“Alembic Pharmaceuticals Limited Q4 FY18 Results Call”

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Moderator: Ladies and gentlemen, good day and welcome to the Alembic Pharmaceuticals Limited Q4 FY18 Results 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 '*' and then '0' on your touchtone telephone. Please note that this conference is being recorded. I now hand the conference over to Mr. R. K. Baheti – Director-Finance & CFO.

Thank you and over to you sir.

R. K. Baheti: Thank you very much. Good evening everyone. Thank you once again for joining the fourth quarter annual results conference call. Most of you would have received the results, have done your analysis. Let me quickly go through the numbers.

During the quarter, the total revenue grew by 15% to 853 crores. EBITDA at 165 crores is 19% of the sales.

Pre R&D EBITDA is 33% of the sales, almost similar numbers as last year.

The net profit after tax is flat at around 93 crores for the quarter.

EPS for the quarter is 4.98 per share v/s. 4.94 per share of the previous year same quarter.

The full year numbers, total revenue was flat at 3131 crores.

EBITDA at 642 crores is 20% of sales.

Pre R&D EBITDA is 33% of the sales.

Net profit after tax up by 3% to 409 crores.

EPS for the year 21.89 per share v/s 21.39 per share previous year.

CAPEX for the year including the capital advances are Rs. 604 crores.

The gross borrowing and the consolidated balance sheet including our subsidiaries are Rs. 708 crores and company has Rs. 90 crores of cash and cash equivalents**.** So the net borrowings as on 31st of March 18 are about 620 crores.

The Board has recommended dividend on equity shares at the rate of Rs. 4 per share at Rs. 2 par value, so it works out to be 200% for '17-18, same as last year. Dividend payout stands at around 22% of net profit in the current year.

I will now hand over the discussion to Pranav for the business operations.

Pranav Amin: Thank you, Mr. Baheti.

We have managed to grow the international business. As you know it has been a challenging environment due to price erosion and buyer consolidation.

Let me start with talking about the recent FDA audits at our facilities:

Our Panelav formulation facility was audited by the US FDA on 12th March 2018. We were issued three Form 483 observations. These observations were relating to

invalid OOS and investigations

Hold time study

Analyst Re-qualification

We are addressing these comprehensively and have responded to the FDA.

The API-1 and API-2 facilities were inspected by the FDA on 16th April 2018 and were not issued any observations.

The API-3 facility at Karakhadi is in the midst of an FDA audit which was started on 14th May 2018.

GMP compliance continues to remain our focus area and we are approaching this with abundant caution.

R&D;

R&D expense was 121 crores in the fourth quarter, approximately 14% of sales.

For FY18, we have spent 411 crores approximately 13% of sales on R&D.

At the start of the year, I had guided for 15 to 20 ANDA filings. I am happy to say that we filed 12 ANDAs during Q4 which takes us to a total of 26 filings for FY18. These include 3 for Aleor.

Our efforts to add capabilities are also progressing well.

The Oncology oral solid dosage facility is ready and the exhibit batches are under progress.

The Aleor Dermaceutical facility is also ready.

Both the oncology injectable and the general injectable facilities will be ready in this year FY19.

New oral solid dosage facility in Jarod will be ready in the second half of FY19. 13 approvals including 4 tentative approvals were received during the year.

We cumulatively have 70 ANDA approvals including 9 tentatives. We launched 8 new products during the year.

Coming to the business side of it:

The international formulations business grew by 29% to 352 crores for the quarter.

The US generics business grew by 45% to 290 crores for the quarter. There was a one-time payoff in the US generic business, but if we take that apart, we would still grow about 30%.

The full year international formulations business was relatively flat at 1200 crores whereas the US business was flat at 920 crores.

The API business grew by 9% to 198 crores in the quarter and 1% to 651 crores for the year ended FY18.

The India formulation business had revenue of 304 crores in the fourth quarter. The India formulation business was at 1200 crores versus 1254 crores last year.

As you know, the numbers are strictly not comparable due to its GST accounting effect.

Specialty segments degrew by 2% in the current quarter and degrew by 1% in the year.

The acute grew by 19% in the quarter and 5% for the year.

I would like to open the floor for Q&A.

Moderator: Thank you very much, sir. Ladies and gentlemen, we will now begin the question and answer session. The first question is from the line of Anmol Ganju from JM Financial. Please go ahead.

