

Date: May 28, 2026

To,
The Manager- Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, Plot No. C/1, Block-G,
Bandra - Kurla Complex, Bandra (E),
Mumbai - 400051

SYMBOL: REMUS

Dear Sir/Madam,

Sub.: Transcript of the Earnings Conference Call – H2-FY26 & FY26

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and in continuation to our intimations dated May 16, 2026 and May 21, 2026, please find enclosed the transcript of the Earnings Conference Call for the H2-FY26 & FY26, held on Thursday, May 21, 2026 at 02:00 P.M. (IST).

The aforesaid information is also being hosted on the Company's website at www.remuspharma.com.

You are requested to take the same on record.

Thanking you.

For, Remus Pharmaceuticals Limited

Deval Patel
Company Secretary and Compliance Officer
ICSI Membership No.: A60090

Encl: As Above

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**Remus Pharmaceuticals Limited
H2 FY'26 Earnings Conference Call
May 21, 2026**

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on May 21, 2026 will prevail

Moderator: Ladies and gentlemen, good day and welcome to the Remus Pharmaceuticals Limited's H2 FY '26 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 touchtone phone.

I now hand the conference call over to Ms. Purvangi Jain from Valorem Advisors.

Purvangi Jain: Good afternoon, everyone and a very warm welcome to you all. My name is Purvangi Jain from Valorem Advisors. We represent the Investor Relations of the Remus Pharmaceuticals Limited. On behalf of the company, I would like to thank you all those participating in today's earnings call for the second half and the Financial Year Ended 2026.

Before we begin let me mention a quick cautionary statement:

Some of the statements made in today's earnings call may be forward-looking in nature. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ from those anticipated. Such statements are based on management's beliefs as well as assumptions made by and information currently available to the management. Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decisions. The purpose of today's earnings call is purely to educate and bring awareness about the company's fundamental business and financial period under review.

Now, let me introduce you to the management participating with us in today's Earnings Call and hand it over to them for their opening remarks:

We have with us Mr. Arpit Shah, Managing Director and Ms. Anjali Shah – Chief Financial Officer.

Without any further delay, I request Ms. Anjali Shah to start with financial highlights for the period under review, followed by operational highlights from Mr. Arpit Shah.

Thank you and over to you, ma'am.

Anjali Shah: Thank you, Ms. Purvangi, and good afternoon, everyone. We are pleased to welcome you all to the earnings conference call for the Second Half of the Financial Year Ended 2026.

Let me begin with the financial highlights:

So, on stand-alone basis, during second half of our Financial Year 2026, our revenue from operations stood at INR 47 crores, reflecting 14% year-on-year growth. The operational EBITDA stood at INR 15 crores, marking a 2% increase year-on-year basis, with a healthy EBITDA margin of 31.85%. Also, the company reported a net profit of INR 13 crores, representing 19% year-on-year increase and a PAT margin of 26.96%.

On consolidated basis, during the second half of the financial year, our revenue from operations stood at INR 453 crores, reflecting 30% growth year-on-year basis. The operational EBITDA stood at INR 30 crores, which is up by 22% year-on-year basis, and EBITDA margin of 6.57%. The net profit for the period was INR 25 crores, a 20% increase year-on-year basis, and PAT margin of 5.43%.

Moving on, for the Financial Year Ending 2026:

Our consolidated revenue from operations stood at INR 854 crores, reflecting 38% growth year-on-year basis, and EBITDA stood at INR 57 crores, with an increase of 24% year-on-year basis. The net profit for the year stood at INR 46 crores, representing the growth of 20% year-on-year basis, and our net profit allocated to our holding company i.e. Remus, is at INR 37 crores for the year, with an increase of 27% year-on-year basis. So, these were the financial highlights.

Now, I would like our Managing Director – Mr. Arpit Shah, to give you the operational highlights for the period under review. Thank you, and over to you, sir.

Arpit Shah:

Thank you so much, Anjali, and very good afternoon, everyone. I am happy to share with you the performance highlights of our company for the second half of FY '26. This will give you the roadmap of Remus Pharmaceuticals Limited for FY2027.

