



ANUH PHARMA LTD.

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Date: 31st May, 2022

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

Ref: Scrip Code No. 506260

Sub: Transcript of Earnings Audio Conference Call

Dear Sir/Madam,

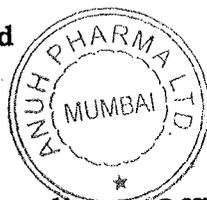
Please find attached herewith the Transcript of Earnings Audio Conference Call held on Monday, 30th May, 2022 at 4.30 PM wherein Financial Performance for Quarter and year ended 31st March, 2022 was discussed.

This is for your information, and we request you to take the above on record and treat the same as compliance under the applicable provisions of the SEBI Listing Regulations.

Thanking you,

Yours faithfully,
For **Anuh Pharma Limited**

Bharat Gangani
Company Secretary & Compliance Officer



Anuh Pharma Limited
Anuh Pharma Limited Q4 and FY22 Earnings Conference Call
May 30, 2022

Moderator: Good evening to all. Welcome to the Earnings Call of Anuh Pharma Limited organized by Latin Manharlal Securities Private Limited to discuss the financial performance for the quarter and year ended 31st March 2022. At this moment, all participants are in a listen only mode. There will be an opportunity to ask questions at the end of today's call. To ask a question attendee can press * and 1 on their phone. Please note that this call is recorded. Now, I shall hand over the call to Mr. Nirav Asher from Latin Manharlal Securities Private Limited research desk. Thank you and over to you sir.

Nirav Asher: Good evening, ladies and gentlemen and welcome to the conference call for the Q4 and FY 22 conference call of Anuh pharma limited on behalf of Latin Manharlal Securities. I welcome you all. I hope that you are doing well and are in sound health and good spirits. Today's conference call starts being attended by Mr. Ritesh Shah who is a joint managing director along with Mr. Darshan Rampariya, who is the CFO of the company and Mr. Bharat who is the company secretary. Initially Mr. Ritesh Shah will brief you all about the operations of the Company, the performance of the Company during the Q4 and the annual performance, which will be followed by the question-and-answer session. So, I think I will now hand over to Mr. Ritesh Shah to start off with the conference call proceeding.

Ritesh Shah: Yes, good afternoon, everybody, dear shareholders, I hope that you are in good health. I will be giving you a little brief about our performance for the financial year 22. Company has clocked total revenue of Rs. 491 crore in FY22 which is higher by 11.5% compared to FY21 with operating margin of 22.4% and EBITDA of Rs. 52 crores. Top three products groups in the terms of high contribution margin were Ambroxol hcl, Hydrochloride, Sulfadoxine and Gliclazide. The Maximum revenue was received from the sales of Erythromycin and salts which contributed to 26% of total sales. Company has been able to take good advantage of increased capacity on the CAPEX of Rs. 70 crores which was made in 2019 with manufacturing volume achieved of 867 tons out of total capacity of 1500 tons and is currently utilizing almost 60% of capacity. We have possibility to add another 300 tons of capacity in existing structure with addition of machineries. Compliance is the key factor that will drive momentum towards growth, environment safety and GMP compliances will be indispensable in the growth of pharmaceutical manufacturing units for the coming decade. Anu pharma continues to focus on this three pillars. Environment compliance, safety, compliance and GMP compliance for sustainable growth. Company focus in FY23 is to increase its market share of existing products and to increase presence in geographically, especially Vietnam, Japan and South Korea. Company has filed CEP for Gliclazide, Azithromycin and WHO PQ for Isoniazide, with this approval the opportunity for sales in European market and institutional business will open up. We estimate higher sales by at least Rs. 50 crore from this filling from two years of approval. Our focus for growth will rely on R&D and launch of more API's. We plan to introduce five products this year, which will build foundation of growth for next year and more. The products which will be commercialised are Allopurinol, Acebrophylline, Citicoline, Theophylline and Caffeine. To bring versatility in production capabilities the company plans to do capital expenditure of approximately Rs. 40 to 50 lakhs in FY23. Company has worked hard in FY22 to reduce costs by bringing efficiency in solvent recovery, increase in throughput and optimizing utility costs. This endeavor will continue looking at the challenges posed ahead. Due to global turmoil in commodity prices and inflation, pharma faces inflation induced slowdown but with opening of most countries post pandemic, we expect the demand of non-COVID products to improve. Also, domestic inventories are coming to normal levels and June to October the demand of antibiotic increase is in monsoon. So we expect demand to improve from the domestic business also. We thank you for your interest in working of the company and attending the investor call. We will now resume with question and answer session.

