

## **Investors/Earnings Conference Call (January 31, 2008)**

**Moderator:** Good evening ladies and gentlemen, thank you for standing by. This is Pallavi, the moderator for your conference call today. We welcome you to the conference call of Zydus Cadila. We have with us today Mr. Pankaj Patel, General Managing Director from Zydus Cadilla. At this moment, all participants are in a listen-only mode. Later we will conduct a question and answer session. At that time, if you have a question please press \* and 1. I would now like to turn the conference over to Mr. Pankaj Patel, please go ahead sir.

**Mr. Pankaj Patel:** Thank you. Good evening and welcome to the post-result teleconference. First let me take you through the broad financial numbers.

### **During Q3 07-08 on consolidated basis:**

- Total operating income up by 22.7% y-y to Rs. 5794 Mio. from Rs. 4724 Mio. last year.

Income growth was mainly driven by formulations exports which grew by 47% on the back of sales growth of 47% of US subsidiary, 31% growth in generics business of French Subsidiary, and sales of Nikkho do Brazil of Rs. 299 Mio.

- PBIDT up by 26% y-y to Rs. 1037 Mio. from Rs. 823 Mio. last year.
- PBIDT margin (% to total income) was up by 0.5% to 17.9% against 17.4% last year, on the back of better product mix and overall reduction in costs.
- Operating profit before tax (excl. exceptional items and exchange rate fluctuation on forex loans) up by 14.1% y-y to Rs. 646 Mio. from Rs. 566 Mio. last year.
- Net profit from operations (excl. exceptional items and exchange rate fluctuation on forex loans) up by 8.4% y-y to Rs. 506 Mio. from Rs. 467 Mio. last year.
- Net profit after exceptional items stood at Rs. 516 Mio. vis-à-vis Rs. 659 Mio. last year.

### **During the quarter,**

- US business continued to better its performance, and posted sales of Rs. 569 Mio., up 47% y-y (74% in \$ terms)
- French business has also performed well, with healthy 31% growth in generics business. With overall sales of Rs. 623 Mio., French business grew by 15% over Q3 06-07, which also had share of branded business.
- From loss of Rs. 16 Mio. last year (excluding profit of Rs. 196 Mio on sale of branded business), French business posted positive bottomline of Rs. 53 Mio. in Q3 07-08.
- We filed 4 more ANDAs with US FDA, taking cumulative ANDA filings to 70, of which 38 are now pending approval.
- We filed 2 dossiers for new products and 4 site transfer applications for French market.
- We received approval for 5 new product dossiers and 13 site transfers for French market. By now, supply of 15 products, of which 4 are new products and 11 are site transfers, have started from India to France.
- Production and commercial supply from Sikkim facility has started.

As you all know Wyeth has launched authorized generic formulation of Pantoprazol and Sun has launched generic form of Pantoprazol. As per our calculations, next year, impact on our bottom line is likely to be only Rs. 17 to 18 cr and now we see increase in demand due to authorized generic which will further reduce the impact. We will come back to you with accurate impact once we have revised projections of their requirements available from Nycomed.

Over to the coordinator for the Q&A.

**Moderator:** Thank you sir. Ladies and gentlemen we will now begin a live question and answer session. If you have a question please press \* and 1 on a pushbutton phone and await your turn to ask the question when guided by the facilitator. If your question has been answered before your turn and you wish to withdraw your question, you may do so by pressing the # key. Our first question comes from Mr. Rahul Sharma from Kardy, Mr. Sharma.

**Mr. Rahul Sharma:** Sir just wanted to know when we will be doing double digit growth in the domestic formulation space as a whole. We have been doing some 10% growth for nine months. Could you throw some light on it?

**Mr. Pankaj Patel:** Yeah. For the current quarter the domestic formulation growth is actually 10.1% and we expect that going forward we would have even further acceleration in the growth. So we see all quarters registering double digit growth as far as domestic formulation is concerned.

