Anondita Medicare

Operator: Ladies and gentlemen, good day and welcome to Anondita Medicare Ltd. H1 FY27 earnings conference call. This conference call may contain forward-looking statements about the company, which are based on the company's beliefs, opinions, and expectations as of the date of this call. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict. As a reminder, all participants' lines will be in 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 the operator by pressing star and then zero on your touch-tone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Jhanvi Patil from Oriem Connect. Thank you, and over to you, ma'am.

Jhanvi Patil – Oriem Connect: Thank you. Good evening, everyone, and a warm welcome to all of you. I'm Jhanvi Patil from Oriem Connect, representing the investor relations team of Anondita Medicare Ltd. On behalf of the company, I would like to thank you all for joining us for the H1 FY27 earnings conference call. We are joined today by the company's senior management team: Mr. Anupam Ghosh, Managing Director; Mr. Ishant Ghosh, Whole-time Director; Mrs. Sunita Nathani, Chief Financial Officer; Mr. Mohit Gupta, Accounts; Ms. Swati Sharma, Procurement Head; and Mr. Anupam Banerjee, Sales Head. Thank you all for taking the time to join us today. I would like to hand over the call to Mr. Anupam for his opening remarks. Following his address, we will open the floor for Q&A. Thank you, and over to you, sir.

Anupam Ghosh – MD: [pause] Thank you, everyone. Good evening to everyone, and I welcome all my shareholders, investors, and analysts to the FY27 earnings conference call. I would briefly give you a small overview of our business in the Medicare segment for the new shareholders and, obviously, the existing ones. We are one of the Indian companies engaged in the manufacture of male and female condoms, and we will shortly be adding a number of sexual wellness products under the flagship Cobra brand.

We have been in this industry for almost 20 years. We have in-house production capabilities and capacities, and we are strongly focusing on quality and all regulatory compliances. We have this facility in Noida with 10 operational manufacturing lines installed, and we are producing almost 869 million pieces.

We would also like to tell you that we are among the two manufacturers globally that manufacture both male and female condoms. There are only two companies in the world. We would proudly say that we are the only company in the world that manufactures male latex, male non-latex, female latex, and female non-latex condoms. We are the only company in the world doing this right now.

We have a strong presence for our products and distribution channels under our own brand names in the northern periphery, and we already have ISO, MDSAP, South African SABS, and all the relevant certifications in place.

Coming to our financial performance this year, we would say that consolidated revenue this year increased by almost 35% to {? 73.54 ?}, compared to last year's revenue of 54 crores. EBITDA grew by almost 70% to 33 crores, compared to last year's {? 19.60 crores ?}.

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Management: Our EBITDA margins improved by almost 903 basis points to 45%, compared to last year's 36% in FY26. Profit after tax increased by almost 70% to 22 crores, compared with last year's 13 crores, while PAT margins improved by 586 points to 29.92%. This overall performance reflects our improved operating profitability and better margins during this period.

We have continued to strengthen our financial performance. Coming to our operational developments, capacity enhancement remains an important focus for the company. We expanded our manufacturing capacity to almost 869 million pieces, adding 307 million pieces this year. Currently, we have almost 50 manufacturing lines with us, with 4 additional lines under trials and another 4 under process.

We would like to inform you that we have already acquired the adjacent building. We were previously in D1, which is almost 1 acre of land, and we have acquired D2 and D3 to have more space. To increase our capacity, we need more space, so we have acquired these adjacent areas.

The key strategic development for this year is that our main focus is on the female manufacturing segment. We have already successfully completed the trials of female latex condoms, and we expect to complete the trials of female non-latex condoms within another few months. This would be a major milestone for the company, as we would then be the only company in the world with both latex and non-latex female condoms.

The machines have been installed in the first phase. Trial production for latex has been completed, and for non-latex, we are almost ready to begin the trial process within another few months.

During this year, we also made a significant impact in our neighbouring and adjoining countries by developing sales of our own brands. We started sales in Nepal under our own Cobra brand. In addition to government business, we are also maintaining a clear and focused approach toward building our own brand, our Cobra brand, and several other products under the Cobra franchise.