Moderator: Ladies and gentlemen, we will now begin the question and answer. To enter the question & answer queue, please press *1 on your phone. If you would like to withdraw your question and exit the queue, press *1 again. We have a question from Mr. Vinod Dadlani. Please go ahead, sir.

Vinod Dadlani: I can hear you well. So I have couple of queries. I think first I will take your related party return which you have filed. Okay. I think you have talked about from Rs. 12.51 crores of sales in the last six months to related parties. Can you tell us which are these related parties?

Ritesh Shah: One of the sister company S Kant Healthcare Ltd., they are into formulation and we are supplying API's to them.

Vinod Dadlani: Okay and what kind of a credit period do you extend to them please?

Ritesh Shah: 90 days.

Vinod Dadlani: 90 days because the outstanding is being shown as Rs. 9.14 crores. So, that works out to about I think much higher, may be four to five months.

Ritesh Shah: The amount of business is good we have only 90 days credit.

Vinod Dadlani: Okay, so you get it within 90 days, isn't it?

Ritesh Shah: Yes sir.

Vinod Dadlani: Fair enough, fair enough. Now, you have also talked about MD remuneration of Ritesh Shah: 50.92 lakhs, okay. Now, does it include your remuneration that means joint's remuneration that is only MD remuneration.

Ritesh Shah: So we are joint MDs there are two MDs Mr. Ritesh Shah and Mr. Vivek Shah. So, MD remuneration includes both of these.

Vinod Dadlani: Okay, so both these are in. Okay, perfect. Then sales. Sales are actually I don't know whether they are you have said 11% increased during the current year, but can you tell us how much of it is inflation factor and how much of it was quantum.

Ritesh Shah: 866 tons of quantum this year compared to 900 tons that we did the previous year. Balance inflation figures.

Vinod Dadlani: Come again, come again. I'm sorry.

Ritesh Shah: So, the volume that we have attained in financial year 2022 is 866 tons.

Vinod Dadlani: Okay.

Ritesh Shah: Vis-a-vis are 900 tons in FY21.

Vinod Dadlani: Okay.

Ritesh Shah: So this is the volume and so there is an inflation figure in the sales revenue also.

Vinod Dadlani: And how much how much are you planning to do this year and 2023 that is 2022-2023. Any kind of.

Ritesh Shah: Financial year 2023 we have a target of Rs. 600 crores

Vinod Dadlani: Rs.600 crores because last year also, I think you have said that you will have a much higher sales, but I do not think the figures have happened. So, I just want to know whether you will be able to achieve what you are planning.

Ritesh Shah: We are little, short right now, but we are expecting the demand to resume and we are very optimistic about it.

Vinod Dadlani: Fair enough. Then you have I think do you have any institutional holdings or you have only retail and promoters.

Ritesh Shah: Yes the holding is mainly divided between retail and promoters.

Vinod Dadlani: That means there is no institutional holding in your company, is it?

Ritesh Shah: We will recheck on this and come back to you. I do not have this particular answer ready.

Vinod Dadlani: What you have filed in the Stock Exchange's thing your shareholding pattern is only I think 70.43 promoters and 29.57 is retail public.

Ritesh Shah: Yes. So it is between those two only.

Vinod Dadlani: So you have not a single share, which is held by any mutual fund or any institution, is it?

