SUN PHARMA
Q1 results CONFERENCE CALL
Aug 2, 2004

Moderator: Good afternoon ladies and gentlemen, I am *** the moderator for this conference. Welcome to Sun Pharma's post first quarter results conference call. Mr. Dilip Shanghvi of Sun Pharma is your call leader today. For the duration of the presentation, all participants' line will be in the listen-only mode. I will be standing by for the question and answer session. I would now like to hand over to Mr. Dilip Shanghvi of Sun Pharma. Thank you and over to Mr. Shanghvi

Dilip Shanghvi: Welcome and thank you for joining us today for the first quarter post results conference call. As always, this call will be discussing upon both numbers and strategy. I will first share financial highlights and operational issues, and then move on to strategies and direction. Mr. Valia is traveling and will not be able to join us for this call. We'll follow the discussion with a question session.

For ease of discussion, we'll look at numbers on a Sun Pharma plus the partnership firm Sun Pharma Industries consolidated basis so that we compare likes. This does not include the results of the overseas subsidiaries, which is already with you in the table of consolidated results.

We've begun well, and the first quarter numbers are more or less in line with the guidance that we had shared for the year.

An important thing this quarter, which relates to our US effort, was the approval of the Halol formulations and Panoli bulk actives site.

This adds to our base of regulated market sites. With these new approvals, the number goes up. 2 bulk plants are US FDA and Europe approved and one for Australia. One formulation plant, the Halol plant, now holds approvals from the USFDA, UK MHRA**,** Brazilian, Columbian and South African regulatory authorities.

Our total turnover grew 39.9% over similar period last year.
PBDT increased 35.5% over similar period last year.
Net profit increased 37.2% over the first quarter last year.
Net profit is at 25.9 %.

This profitability is after an increasing R&D spend, international registration costs as we invest for growing the business for the future.

Revenue R&D this quarter was about Rs. 147.8 million against Rs. 90.8 million last year.

Formulations accounted for 71% of the sales and speciality bulk active 29%. Exports of formulation and bulk active were 22% of turnover. Domestic formulation sales have grown 47% over last year.

As per the June 2004 ORG MAT data, Sun Pharma's market share is at 3.15% from 3.11% in March, growth rate is 12.6% against 8.1% for the sector. Our 5 core therapy areas, psychiatry, neurology, cardiology, diabetology, and gastroenterology accounted for 71.2% of the domestic formulation sale.

In terms of prescription, we have now moved up to number 1 position in cardiology. The rest of the ranks no 1 with psychiatrists and with neurologists, number 2 with gastroenterologists, number 3 with ophthalmologists, number 4 with orthopedicians and chest physicians, with increases in prescription share. In oncology and gynecology we number 8 and 10, and we expect to improve these ranks going ahead.

Exports formulation continues to do well with a 39% growth over same period last year. Since this is the result of a prescription pull based strategy and better operational control and implementation, I expect this trend to continue for the rest of the year, and we will meet our year-end growth projection. of 40 to 50 percent.
Our plant in Bangladesh is finishing regulatory submissions required before starting production activity.

At Sun Pharma, as always, we remain profit focused inspite of increased investment for the future growth of the business with 26% margin for June 2004 quarter as against 26.4 last June.

Working capital cycle efficiency is a priority.
I will now share details. If you look at the parameters, then some are good, some have improved and some need more efforts.

First, the debtors.
For domestic formulations, debtors are at 64 days down from 70 days last year.
For domestic bulk, debtors moved up from 78 days to 94 days this year.
Export formulations debtors moved from 177 days to 195 days.
Export bulk, debtors moved from 125 days to 155 days, this is related to higher sales in the last month
Of significance here – in the domestic formulations business, which is the largest part of our turnover, we have improved on debtors.

Next, inventories, which have moved from 220 days consumption last year to about 170 days consumption this June. I think this is a good sign given the large number of products we make and the new launches.

The tax outgo is Rs 22.5 million, last year it was Rs. 37.1 million.

The net interest income was Rs 7.9 million for the quarter against Rs. 28.9 million for the similar quarter last year.
R&D total expense for the quarter is Rs.184.9 million versus Rs.262.3million. Of this, R&D capex was Rs. 37.1million as against Rs. 171.5million. R&D revenue expenses have increased significantly to Rs.147.8 million versus Rs. 90.8 million last year.

EPS is at Rs. 4 up from Rs. 2.9 on an equivalent basis.