Initially, we are starting with neighbouring countries such as Nepal, Bangladesh, and Bhutan. Wherever we are catering to government businesses, such as in Africa and Brazil and other South American countries, we are also simultaneously focusing on establishing our own brand presence there.

We have a Cobra brand presence in Brazil and in African countries such as South Africa and Kenya. In addition to this, we are also catering to Dubai and the UAE. It is not only Cobra condoms; we also have our own products such as Cobra Shubh Samachar pregnancy test kits and several other Sildenafil Cobra products.

Another important development during this period is that we successfully completed a 91 crore rights issue at a price of 9.50 per share. The capital raised was intended to support the expansion of our female latex and non-latex condom manufacturing, strengthen our manufacturing infrastructure, meet our working capital requirements, and support our domestic and international expansion.

The global condom market is generating a great deal of awareness among people around the world regarding sexual wellness. In addition to family planning, which was the basic need identified by the

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UN and the WHO, awareness is now also growing regarding safety and other aspects. A great deal of funding is being provided globally, and many NGOs are also contributing funds.

Many NGOs around the world are now providing substantial funding for the procurement of female condoms. This is a new milestone for any country and for the world as a whole. Women's empowerment means that women should also be given the liberty to make their own choices regarding their preferences for sexual safety, awareness, and everything else.

This initiative taken by the UN and the WHO to create awareness and empower women for their own use is commendable, and it is slowly and steadily gaining popularity. However, not many manufacturers are available. Many countries want to procure this product, but because sourcing is not available, these tenders go unanswered and there is hardly any participation.

As a company, Anondita Medicare Ltd. wants to focus on increasing capacity and ensuring that this product is available throughout the world. For this purpose, I was at the UN, where we had a good meeting with the UN Secretary-General and several other members of the UN and WHO. They were very pleased that someone was taking the initiative for this product.

Secondly, the most important thing I wanted to inform my shareholders about is that when I was visiting countries where we also have a presence, our products were being recognised. Many investors, particularly foreign investors, showed interest when I was in America and South America, where our products are now being displayed.

We have successfully passed the stringent quality norms of those countries and are now ready to participate in their tenders. Our Cobra product is now available in those countries. Many people, investors, and large business groups have shown interest in our company as investors, not as buyers.

We have many buyers, but now several companies, large investment groups, and foreign investors are showing significant interest in investing in our company through share purchases. This gives us a very strong foundation for having investors not only in India but also abroad in the future.

The second thing I explored in these countries is that, in addition to condoms for sexual safety, there is another product used by every person in every hospital and care facility, and even by hairdressers and grocery sellers abroad: gloves.

This represents a very good opportunity because we are also planning to enter surgical gloves. We participated in a tender in Africa that was published almost 9 months ago. The good news is that the product was accepted and the government shortlisted it for future procurement.

This would add considerably to our revenues and profit margins after we complete our female condom project. This is the next step after female condoms: the company would enter the surgical gloves manufacturing business.

It is not only a manufacturing unit in India; companies abroad are also equally interested because there is not a single condom or manufacturer [cut off]

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Management: ...also this manufacturing available in Africa or in South American countries. Since we are a patented manufacturing company, we have our own patented design and our own copyright for the machinery. We do not buy these machines from anyone. We manufacture the machines ourselves and have our own technology.

Many companies are therefore ready to collaborate with us to set up a unit in Africa or perhaps in South America.

The fourth most important news we want to share with our shareholders, buyers, investors, and analysts is that, with increasing awareness of sexual wellness and sexual products, sexual massagers for males and females, which are also called sexual toys, are hardly available in India.

Sexual toys are not banned in India, but they are not openly available in the market. We intend to introduce these massagers for males and females very shortly. Right now, we are planning to import a completely built unit, and then, once there is acceptance, and since I believe there is huge demand, we will gradually enter the manufacturing of these massagers for males and females.

We are keeping in mind the growing awareness and openness, as well as the presence of Gen Z. Countries such as China and Japan are already involved in these massagers and related products. We would like to make a mark in India as the first company to manufacture these products and make them available in the market, along with lubricants, which we are already having manufactured by third-party manufacturers.

