spent about Rs.80 crores on the OPEX side. In addition to that, on the CAPEX side, we have also incurred close to about Rs.50-odd crores. Some are improvement and some are also related to IT infrastructure and MES, which is estimated at Rs.50 crores. We have not fully spent, but CAPEX side is another Rs.50 crores.

Krisha Kansara: Okay. Sure. Thank you.

Moderator: Our next question is from the line of Devanshi Shah from SDA Finance. Please go ahead.

Devanshi Shah: Hi. Sorry, I have a few more follow-up questions. So, my first question was manpower costs have risen following the acquisition. So, should we expect these to stabilize over time or will they remain elevated due to ongoing integration and expanded operational scope?

Mukesh Surana: So, this increase in manpower cost is primarily with the consolidation of Senn Chemicals. So, this will remain at these levels going forward.

Devanshi Shah: Okay. Also, the ROCE has declined to 16% in Q1 FY26. So, partly due to increased capital incurred following the same chemicals acquisition? So, have you planned to improve return metrics over the coming quarters and what timeline do you see for realizing synergies from this investment?

Mukesh Surana: So, it is primarily because of Senn Chemicals AG acquisition, the ROCE has slightly dipped. Quarter-on-quarter, we may not see a significant improvement because it is a long gestation project where Sanjay has clarified earlier.

Sanjay Kumar: Yes, sure. So, we are working on quickly turning this around to a profitable business and we believe within 12 to 18 months, it will match the return metric that the parent organization has.

Devanshi Shah: Okay. Okay. And my last question was can you share more on the progress of the Gagillapur remediation program and its expected impact on operational readiness and supply continuity?

Krishna P Chigurupati: Devanshi, we have answered this question initially but let me repeat it. Yes, we are close to remediation and we expect that sometime in December, we will have a pre-audit and maybe a few weeks after that, we should get our clearance. And the impact is we will be able to produce more in our Gagillapur facility. Today, we are constrained to some extent. We have business but we have supply issues and also we will have a new approval coming through, and as we start launching those, again there will be uptick in sales. So, next fiscal, it is going to be a good year, back to our growth trajectory.

Devanshi Shah: Got it, sir. Thank you for taking my questions again. Thank you.

Moderator: Our next question is from the line of Harith Ahmed from Avendus Spark. Please go ahead.

Harith Ahmed: Hi. Thanks for the opportunity. Sir, if you can comment a bit about the new GLS facility and how we should think about ramp-up of utilizations there?

Krishna P Chigurupati: Yes, Harith. GLS, we have been producing some monograph products for the US so far, small quantities. Now, that is getting ramped up and also once we get the approval for the first molecule which we have done a site transfer to GLS, that is a large volume molecule and at least 40%, 35% of the capacity of GLS can be taken up just by that one product and then there are other filings which we have made for site transfer as they come through and those are all basically CBE-30s. So, they

would not take too long. So, I think by 1st Quarter of next year, we would have been fully ramped up in this site.

Harith Ahmed: Okay. Understood, sir. And now, when I look at our R&D spends, we have stepped up versus let us say four to five quarters back. So, the current spends of around Rs.300 crores on an annualized basis. Can you provide some color on the areas where we are spending and if you can quantify or talk about the number of filings that we are targeting?

Krishna P Chigurupati: Priyanka, you want to take that question, Priyanka?

Priyanka Chigurupati: Yes. Like we mentioned in several calls earlier, while we continue to spend on our regular products that we work on, the large volume integrated products, two special areas that we are focusing on are ADHD and oncology. The spend of each is a little bit higher than what we typically spend on as of now. Two, we are working on global expansion of these products. And that in itself increases the filing costs, etc., are quite significant in each region. So, if you combine both of them, that is why you see that the spend has gone up over the last couple of quarters. And also, the quality of filings that we are doing have significantly improved only because you can see that we have a couple of first-to-file products, which we can get into details about a little bit later, which we are very excited to launch in the next couple of years. And again, like I mentioned, oncology products, you will see them being going off-patent in about three to four years. So, we will start launching them in about three to four years in global markets. Does that answer your question?

Harith Ahmed: Yes. I was thinking about some qualitative color on the various segments, like control substances or some of the other areas.

Priyanka Chigurupati: ADHD means control substances, right, and apart from therapy agnostic.

Krishna P Chigurupati: Concentration is mostly on onco and ADHD as of now. And like Priyanka said, we are therapy-agnostic, but we are mostly concentrating on first-to-files and possibly some 505(b)(2). So, that is where the cost is going up.

Harith Ahmed: Sir, also about the recent leadership change, if you can give some color on how we are planning the transition post Dr. K.V.S. Ram Rao's resignation?

Krishna P Chigurupati: I am fully back in the seat, Harith, and I am very excited. And I think I will be able to make a positive difference. And also, family is getting involved more and more. And I am very confident of a very positive outcome.

Harith Ahmed: Thank you, sir. And last one, with your permission, on peptides, I am not very familiar with the capabilities that Senn Chemicals has. So, what exactly are our capabilities there in terms of protected amino acids, peptide fragments, APIs, and how do we see the capabilities evolving in the peptide

space? And if you can also comment a bit about the competitive landscape here? Some of our peers are fairly advanced in terms of their capabilities and capacity enhancements. So, are we a bit late in terms of our entry into the space, given that the market is fairly established and supply chains are fairly evolved currently?

Dr. P.V. Srinivas: Hi, Dr. Srinivas here. So, regarding Senn Chemicals, yes, they have very experienced peptide chemists and with a good pedigree and they are considered as experts in liquid phase peptide synthesis. But they also practice even solid phase peptide synthesis too. And of course, they are there in amino acid derivatives and then serving to the needs of both pharmaceutical industry as well as cosmetics. And they are all custom-made peptides and to the innovators as well as to cosmetic industry. Innovators, when I say that you know both in the case of pharmaceuticals as well as in cosmetic industry. So, they are there in that field and essentially, they have the capacity to produce up to kilogram scale, if not more than that. So, that is what about the capability of Senn Chemicals as of now. And we are backing it up by setting up the R&D facilities here in India. And essentially, what we are trying to do is that we are setting up both the synthesis as well as characterization facilities. And so, that whatever API development, that goes on, whether it is in India or in Switzerland, the characterization will happen here.

Krishna P Chigurupati: Harith, let me just add. Today people are moving away from solid phase synthesis to liquid phase. There are so many advantages in liquid phase, which was not realized before. And the capability Senn has on liquid phase is recognized by many of the companies and they are giving us products or discussing products with us, which will only be made in liquid phase and not in solid phase. So, that gives us a differentiated advantage as of today. And the fact that Senn is an expert on liquid phase is known throughout.

Harith Ahmed: Okay, sir.

Krishna P Chigurupati: Also, let me just add another one. The future is liquid phase synthesis for peptides.

Harith Ahmed: Okay. Got it, sir. Thank you for taking my questions.

Moderator: Ladies and gentlemen, as there are no further questions, I now hand the conference over to Dr. Krishna Prasad Chigurupati, the Chairman and Managing Director, for closing comments. Over to you, sir.

Krishna P Chigurupati: Thank you very much, ladies and gentlemen, for being with us today in spite of having many other Investor Calls today. So, thank you once again and look forward to meeting with you and being with you for the next quarter's resuslts.

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