Anmol Ganju: My first question is on the US performance. Pranav, could you detail the nature of the one-off benefit we got in the US International Formulation because the idea here is to kind of reconcise the gross margin performance where we have seen around a 380 bps drop in gross margins year-on-year. So what was the nature of this one-time thing and how should we be looking at margins especially the gross margins from an FY19 perspective?

Pranav Amin: Anmol, the one-time was related to an audit or one of partners on some charge back reversals that was about 4-4.5 million or so, that was the one time that we had from past profit payments which came in this quarter. So how to see the business moving forward, it is an interesting phase. We picked up some market share while there has been price erosion on some of the larger products and there has been supply constraints as some of the bigger pharma companies are backing out of some products. We are seeing lot of volume growth happening.

Anmol Ganju: And this volume growth would be coming at some cost of margins related to what we recorded in the past?

Pranav Amin: Yes.

Anmol Ganju: That is interesting. Thanks for that. My second question is on the US FDA issue that you highlighted. Now, you would have had initial discussions and feedback from your quality teams. We have seen although not similar, but these kinds of issues surface also with some of our larger peers. Do we have reasonable confidence that at least the two of the three observations that we have seen out of specification results and whole time studies, we should be able to address them without any adverse or any scar on the US trajectory because this is a fairly critical facility for us and just if you could share about the thoughts from consultants or your quality teams, I mean what is your assessment in terms of resolutions, timelines and pathways.

Pranav Amin: Anmol, that is a very valid question. We are taking most care with this and abundant caution as I mentioned. And you are right, some of our peers in the industry; larger peers have had similar observation. We had seen this before, so we were already on course of correction. As I said, we are addressing and we have responded to the FDA. We have been using proactively consultants as well. We sent our responses, we should hear back in the next month or so. So let us see how this goes, but it is very important and we have taken lot of care in responding to all the observations. The other thing is, it is not a repeat observation. For us, this is the first time observation.

Moderator: Thank you. The next question is from the line of Damyanti Kerai from HSBC Securities. Please go ahead.

Damyanti Kerai: Sir, my question is on the India side. Obviously, this year had some like aberrations, but I was looking at your therapy wise

performance. So they are like key growth areas which is targeted by most of the players like antidiabetic, cardiac and gastro, we are lagging there. So what exactly is like pulling down there or like what we need to achieve above industry growth in those key areas?

R. K. Baheti: You are right. I think while the overall industry got affected due to GST and other issues, we also had an impact on our specialty business which has been a focus area for last few years. You would have observed that in last few years, we have been growing faster than the RPM growth rate and base had become quite decent. We lost some market share because of the disruption on GST where acute still did well, much better than the peers, based on its own old legacy but we suffered in chronic. I think in the second quarter, we also had a change in promotional strategy where we are trying to be more proactively compliant with the guidelines which are still not statutorily valid, but which we believe is the sustainable way to grow the business. That also has more impact on specialty as you would all know the business. The new strategy is already in place. Last quarter was good and hopefully going forward, we should be recovering our lost ground.

Damyanti Kerai: Sir going forward, we remain confident about mid teen kind of growth for India formulations?

R. K. Baheti: We are fairly confident of higher than industry RPM growth rate.

Damyanti Kerai: And sir, what is our MR productivity currently as of FY18 end?

R. K. Baheti: MR productivity, they are different on different divisions, but on an average, it is about 275,000 per MR per month.

Damyanti Kerai: And last year, how much it was?

R. K. Baheti Almost flat, we didn't grow the business, there was no major change in MR size also.

Moderator: Thank you. The next question is from the line of Charulata Gaidhani from Dalal & Broacha. Please go ahead.

Charulata Gaidhani: My question pertains to your acquisition of Orit Laboratories. You have 7 approved ANDAs and 4 pending approvals, when do you plan to launch these products and what is the addressable market size?

Pranav Amin: In terms of the pending approvals, we will launch then we get the approval. The ones which are already approved, the ones which make sense for us we are going to take it over. I think within the next few months we will take it on our label and we will start marketing it. They have already been marketed through the existing partners that Orit has. So over the next few months in this year, we will take them back on our label and will relaunch.

Charulata Gaidhani: And how much is the revenue from the products that Orit is making?

Pranav Amin: We have not disclosed that.

