"**Shree Ganesh Remedies Limited**

Q2 & H1 FY25 Earnings Conference Call"

November 08, 2024

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Moderator: Ladies and gentlemen, good day and welcome to the Shree Ganesh Remedies Limited Q2 and H1 FY25 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 call, please signal an operator by pressing '*', then '0' on your touch tone phone. Please note that this conference is being recorded.

I now hand the conference over the Mr. Sayam Pokharna from TIL Advisors. Thank you and over to you, Sir.

Sayam Pokharna: Thank you. Good afternoon, ladies and gentlemen, and thank you for joining this Q2 and H1FY25 earnings conference Call of Shree Ganesh Remedies Limited. Results and the investor presentation have been uploaded on the Stock Exchange. To take us through today's results of this quarter and answer your questions, we have with us today, Mr. Gunjan Kothia – Whole Time Director, Mr. Parth Kothia – Whole Time Director and Chief Financial Officer.

We will be starting the call with a brief overview of the performance for the quarter and half year, which will be followed by a Q&A session. I would like to remind everyone that anything said on this call that reflects any outlook for the future, which can be construed as a forward-looking statement must be viewed in conjunction with the risk and uncertainties that we face.

With that said, I'll now hand over the call to Mr. Parth Kothia over to you Sir.

Parth Kothia: Good afternoon, ladies and gentlemen. Esteemed shareholders and valued partners, it is with great pleasure that I welcome you to the first earning call of Shree Ganesh Remedies Limited for Q2 FY25. We appreciate your presence today, especially as many of you are new to our business and journey. I'll first take a few minutes to provide you with the comprehensive overview of our company, followed by the detailed discussion of our performance for the quarter.

Shree Ganesh Remedies Limited has been prominent players for over 19 years specializing in pharmaceutical intermediate and specialty chemical. Our commitment to excellence is reflected in our ability to serve the clients across more than 20 countries worldwide, including significant markets in the European Union and United States. This global reach is a testament of our reputation as a reliable partner for leading companies, providing high quality custom manufacturing solutions to their needs.

At the core of our operations is a state of art research and development facility. This facility enables us to engage in complex chemistry and innovation, ensuring that we remain at the forefront of our industry. We have made continuous investments in expanding our manufacturing capabilities and R&D centers, which are essential for our enhancing production capacity, while fostering innovation. Our R&D expertise spans over several chemistries, which can be halogenation, reduction, carbon, carbon bond formation chemistry.

In addition to this core competencies, we are actively exploring opportunities to expand into dedicated blocks for oxidation and low temperature chemistry in the future. Our advanced technological capabilities empower us to handle the intricate chemical reactions with precision and efficiency, setting us apart in an increasingly competitive landscape.

At Shree Ganesh Remedies, we adhere to the discipline product selection philosophy that aligns with our strengths and strategic goals. Each product we manufacture must meet the specific criteria. It should meet our leveraged master chemistry field. We must be capable of managing the complex processes and implementing technology transfer from the clients. We should be able to do the backward integration for the cost control. It must involve multiple chemistries in these manufacturing processes.

Our internal benchmarks for the sustainable margins over the long term. This approach has allowed us to focus on the products that not only meet the market demand, but also help us maintain the healthy profit margin. Since our inception in 2004, we have witnessed significant changes in our business model. So initially, we focused on the pharmaceutical intermediates for the off patent and generic drugs. We're strategically shifting towards the specialty and fine chemicals, particularly for the patented molecules that require a strong technical know-how. This pivot is expected to result in a revenue contribution from specialty chemicals surpassing those from the pharmaceutical in the coming years.

Our extensive experience working with the top European pharmaceutical companies has equipped us with the robust infrastructure and documentation processes that has helped us to navigate the stringent regulatory requirements. As we have evolved, we are transitioning from being a third supplier for the medium based project to becoming a second supplier for the larger scale project.