The second half of FY2026 marked another phase of strong execution and strategic progress for Remus Pharmaceuticals as we continue to strengthen our global footprint while scaling both our B2B and emerging B2C businesses across key international markets. At Remus Pharmaceuticals, we take immense pride in our expanding global footprint and strong relationships that we have built across the international markets that we are present in. Today, we operate in more than 40 countries for the export of finished formulations with particularly strong presence across Latin America where we have established not only scale but also deep trust and long-standing partnerships.

What differentiates Remus is our ability to identify niche opportunities and launch new products in a short span of time, enabling us to capitalize opportunities on first-mover advantages across multiple markets. This agility is backed by our strong regulatory expertise, product selection capabilities, and extensive experience in compliances and market registration. Over 95% of our exports comprise advanced and niche formulations including

tablet capsules, injections, inhalers, soft gels, and oral suspensions as well, allowing us to deliver safe, reliable, and effective healthcare across our partners across the countries that we are present.

We continue to operate through a diversified network of B2B, B2C, and direct government institutional partnerships while simultaneously strengthening our brand building to subsidiaries to build deeper engagement with healthcare professionals, prescribers, and patients. Our B2C business continues to witness strong momentum with its contribution increasing from 4% last year to 14% this year while the B2B segment contributes the remaining 86% of our revenue. This is an evolving business mix reflecting our strategic focus on scaling higher margin businesses and strengthening our brand presence across key international markets.

During the period, we continue to strengthen our presence across key international markets through product in-licensing, regulatory filing, institutional tenders with the government, and expansion of our specialty portfolio. Starting with Latin America, we've made significant progress across multiple countries. In Mexico, Chile, and Peru, we've in-licensed products such as Rifaximin and Fexofenadine strengthening our anti-infective and anti-allergy portfolio. In Venezuela, we executed direct supplies orders for Rivastigmine patches, which is further strengthening our CNS portfolio.

We also expanded our urology portfolio through the launch of Mirabegron and Mirabegron plus Solifenacin across four countries in Latin America. Additionally, a government tender in Nicaragua for ceftazidime Avibactam which is a very specialized drug with injections which we have directly supplied to the government tenders, and we expect this to be a recurring order every quarter or two. While continuing regulatory filings across multiple international markets, during this quarter, we also filed five products with Chile ISP, an in-licensed Dapagliflozin tablets, and three SKUs of Rivaroxaban with bioequivalent studies for the Chile market.

This will give us a lot of strength in the market as our products are tested on the human and proven categories of investment that we have done on this, which will give us a lot of hold in the chronic therapy portfolio in the region. Further, through Relius Bolivia, which is our subsidiary, we've launched 26 products under B2C segment, with additional 40 products planned in the next two to three months.

We've also strengthened our CNS portfolio through launches of products such as Brivaracetam, Valproic acid, Risperidone, and Lamotrigine tablets. Focusing more on the CNS portfolio, the medications that we have been prescribed by the patients are more or less for lifetime, so we are anticipating that our growth trajectory in CNS portfolio, as well as urology, will grow. Additionally, we have also registered a niche specialty product like Triptorelin injection in

Bolivia, where this will give us a lot of access to specialty portfolio in Bolivian markets, with government as well as private markets.

We also successfully cleared the Peru DIGEMID audit in February 2026, reinforcing our regulatory credibility and supporting future expansion across Latin American markets. This was a very important milestone for us, as now that we have been registered and cleared by Inspection of Peru, we have planned already 60 products to be filed in three months, with a faster approval time and commercializing expected in this financial year itself. In Asia and ASEAN markets, we have been licensed Peg-filgrastim and Filgrastim PFS injection for the Philippines and Vietnam markets. These are very complex, high-value products, lesser manufacturers and competitors in the market, and the regulatory submission is already being filed as we speak. This will strengthen our oncology pipeline in this region.

In the Middle East, we secured a NUPCO tender with Saudi Arabia for Topiramate capsules. This has given us access to one more product in Saudi Arabia. We have already been selling around 4 to 6 products in Saudi Arabia since the last two years. This has added new more to our portfolio in supplying products to the Government of Saudi Arabia.

In Europe and Africa, we have secured a direct anti-TB tender in North Macedonia. Just to brief, it's a small country. We've been supplying products for tuberculosis patients, for Rifampicin and Isoniazid, which is a four-drug, fixed-dose combination, with the supplies to be secured from the EU GMP-approved plan that we have done. We also finalized a multi-country agreement with MMC from India for Ondansetron injections of five African countries, further strengthening our institutional and international business presence.