**Mr. Rahul Sharma:** Sir could you give us the breakup of the formulation exports and corresponding quarter and nine months?

**Mr. Pankaj Patel:** Yeah sure. The formulation export for the quarter was Rs. 1784 million and for the nine month it was Rs. 4838 million.

**Mr. Rahul Sharma:** Sir could we have the breakup?

**Mr. Pankaj Patel:** Yeah. Sure. For the quarter the US number is Rs. 569 million, France is Rs. 623 million, Brazil is Rs. 335 million, Japan is Rs. 15 million, and rest of the world is Rs. 242 million.

**Mr. Rahul Sharma:** And nine months figures sir?

**Mr. Pankaj Patel:** Nine months' numbers are for US Rs. 1794 millions, for France Rs. 1324 million, for Brazil Rs. 949 million, for Japan Rs. 38 million, and rest of the world Rs. 733 millions.

**Mr. Rahul Sharma:** Sir could you repeat Japan and France numbers again?

**Mr. Pankaj Patel:** The France Number is Rs. 1324 millions and Japan number is Rs. 38 millions.

**Mr. Rahul Sharma:** Sir can I have profit and revenue numbers for the quarter for Zydus Nycomed JV?

**Mr. Pankaj Patel:** Zydus Nycomed's revenues and profits for the quarter were Rs.110 million and Rs. 59 million respectively. This is our share of 50% in the JV.

**Mr. Rahul Sharma:** And nine month?

**Mr. Pankaj Patel:** Nine months' sale of the JV is Rs. 475 million and profit is Rs. 327 millions.

**Mr. Rahul Sharma:** Sir what about the R&D expense for the quarter and nine months?

**Mr. Pankaj Patel:** R&D expenditure for the quarter is Rs. 299 million and for the nine months is Rs. 963 millions.

**Mr. Rahul Sharma:** Sir do we see any niche opportunities in US market in last last quarter or FY09?

**Mr. Pankaj Patel:** Sorry I did not understand.

**Mr. Rahul Sharma:** Sir do we see any niche opportunity coming up in US market last quarter of 2008 or next year 2009.

**Mr. Pankaj Patel:** We do have a number of opportunities coming up next year. Whether it is niche or not - it is too early to comment about it. But we see good opportunities and we expect good sales to continue in the US market.

**Mr. Rahul Sharma:** How many approvals did we secure in current year till date for US market?

**Mr. Pankaj Patel:** Till date the total we have received 32 US ANDA approvals, of which 10 were received in this year.

**Mr. Rahul Sharma:** Okay. These are all numbers which are tentative?

**Mr. Pankaj Patel:** There are few I think three or four tentative I do not remember exact numbers.

**Mr. Rahul Sharma:** Thank you sir.

**Moderator:** Thank you Mr Sharma. Our next question comes from Mr Nimish of MP Advisors.

**Mr. Nimish:** Yes.

**Moderator:** Please proceed with your question sir.

**Mr. Nimish:** I am Nimish Mehta from MP Advisors. My question is related to domestic formulations. We have seen that in last year same quarter the growth overall was not very high. So on a low base also we have done just about 10% growth. Is there any particular reason why we are not seeing a ramp up in the growth?

**Mr. Pankaj Patel:** No for the quarter our growth is 10%, up to the quarter our growth is 12.7% and I did not want to give you reasons for current quarter's relatively lower growth but we had heavy sale in UP and because of impending VAT in that state, our sales got affected for a month in UP. But otherwise we do not see any major issue going forward in terms of achieving the double-digit growth.

**Mr. Nimish Mehta:** So just loss in sale in certain states that you mentioned but that has recovered up from this quarter?

**Mr. Pankaj Patel:** I do not think so because this is VAT impact, and as you know, our past experiences tell us that whatever sales you loose because of VAT, you are not able to generally recover. So we do not expect any such recovery to happen. But we will continue growing at double digit even in the coming quarters.