Interesting new products were introduced across our marketing divisions, and we increased the number of divisions from 11 earlier to 15 this year with new parallel divisions. Our interest in using technology as a differentiating factor has over the years helped us make headway with our innovation based projects as I've shared with you earlier. Among our leading products Pantocid, Susten, Repace, Aztor, Oleanz, Clopilet, continue to make a mark.

We continue to do well with the high margin speciality bulk segment of our business and this quarter scaled up technically complex products like gemcitabine and tiagabine, this helped us be the first to launch the brands in the Indian market.

We are prioritizing the US, Europe for future growth. We now have 6 DMF approved, six COS approved, and total 15 DMFs plus COS awaiting approval. We continue with our plan of eight to ten regulated market filings for the year.

With this, I will move on to our strategy particularly in line with our plans for acquisition opportunities. US operations, the R&D, and other future plan.

Recently we began the procedure pending statutory approval for the acquisition of Phlox Pharma, a 2nd and 3rd generation cephalosporin bulk active and Formulation Company. The shareholders at the EGM on Saturday approved of a swap ratio of 790 shares of Rs10 or 7900 shares of Rs 1 for every one share of Sun Pharma., involving issuance of a total of around 29000 new shares, an insignificant dilution.

Phlox Pharma as we've already shared is a closely held Bulk drug manufacturing pharmaceutical company originally set up by an expatriate technocrat, with a 37 MT/ annum capacity plant for cephalosporins in Baroda Dist. Phlox holds a European DMF for cefuroxime axetil amorphous. Our plan would be to build on the existing infrastructure, approvals and capacities to compete in the international markets, particularly the US for higher end cephalosporins with filings to be made. A capex of Rs. 150 mill is planned at the Phlox facility.

Phlox fills in an important slot in our bulk business, which is rapidly gaining traction as we move on to customers in regulated markets with higher end bulk actives and formulations.

Our International business is at 22% of turnover. Despite the changes in the US generic market that we've all seen in the last quarter- increased price based competition, authorized generics, the US continues to be an extremely interesting market for an integrated and lean player and in my opinion for the well positioned, in terms of outlook, nothing much has changed. As you already know last quarter we had increased our stake in Caraco to 63% and we continue to seek similar interesting opportunities.

Last time I spoke, I had also shared the need for us to be adequately prepared and ready to take international market plans to the next growth orbit. While we did announce plans to raise a $.350 mill FCCB, the timing was subsequently not right. However, putting the fund raising plan on hold does not imply putting our strategic direction on hold and I'm glad to share with you that we continue to actively look for opportunities where we can add value for a business turnaround or build synergies with the existing US business. As always, I'll be able to share specifics on this front once we have concrete details to talk about.

Also regarding HAL- we have decided not to pursue this acquisition proposal.

Export of formulations from India achieved a 42.5% growth on a relatively small size business. Export formulations now accounts for 5.4% of our overall turnover. Like our domestic formulation business, this too is the business of sticky prescriptions- stable volumes, sustainable business, and in view of the international potential for these products, we expect this business to continue to grow at 40 to 50% for the next two years on a comparable basis.

Now for the US business. Caraco which is now a 63% subsidiary posted good first half numbers with sales at $ 28.8mill, cash flow from operations of $ 8.8 mill and a net loss after tech transfer of $0.7mill. They have paid off a large extent of debt, last year's first half debt number was almost halved to $14.4 mill this year. As you already know, for the full year to Dec 2003 Caraco had posted sales of $45 million with cash flow from operation of $15.5 million and a topline guidance of 20-25%.

Our quarter numbers consolidated with those of Caraco are also with you. This is a line-by-line consolidation with the minority interest deducted at the last stage. Caraco has also shared progress on its filings, so far a total of 18 filings made cumulatively of which 14 ANDA approvals have been received, another 3 products have been transferred to Caraco and the stock related to this technology transfer has been issued. So of the seven filings they were to have made this year, they have completed 3 so far and 4 more would be made in the second half. Sun Pharma using an Indian facility has filed 5 products as we have shared with you.

We continue to see business sense in participating in the US generic market with the advantage of backward integration, comprehensive product basket for distribution reach, and filings from multiple sites.

Our guidance for the year remains unchanged- exports of formulation to grow at 40-50% and bulk active across domestic and international to grow at 20-25% on a comparable basis.

As we continue to look for ways to grow the US business quickly, the focus remains long-term sustainable business and adding shareholder value.

We shared with you last time that 1 NCE is in human trials in Europe, and 2 NDDS projects will enter human trial by year-end.