Charulata Gaidhani: My second question pertains to your R&D expense. How much of R&D do you project?

Pranav Amin: For the year end FY18, we have done about 410 crores. We should inch up gradually, depending on other projects progress, anywhere between Rs. 450 to 500 crores.

Charulata Gaidhani: And the CAPEX?

R. K. Baheti: We have already said that we have spent about 600 odd crores of CAPEX during March 18. We need another 600 odd crores to complete the existing projects. You are aware that we have 4 running projects under execution, one for formulation facility at Jarod, the one at Karakhadi which is general injectable plant and the one onco-injectable plant which is under execution at Panelav. This does not include the maintenance CAPEX, regular expansion for the existing facility, these are the projects we are focusing on.

Charulata Gaidhani: I am sorry, I missed the third one. One for formulations, one for injectables and third for?

R. K. Baheti: Third is for onco-injectable plant which is different site different plant. The OSD onco plant is currently taking exhibit batches. Onco injectable plant is under execution.

Moderator: Thank you. The next question is from the line of Shriram Rathi from ICICI Securities. Please go ahead.

Shriram Rathi: Most of the questions have been answered, just two more. One is on the balance sheet; the receivables seem to have increased significantly this year from 338 to 526 despite the revenue being flat. Any particular reason for the same?

R. K. Baheti: This year our US subsidiary company sales have gone up significantly. Lot of products have been transferred from erstwhile partners to our own subsidiary where there were partners obviously receivables were much shorter period than our own subsidiary is marketing, the collection cycle is little longer, entire working capital, not only the receivables also the

inventories, it is a direct fallout of higher business for the front end. When we look at the numbers, the number is calculated in a whole year sale and 31st March receivable and if you look at the last quarter sales, there was significant increase the receivables pertaining to last quarter sales.

Shriram Rathi: So basically, this is something which we should assume going forward now this level of receivables.

R. K. Baheti: Both inventory and receivable levels would stay at elevated levels, but I am very happy to report that the receivable for the domestic which were very efficient even earlier had been further squeezed by almost by two days current receivables will be less than 23 days.

Shriram Rathi: And secondly on the CAPEX part. 600 crores is still to be spent, so this 600 crores will be happening in FY19 itself?

R. K. Baheti: Yes. Hopefully by March 19, most of our projects CAPEX would be over.

Shriram Rathi: And then maintenance CAPEX should be around 200 to 300 crores?

R. K. Baheti: Not so much, but there could be further expansion on it. Maintenance CAPEX should be in the range of 120 odd crores. Then some R&D.

Moderator: Thank you. The next question is from the line of Nitin Agarwal from IDFC. Please go ahead.

Nitin Agarwal: So Mr. Baheti on the gross margins, this has been pretty long period of 72%-73% gross margins. Gross margins have sharply

dipped this quarter. How should we look at gross margins going forward sir?

R. K. Baheti: We have been facing price erosions in international generic business like all other companies. So while volumes have gone up, the price realizations have gone down and that would directly impact the gross margin. I mean you can broadly say this quarter number as an indicator going forward.

Nitin Agarwal: And Pranav on the US business, so how are you looking at new launches for this year in terms of, new launches as well as the products that we are going to be getting from the partners. So overall how many of these products you are looking at as far as being sold, under deliveries, for this year?

Pranav Amin: As regards what we have with the partners, most of the stuff that we were going to take back, we have taken back already. There is handful of products which are still with the partners up until the agreement expires. It will continue but there are handful of them. Most of the pending approvals that we have, those are all not partners'. They will come on our label. So as and when we get approvals, we should launch these when we get a chance.

Nitin Agarwal: How many launches do you see this year?

Pranav Amin: The first step would be getting the EIR for the facility. Once that happens, I am assuming we will get anywhere between 10 to 15 approvals.

Nitin Agarwal: Apart from whatever the tentative approvals you may be launching or even that is going to be an issue without EIR.

Pranav Amin: Until the EIR comes as we have to wait for FDA . There were some which were may be from CMO that should not be an

issue, but the rest until the FDA gives go ahead. It is tough for me to say, but I think we will know by the next month or so.

Nitin Agarwal: And how many ANDAs do you file from the Aleor JV this year?

Pranav Amin: 3 ANDAs from Aleor JV.