Our growth strategy is supported by the significant Capex and initiatives at both our Ankleshwar site as well as the Dahej site. At Ankleshwar, we have acquired an adjoining property of 20,100 square meters in 2002 which supports ongoing expansion in pharmaceutical intermediates, specialty chemicals and fine chemicals. At our Dahej side, we have a land parcel of 40,554 square meters for the future expansion as well. We are currently finalizing the design of Block 7 while the Block 8 has commenced of commercial operation in quarter one of FY25. The Dahej site will facilitate the large-scale products with the major corporates requiring the dedicated plant setups while we are evaluating multiple products at the Dahej site, ensuring that all the developments are carried out in a phased manner.

Now turning to our financial performance for Q2 FY25, I'm pleased to report that this quarter has grown strong for Shree Ganesh Remedies Limited despite the challenging and operating environment characterized by the damping demand from the European country.

For the quarter ended September 30th, 2024, the revenue from operations stood at Rs. 32.33 crores, a decrease of 3% year on year. EBITDA margins was 11.31 crores, an increase of 23% year on year. Profit after tax was 6.39 crores, decrease of 2% year on year, EBITDA margin 35%, reflecting a 737-basis point year on year increase.

Revenue from Pharmaceutical intermediates was 19.02 crores. Revenue from Specialty Chemicals was 13.17 crores and revenue from exports was 21.03 crores. Revenue from the domestic sales was 11.07 crores. For the half period of six months ended September 30th, 2024, the revenue from operations 57.11 crores. EBITDA to that 19.43 crores. Profit after tax stood at 11.07 crores and EBITDA margin, reflecting 34%, an increase of 712 basis point YoY.

Looking ahead into FY25, we anticipated continued growth driving that strategic focus on optimizing our product mix, enhancing profitability through innovative approaches. Furthermore, there are several exciting developments on the horizon. The design phase for the blockchain is currently underway and expected to be commissioned once the design phase is finalized from 16 to 18 months. These blocks will be multi-purpose, similar to other blocks and will be focusing on complex specialty chemicals using automated controls targeting low volume with high profitability molecules.

Additionally, Block 8 has commenced commercial application in Q1 FY25 and is anticipated to make meaningful contribution in coming few quarters. With ample land available at both our, Ankleshwar and Dahej sites, we are well positioned for the future expansion opportunities. Our commitment to developing new complex molecules and enhancing advanced manufacturing capabilities provide a significant runway for growth.

Inclusive I would like to announce that moving forward, we will be establishing a regular practice of half yearly conference calls, team that keeping you updated about our business performances and strategic initiatives. We believe this will enhance transparency, foster stronger relationships with all the stakeholders.

We are now open to any questions that you may have.

Moderator: Thank you. The first question is from the line of Aditya Pal from MSA Capital Partners. Please go ahead.

Aditya Pal: Hi, thank you for the opportunity. Congratulations on the great set of numbers Gunjan and Parth. I wanted to quickly understand on the future pathway that so we used to do 2 and a half times asset turns and today we are sitting on a block of 121 odd crores. With the new molecules and the block 7, do you think that it will impact our sectors because it will be high margin but lower turns?

Parth Kothia: So, I think for the initial years, while the plant 8 has been commissioned, but for upcoming quarters, it will take some time to ramp up the manufacturing capacity. So, for the initial quarters for one year, we will see the asset turn to be different, but eventually once it has been in the full utilization, it should be as historical as it can.

Aditya Pal: And also, to touch base on my capacity, so we block 7 is coming online that will take 18 months. We have block 9, 10 and 11 in Ankleshwar and then we have the Dahej where we are trying to build a business where we will take and manufacture products for contract manufacturing in can you outline a road map for the next three to five years? How do you see the Capex coming around?