Ritesh Shah: I don't think so. We need to check with this.

Vinod Dadlani: You were going after for last five years or so why did you I am sorry to say, but why did you go all out to put your shares on NSE for whose benefit? As far as, frankly speaking, what was the great idea of trying to put your shares on the NSE, list your shares on the NSE, after incurring all the additional expenses and the hassles when you have not a single shareholder from any institution?

Ritesh Shah: This was on the request of shareholders and after that discussion between the board of directors that the decision was taken.

Vinod Dadlani: No, that is, I think that is the same thing with you and then it took you five years and after five years, finally, you say no, we are not going ahead. Now, I do not know why all these expenses and all this time and all these kind of hopes, which you gave it to the shareholders that will soon get in there listed on NSE was for whose benefit? If you are not sure, then why did you first of all, make an attempt, you should have done your homework before making and you took five years and after that, you say, no, you are not going ahead. I think this point I had raised in the last analyst meet also.

Ritesh Shah: Right sir.

Vinod Dadlani: You can't be whimsical; you can't be running a company. If you have shareholders, then you have to listen to them and you have to find out. I do not know which how many retail shareholders came to you and I requested you for and you have to use your own brain. Some of the best of the bluest chip of the companies are not in the NSE and I think frankly speaking based on your performance, I do not think you need to be on NSE and your whole shareholding pattern is very clear that there is not a single shareholder from the institution.

Ritesh Shah: Right.

Vinod Dadlani: Then what was unnecessarily kind of as it was just to kind of are you were you trying to give the impression to the retail shareholders that you are getting into big league, which I do not think you will ever get because you are showing to that even in your I think you're in the industry kind of objective, you have said that you want to be one of the biggest, one of the leading bulk drug manufacturer, and I am sure you can never be in that kind of a league, you have to understand that you have limitations, you will never be able to compare with some of the biggest companies in India, I think India has some of the best API companies. So why don't you accept that you will be a good company in a medium size and be content with that. Why do you have to have Moongari Lal ke Sapne and make everyone feel that you are that we are part of a great company, your share has not performed at all in last one year

Ritesh Shah: I will take your constructive suggestions and we will fulfill. If you have any particular questions for the growth of company.

Vinod Dadlani: These things I will definitely bring it at the shareholders' AGM or whether it is physical, I do not think you will have physical you will have but frankly speaking, this is my advice to you.

Ritesh Shah: No we take every advice from every shareholder very constructively and we are really.

Vinod Dadlani: Unfortunately, you are not following you are still day dreaming. That is all I am saying. You are a Rs.500 crore company, but you think you are a Rs.5000 crore company. Accept that you are a Rs 500 crores company and you will remain Rs. 600 to 800 crore company in next three to five years and you will never get into that big league. So, have a realistic kind of vision and have a realistic hopes to shareholders and my suggestion to you is please, I think your holding is 70.43 You can go up to 75%. My advice, my request is I cannot advise you obviously you have got a board which is there. My only thing is that can you not start buying back shares either from the open market or under a tender system bring your shareholding to 75% and let shareholders whoever want to exit let them exit. It will not cost too much. The share is priced at Rs. 96. It has not been a great share to frankly speaking last two to three years. Why do not you allow why do not you give an exit option to all the shareholders either by open market or by this thing and you increase because you are very confident about your future. You allow your shareholding to go up to 75% you will have no problem. Without costing anything to you from the Company you can afford to do the buyback. This will be my advice. Can you think it seriously sir?

Ritesh Shah: Thank you. Perfect.

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

Any closing comments, sir?

Nirav Asher: Yes, so I think on behalf of the management, I thank you all the participants and we look forward to a confident path ahead for the company going ahead. Thank you very much to the participant and the management.

Ritesh Shah: Thank you. Thank you, everyone.

Moderator: Ladies and gentlemen, this concludes your call. We thank you for your participation and for using iJunxion Conference Service. You may please disconnect your lines now. Thank you and have a great evening.