Overall, we would say that the company's growth in the coming years would be extraordinary. As I discussed with you, several foreign investments are being planned, and our gloves business, female condoms, and the massaging products we intend to introduce would make a significant impact in the market in the coming years.

Now, if we discuss the businesses we carried out last year or during the first 6 months of this year, we successfully continued our government business, which we again secured as usual. We secured a single rate contract. A single rate contract means that we were the only manufacturer supplying the National AIDS Control Society. We had no competition from anyone in India.

We are the exclusive rate contract holders for the National AIDS Control Society. We are also supplying Nirodh and {? NI-CO-S-T-U-P ?} to the government. There is no competition at all.

During the first 6 months, we also successfully started our exports to Africa. I was there last week, and after the successful completion of my first 10 containers, several other importers who were buying these condoms from Malaysia and elsewhere showed significant interest in our products.

They said that the Government of Africa wanted to launch a new product. For the last 15 to 20 years, the government had been distributing regular free Max condoms, just as Nirodh is distributed in India. However, after seeing us, watching our videos, and reviewing our complete work virtually, they wanted to launch a new product called Youth for young people in Africa, with attractive packaging.

We are proud to say that we are one of the two companies in the world shortlisted by the Government of Africa to develop and provide these Youth condoms with attractive packaging.

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What we would say is that this year and the coming years would create a mark not only in India but globally for Anondita Medicare Ltd.

Coming to our total order book, or explaining how we performed during these 6 months and how we plan to perform during the next 6 months, the government orders that we were already supplying to the Government of India were worth almost 12 crores.

However, we had already secured a rate contract and a tender from NACO for the free supply of Nirodh, Deluxe Nirodh, and several HMOs. We had already been shortlisted as L1, but we could not receive the purchase orders on time because transfers and postings were taking place in the Ministry of Health. Now that the concerned people are in place, we have received the purchase orders.

For the next 6 months, we already have orders worth 68 crores in hand, which we will supply immediately, and supplies have already started.

The first 10 export containers, worth 9 crores, have been successfully delivered. The next orders, which were already in hand, will also commence because the buyer, {? Supra ?}, showed 100% confidence after seeing the first consignment. They have already provided us with advance payment and have started releasing the remaining 40 containers.

Therefore, for the next 6 months, we have 70 crores of domestic government orders, 40 crores of South African orders in hand, and our own-brand orders of up to 40 crores in hand. We have 6 months remaining, or 5 months remaining, during which we expect a few additional orders from Africa.

I feel this year is magnificent, and the coming years will also be excellent for us. I would now like to conclude and thank my shareholders and investors for continuously giving us their support and trust. We dedicate ourselves 100% to ensuring that, year on year and month on month, the company grows and shareholder confidence also grows.

We look forward to a continuous growth journey, and I think we are open to questions from the floor.

Operator: Thank you very much, sir. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touch-tone telephone. If you wish to withdraw yourself from the question queue, you may press star and two. Participants are requested to use a handset while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Siddharth Malhotra from JP Morgan. Please go ahead.

Siddharth Malhotra – JP Morgan: Hello?

Management: Yes, Mr. Siddharth.

Siddharth Malhotra – JP Morgan: Hi, sir. Congratulations, first of all, on a decent set of results. I have 3 questions. The first is regarding the recent call we had in H2, where we had a target of around 1,000 crores. You mentioned a period of 2 years. So, I think it would be FY29 that we are targeting,

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or did we discuss FY28?

Management: [pause] We were targeting 2029, as we told you. In the coming years, in the first year, 2027-28, we will be ready with our female tenders and female supply. Thereafter, the additional second phase of non-latex and latex female condoms, along with our own brand and the existing male products for the domestic market, will easily reach the target we had already given you.

Siddharth Malhotra – JP Morgan: For FY27, if we consider that we have achieved around 73 crores in the first half... so...

Siddharth Malhotra – JP Morgan: ...by the end of this year, we have a target of around 250, 500, and then 1,000, but these were the normal average figures we were expecting. So, are we confident that by the end of this year we will achieve around 240 to 250 crores?