In the first quarter revenue R&D expense at Rs147.8 mill compares favourably with Rs90.8 mill for the previous quarter. Caraco had reported R&D expense other than the tech transfer of $ 1.4 mill vs $0.6 mill in the corresponding quarter. Phase one of the new research facilities has been commissioned, as I have shared with you earlier, and the rest of the labs would be made operational based on project requirements.

The domestic formulation business at 65% of the turnover continues to be the largest part of our business. We had shared guidance of 13% to 18% for this part of our business, and this we are confident of meeting.

We have always believed in focusing on growing the business rather than watching competition because we believe that focus and tight operating discipline is the only way to consistently deliver value.

We intend to put this focus to good use in this year and in the next. With Caraco on a solid base, our intention to participate in the European market only with a partner, we are ready to reach for the next stage of our international market growth.

With site expansions at Panoli and an upgradation of our Ankleshwar site, we have begun to spend part of the capex of around Rs.1000 million we had shared for the year, of this, Phlox this year would see a capex of Rs. 150 mill.

With this, I would like to leave the floor open for questions, thank you.

Moderator: Participants who wish to ask questions, please press *1 on your telephone keypad. On pressing *1, participants will get a chance to present their question on a first-in-line basis. To ask questions, please press *1 now. First in line, we have Mr. Pawan from SSKI Securities.

Pawan: Yes, good morning sir and congratulations for very good results. I have three questions, first is on the domestic growth; you have done sales of about 1.9 billion which is a growth of 46%, I mean, this seems to be very very high and amazing compared to the market growth. Can you just explain this? And, you know, do you think this kind of a number, I do not want to compare it with you know the previous year, 1.9 billion of quarterly sales is sustainable for the next three quarters?

Shanghvi: Yes Pawan, the growth of 46% essentially reflects a lower growth number, as you are aware because the previous quarter the numbers were much less because of high sales of the last quarter in the earlier year. But we feel that the numbers on a quarterly basis for turnover of the formulation business will be maintained during the year.

Pawan: So this kind of a run rate is possible because I think this is what even you exhibited historically. You grow sequentially many a times.

Shanghvi: I mean, I think the sequential growth is difficult in the last two quarters. The first two quarters are generally better than the last two quarters for domestic formulation, but we will be able to maintain similar growth.

Pawan: Okay, second is, can you give some idea if, what is the kind of debt that was assumed with Phlox, or there was no debt at all?

Shanghvi: There is no debt that we will assume. As I understand, everything is not yet finalized, Phlox is in the process of re-negotiating with the current lenders for finalizing the total payment, but once that is finalized we will pay off all the institutions.

Pawan: Okay, okay, and. when I am looking at the size of debt….

Shanghvi: Well, it is not very large, I mean, the total debt even for Phlox I think is not very large.

Pawan: Okay, okay, now when you consider the results tables and you look at the standalone and the consolidated numbers at the top line, you have done standalone 2.9 billion revenues and consolidated 3.2 billion, which is approximately 300 million let us say. What I was trying to understand was how have you consolidated the sales because Caraco quarterly numbers, I mean, they had done $15 million of revenue and you have said that you have done line to line, the difference is only about, you know, if I do line to line it is about 660 million now, and your incremental sales, I mean, the results table the difference is about 300 million. So is that the inter company sales, about 300 million for this quarter? I hope I am clear with my question.

Shanghvi: Yeah I understand, I am trying to understand from Dinesh why it is…. I mean, …

Pawan: Okay, you can probably answer that later I think.

Shanghvi: I think so, because otherwise it presents an incorrect picture, but we will explain that to you and may be clarify this.

Pawan: Okay, and fourth is on the, now this thing when I look at the profits, it seems that you have possibly not added, included the R&D income to the consolidated numbers. Have you done that this time as well? There was about, I think, some $4.5 million of R&D income you would have received in the quarter from Caraco.

S***hanghvi*** *(corrected)**:*** What I understand, we have eliminated the effect of the tech transfer with Caraco- on consolidation, R&D expenditure related to tech transfer at Caraco and corresponding technology related income in Sun Global are knocked out.

Pawan: So from now on you will not…

Shanghvi (corrected) : It is there in the Caraco cost, and in the Sun Global income. And both these income and expenditure have been eliminated on consolidation of the numbers, which we will continue to do.

Pawan: Oh, not. Okay, okay. But you will continue doing that.

Shanghvi: Yes, at the year-end we will do that.

Pawan: Sure sir thanks a lot.

Moderator: Thank you very much sir. Next in line we have Mr. Sanjay Chawla from Motilal Oswal.