Gunjan Kothia: Parth, I think I'll answer this. Hi. Thank you for taking the call. So, the blocks 9, 10 and 11 we will only start commissioning and designing once we have a certain project or chemistry in mind. So how we design our blocks and how we construct our blocks depends on the chemistry. So, we normally don't put up the blocks to increase our capacity, but we put up the blocks to enhance our chemistry expertise. So even when we say we are designing a Block 7, so we have got a chemistry in mind around which we will design our block and all our blocks are multi-purpose. So, we are putting up a block to expand the chemistry of a carbon-carbon bond formation, and normally we have a flow of putting up a block or designing a block every year as and when we get new projects or as in when we feel that we have to enhance the capacity in the chemistry point of view. Regarding Dahej, we have dedicated Dahej site for total manufacturing projects, which are on a much larger scale compared to the Ankleshwar site. So, in Dahej site, we are planning to put up blocks which would be dedicated to a customer-based project. So, if our we are putting a block one in Dahej, it would be dedicated to one of the customers which will produce product only for them. So, for Dahej we have selected this model but for Ankleshwar, it's a multi-purpose block. All designs are multi-purpose and the projects would be more of a custom synthesis and not dedicated to customer but more of a CMO based model or a generic model.

Aditya Pal: Understood, understood. And a much more longer-term perspective. So, one is that what is plan for the next three years? Where do you want to focus in terms of geography, export or domestic in terms of product, pharma and versus fine and specialty chemicals and then there is also the crams business that we have and if you can tell me that what are what is the revenues that we're expecting in FY25 and again longer-term picture of how those four to five projects that we had are panning out?

Gunjan Kothia: Only longer term prospective, I would say although we started our company to cater to the pharmaceutical industry, but over a period of time we diversified more towards the custom manufacturing projects. So, as Parth mentioned in the introductory speech, we currently select the projects based on the chemistry expertise and the technologies that we are very well known to. So, when we go to the exhibitions, normally we showcase our chemistries, and we select the custom manufacturing projects based on those chemistries. So, using this model, we leverage our chemistry expertise, and we also leverage our technology, know-how to improve on the cost and maintain the sustainable margins. So, we select the projects based on this model since last four years and that's why there has been a shift in the I would say sales and the related figures. Regarding the sales figures on the upcoming financial years, we have few projects in the pipelines for the custom manufacturing as well as some of the catalog products that we wish to develop. On the custom manufacturing projects, I would say one of the projects on the fine and spectrum side has been commercialized and we have started supplying to the customers. On the other crams project, we are still under discussion with the customers and R&D work is ongoing and the sample submission is ongoing. I would not be able to comment on what value would it contribute to the total sales because there are few other potential leaders as well in these projects. But we can say for sure that because we have selected as a one of the trusted suppliers, we would definitely get projects from them in the future once these samples are approved and piloting is done. But I would not be able to comment on a sales figure at the moment like how much will it contribute. But we will try to maintain the trend that we have tried in the past. And we'll keep our mind open for the new projects and we hope that this customer can consider us in the top two suppliers, that all we can say at the moment.

Aditya Pal: If I can squeeze one more question, wanted to understand your backward integration thought process that when we are looking at a molecule, what are the KPIs that you are looking for to start back because I understand that there will be certain capacity that will be dedicated towards backward integration and at sub point to that part in Gunjan would be that our gross margins have increased quite well over the last four quarters. I understand that some bit of it would be that Gunjan also mentioned in his press release that in a timely buying of raw materials in Q3, that is what led to it but over the next, say one or two years, do you think the gross margins is sustainable at 55-60 odd percent with the introduction of new high value molecule, do you think going this upwards and with more backward integrated molecules do you think that again will the 65 become 70? So, wanted some color on that?