Management: [pause] I have already explained this, but I will explain it again. The 70 crores achieved in these 6 months relates to orders that were already declared L1. However, because of certain issues and transfers in the government, the government officials were not in place and the purchase orders had not been signed.

Now that they have been signed, we have already received those Government of India orders worth 70 crores. They have already been declared, and supplies have already started.

For exports, the 10 crores that has already gone out in the first 6 months is separate. The remaining 40 crores of orders are in hand, and supplies will also start regularly every month. In addition, we have our own branding.

Orders worth 240 to 250 crores are in hand, and there are still 4 months to go. There is no doubt about it. All these orders are in hand.

Siddharth Malhotra – JP Morgan: Sir, there is no doubt that we have orders in hand. I am asking what numbers we will achieve by the end of this financial year.

Management: Yes, as we have already told everyone, we will easily achieve 240 to 250 crores. If we receive God's blessings, it could be more as well.

Siddharth Malhotra – JP Morgan: So we are confident of achieving around 240 crores conservatively, without any hindrance or anything of that sort?

Management: Yes, 100%.

Siddharth Malhotra – JP Morgan: My second question is regarding the WHO certification. The target we have set is very good, but considering the geopolitical tensions we have seen during the last couple of years, suppose we do not receive WHO certification for the next 18 to 24 months. This is only an assumption, considering the other regulatory approvals we require.

If we do not receive the approvals for the next 18 to 24 months, will that affect our 1,000 crore target for FY29? If so, what would be the effect on our numbers?

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Management: [pause] The first thing is that, hypothetically, even if we do not receive WHO certification, that would not affect the target or the benchmarks that have already been declared, because the sales we have considered do not include any WHO or UN orders.

The second thing I would say is that there is no question of Anondita Medicare Ltd. not receiving WHO or UN certification. The most stringent FDA-type requirements are considered to apply to 5 countries, and we have successfully passed them. Therefore, the question of not receiving WHO or UN certification does not arise.

The WHO and UN process was delayed only because of a funding issue between the UN and WHO, and they wanted to separate the UN and WHO processes. That has now been done. It will now be WHO pre-qualification.

The dates have already been given to us. They have provided a very systematic schedule: the first review this month, the next review next month, and reviews over the following 8 months. They have already provided the schedule.

The benchmark set by the WHO has already been given to Anondita Medicare Ltd., and within the next 8 months we are surely going to receive our WHO certification. However, that will not affect our sales; it will further enhance them. The benchmarks already given to everyone are without WHO certification.

Siddharth Malhotra – JP Morgan: Great news, sir. My next question is on the patent and manufacturing machinery. The patent we have mentioned—is it for both male and female products, or do we have the patent only for the female product?

Management: [pause] For female products, I have the patent for the process and manufacturing. For male products, I have the copyright and the process for the machinery. For female products, I have a patent for the process, and for male products, I have the machine patent and the copyright design.

The types of machines I use are patented and copyrighted by me. Nobody in the world can use the style and design of the machines through which I manufacture these male condoms.

Siddharth Malhotra – JP Morgan: Okay, and sir, if I have to [trails off]

Operator: Sorry to interrupt, Mr. Malhotra. May I please request you to rejoin the queue for the follow-up question? There are several participants waiting for their turn, sir.

Siddharth Malhotra – JP Morgan: Just a follow-up on [trails off]

Operator: Thank you, Mr. Malhotra. Ladies and gentlemen, to ensure that management is able to address questions from all participants in the question queue, please limit yourself to 2 questions only. Should you have a follow-up question, please rejoin the queue. The next question is from the line of Tahir Hyderabadwala from Globus Fund. Please go ahead.

Tahir Hyderabadwala – Globus Fund: Hi, sir. Is my voice audible?

Management: Yes, you are perfectly audible.

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Tahir Hyderabadwala – Globus Fund: Congratulations, first of all, on the good set of numbers and the strong growth and margins. My first question is on manufacturing capacity. We already have 15 manufacturing lines and are planning to add 4 more. How much capacity will these 4 additional lines add, and what timeline are we expecting for commercialisation? Also, can you share a bifurcation of how many of the 4 lines will be for female condoms and how many will be for male condoms?