**Mr. Nimish Mehta:** Okay sir. My another question is on sales of Brazil. You mentioned that the sales is Rs. 335 million and in the last quarter that is in quarter 2 it was Rs. 560 million. What is the reason for this significant gap ?

**Mr. Pankaj Patel:** I do not see there is a gap. Our sales for the quarter as I mentioned to you is Rs. 335 million vis-à-vis Rs. 43 million last year.

**Mr. Nimish Mehta:** Correct. I am comparing it with the second quarter of this year where it was Rs. 560 million if I am not wrong.

**Mr. Pankaj Patel:** In second quarter, sales of Nikkho was reported for the first time after acquisition, so it included two quarters' sales.

**Mr. Nimish Mehta:** Okay so it actually reflects two quarters.

**Mr. Pankaj Patel:** Two quarters right.

**Moderator:** Thank you for your questions Mr. Nimish. Our next question comes from Mr. Rajesh from ICICI, please go ahead sir.

**Mr. Rajesh:** Good evening. Mr. Patel if you could answer on Protonix – the assumption behind Rs. 17 Crores or Rs. 18 Crores of net impact that you expect on annual basis for your company next year on account of generic launch. What are the key assumptions in terms of the margins, because if we see the second quarter or the current quarter net profit of Rs. 59 million on sales of Rs. 110 million which translates into after tax margins of 54% which used to be about 70% to 80% in the past.

**Mr. Pankaj Patel:** Okay. I think first of all I will start with your last question. This quarter our volumes are low, because this is fourth quarter for our partner Nikomed and usually in that quarter the sale is always low and on a low sales, margins are bound to be lower, because the overheads remain the same. Also, because of imposition of Minimum Alternate Tax on the operations of the JV, the profits are lower by ~10%. You might be aware that the patent challenges have happened only in US but in other markets the patents are still valid. So we expect that based on the US consumption of the last year and likely reduction in that volumes next year, the impact on next year's bottomline is estimated to be Rs. 17 Crores to Rs. 18

Crores. Since the new prices have been decided for the supply, there are no further changes as far as sale price is concerned. There are going to be changes in the volumes because of the generic launch of Pantoprazole in US and that impact is marginal because out of the overall approximately 120 tons of Pantoprazole consumed globally, about 25 tons is consumed in US. So what is impacted is those 25 tons of Pantoprazole, which is being used for US market. All that 25 tons is not supplied from India because our partner has also another supplier supplying them the intermediates of Pantoprazole. So as a result impact on the joint venture is minimal. Now that the authorized generic is also launched by Wyeth, we would expect further additional requirement for US so this number of Rs. 17 Crores to Rs. 18 Crores is likely to go down. We will be able to tell you more about this once we have clarity from our partner.

**Mr. Rajesh:** Okay. How do you as a company plan to fill this hole of big profit impact because Mayne JV will take some time before it starts contributing to the profits?

**Mr. Pankaj Patel:** The first point is that our joint venture with Hospira already has made submissions of three products. We are expecting inspection by MHRA UK in next month and subsequently other inspections are in line. We expect to commence business in next financial in this joint venture and we expect a volume of approximately Rs. 150 Crores in the financial year 2009.

**Mr. Rajesh:** Okay, in terms of sales?

**Mr. Pankaj Patel:** Yes. Again this is subject to the approval coming on time. So some revenue generation will definitely happen from our joint venture with Zydus Hospira which would contribute in filling up the profit gap to some extent. We are also in advanced discussion with our partner Nykomed to basically figure out how we can do some additional manufacturing of other materials. We are currently in advanced stage of discussions with them and very soon we will let you know the good news.

**Mr. Rajesh:** Okay very good, all the best. Last question on US outlook in terms of calendar year 2008 or fiscal year 2009 in terms of growth opportunities.

**Mr. Pankaj Patel:** We are positive about US market. This year calendar 2007 we have completed the year with sales of over \$55 million dollars and we are expecting next year to touch \$70 million.