Separately, a key strategy milestone during the quarter was the initiation of filing for semaglutide tablets and injections across non-patented emerging markets through both B2B and B2C channels, marking our entry in the fast-growing GLP-1 and anti-obesity segment.

In line with our geographical expansion strategy, we expanded our commercial presence this year in four new markets, which are Myanmar, Nicaragua, Macedonia, and Madagascar. As we look ahead, we will continue to strengthen both vertical, accelerate new product filings, and expand our presence in high-potential international markets. We are confident that our corporate strategy will continue to drive sustainable growth and create long-term value for our shareholders.

Before I open for questions-and-answers session, it is very important from us to convey that the kind of roadmap that we have created and the business strategy updates that I just spoke and we can go into the details of it. It will be a strong roadmap for us this year, FY2027. We are looking at a lot of commercials happening from the activities that we have put across and we would love to have question-and-answer session from all of you. Thank you.

Moderator: Thank you. We will now begin the question-and-answer session. The first question comes from the line of Pranav Sharma, an individual investor.

Pranav Sharma: Hello, sir. So, I just wanted to know, the management had guided for B2C contribution to reach by like 18% to 20% by the end of FY26. So, what are we currently standing on and what will be our target for FY '27?

Arpit Shah: Correct. So, as we speak, this last year, B2C was 14% to 15% on the growth. There were certain product launches that were expected to do in Q1, which was delayed due to political and geographical mishappenings that had happened. So, this year is already planned. So, as I said in my speech, we've been already launching 26 products in Bolivia in next two to three months. And this will give us a boost on the B2C market where the margins on us are pretty much higher than what we do in B2B.

Pranav Sharma: Okay, sir. The question I have is on the semaglutide. So, basically, what is the expectation like in the emerging markets for commercialization? And what are the markets that we are going to launch?

Arpit Shah: Correct. So, Semaglutide, we have filed in several countries where we will launch this product based on the patent. So, the product patent is expired in India, as everyone knows about it. But in several other countries, there is still a patent. So, for us, we have planned to launch this year in 3 to 4 countries where filings have already been done, both on tablets and injections as well. So, for us, this year, we will do commercialize in 3 to 4 countries where there are non-patented markets. For the patent, patented markets, we are getting ready to get at least the approval of the product and not commercialize it. We will be ready once the patent is over. So, several different countries have patent extending to 2027, 2028, and 2029. So, this is what our plan is that our roadmap already has been there to ensure that the filings are ready, up and running. And then once the patent expires, we will be one of the first generics to be launching this product in the patented market, which is right now.

Pranav Sharma: Okay, sir. Thank you. Thank you for your answer.

Moderator: Thank you. The next question comes from the line of Nishita with Sapphire Capital. Please go ahead.

Nishita: So, like on the previous participant's question only, we guided for 18% to 20% of B2C contribution in FY '26. And we've done 14%. And you mentioned that because of the geopolitical situation, our launches were delayed. So, I just wanted to understand what has changed now because the geopolitical situation still persists.

Arpit Shah: So, to contribute to the gap of 4%, to put it in that way, that were our expectations from the last year's growth on the B2C. Second is, we are comparing this with the total revenue. So, on our B2B, we've increased our share of sales a little. So, that also would give us a slightly lower on the B2C. What has changed for now is, the launch was delayed. It was not cancelled. So, for us, to launch the product, the products are ready. The products are already in the market. We are not putting it on the shelf because all said and done, now that we have been open on traveling, my team is there. I am also traveling next month. I just came last week from the market. So, for now, what has changed is our accessibility to be there and ensure that the launch is up to the mark of how we do it. For us, the launch matters a lot. And we would not want to hurry on our launches based on anything that is being dependent on the country side, from the country's perspective. So, we are looking at somewhere in the next one or two months to be launched up and running. So, this portion of B2C will actually grow more than what we anticipated last year. Second, very important to know for the fact that all the launches happen with an approval from the Ministry of Health. So, if that is something which is not in our hands, we can't do anything more than that. But we've ensured that everything is planned as per what we want to do. And we have been only delayed on a month or two, nothing beyond that. So, last year, it was four years, a 4%, which 3% to 4%, which is now 14% to 15%. So, we've already seen a 10%-11% growth. And this year, now that whatever has been pending from last quarter, which is Q4, will give us a bump up in our Q1 this year. So, we are already on track on this. And for us, there's nothing that has been changed, except the timeline was pushed back a month or two.