Management: [pause] We are adding 4 new lines, which will be ready in just 7 to 10 days. After the end of this month, our capacity will be almost 1.1 billion male contraceptives annually.

Trial production for the 4 male condom lines has already been completed, and within the next 2 weeks they will enter commercial production. We will then have an annual capacity of 1.1 billion.

Another 4 lines are being added. I believe that by December, 2 of those lines for female latex condoms will be ready. Their trials have already been completed, and finishing work is currently underway.

By the end of December, we will be ready with those 2 lines for female latex condoms. For the other 2 lines for female non-latex condoms, trials will commence immediately by December, and we believe that within this financial year those 2 female non-latex lines will also enter commercial production.

Tahir Hyderabadwala – Globus Fund: What will be the capacity for each line?

Management: [pause] The capacity for male products will be 1.1 billion. The capacity for female latex will be 60 million, and the capacity for non-latex will be approximately 120 and 120.

Tahir Hyderabadwala – Globus Fund: One question on the financials: in H1, we achieved a margin of around 31%. Will this be the new normal margin going forward? Second, on working capital, our working capital appears stretched compared to FY23, having increased from 170 days to 200 days because of inventory days and receivable days. Could you provide some colour on these 2 points?

Management: [pause] I do not think the margins should fall from 29% or 30% to 20% or 25%. They should remain between 26%–27% and 28%–29%, because we have increased our exports, and exports provide additional margins.

Compared to what we supply to the domestic government, our prices for export government business are almost 20% higher, and there are also several incentives. Therefore, margins should remain in the range of 26%–27% to 29%.

Regarding the stretching of working capital, I think [trails off]

Operator: ...Mr. Mistri, you can...

Anupam: Yes, sir. Regarding working capital, we were expecting government orders by the end of August. However, because of the change in the Director General, the handover could not be completed properly, so this was delayed.

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We had already procured a significant amount of raw material and had already manufactured the goods. Because of this inventory, as well as the sales in the last quarter, when sales were quite high, the debtors increased. Therefore, working capital was utilised substantially for this reason.

In addition, we had to procure raw material, mainly latex, which is our principal raw material. We had to pay advances for raw material because it can be procured only against advance payment. Working capital was also utilised for this purpose.

Vikas Mistri – Moonshot Ventures: I have one last question on exports. You said export revenue has increased. What was the export contribution in H1, and what is the current order book and its export-domestic mix, if you can share that?

Anupam: The exports we have already completed were worth almost 8.7 crores, and the orders for the next 6 months that we already have in hand are around 40 crores. The domestic orders in hand from the Government of India are almost 70 crores.

Vikas Mistri – Moonshot Ventures: Will all these orders be executable in H2?

Anupam: Yes, in H2. The orders are in hand, they will be executable, and execution has already started.

Vikas Mistri – Moonshot Ventures: Thank you for the opportunity. I will get back in the queue.

Operator: Thank you. The next question is from the line of Priyanshu Jain from Growth X Infinity. Please go ahead. Priyanshu, your line is unmuted. Please go ahead with your question. Priyanshu Jain, please proceed with your question. As there is no response from the current questioner, we will move to the next question from the line of Sparsh from Aurinco. Please go ahead.

Sparsh – Aurinco: Hi, sir. How are you? Good set of numbers. Hello? Am I audible?

Anupam: Yes, you are audible. Please go ahead.

Sparsh – Aurinco: I have 2 to 3 questions. I will take them one by one. The first is regarding gross margin. We have seen gross margin increase from 55% to 62%, but our key raw material, latex, has increased by 30%. I am checking the cotton latex prices, and I want to understand how much of this is due to a price increase passed on to customers and how much is due to inventory buildup.

Further, what is our pass rate, that is, the electronic test pass rate, and how will it move to our new lines?

Anupam: [pause] The increase in profit, as you said, is because of our export margins and incentives. Prices are higher compared to the domestic market, which adds to our profit margin.

Regarding the increase in latex prices, it has not increased in the way you are suggesting. [hesitates] As we had planned, everyone in this trade knows that this is the period when tapping stops because of the rainy season, and prices increase.