Parth Kothia: So, the improvement in the margin is because one of the crams projects as I mentioned has been commercialized. And also due to timely buying material, it has definitely contributed to the improvement in margin, but mainly the improvement in the margins is the true one of this fine and spectrum project on the CMO space which has been commercialized. Because volumes are small at the moment, we are getting a quite high margin and high value on this product. But going forward in the future, as and when the volumes will keep on increasing, there will be a price pressure. So, we cannot certainly say that we will be able to maintain the same high level of margins in the future but we do try to maintain as high as possible by going backward integration. So, what we do is if we are catering to a multiple step synthesis crams project, we always try to improve on the back steps or we try to backward integrate or make one of the key raw materials which is impacting the final price of the product in house. So even if the price pressure comes due to the volume, we can try to maintain the margins. That's our philosophy and that's why when we select the projects, we always select projects based on the chemistry such that in the future when the price pressure is there, we can try to move the raw material which is putting the price pressure on the final product in house, and thus we can try to maintain the healthy margins but answer to your question would be if we can maintain the high margins in the future, these are quite odd margins because of the crams project, which has been commercialized and we are getting good value, but we are seeing this pressure coming in this project because the volumes are also increasing. So, I cannot say that we would be maintaining this margins in the future, but we will try to maintain as high as possible.

Moderator: Thank you, Sir. The next question is from the line of Keshav from Braxtons Investors. Please go ahead.

Keshav: Hi, thanks for holding this call. Firstly, in our presentation in the specialty in fine chemicals basket, we mentioned we are getting inquiries for larger volumes and also, we are moving from a third to a second supplier for a client, so can you elaborate a bit on the same and also help understand from our two to three-year point of view, how this should financially impact the company? How does this affect margins and scale and something along those lines please?

Gunjan Kothia: So as per the ongoing trend, we are seeing a small gap in the European market space. As you might have seen from the past results, the European market has been slow. So overall there is a suppress in the revenue. But as you rightly said, we mentioned in our presentation, we are getting more inquiries on the finance fine chem space, through our exhibitions across the world. Going forward, as I mentioned, one of the Crams projects has been commercialized and that has contributed to the good margins, as we can see from the results and we still have 3 or 4 projects in the pipeline which we are discussing with the customer or doing some R&D to submit the samples. On this segment, the projects are in the agrochemicals, fine and specialty chemicals and the one of the recent projects we have been discussing in the electronic chemical space and on the geography, these projects are from Europe, Japan and the USA. If this project gets commercialized in the future, we would see healthy growth in the revenue and also in the margins. But at the moment we are unable to comment on those figures because the customer has also not disclosed what would be the peak demand and as I mentioned, because we are one of their potential suppliers so, there are other suppliers in pipeline as well. So, we cannot certainly say like what would be the volumes and the figures, but what we can say for sure is we are bidding in these projects and we would definitely get the chance to supply these products because when a customer gave us a crams projects and when we sign a CDA and the technology is being shared, the customer would only do that if they would like to buy from us. So going forward in the future, you will see a lot more revenue from crams side of a business, but figures at the moment I'm unable to comment on that because of some of the hidden figures and some of the data that we are not able to share due to the customer NDA and CDA's.

Keshav: So qualitatively, would it be fair to assume that these projects would be relatively late-stage development projects?

Gunjan Kothia: Yeah. So, these projects at the moment so in the two of the projects we have been doing R&D and submitting samples for their approval. So, one of the project, we have a potential to supply small quantity in the next financial year, but from these projects, the major revenue would be seen 2 or 3 years down the line, so yes, they are long term projects, but they are more of a stable project. Once we start the supply, they will slowly ramp up and we will continue this supply chain for a longer period of time.

Keshav: Just for a little more clarity. So, in comparison to the preclinical pharma value chain where there is a lot of attrition, are the odds of commercialization overall better because we are communication sort of says that we are moving more from pharma to the other spec chem and fine chem basket. So, we either because that we have better odds on that side?

Gunjan Kothia: Yes. So, these projects will not take longer time similar to pharma space for the approval. But because there are new projects in their space and the customer have patents on them, so they would buy some small quantities, do to stability test, which normally takes one to two years and then they will start buying on the commercial scale compared to the pharma where it can take up to four to five years. The approval and the stability period is quite shorter in these projects, but I would say it will definitely take two odd years to get them on a commercial scale.