Nishita: Okay, understood. So, in FY '27, how much growth do we see in B2C segment and in B2B segment?

Arpit Shah: So, from total revenue, put it in percentage wise, we are looking at at least 30% on B2C with whatever we have on plate and whatever approvals and the brand that we will get a trademark and approval on it. Most important for us is whenever we do in the B2C market, we have to secure our brands and the brand trademarks. So, trademarks are some process where we've already been doing it well in advance so that we don't have to wait for those approvals and trademarks done on it, which is why this year, we ourselves have registered around 126 brand names and trademarks for the B2C market. So, we think that close to around another 15% from what we have this year, we will see a growth on it. So, we are looking at a double growth on B2C.

Nishita: And on B2B?

Arpit Shah: B2B, as I said, B2B would more be on the institutional and the distributor level where we see that B2B from whatever the topline that we have considered on that will still grow at a pace of 25%-30% from the revenue perspective.

Nishita: Okay, understood. And my next question would be on our margins. So, our margins have dipped a little in FY '26 compared to FY '25. Any specific reason for that?

Arpit Shah: Several reasons behind it. A few of them from margins, from product perspective, margins, gross margins, we have still been catered on it. A few of the expenses put it in that way. We have invested in R&D, which is around 3-4 crores of R&D that we have invested. That is the reason you see on the holistic part that has decreased. And those are our investments. So, put that into perspective, this R&D costed us 4 crores nearby. I don't know the exact value, but Anjali would brief you on it. That Rs. 4 crores is an investment of niche new molecules that no one would have this, right? So, this product will be blockbuster at Remus once they are launched or once we start selling even in B2B markets. So, that is an impact you mostly that is the impact that you would see on our P&L based on your question, what you asked.

Nishita: So, the dip is majorly because of the R&D investments that you have done?

Arpit Shah: Yes, and we also have invested in bioequivalence studies. So, what we are triggering it is we are getting into the market where our products cannot be sold if you do not have a human clinical trial. So, that is where we can get an extra better margins on the product because not everyone would have a bioequivalence study or a human trials done on our product, which we have done it. So, that is an access to the markets like Chile or Mexico, which I can brief you on it that these are the markets need bioequivalence studies and any product bioequivalencestudy is not that cheap. So, we have already filing in this market and for us, we will be having less competitors and of course, if we are having human clinical trials on that, we will have a better margin than not having the products with clinical trials. So, that all put that into perspective currently as we are talking about it, Algeria, Mexico and Chile are the ones which are going to be our revenue runners for next one year, one and a half years where there are less competitors, we have bioequivalence studies done on it. So, we will have better margins in this current year or 2027.

Nishita: Right. So, what are the margin levels that you expect in 2027? Is it going to stay at around 6.6% or can we see better margins because our B2C segment will also grow?

Arpit Shah: No, ma'am. So, this is always that we always clear when there is an investor call is that you are looking at a consolidated margins on that. If you look at from the standalone, all those briefs that I gave you was on the standalone business that we do for which when we consolidate, these are my US subsidiary, which is Espee Global, where it is only a purely distribution of reference listed innovative products and RLDs. So, if you move back to our standalone numbers, you will see that whatever margins that we have been doing on that, that will increase. Why? Because the reason being is our B2C will also increase on that perspective as well. So, standalone, if you see the PAT margins are 27%, which we think is going to be much better if our plan is to move from 14%-15% to 30% of B2C business. So, I would rather say that

on console and standalone is something that needs to be look at it from a different eye because when you consolidate, it also has my only distribution business in the US.

Anjali Shah: And also to add consolidated numbers also has the other subsidiaries, which we have incorporated in past two years, which are still not 100% operational. So, we are also looking like those are also contributing to certain level of operational expenses until they start being fully operational. So, the whole consolidated margins, the margin levels, which we have right now is contributed by all the entities, which are into different business segments contributing differently.