Every manufacturer, including us, plans purchases accordingly. Therefore, the effect is not more than 2% to 5% on latex purchases. We plan our purchases accordingly, so the impact is not

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significant.

Since these are government orders, prices cannot be changed during the tender period. These are medium- to long-term contracts of 1 or 2 years. Therefore, we plan properly so that this does not affect our margins at all.

Sparsh – Aurinco: So, because of the advance purchase planning, the margin impact from the price increase is approximately 2% to 5%, and this has been mitigated through advance planning. For government contracts, prices cannot be increased, but you have increased prices for exports. What is the electronic test pass rate? There is a percentage for each unit, correct?

Anupam: The pass rate is almost 98% to 99%.

Sparsh – Aurinco: My second question is regarding the mix. Can you provide the split of revenue and gross profit between government business, {? Cobra ?} domestic business, exports, and contract manufacturing? What is the realisation per piece in each segment and what are the other variables?

Anupam: Can you please repeat that?

Sparsh – Aurinco: Can you provide the split of revenue and gross profit between government business, {? Cobra ?} domestic business, exports, and contract manufacturing? What is the realisation per piece in each segment?

Anupam: [pause] Sunita, have you prepared the details for this? Regarding the government business... if you have prepared it, you can take this question. Otherwise, I will answer it.

Sunita: Yes. The government turnover, meaning the turnover generated from the government, is approximately 12 crores. In exports, we have generated {? 8.77 crore crores ?} [trails off]—I mean crores—and our own brand generated 52.72 crores.

Our own-brand sales contributed to good profitability in H1 FY27. The margins for our own brand were approximately 60% to 65%, for government business approximately 50% to 52%, and for exports approximately 55% to 60%. These are the profit margin breakups on the turnover generated in H1 FY27.

Sparsh – Aurinco: That is all from my side. Best of luck, and thank you. Hopefully, we will see you on the main board soon.

Anupam: Yes, we are also looking forward to that. Thank you, Sparsh.

Sparsh – Aurinco: Thank you.

Operator: Thank you. The next question is from the line of Vikas Mistri from Moonshot Ventures. Please go ahead.

Vikas Mistri – Moonshot Ventures: Thanks for the opportunity. Anupam, I have a couple of questions.

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Anupam: Please go ahead.

Vikas Mistri – Moonshot Ventures: What is the working capital, at least on the export side? We have seen that on a standalone basis we have positive working capital, whereas on a consolidated basis we have negative working capital. Is our other subsidiary taking cash out of it, or have we not made the payment on that side? This is my first question.

Anupam: [pause] Vikas, shall we answer your first question and then come to the second?

Vikas Mistri – Moonshot Ventures: Sure, why not?

Anupam: Sunita, can you explain basically how our...

Sunita: The subsidiary company has distributors, super stockists, and retailers. As we are increasing our own-brand sales, we are providing credit to those distributors and super stockists.

Anupam: Vikas, one thing: initially, all payments were made in advance or on delivery. However, as our presence has expanded, our competitors, particularly the 2 large brands, have recently started providing credit to counter us.

We therefore had no choice but to provide the same line of credit, ranging from 60 days to 70 days, to our super distributors, distributors, and retailers. That is the only reason why you see this in the subsidiary company. Sunita, you can explain the technical aspect.

Sunita: Yes. That is why working capital has been utilised.

Vikas Mistri – Moonshot Ventures: I understand that point. On the competitive front, our competitors are doing extremely well in the consumer segment by collaborating with retail touchpoints. They have collaborated with value retailers.

Even if we want to achieve 1,000 crores, a material portion needs to come from the consumer business, which is our own brand. How do you view our brand strategy and positioning? To achieve significant growth, are we looking for partnerships, or how are we planning to scale organically? Scaling in the consumer segment is very difficult unless we have partnerships or another way to increase revenue.

Management: [pause] Right now, our focus is on high-margin and high-demand products that we are manufacturing. We are not dependent on others. These include female condoms, the sexual toys that we are going to introduce within a couple of days, and, at the next stage, surgical products, which we will also manufacture ourselves.

Branding requires significant collaboration, similar to what our competitors are focusing on. We are also exploring, if not today then tomorrow, and have already started exploring, consumable product lines and collaborations.