Sanjay Chawla: Good morning sir. My question is regarding Phlox.How does it strategically fit into Sun Pharma, especially in the light of the fact that you had earlier acquired Gujarat Lyka and apparently that venture had not done too well with you?

Shanghvi: I was expecting this. See the selection of Gujarat Lyka and our decision to exit cephalosporin business was because in Gujarat Lyka, we were producing first generation cephalosporins like Cephalexin. And that business had become extremely competitive and cost of those facilities for making second and third generation cephalosporins would have been prohibitive. Second was that there were no major products getting out of patent for those products. So, but second and third generation cephalosporin, both oral as well as injectables, remain attractive business opportunities for next five to seven years, and Phlox gives us a very low cost entry into a very interesting business. Because we are entering this business at a low cost, we should be able to remain very competitive and ultimately all large volume businesses will become very price competitive. So it is important for us to remain competitive when it becomes high competition. So we believe that with Phlox we are entering the second and third generation oral and injectable cephalosporin business possibly at less than $1/3^{rd}$ the cost of any comparable size Indian competitor for regulated market.

Sanjay Chawla: Sir, am I to understand Phlox would be supplying the API and Sun Pharma would be filing the formulation or dosage form for the regulated market?

Shanghvi: Actually Phlox will become part of Sun once the merger is completed. So, Sun will have a manufacturing facility for cephalosporin. Our current plan is to use the same facility also for filing the dosage form.

Sanjay Chawla: Phlox hasgot its own formulation facility or it would be using the Halol facility for filing the dosage form?

Shanghvi: It has a large unfinished facility, which can also be used for making dosage form, and capex is with a view to complete that facility.

Sanjay Chawla: This would be including the sterile facility, sir?

Shanghvi: That is right.

Sanjay Chawla: Okay, my second question is on the export side. The debtors in the export side have increased marginally or they have increased. Is that actually reflecting the business environment in which you are operating?

Shanghvi: The debtors have moved up for exports for bulk from 125 to 155, and part of it is also because we are now supplying bulk to manufacturers on longer-term credit. But also some of the number increase is also on account of significantly higher sales in the last month. So we would be working towards reducing these numbers.

Sanjay Chawla: And the dosage form debtor has also increased significantly to 195?

Shanghvi: Yes, correct.

Sanjay Chawla: So, again, that is a function of what? You are trying to ramp up your sales or is it normal business practice out there?

Shanghvi: No I think it is a function of people not focusing on all the issues at the same time. So I think in our quarterly review we have started focusing on this and we will see improvement on this side. I don’t see any underlying system issue that needs alteration; it is not something, which cannot be corrected.

Sanjay Chawla: Finally on the European market, you mentioned about bulk active filing. What about the dosage form, I mean, how do you view the European market for your formulation business?

Shanghvi: We believe that there are interesting opportunities in Europe and we would be making European filings this year out of India, and the idea would be to use this filing to develop a partnership relationship with some European partners.

Sanjay Chawla: Okay I am done. Thank you very much.

Shanghvi: Thank you.

Moderator: Thank you very much sir. Next in line, we have Mr. Gala from Quest Investments.

Gala: Yeah, I basically wanted to know that how do you see the operating profit margin before interest depreciation and tax and excluding other income going ahead from the current level of around 32%? Hello?

Shanghvi: Yes, I am looking at the number, I will answer.

Gala: I am referring to consolidated numbers.

Shanghvi: We are not actually expecting any change in the overall profits or the margin during the year.

Gala: Okay, so we can presume that this could be sustained at around 32%?

Shanghvi: I mean, I do not know whether 32% that you are referring to is…

Gala: Yes, is EBIDTA, earning before interest depreciation tax and excluding the other income.

Shanghvi: We have given profit before depreciation and tax.

Gala: Yes.

Shanghvi: And that is for, is this consolidated number, which is 853 million?

Gala: Yes

Shanghvi: That is actually not 32%. If you…

Gala: No I am taking profit before interest depreciation and tax, consolidated.

Shanghvi: Okay. So you have added back the interest. Yeah I think broadly it will be in line with whatever that we have done this year.

Gala: Okay.

Shanghvi: I think this quarter would be more or less in line with the rest of the year.

Gala: Okay, I think the drop in the operating profit, this EBIDTA margin what I am referring to from last year full year consolidated was around 35.6%. I believe partly it appears to be because our material cost has significantly gone up as a percentage to sales.