Nishita: Right. So, but then eventually though, we will look at the numbers on a consolidated level. So, when do we see our subsidiaries showing better results then?

Anjali Shah: We already have started. So, just to give you a brief on the consolidated margins. So, as mentioned before, for Remus we are already looking at certain level of growth with the various different regions that we are adding to. In addition to that, Espee US business, which is the main contributor on the topline on the consolidated basis, that will be again looking at a stable growth with increase in the revenue, but the margins will sustain. And in addition to that, we have one of our new subsidiaries, which will be operational this year. We are expecting it anytime to be operational this year, that is Espee Global Clinical Trial Services. So, that is again a service distribution arm and that will also add to the margins partially in this year and on full basis probably starting from the next year. So, all these factors will altogether help to improve the margins definitely. And we see on the timeline basis, we will see how and how much will it contribute over the period.

Arpit Shah: And the US business that we have been talking is the highest contributor on the revenues. That is basically a higher volume, lower margin business from that perspective. So, when you are consoling it, you will see PAT margins lesser. But on our standalone basis, which is our main focus on increasing our finished formulations exports to this 40 countries is between B2B and B2C is what we are eyeing to grow much more bigger than the last year.

Nishita: Okay, understood. Thank you so much.

Moderator: Thank you. The next question comes from the line of Akshaya Savala and individual investor. Please go ahead.

AkshaySavala: Hi, thanks for the opportunity. So, my question was regarding the exposure that we have to Venezuela, Bolivia, Ecuador. So, how the company is basically managing the forex volatility as well as what are the you know, basically the receivable risk that we have in this markets?

- Arpit Shah:** Okay, so, for us, our inwards and the payment terms are very much secured from day one. For example, let's talk about Venezuela per say, all of them that we have been doing in Venezuela, our business is on advanced basis where we ensure that our production, our filing of the products and our trademarkings and brand registrations happens only when we have the advances from our partners. The other markets you said like Ecuador and Bolivia, Bolivia has been, we have B2C and B2B both, those are the markets that we already have our subsidiaries. So, from that perspective, we are taken care of in terms of inwards. Very important to know for the fact is that now that we have been growing, we are of course open on giving credit lines to our buyers or to where we sell these products. But before that, we've always worked on advance payment basis where we collect the advance, we manufacture and before we ship it out, our remaining payments are being covered on that. Also very important for us, for me to say is that as of now, we haven't had any problems in getting the inwards done. Yes, for Venezuela, things have become much better now as what we have been seeing is as now U.S. has taken control of all other forexes and even in the Ministry of Health, changes have been done. So, and as you see the dollar is appreciating from what we had last year. So, I think we have covered a decent risk factor in terms of our forex currencies and for us, we've been taken care of all our inwards and the payments that we receive from this country.
- AkshaySavala:** Okay, fair enough. Second question I had regarding the export volume. So, I wanted to know like typically how much we are moving through ships and also has there been any incremental fixed cost during the past two quarters?
- Arpit Shah:** Most of our products they fly, they don't sail. But if we put that into perspective is 30%-35% is sail and the rest is by air. From us, whenever we ship out the goods, the transport cost is not on us, it's from the buyers. So, any incremental on the shipping cost is borne by them rather than Remus and also whenever we do any shipment which is CIF, we ensure that we have some cushion on the shipping charges, so that we cover if there is any incremental cost on the airline or the shipping lines.
- Akshaya Sawla:** Okay, that's it from my side. Thank you. All the best.
- Arpit Shah:** Thank you.
- Moderator:** Thank you. The next question comes from the line of Nikhil D'Souza, an individual investor. Please go ahead.
- Nikhil D'Souza:** Thank you for the opportunity and congratulations on a great set of numbers. So, I just have a couple of questions. So, I just wanted to understand that could the prolonged logistic disruptions affect our ability to maintain supply consistency in the chronic therapy products where customers expect uninterrupted availability?