However, not immediately. For the next 6 months, our focus is entirely on monetising our female condom monopoly business, where we have no competition. We are completely focused on this for the next 6 months.

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In the near future, we will definitely explore tie-ups with consumer products, and we have already started exploring them.

Vikas Mistri – Moonshot Ventures: Sorry for the interruption. I was asking about the 1,000 crore target. We are not looking at only 6 months; we are looking at the next 3 years.

If we have to build a strong consumer presence, the strategy for 3 years has to be developed today. Only then can we plan for at least 200 to 400 crores of revenue from the consumer side and the remaining 600 crores from exports, perhaps.

How will we achieve 400 crores if we do not currently have a strategy for consumer expansion? Congratulations on entering new sexual wellness products, because there is significant demand. However, we are not clear about the strategy for penetrating the consumer market more quickly.

Management: [pause] The first point is that the strategy for 1,000 crores has already been developed. As we said, we will be the first company in the world for non-latex products, for which the Government of Brazil and other countries already have orders ready.

We intend to monetise that opportunity, and we are 100% confident about it. We have also expanded our male condom capacity and already secured government orders.

Therefore, achieving the 1,000 crore mark has already been strategically planned. These 3 products alone will contribute significantly to the target.

At the same time, the manufacturing and marketing of the new products, including toys and surgical gloves, is already in the pipeline. Within 6 months, you will see several developments.

The strategy for achieving 1,000 crores over the next 2 years has already been divided into different components. We can share the details with you after this call regarding how we will achieve the 1,000 crore target.

Last year, and during these last 6 months, we already stated that female products, male products, and our own branding in the domestic market would contribute to reaching 1,000 crores in FY29.

Vikas Mistri – Moonshot Ventures: Great to hear that. My last question is on exports. Once we factor everything in, our larger peers already have certain qualifications and are already exporting substantially. Are all the qualifications in place? If they are in place, how much ramp-up time will be required to execute export orders? You have already indicated that 40 crores are in the pipeline, but I am asking from the perspective of FY28 and FY29.

Management: [pause] All our certifications are in place. We have already received our certifications. The only exception is WHO pre-qualification, which should also be received in the next 8 to 9 months, according to the WHO guidelines they have shared with us.

All our other certifications are in place. We have already started exports, and soon you will see our products throughout the South American and South African markets.

Vikas Mistri – Moonshot Ventures: That is great to hear. Are we present on quick-commerce platforms? A large part of our consumer category is suitable for quick commerce, and much of

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consumer D2C sales now pass through quick-commerce players.

We checked online in the metropolitan cities and did not find our brand available on quick commerce. How are we looking at this, and why are we not present on quick commerce when our category is difficult to penetrate through distribution? Quick commerce is playing an important role, at least in metropolitan cities. How—

Management: [pause] There is no doubt that quick commerce is the next step. We have recently listed ourselves on Flipkart, and Amazon and Blinkit are in the pipeline.

Perhaps within another couple of months, and by December at the latest this year, you will see all our products available through e-commerce. E-commerce is the next major opportunity with Gen Z and easy delivery.

We are fully committed to it, and by December you will see us on all the quick-commerce platforms—Blinkit, Flipkart, Amazon, and any others you name.

Vikas Mistri – Moonshot Ventures: That is great to hear. We will look forward to it. Thank you very much.

Management: Thank you so much.

Operator: Thank you. The next question is from the line of Will Royal Lewis from 28th Corporation. Please go ahead.

Will Royal Lewis – 28th Corporation: Am I audible?

Management: Yes, you are audible. Go ahead.

Will Royal Lewis – 28th Corporation: Can you tell me about the land you acquired in Yamuna River District Development, and whether it is for manufacturing condoms or gloves?

Management: [pause] This is a large piece of land, and it is approved for both condoms and gloves.

Will Royal Lewis – 28th Corporation: Can you tell me why the LinkedIn page is not updated?

Management: Which page? LinkedIn?

Will Royal Lewis – 28th Corporation: LinkedIn.

Management: Yes. I think we must have put everything online. Sunita, please check why it is not available on LinkedIn.