Keshav: Sure, Sir. And lastly, Sir, we in our presentation, we have also mentioned that our focus in pharma intermediates basket is in the off patent and generic pool. And I've been following the company for a while. So, and I've seen that our product list has, uh, products like Cabozantinib since many years and we have we also make Olaparib intermediates which are both blockbuster and patent protected drugs. So, can you help reconcile if we are not really in the innovator chain and I mean basically clarify if off patent and generic is exact entirely what we look at or also we look at the crams basket in the innovator space as well?

Gunjan Kothia: In pharma space, we are not working with innovator when the product is new or patented, but when it gets too generic, we participate in those projects. As you rightly said, we have mentioned the Carbozantinib and Olaparib intermediates, so when the project is going to be off patent, many of the European or any of the pharma companies, they try to get the product approved or they try to repair the DMA file prior to getting it off patent to be prepared to launch the product as soon as it is generic. So we are supplying these intermediates to the companies who are preparing the file for supplying the generic product when it goes to generic so answer to your question is like we are not in contact with the innovator for these drugs, but we are supplying to the generic players who would be supplying on a larger scale when it goes generic. But we are working on an innovator side on the crams space, not in the pharma space. So, when I say we are working on a project in Agro space and electronical space, those projects, customers are innovator. Those projects are first in their line and customer have their patent or they have already filed the patent and waiting to be granted. So, on that side, we are working with innovators where the technology is quite new. But in the pharma, we still continue to work on generic space only.

Keshav: Great and that will be all from my side. I'll come back in the queue. Thank you.

Moderator: The next question is on the line of Ankit Gupta from Bamboo Capital. Please go ahead.

Ankit Gupta: Yeah. Thanks for the opportunity. So, my question was on the capacity we have currently and given you know our multiple discussion that we have with our clients for the trans project, do you think we have sufficient availability of equipment's in case or the plant availability in case you know some of these crams projects are granted to us?

Gunjan Kothia: From capacity point of view, I feel confident that we have quite good amount of capacity to cater to the commercial scale purchase. So, when we say that we are designing a block or when we are putting up a block so normally when we supply pilot quantities or R&D quantities, and if we get some indication from the customer of future commercial demand, we start designing the block and putting up the capacity. So, in the past, we never had faced any issues from the capacity constraints. I'm fairly confident that we would be able to cater to the increased volume or ramp up the volume if it appears in a sudden you know if it appears suddenly that if they require a good amount of quantity in the future, we are very well equipped to do so.

Ankit Gupta: That's great so where a future quantity also you will be able to serve with the new plan that is coming up?

Gunjan Kothia: Yes, so. We are already designing our plants, keeping the future demands in mind and also in some of the chemistries we are trying to improve the speed of the reaction or trying to implement the technology where we can do a part of a reaction in a flow chemistry where we can use the existing facility and double the production. So, we are trying to add the capacity, but we are also trying to improve the technology to improve the production rate from the existing plants. So, we are working on both ends.

Ankit Gupta: Sure. And my second question was on the margin front. You know, last three, four quarters, we have seen, you know our company hitting the margins of 30% plus on the EBITDA front. Of course, you know Q4 margins of last year were, as you said in the investment meet, what a bit of aberration, but do you think 30% is the margin, is the new base from for the company and you know given and how things are shaping up on the crams front, which are also higher margin segment. So, 30% is something that is what we should be able to is the base margin for us for the company?

Parth Kothia: I can take this one. So, for the margin like guidance as we have mentioned earlier in the press releases, so 30% wouldn't be the sustainable margin for the upcoming quarters as Gunjan mentioned and as it's mentioned in the commentary, the higher margin is seen due to the crams project, the CMU project that has been from the quarter four of last year. Going forward, I think 24 to 28% the guidance that we have given in, that is the range of margin of what we see is sustainable over the long 3,4,5 years.

Ankit Gupta: Sure, even with the increasing contribution of crams project on fine and specialty side this month, this is these are the target that you're looking at because as you've always been saying that you know the crams projects are higher margin project in this are on the patented side. So, if the contribution for this segment increases overall, the margins should logically increase, right?