**Mr. Rajesh:** Okay. All the best and thanks a lot.

**Mr. Pankaj Patel:** Thank you.

**Moderator:** Thank you Mr. Rajesh. Our next question comes from Mr. Kartik Mehta of MF Global.

**Mr. Kartik Mehta:** Hi sir. If you could tell how much percentage of the loss incurred due to the launch of generic Protonix was saved by us by reduction in certain expenditure because I believe something of this sort was mentioned in Q2 conference call.

**Mr. Pankaj Patel:** We have a program within organization going on for cost reduction which is called Strategic Lean Integrated Manufacturing or SLIM wherein we basically strive to continuously reduce cost of manufacturing and improve productivity through innovative ideas. Also in last quarter, I had mentioned about rationalization of developmental costs – products getting off patent after 3-4 years, the development of which can be postponed for 6-12 months. We have initiated actions in this direction and we are much above the gap of Rs. 17 Crores.

**Mr. Kartik Mehta:** Okay. What is the expected tax rate for the entire year? This quarter it seems to have increased to about 27%.

**Mr. M K Patel:** No at consolidated it will look higher because some of the subsidiaries have contributed losses and that is why the average rate has gone up but if you look at annual tax rate, it is going to remain in the range of 12%-13% this year.

**Mr. Kartik Mehta:** Okay. Sir for consolidated if I have to take for FY08 and FY09 can you share some numbers?

**Mr. Pankaj Patel:** We will provide you the likely tax rates offline.

**Mr. Kartik Mehta:** No problem sir. One last question was on the total debt of the company if you can share as on date the

net debt.

**Mr. M K Patel:** Debt net of the cash is Rs. 794 Crores on 31st December 2007.

**Mr. Kartik Mehta:** Sir this is on consolidated basis?

**Mr. Pankaj Patel:** This is on consolidated basis, yes.

**Mr. Kartik Mehta:** Thanks sir.

**Moderator:** Thank you Mr. Mehta. We have next participant Mr. Bhavin Shah from Dolat Capital, please go ahead Mr. Shah.

**Mr. Bhavin Shah:** Thank you and good evening everybody. Sir if you could give us a breakup on consumer division between Sarabhai, Carnation, and consumer products.

**Mr. Pankaj Patel:** Yeah sure. For the quarter, sales of consumer products was Rs. 258 million, sales of Carnation was Rs. 170 million and sales of animal health was Rs. 274 million.

**Mr. Bhavin Shah:** All right thank you so much. Sir I just wanted to know that you have stated Rs. 150 Crores potential from Hospira and certain batches which were to commence. Is there any other light that you could throw on that ?

**Mr. Pankaj Patel:** As I mentioned, we have taken the validation batches and made regulatory submission. We are expecting inspection by one of the regulatory authority MHRA next month.

**Mr. Bhavin Shah:** Okay. Sir your outlook on the emerging markets primarily form Brazil and couple of the other markets in which you might be looking for an inorganic growth.

**Mr. Pankaj Patel:** In Brazil, we have already completed the inorganic part - we have acquired the company and now we are actually focusing on growing the business and we expect very good opportunities in Brazil and in the other emerging markets in the coming year as well.

**Mr. Bhavin Shah:** Okay. Sir you are update on the R&D front?

**Mr. Pankaj Patel:** Currently as you might be aware that we have five products in the clinical development. We have just completed the last patient for our ZYH1 and ZYI1 and we expect to come out with the Phase 2A data very soon. We are also in the advanced preclinical development stage for four molecules and we expect to file in next couple of quarters the IND for these new targets. As and when it happens we will inform you.

**Mr. Bhavin Shah:** Okay sir. I have a couple of questions I will get you that, thank you sir.

**Moderator:** Our next comes from Mr. Srivarthara of UTI Mutual Fund.

**Mr. Srivarthara:** Sir, can you throw more light on consumer division as to what was rate of growth across the category and what is your outlook for that division?

**Mr. Pankaj Patel:** See our growth for the consumer product division is 26% in Q3. Our carnation business has grown by about 15%, and we expect to continue this kind of growth even in the coming years.