Arpit Shah: So, what we had faced was something that we anticipated whenever it comes to a chronic segment. What we do is our future planning on the stocks that remain in any country is at least for six months. I am talking about something related to chronic which day-to-day patients would need those products. Our planning is well in advance based on the fact that this should not be out of stock at any given point of time, whether it is in a distributor's warehouse or at pharmacy level or at the doctor's, patient's, prescriber's level. So, we've segmented some products where we make sure that our shelf life of two to three years is maintained and at the same point of time, those stocks are there at any given point of time to cater patients as well as the market and other sub-distributors that we deal with. With current geopolitical situation, yes, we've already planned our next six months of dispatches from India to our countries. And for that, it looks like we will always have at least a stock for next four months to five months, if not six. And this is a practice that we do not move more beyond six months of inventory. The reason being is that the shelf life matters a lot in medicine, where our shelf lives are freshly made. So, if a patient goes and buys, he'll have a manufacturing of a month or a month before, but not like 6 months, 10 months before manufactured products. So, this also we have to keep in line with pharmacy rules and patient's willingness that if you want to buy a product, which is three years expiry, or if you want to buy a product, which is one year expiry, of course, you'll go with three years expiry. So, we plan six months in before to ensure for the chronic and fast moving products that our stock is in fact and there to cater the market.

Nikhil D'Souza: Okay, understood. And the next question I have, so given the sharp increase in the inventories during FY' 26, I just want to know, are we intentionally building higher stock levels ahead of new launches and tender execution?

Anjali Shah: Nikhil, the higher level of inventory is mainly accounted from our U.S. business, which is the RLD distribution. So, the business model is such that there are times when we are holding certain RLDs for the customers and they are they are being shipped apart as per the customer's requirement. So, that is the main reason that our inventory levels have increased at FY '26. But if we look at the niche formulation business, the standalone business, which we talk about, so those at that level, the inventories are more or less at the same level itself.

Nikhil D'Souza: Okay, got it. Thank you. That is from my side and all the best for the future.

Moderator: Thank you. The next question comes from the line of Jayveer Thakur, an individual investor. Please go ahead.

Jayveer Thakur: Hello, sir. Good afternoon. So, I just have one question. So, despite the strong PAT growth that we have seen, the operating cash flow has remained quite weak. So, any word on that, sir?

Anjali Shah: Yes. So, the operating cash flows that we are looking for on a consolidated basis, it is almost at Rs. 18 crores that we have, that the financials are showing. So, that is mainly on account, as I

mentioned, that our RLD distribution business, the model is such that we do have to hold certain level of inventories on behalf of the customer, because the order is placed, say, for a million dollars order is placed, and they ship it out in parts based on their requirement, based on their studies going on at different times and different periods and different locations. So, that is the reason where a part of our working capital is invested over there. But then the cycle is such that it is, in March, it will be looking at that the funds are invested, but then in April and May, we have already recounted those or already we have received the payment. So, it is a cyclical impact, but it stays at that level with the increase in turnover.

Jayveer Thakur: So, ma'am, this working capital buildup would be more towards your Latin American subsidiaries rather than the Espee side, right? If my understanding is correct?

Anjali Shah: Latin American subsidiaries, yes, but the quantum is not that high because it has just been operational since last financial year. But as compared to that, the US subsidiary that we have, that is the one of the major contributor on the working capital. From standalone basis, if you look at the standalone cash flows, though, generally the operating cash flow is there, it is pretty clear and we are getting the regular payments and overall our working capital allocation is comparatively lower.

Jayveer Thakur: Sure, ma'am. And just one last, could you just provide some guideline on your debtor days, like as to when can we see an improvement in the future?

Anjali Shah: Yes, definitely. So, currently also our debtor days have increased a bit considering all these geopolitical situations that we are facing for last, like last month of the financial year. But things have been better now. We are looking at our debtor days will be reducing over the period as we move towards the new regions there. We have a simple policy of taking advances from, ranging from 25% to 50% in most of the cases. So, that will again help us to ease out the cash flow and lower our debtor levels.

Jayveer Thakur: All right, ma'am. Yes, that's it for my side. All the best for the future.

Moderator: Thank you. The next question comes from the line of Sanjeev with LandInfex. Please go ahead.

Sanjeev: I am trying to slice your return on capital employed into two halves. There would be a return on fixed assets and there would be a return on working capital. And from an outsider's perspective, would it be true to say that the standalone result will give me the return on fixed assets close to it? And the subsidiary, the efficiency of working capital can be gauged because it seems like most of your free cash flow, most of your operating cash flow is going into funding working capital.