Shanghvi: That is correct. I think the first quarter the overall cost of material…

Gala: Yes

Shanghvi: …is higher than earlier quarter and we continue to look at this , I mean, we continue to look at the, we are still not very sure whether this increase is reflecting….

Gala: But do you think that the material cost will remain at this level around 30-31% type?

Shanghvi: Yes, last year I think it was 29.3%.

Gala: No, on consolidated basis, the material cost comes to 25.4% for last full year, FY 2003-2004.

Shanghvi: I do not have comparable numbers but I will get that.

Gala: Yeah fine, and my second question pertains to what are the tax breaks are we enjoying and how long do you see our total tax liability will remain at low level?

Shanghvi: We expect current tax rates to be maintained for the next two or three years at least.

Gala: Okay, what is the major tax breaks that we are getting?

Shanghvi: We have facilities in tax-free areas.

Gala: Okay.

Shanghvi: We have export through 100% export units.

Gala: Okay.

Shanghvi: And we have the R&D ….

Gala: Weighted deduction.

Shanghvi: Weighted deduction.

Gala: Okay fine. Thank you very much.

Shanghvi: Yes, thank you.

Moderator: Thank you very much sir. Next in line we have Mr. Sameer Baisiwala from JM Morgan Stanley.

Sameer Baisiwala: Hi! Good morning everyone. My first question is on Halol and Panoli, could you tell us what is the current capacity utilization over there?

Shanghvi: I think the Halol unit is not significantly utilized. Specially the lines for the regulated market, and we are expanding the Halol facility right now. The Panoli facility, current facility is more or less utilized, may be it is around 65-70%, but we are actually doubling the facility. We are setting up a new facility with more or less same overall capacity that exists in the plant, that should become operational maybe by end of this year, and for that we have looked at the investment for capex during the year.

Sameer Baisiwala: Okay, and when do you think Halol can start contributing to your top line?

Shanghvi: Hopefully by this year.

Sameer Baisiwala: Okay, and the other question is about loss, you mentioned, this opportunity in ceph market, in third generation products, is for 5-7 years going forward? If I understand that, if the regulated market more or less gets opened up in 2005 and 2006 for the key patent expiries, if you will start off now, do you think you will be able to be there when the market opens?

Shanghvi: I think at least for two products we expect to be there when the market opens.

Sameer Baisiwala: For the two key products.

Shanghvi: Yes

Sameer Baisiwala: Okay, and the next question is on the gross margins that you were discussing. Why did the margins drop by about 2.6 percentage points in the quarter? Why was the material cost higher? Is there something to be read into the sales mix or something?

Shanghvi: Possibly the product mix in the formulation business as well as the exports of Sun products on which we have slightly lower margins, but we are also studying the exact reason as to why there is a significant impact. And hopefully by the end of the year we should be able to improve this slightly.

Sameer Baisiwala: Okay. And my last question on Caraco, what is really going to drive the growth this year 20-25%. Is it the market share gains or largely coming from the new drug approvals?

Shanghvi: Both.

Sameer Baisiwala: Okay, thank you very much.

Shanghvi: Thank you.

Moderator: Thank you very much sir. Next in line, we have Mr. Rajesh Vora from ICICI Securities.

Rajesh: Good morning Mr. Sanghvi, and well done on pretty good set of numbers. Two questions; first on your US business with potential first-to-file position on Ethyol product. Could you throw some light as we move forward into the future your new filings will be more focused on such unique product positioning and delivery based products, and first to file position. And how would you tread the path of managing the risk alongside? And secondly, with such a high level of free cash flow generation last year and this year also, if you can share some thoughts as to how do you plan to deploy the free cash. Earlier you mentioned about 100 crores of capex? And lastly on dosage form side, you did answer about 1.9 billion of quarterly run rate to be sustained. I think that is something that is the key highlight and the key achievement that Sun has done because if you see the last three quarters the run rate was about 1.5-1.55 billion, and straight it has jumped to close to 1.9 billion. Any particular reason that is the driver, any particular brand or area, therapeutic area that is driving this growth? And as, you have already mentioned about that it is sustainable, so can you throw some light on that as well?

Shanghvi: We have shared in the past with investors that we will have a balanced strategy for US and other regulated markets where we have some large products, some speciality products, and one or two para 4s per year, and that is something that we wish to continue. We are not sure as to whether we are the first to file on how many products. So I will not respond to that. But we believe that in all our para 4s we have relatively more risk and greater upside, but litigations and patent litigations in US are unpredictable, so it is difficult to project the probability of it. But philosophically our approach is that we will grow our business independent of whether we succeed in any of these relatively high-risk business. For the domestic business I think the growth both is a function of relatively low numbers last year, but I think during the year we should be able to maintain the numbers that we have, and they are not really very different numbers and we have seen in ORG, so even though the degree of incentivisation is much higher and linked with the filed person's ability to achieve primary numbers, we believe that whatever we have shown is based on the actual off take in the market place.