Parth Kothia: Right. So, there are two event services. First one is like when the crams project is in the initial years with the customers. We usually enjoy the higher margins for the initial 3-4 quarters. Once the quantity increases for the project, there's pricing pressure for those investment margins. Secondly, we are trying to do the better product mix. So, like for example this current quarter, we had better product mix rather than the last one so as and when we increase the product mix with a different crams CMO as well as the specialty and fine and the catalog products, we will see some kind of higher revenue rate, but the margins will then still normalize between 24 to 28%. For the Crams project, you're right that we'll enjoy the higher margins, but for the other products where we have developed in House and supplied to customers. It will be the little lower margin which will offset and come to the 24 to 28%.

Ankit Gupta: Sure. OK. And you know, given we had a very large base of X2 in last year and given our performance in first half of this year, do you think you know this year is expected to largely remain flat in terms of revenue?

Parth Kothia: In terms of revenue, so you are seeing for the whole year, right?

Ankit Gupta: For FY25, yeah.

Parth Kothia: Yeah, FY25, I think so for this year, the European region, like which is our major supplier, has been dampening in the requirement. So, for the current year it will be for the last year we will maintain it for the last year, but we will see some kind of ramp up in the quarter one and upcoming quarters from the next year.

Ankit Gupta: OK. And next year, we can see significant growth is what you're indicating?

Parth Kothia: For the projects, so significant growth, so like as of now we have supplied the pilot scale samples to the customer that's been approved. We will see some kind of indication from the customer in probably quarter 4 of this year for the upcoming order book.

Ankit Gupta: OK, OK. Thank you. And wish you the best.

Moderator: Thank you. The next question is from the line of Prateek Chaudhary from Saamarthya Capital. Please go ahead.

Prateek Chaudhary: Yeah, Sir, the crams projects that we are in discussions with that will all of those projects will happen from the Ankleshwar site itself, right or will there will there be some lower to Dahej as well for you know for the start of that facility?

Gunjan Kothia: So, for the Crams project, if it is a project that requires multiple chemistry and multiple technologies then it will be done from the Ankleshwar. And if the volume is below 100 tons or in the range of 50 to 100 tons, it will be catered from the Ankleshwar site. But if the volumes are quite larger in the cramp space and a dedicated block is must for this new project, which is quite high in the volumes. Then that project will go to the Dahej so as I mentioned in Dahej, we are planning to put up blocks which would be dedicated to the customer which will supply the product continuously to the customer across the year as per the requirement and if the project is small in volume and high in value, and requires multiple blocks to be used to manufacture them then it will be catered from the Ankleshwar site.

Prateek Chaudhary: Ok and Dahej, if you can, you know, give more color as to what is the tentative timeline, we are looking at for start of major investments on that land parcel and yeah, if you can start with that and then I'll have just one or two more follow up questions.

Gunjan Kothia: At the moment we are still discussing with the customers on the projects, which are quite high in volume. We are doing some R&D on the same once we are through with the sample approvals, we are expecting them to plan to expand our capacity in Dahej site. From the ongoing conversation, I would say it will take roughly. 1.5 to 2 years to start building up the blocks into the headset, we have already put some boundaries and to environment permissions to start construction, so we are just waiting for our mutual discussion and the samples approval and in the meantime, our Ankleshwar capacity and our ongoing expansion in the Ankleshwar site is sufficient enough to submit the samples and keep the projects ongoing, so we will only start investing on the Dahej site once. We have signed a contract or a supply contract with these customers who have multiple time demand of their projects.

Prateek Chaudhary: And in your estimation that moment is around 1.5 years away from now?

Gunjan Kothia: Yes, 1.5 to 2. Yes, yes, correct.

Prateek Chaudhary: And then thereafter, the plant will take another one year to construct?

Gunjan Kothia: Yes. So normally our construction time to complete the block is 15 to 18 months and then trials and then commercial production. But in the meantime, as I said, we'll continue to supply these small quantities to keep their production trials ongoing from the Ankleshwar site, so the project will continue, but the major volumes which are need to be supplied on a big commercial scale will be catered from the Dahej site.