Nitin Agarwal: And what is your thought on the dermatology market, the market dynamics have undergone a favorable change over the last year and a half. How has that changed your own dermatology strategy?

Pranav Amin: I am just going to hand it over to Jesal who will try to answer that.

Jesal Shah: I think on the derma space, you are right. As we are seeing in most of the segment competition is increasing everywhere and kind of that was anticipated. The same thing is also reflected in derma, but as we look at the entire space from our perspective, we still think that the space offers opportunities. There are still number of products where there is enough room and for us, the entry is perhaps at the right time, it is not too late. So from our perspective, the derma segment still holds enough potential.

Nitin Agarwal: And lastly Pranav, we had a pretty sharp ramp up in our overall ANDA filing this year. Is there also been any qualitative change in the profile of the filing that we have done this year, if there is some way to sort of to call to define that?

Pranav Amin: It is tough to say that, but as you know what we have been mentioning is in our portfolio we do have few tough products, some old ones, some FTFs so mix remains the same, but progressively as we try doing better filings, but the mix remains the same.

Moderator: Thank you. The next question is from the line of Bharat Celly from Equirus Securities Private Limited. Please go ahead.

Bharat Celly: Sir, just wanted to ask how many products are we seeing in the high-value launches for the FY19? I understand that Panelav facility is under the FDA issues, but considering that if we get perfectly okay from FDA, so how many approvals could we see in terms of high value months?

Pranav Amin: Yes, total we would see about as I mentioned anywhere 10 to 15 depending on how it goes. We have not disclosed what type of approvals but between10-15 approvals.

Bharat Celly: I am asking where Elmiron approval stand, ANDA filing. We have filed for Elmiron, right?

Pranav Amin: Elmiron, no, we do not disclose product wise approvals, sorry.

Bharat Celly: And sir I missed your commentary on increase in debt. What is the particular reason for the increase in debt?

R. K. Baheti: The capital expenditure is being put down for new projects. We have discussed all the new projects. Cumulatively we are putting about Rs. 1000 crores to Rs. 1,200 crores and the borrowing is essentially for all the new projects.

Moderator: Thank you. The next question is from the line of Dheeresh Pathak from Goldman Sachs. Please go ahead.

Dheeresh Pathak: Sir this 2% growth for India business in FY18, this is like to like adjusted for the GST and excise adjustment?

R. K. Baheti: No, these are not like-to-like. If you do a like-to-like comparison, we will have to add about 6.5-7% to the growth rate. So this 2% would then become 8.5.

Dheeresh Pathak: Instead of 2%, like-to-like growth is 8% for the full year?

R. K. Baheti: Somewhere we have mentioned these are not really comparable.

Dheeresh Pathak: Can you give plant wise pending ANDA numbers?

R. K. Baheti: As Pranav said, most of the current ANDA filings we have one single plant. So most of the filings are from our formulation plant. Very few of them are from CMOs.

Moderator: Thank you. The next question is a followup from the line of Anmol Ganju from JM Financial. Please go ahead.

Anmol Ganju: My question is a followup to the comments Jesal made that there is incremental greater anticipated competition in some of the key target therapy areas that we were focusing. I know this was expected and anticipated, but has the magnitude surprised us for any particular therapy area and if that is the case, then is there merit in probably looking at some of the pipeline projects where the IRR case or the payoffs might not be worth the effort or the spend in the new world of generics pricing regime?

Pranav Amin: Anmol, it is actually an ongoing thing that we do. As you know, there are people trying to approach all these new areas and everyone wants to get into them. So it is not something that is shocking. At the same time, it is not worrisome to us either, it is something that we have anticipated. So that is the first thing. Second is on the overall portfolio this is something that we keep reevaluating and we keep rejigging as we go along. We keep

rolling down if we feel and there are various aspects. One is competition, IP is another one, complexity is the third one. So it really depends, we keep fine tuning our portfolio and IRRs based on what we see and we drop products or we put them on hold as well.

Anmol Ganju: And have we kind of done any exercise off late where things have kind of dramatically changed because that is what a lot of your larger peers seem to be hinting at and there is a rollback in R&D spend that we see.

Jesal Shah: No dramatic exercise, no dramatic changes we have seen. Product wise, you may take some, we may prioritize but we will keep evaluating, but nothing overall nothing dramatic.