Rajesh: Okay, and lastly on free cash flow generation?

Shanghvi: I think what I shared with you during my presentation is that we continue to actively look at investment opportunities in the US, both to leverage our current success in Caraco as well as to look at new opportunities, and even though we are not likely to raise FCCB because terms are not very favorable. The strategy of creating a larger US business will continue to be pursued, and the free cash flow that we generate invested for creating this capacity.

Rajesh: Thank you very much and all the best.

Shanghvi: Thank you.

Moderator: Thank you very much sir. Next in line, we have Ms. Jyothi from Business Line.

Jyothi: Good morning Mr. Sanghvi. With reference to your putting on hold the FCCB, just wanted an elaborate reason for that, and in terms of the investments being made in your plants, where do you look to raise the resources from?

Shanghvi: The international environment for Indian debt or convertible debt today will either make it very expensive or would make it difficult for us to achieve the completion of transaction at terms which we will be comfortable for us, this is the reason why we will not possibly be pursuing the fund raising proposal. Should the situation change dramatically over the next few months, then we may change our view, but this is our view currently. The second question as to how we will manage the requirement for fund? As a company we have zero debt, and we are generating significant cash year after year. So we should be able to raise the amount as domestic debt at very favorable terms if we require it.

Jyothi: Use of internal accruals for acquisitions?

Shanghvi: Not necessarily, we may also need to raise debt, but that would be through ECB or the domestic debt at favorable terms, but we would do that only when we need some money.

Jyothi: All right, yes, thank you.

Moderator: Thank you very much mam. Participants who wish to ask questions, please press *1 now. Next in line, we have Ms. Priya from Asit C. Mehta.

Priya: Hello?

Moderator: Yes mam you can go ahead.

Priya: Yeah, I just wanted to know the breakup or geographic break up of exports?

Shanghvi: Generally we do not give detailed geographic breakup of exports. We share continental exports in terms of annual numbers, which I think once we finish this year, we will share this with you. What we have shared with investors is that for bulk exports more than 60% of our exports come out of regulated markets and this quarter also the situation is more or less the same.

Priya: Okay, and sir, what are your strategies to retain your leadership position post 2005?

Shanghvi: That is a big question, we continue to improve the rank that we have with all the key specialities of our interest, and improve our prescription shares in psychiatry, cardiology, neurology, and gastroenterology, and we do not expect a overnight change in the market place post 2005.

Priya: Okay, Sir and do you see any change, do you see any plan to go for research services?

Shanghvi: Basically what you are saying is…

Priya: For contract research or some clinical research something like that?

Shanghvi: We are not interested in doing fee for service kind of activity.

Priya: Okay, any particular reason for that?

Shanghvi: We would prefer to use our infrastructure and capacity for creating future value for Sun shareholders.

Priya: Okay, thank you sir.

Moderator: Thank you very much mam. Next we have a followup question from Mr. Pawan of SSKI.

Pawan: Yeah, sir, while you do not like to talk about the product filings you have but you said that you have in total 5, can you at least give the breakup in terms of dosage form, how many are injectables and how many tablets of the 5 that you have?

Shanghvi: Actually I would like to give more details. What I think we will give to all the investors is the potential size of the market for the product. We will give that. I do not think here I have with me the breakup in terms of dosage forms.

Pawan: But can you at least give how many are injectables of these 5, and of the total eight that you are planning? Approximate numbers will do I think.

Shanghvi: No, I understand, I think I am not sure whether it is in the best interest of shareholders. Give me some time to decide whether we want to share more information there than what we are sharing.

Pawan: Okay, fine thanks.

Shanghvi: Thank you.

Moderator: Thank you very much sir. Participants who wish to ask questions, please press *1 now. At this moment there are no further questions from participants. I would like to hand over the floor back to Mr. Dilip Sanghvi for final remarks.

Dilip Sanghvi: Thanks for joining us on the quarterly post results conference call. Thanks for asking difficult and interesting questions. Thanks and bye.

Moderator: Thank you very much sir. That concludes this conference call. Thank you for your participation. You may now disconnect your lines. Thank you and have a nice day.

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