Sunita – Management: Sir, it is being used. We will check it. I will look into it, sir.

Management: We will look into it and get it updated if it has not been updated.

Will Royal Lewis – 28th Corporation: Thank you.

Management: Thank you.

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Operator: Thank you. The next question is from the line of Ghanshyam Meena from Motia Ventures. Please go ahead.

Ghanshyam Meena – Motia Ventures: Hello?

Management: Hello, Ghanshyam.

Ghanshyam Meena – Motia Ventures: Thank you for the opportunity. My first question is regarding the realisation per piece on the export side.

Management: [pause] We cannot give you the exact price, but it is approximately 20% higher than what we are currently supplying to the Government of India.

Ghanshyam Meena – Motia Ventures: One participant asked 10 to 15 minutes ago about revenue from the export side, which was approximately 12 crores. Am I right?

Sunita – Management: That was 8.77 crores.

Management: Yes, we have already completed that.

Ghanshyam Meena – Motia Ventures: That was from the Government of India side, correct?

Management: The Government of India business was 12 crores, and the Government of Africa business was 8 point—however, prices are almost 20% higher than what we are currently supplying to the Government of India because there are several incentives. Export incentives are also provided by the government to condom manufacturers who export.

Ghanshyam Meena – Motia Ventures: One of the rate contracts from Africa involved supplying approximately 200 million condoms during H1, correct?

Management: We will be supplying 200 million. Of that, 38 million have already been delivered.

Ghanshyam Meena – Motia Ventures: 38 million have already been delivered. Great. My next question is regarding the manufacturing plant in Noida, Uttar Pradesh.

First, I want to know the number of employees engaged at the site. What payments are made to them, and under which head do we account for the manpower cost in the balance sheet?

Management: Sunita, tell me under which head that is recorded.

Sunita – Management: It is recorded under salary and wages. Currently, we have approximately 480 employees in the company, including labour and everyone else.

Ghanshyam Meena – Motia Ventures: Does that include contract labour?

Sunita – Management: Yes, yes.

Management: No, not entirely. Some employees are on our payroll, and contractual labourers are also present. They come and go from time to time.

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Vikas Mistri – Moonshot Ventures: What is the total strength, including contractual labour and payroll employees?

Management: OAD is included in our payroll. Overall, our payroll strength is 480, and for contractual labour, I believe {? Sini ?}—how many... [pause]—it comes to approximately 50?

Management: Yes, it is around 100. The range is between 50 and 100 because they come and go from time to time, so I cannot give you the exact number.

Vikas Mistri – Moonshot Ventures: So that means the total is around 550 to 600?

Management: Yes, correct.

Vikas Mistri – Moonshot Ventures: In H1, H1 FY25, we incurred approximately 4.8 crore in employee expenses. Is that only for employees on our payroll?

Management: It also includes employees of our subsidiary. This is the total consolidated figure for salary and wages paid to employees.

Vikas Mistri – Moonshot Ventures: Salary and wages of 4.8 crores, correct?

Management: Yes.

Vikas Mistri – Moonshot Ventures: Considering 6 months of H1 and 4.8 crores, this seems very low for 500 employees engaged at the Noida plant. That is why I am not clear. Why is it so? What is our average salary? Could you provide the average wages?

Management: Most of our labourers are on the payroll at the applicable minimum wages.

Vikas Mistri – Moonshot Ventures: Are all of them skilled labour, or are some unskilled?

Management: There are both unskilled and skilled employees.

Vikas Mistri – Moonshot Ventures: The minimum wages for Noida are also quite high. No issue, we will calculate the amount. Thank you.

Management: Thank you.

Operator: Thank you. Ladies and gentlemen, we will take this as the last question for the day. I now hand the conference over to Ms. Janhvi Pathak from Orim Advisors for the closing remarks.

Janhvi Pathak – Orim Advisors: Thank you, everyone, for joining the call today. On behalf of Anondita Medicare Ltd., we appreciate your time and participation. For any further queries, please contact us at letconnect@orim.in. Thank you.

Operator: Thank you very much. On behalf of Oriem Connect, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.

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Anondita Medicare

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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