Anjali Shah: Yes, Sanjeev. So, the way you mentioned, I think from a standalone business level as well, if you see our financials or balance sheets, overall, our allocation to the fixed assets is comparatively lower since we have, like on standalone basis, we ourselves have not invested much on the asset-based side. So, we generally get our products manufactured at CMO sites on contract basis and then we supply. So, overall, at the group level also, what I can say is that we can look at the return on working capital instead of return on fixed assets or maybe return on the capital employed itself in a uniform manner.

Sanjeev: Okay. So, basically, the entire return, therefore, is a trading return?

Arpit Shah: I would put it in that way. I would rather give you a little more background that any pharma company in our place cannot do what we have been doing in these countries. It's not trading. It's basically, if this was a trading business, my gross margin wouldn't have been anywhere between 55% to 60%. This is a very organized business model that we have been doing where the products are registered. The registration is not a week or two weeks or four weeks' timeline. The registration is between six months to two years or three years. Second, getting a brand buildup in the market is what we do. We invest a lot in people and marketing to ensure that our products, our brands have a reach in the patients. We do not manufacture it at Rs. 10 and sell it at Rs. 20 and be happy about it. There is a lot of things that goes behind it to ensure that the product is sustainable in the market with good quality. There are returning prescribers and customers and patients come back to us asking for another molecule that we do not have. So, we are creating a space where our brands will be noticeable in this market and also selecting the products where we are not into me-too markets. We don't want to sell me-too products. We are only into specialized and chronic products where even if today, as a trader, if you just said it as a trader, so if you could buy this chronic product somewhere else, you will not be able to sell those products, if you don't do the marketing, the branding, the brand awareness, building this trust that Remus has in this market, no one will take that product if you are just going to do a trading business out of it. First and foremost, you will not be able to sell the product because the product does not get registered. Where we came in is we are very strong in regulatory. If you ask any other MNCs, their MNCs heart is regulatory where pharma MNCs, their regulatory registers the product, which is a dossier between 1,000 pages to 5,000 pages for one single medicine that we sell.

So, for us, we are building that brand and being on the light asset model rather than getting into manufacturing and diverting our focus on not marketing sales and branding our products. So, our company's vision has always been to ensure that we have our products in the market irrespective of wherever it is made. A very good example to put that into perspective that Eris, before it got listed, Eris was a 15-year-old company where they did not have a single manufacturing site and still had, when they were at IPO, they still had Rs. 10,000 crores of market cap. So, now that they have, they have been buying plants left, right and center,

because from investors' perspective, if you don't have a plant, it's a trading business, but I would strongly reiterate in a better way that we are creating an infrastructure, which might not be asset visible, but at the same, from brand perspective, that is what we are meant to do it at Remus.

Sanjeev: Right. Thank you, sir. That was a very good briefing.

Arpit Shah: Thank you so much.

Sanjeev: Sir, if I am allowed one more question. Therefore, could I expect that interest cost would be, interest cost and interest cost management would be a very critical part of your business in determining the conversion of operating cash flow into free cash flow? Basically, I am kind of right now obsessing with what is holding up your OTF conversion to FTF?

Arpit Shah: Sir, we missed your last part of the questions. Last part, please.

Sanjeev: I think right now, I mean, in terms of understanding your company, I am trying to obsess with what is holding up your OCF conversion to FCF? Because if you had a good FCF, then you would be able to open up new markets and invest like you are saying yourself that in an asset-light model, then you would be able to invest for growth. So, I am anticipating that therefore, interest on working capital or notional interest on working capital or working capital efficiency, let me put it that way, would be a very important part of your business model.

Anjali Shah: Yes. So, Sanjeev, what you are trying to reiterate is that on the operating cash flow, if you look at what Arpit has just explained, the whole idea of how the finished formalization business is working. So, if you look at from that point of view, and the cash flow statement for the standalone business, you look at, we already have like approx.. Rs. 25 crores of operating cash flow being generated on our standalone business that we are looking at. That is which is already there. The main idea or the main allocation what you are looking for is that on consolidated basis with our distribution business, which you can say that the US subsidiary where we are into RLD distribution is sort of into a trading nature of the business. There is where our working capital is invested. Otherwise, if you look at our standalone numbers, the working investment is very nominal, and that you can, that is already reflected on our financials as well. So, I think that will give you a better clarity on how our working capital is different for our standalone business and on the consolidated business.