Moderator: The next question is from the line of Rahul Sharma from Karvy Stock Broking. Please go ahead.

Rahul Sharma: I probably missed out on that milestone payment which we have received in this quarter. What was it for sir?

Pranav Amin: Actually it was just from one of the partnered products, but actually portfolio partnered products. There was some more charged backs related stuff which they got a credit back, so the profit came later so there is no milestone.

Rahul Sharma: And just in case if there is a delay in the EIR, what would be the sort of launches that you are looking at in the current year?

Pranav Amin: Rahul it is tough to say as I said that assuming on a best case, there is nothing and EIR comes on time then we will look at anywhere 10 plus kind of launches. If there is an issue, I do not know it is tough to say. But right now, I am hopeful that we will try to resolving it.

Rahul Sharma: But you have Orit, you have other approvals which have come in, would not you be able to launch?

Pranav Amin: Orit launches will happen, but again they are already in the market. They will come on our labels. So I am not comparing Orit or any of the CMO products. Those are unaffected by this.

Rahul Sharma: Okay but those which are already approved and we have not launched, what is the number of products which are yet there?

Pranav Amin: Number of products approved and not launched, I think it is about 10 or so, 9 products.

Rahul Sharma: Any meaningful products which you could probably launch in a worst case scenario?

Pranav Amin: It is tough to say. I cannot disclose that.

Moderator: Thank you. The next question is from the line of Tushar Manudhane from Motilal Oswal. Please go ahead.

Tushar Manudhane: So if there any target action dates over the next couple of months from the formulation facility?

Pranav Amin: Yes, we do have handful of products which hopefully we should have some approvals coming in the next few months. As I mentioned, we have given our responses to the FDA and we should hear back from them within the next month or so, then we will get more clarity.

Tushar Manudhane: So economic viability or any other reason for the approved product not launched or is it to do with this regulatory hurdle?

Pranav Amin: No, only economic viability or opportunity. We generally do not launch, they have been in the system for a while.

Moderator: Thank you. The next question is from the line of Rahul Jeewani from IIFL. Please go ahead.

Rahul Jeewani: Sir, have you received any approvals from the Panelav facility post the 483?

Pranav Amin: No, this has only been like a month and half, so we have not received.

Rahul Jeewani: And sir over the past 2 years, we have seen a strong ramp up in both your ANDA filings as well as the R&D team strength, but do you see given the scenario which we have in the US generic market, do you see there are enough opportunities out there for you to continue filing 25-30 products every year?

Pranav Amin: I still feel US market is an interesting space. We do have pricing pressure. There is still an interesting space. If you do a good job, you can get market share and you can make some good money, still there is a relatively limited competition opportunities. You are seeing what you might have heard from the commentary of other players as well some of the larger companies are pruning down the portfolios, so let us see what happens.

Rahul Jeewani: So you would see an opportunity to gain volumes once among those products?

Pranav Amin: Yes.

Rahul Jeewani: And sir when do we again start seeing filing happening from the Onco oral facility?

Pranav Amin: Onco oral is something that the batches are under progress. The first-of-the filings would happen, maybe at the end of FY19 or most likely first quarter FY20 or so.

Rahul Jeewani: And sir my last question is on the fact that we will be commercializing 2-3 additional facility over the course of the next one year. So what kind of operational cost increases can we expect from these facilities?

R. K. Baheti: Difficult, generally we do not give guidance.

Moderator: Thank you. The next question is a followup from the line of Dheeresh Pathak from Goldman Sachs. Please go ahead.

Dheeresh Pathak: On the balance sheet, I see this other intangible asset and intangible assets under development which has increased by about 135 crores year over year. Can you just provide some light on that?

R. K. Baheti: Like you are aware Alembic Pharma has been charging off all its R&D expenses to P&L account. This is R&D expense done by Aleor which is a joint venture partner and since they are still under project execution. They have been clubbing as intangible assets and we do a line by line consolidation being a subsidiary. So our share of that intangible is appearing on our consolidated balance sheet.

Dheeresh Pathak: So both the line items, other intangible asset and intangible assets under development about 162 crores that refer to Aleor?

R. K. Baheti: Yes.

Dheeresh Pathak: And your stake in the JV is?

Mitanshu Shah: Basically underdevelopment as Baheti Ji said belongs to a Aleor while the other one is for the acquisition that we made for Orit and those are the values of those acquisitions.