Prateek Chaudhary: And on the margins in, in your rough estimation, because that will be a new facility and these will be large scale volumes. So, would margins be considerably lower on anything that comes out of Dahej given the nature of the market and the and the kind of products we would be making?

Gunjan Kothia: The margins compared to the low volume crams project would be much lower, but they should not be below our standard baseline what we have decided and what we have been commenting in the range of 25 to 28%, but we always try to discuss with the customer with the technology input that we try to maintain the healthy margins, but certainly the margins would be much lower compared to the Crams project that would be from that lesser side because with volumes, the margins are always on the lower end but they contribute to a higher revenue and to balance the margins with the low volume projects.

Prateek Chaudhary: OK. And the one of the crams projects that got commercialized which started in Q4 last year, where are we as far as ramp up is concerned on that project?

Gunjan Kothia: So, that we have started supplying commercially, but the peak demand would come into the picture, 1.5 to 2 years down the line, but currently at the moment in the Q4, we had supplied trial quantities and now we are seeing that slowly increase in the commercial demand. But customer is trying to push their end product and try to market it quite aggressively. So as per the ongoing conversations I feel to reach at its peak, it might take 1.5 to 2 years down the line, when it will reach at its peak volume.

Prateek Chaudhary: OK. And would you be comfortable disclosing that peak volume number for this particular project?

Gunjan Kothia: No because customer is also honestly doing some market study to help us also ramp up the manufacturing capacity. So, we would have more clear picture by the Q4 of this FY. So, at the moment, we don't have any figures in the mind that we would be able to comment on.

Prateek Chaudhary: And an additional crams project what would be say the second one that starts immediately after this. What would be the rough tentative timelines on the same for trial quantities?

Gunjan Kothia: The trial quantities of the ongoing 2 crams would be. In the picture I would say into Q2 of the next year. It might be a little bit late or early, but at the moment from the ongoing conversation, I would say the trial quantities would be in the plans in Q2 next financial year.

Prateek Chaudhary: Understood, Sir. Thanks a lot. And all the best. Thank you.

Moderator: Thank you. The next question is from the line of Aditya Pal from MSA Capital Partners. Please go ahead.

Aditya Pal: Thank you for the opportunity again. Gunjan, just wanted to understand your answer to the previous participant that the remaining blocks that is 9, 10 and 11, we're looking to start manufacturing from there in the next 2 and a half years. Once we start doing that, what would be the Capex requirement for these three blocks and what would be the gross block of completion when we complete these three blocks?

Gunjan Kothia: At our normally blocks Capex requirement is between 10 to 20 crores depending on the technology and depending on the equipment that we put on in these blocks. So, if we are going to calculate for the block 9, 10 and 11, I would say the gross block can increase anywhere from 50 Crores to 80 Crores.

Aditya Pal: And just one last question. So, in Q4 we ended revenues Q4 by 24, we did revenues of 37 crores. Out of these 37 crores, what would be the revenue that we generated from crams that is the trial portion that we had supplied?

Parth Kothia: So, I will just comment on this. So historically, we haven't given the numbers just because of the competitive landscape reason. But I would say the revenue contribution was significant in quarter four of last year, but we might not see the same revenue contribution as that quarter was the first initial quarter of the commercial supply for the CMO project. But the quantity supply has been spread out over the multiple quarters of that crams project in this current year.

Aditya Pal: Thank you and wishing you all the very best.

Moderator: As there are no further questions, I now hand the conference over to Mr. Parth Kothia here for his closing comment.

Parth Kothia: Thank you. Thank you everyone for joining us on the call today. We appreciate your time and the interest in the company. Shree Ganesh Remedies Limited from the team, I wish you the best and a great day ahead. We conclude our earnings calls for the Q2FY25. Thank you very much for your time.

Moderator: Thank you, members of the management team. Ladies and gentlemen, on behalf of Shree Ganesh Remedies Limited, that concludes this conference call. We thank you for joining us and you may now disconnect your lines. Thank you.