Sanjeev: Okay, thank you.

Moderator: Thank you. The next question comes from the line of Karthi Keyan with Suyash Advisors. Please go ahead. Good afternoon.

Karthi Keyan: Just to be a bit clearer, in your non-RLD business, how many manufacturing partners would you have?

Arpit Shah: Sir, we currently work from the same group. We have one manufacturer and the others is around 34 to be precise, around 34 manufacturers that we work. Those are the approved manufacturers by us. So, that does not mean we might have actively doing manufacturing by them, but they are approved by us in terms of if tomorrow we want to manufacture any product, they are the approved ones. Actively, we would put it in that way around 20-odd manufacturers that we closely work right now. This is a process. So, every month, my team goes visit new plants to check how their infrastructure is, how QCQA is being taken care of, how the products and the manufacturing of the products, and every stage, they look at it, they spend good 2-3-4 days to check how the plant is, then goes back to our regulatory team to ensure that everything from paperwork is intact and is as per what they saw physically in the plant. There is no manipulation. There are a lot of check marks that we do and then we approve a manufacturer for it. So, we have a team, a licensing sourcing team in-house where we always look for new manufacturers, good manufacturers making products that we would want or we want their co-development or co-sponsor the development.

Karthi Keyan: So, just to understand, you said there are 20 manufacturers, right, whom we actively work with, but 34 approved. Is that correct? And just to understand, how many of these would be within India and how many outside?

Arpit Shah: Currently, we are working all from India. We are working with a few outside India, but those are under the agreements and discussions right now. So, we also think that we are only going outside India for the products that needs to be manufactured in a First-World country, and second, those are the products not manufactured in here, and the third is if they are biological or biosimilar products.

Karthi Keyan: Right. So, for example, you are referring to Pegfilgrastim and Filgrastim?

Arpit Shah: Yes.

Karthi Keyan: Right. And where would those be from?

Arpit Shah: U.S., United States.

Karthi Keyan: No, you are sourcing them from U.S., is it?

Arpit Shah: It's made in the U.S., sir.

Karthi Keyan: Interesting. And you would sell those in Philippines and Vietnam?

Arpit Shah: Correct. And that is just being filed. We have a multi-country agreement, in-license agreement with them. So, other markets also, we are going to file those products. As you know, these are very, the filing of biological products and biosimilar is a cumbersome process. So, we are doing step-by-step to ensure that we have these products. If the documents are top notch, our queries from the Ministry of Health will be lesser, which will actually save us time and get a faster approval. So, this is being monitored in a very, in a closed chamber to ensure that anything that is being given while filing gives us no more queries and we can have those approvals faster.

Karthi Keyan: Interesting. You are saying the plant is in U.S., right?

Arpit Shah: The plant is in U.S.

Karthi Keyan: That would be economically viable, you think?

Arpit Shah: That's a very good question. So, what we have been doing is there are some markets that we want to launch this product. There are markets where the price from government who is buying such products on a huge quantity is much cheaper than what we are having from the U.S. But the beauty of us, what we have been doing is B2C as well. So, we are getting an average price of government supplies and a better high volume, high margin price from B2C. So, we are trying to balance it out and do commercials on that. That is how we have made our business model on the product that the government buys at a much cheaper cost than in the U.S. And always the government has this preference that they will buy a product which is U.S. approved even at a 2x price. So, that will also be a beneficial model for us. So, we are hoping that the faster the approval comes, the better it is for us to get this Pegfilgrastim PEG in the market.

Karthi Keyan: Interesting. So, that's very helpful. Thanks for answering my questions.

Moderator: Thank you. There are no further questions from the participants. I now hand the conference over to the management for closing comments.

Arpit Shah: Okay. So, thank you all for taking time and participating in our earnings call today. I hope we have been able to answer your questions satisfactorily. If you have any further questions or would like to know more about the company, please reach out to our investors relationship managers at Valorem Advisor. We would love to have more questions from you so that you have a brief or in-detail idea of what we are doing and what we are creating at Remus Pharmaceuticals Limited. Thank you so much for your time and have a good day.

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