Dheeresh Pathak: What is other intangible assets, sorry I did not hear the last part?

Mitanshu Shah: We made Orit acquisition in November. So that 60 odd crores belongs to Orit.

Dheeresh Pathak: And what is our stake in Aleor JV?

Mitanshu Shah: Aleor is 60%.

Dheeresh Pathak: So this 100 crores of 99 whatever, rounding of 200 as of 31st March 2018 this refers to 60% share of the cost of developments of ANDA and Aleor?

Mitanshu Shah: No, it is not 60%. It would be a full value because what happens is that as the new standard goes, you put in 100% value there and then you take it out as a minority interest on the balance sheet basically so this represent the 100%.

Dheeresh Pathak: So the right way to think is that till date Aleor has spent about 100 crores in R&D?

Mitanshu Shah: That is true.

Dheeresh Pathak: On P&L, there is a share of loss from JV in this quarter which has increased, what is that coming from?

Mitanshu Shah: That is largely attributable to some returns that we got on our Algerian joint venture. You are aware that there was an accident in the plant, then there was fire, after that we got some sales return and there are some fixed overheads pertaining to the joint venture that is the loss attributable to that JV.

Moderator: Thank you. The next question is from the line of Nitin Agarwal from IDFC. Please go ahead.

Nitin Agarwal: One more housekeeping question. On SG&A, our costs are moving around all over the place in this current year. How should we look at, is there any particular reason why these costs are lower on a QoQ basis this quarter and how should we look at it?

R. K. Baheti: Which number you are referring to?

Nitin Agarwal: The SG&A number.

R. K. Baheti: That is other expenses.

Nitin Agarwal: Sir last quarter was 180-odd crores. It has fallen off again in this quarter. So how should we look at this cost item as we model it going forward?

R. K. Baheti: Then I think we are looking at two different numbers. Other expenses is 258 crores this quarter. You are looking at consolidated or standalone?

Nitin Agarwal: Sir consol number excluding the R&D spend?

R. K. Baheti: Excluding R&D. So you have done that calculation, but the entire R&D you cannot exclude from other expenses because R&D gets clubbed everywhere. The accounting standard says that you cannot have a function-wise expenses, you have to have head of expenses. So R&D expense would come out from the material, R&D expense will also come in employee cost, R&D expense will come in depreciation and amortization and other expenses.

Nitin Agarwal: And sir some of the newer plants, the operation costs, have they already started appearing the P&L or all of them will come in incrementally going forward?

R. K. Baheti: All of this will come in incrementally going forward.

Moderator: Thank you. The next question is from the line of Kunal Randeria from Antique Stock Broking. Please go ahead.

Kunal Randeria: What is the cost of debt?

R. K. Baheti: It is a moving number, you cannot have one fixed number. So during the year it has moved from between 6.75 to about 7.25-7.35 INR and some what you call dollar loans in subsidiary accounts could be at around LIBOR plus 100-125 basis points.

Kunal Randeria: And sir what is the proportion of foreign debt, is it 700 crores?

R. K. Baheti: Foreign debt is about $20 million.

Moderator: Thank you. The next question is a followup from the line of Dheeresh Pathak from Goldman Sachs. Please go ahead.

Dheeresh Pathak: This interest must be capitalizing because you are hardly showing interest expenses in P&L.

R. K. Baheti: The direct interest cost on borrowings for projects, we are capitalizing that we are obliged to capitalize that, but interest expenses on all other borrowings used for maintenance CAPEX or for working capital is being charged off.

Dheeresh Pathak: So we are seeing 910 crores of CWIP, you are showing 600 crores extra you will spend, so 1500 crores of assets will come up for appreciation and interest expense that will happen from FY20 onwards, right?

R. K. Baheti: Absolutely.

Moderator: Thank you. As there are no further questions from the participants, I would now like to hand over the floor to Mr. R. K. Baheti for his closing comments. Over to you, sir.

R. K. Baheti: Thank you very much. Thank you all participants for joining the conference call and will continue the dialogue if any of you have more questions and look forward to seeing you in next quarter again. Thank you very much.

Moderator: Thank you very much sir. Ladies and gentlemen, on behalf of Alembic Pharmaceuticals Limited, that concludes this conference call. Thank you for joining us and you may now disconnect your lines.