**Mr. Srivarthara:** Okay. If I heard it right it is Rs. 258 million for this quarter.

**Mr. Pankaj Patel:** Yeah, Rs. 258 million for consumer product business.

**Mr. Srivarthara:** Okay. Sir you have a high debt of about Rs. 800 Crores. So are you planning any equity issue in the near term to pay off this debt or are you comfortable with this kind of debt?

**Mr. Pankaj Patel:** Currently we are comfortable with this kind of debt and we are not planning to do any equity issue.

**Mr. Srivarthara:** Okay and sir, this Rs. 150 Crores revenue from this joint venture with Hospira – will it come by 2009 sir?

**Mr. Pankaj Patel:** Yeah 2009, this is what we are expecting subject to be getting regulatory approvals in time.

**Mr. Srivarthara:** Okay and this JV covers only three products or what is the total basket of product this JV would cover?

**Mr. Pankaj Patel:** JV covers about nine products actually as I mentioned before but we have already taken patents for three products and filed for it.

**Mr. Srivarthara:** Peak revenue for nine products you have indicated would be about 100 millions?

**Mr. Pankaj Patel:** Actually it could be as high as \$ 200 millions.

**Mr. Srivarthara:** Okay and sir in terms of profitability, would it be reasonable to expect similar levels as you enjoy in the Nycomed JV?

**Mr. Pankaj Patel:** No. Nycomed JV is very unique so you cannot expect the same profitability but it will be a good profitability.

**Mr. Srivarthara:** It will be higher than the company average?

**Mr. Pankaj Patel:** Yes. That is what we expect but not same as Nycomed because it is very high.

**Mr. Srivarthara:** Okay thank you very much.

**Moderator:** Thank you sir. Through with your question sir?

**Mr. Srivarthara:** Yes.

**Moderator:** Our next question comes from Ms. Rohita of Enam securities. Please proceed.

**Ms. Rohita:** Hi. I had a couple of questions. If you could just explain what is the reason for the sharp growth in your French business on Q-on-Q basis and secondly could you just let us know the profit numbers for each of your subsidiaries that is US and Brazil?

**Mr. Pankaj Patel:** First coming to French business, for the quarter the growth is 15% in rupee terms. I am not able to understand your second question.

**Ms. Rohita:** I think you said that you had sales of Rs. 62 Crores in Q3. I think in Q2 it was Rs. 36 Crores?

**Mr. Pankaj Patel:** Yeah. That is Q2, yeah okay.

**Ms. Rohita:** So on Q-on-Q basis it is growing at 70% so what is the reason for that ?

**Mr. Pankaj Patel:** What happens in France generally is that in the last quarter there is heavy buying by the pharmacists. It was there even last year also.

**Ms. Rohita:** Last quarter you are referring to Q32007 and last time you had initiated you had launched Sertraline ...

**Mr. Pankaj Patel:** Yeah and this quarter we have launched Amlodipine and Terbinafine and Cefuroxime.

**Ms. Rohita:** Okay thanks. Could you just give us the profit numbers for each of the subsidiaries?

**Mr. Pankaj Patel:** The French business as I mentioned had profit of Rs. 53 millions. The US business after providing for the product development costs paid to India of approximately Rs. 192 millions has shown a loss for the quarter of Rs. 83 millions. So profit before that charge, net of minority interest, was Rs. 109 millions.

**Ms. Rohita:** Okay thanks.

**Moderator:** Thank Ms. Rohita. Our next question comes from Mr. Rahul Sharma of Karvy, Mr. Sharma please go ahead sir.

**Mr. Rahul Sharma:** Sir just could not get your reply on Zydus Mayne, it is for nine products and peak revenue is Rs. 200 Crores or is it?

**Mr. Pankaj Patel:** It is nine products and the likely peak revenue is \$200 million.

**Mr. Rahul Sharma:** Okay thanks.

**Moderator:** Thank you Mr. Sharma. We have our next participant Mr. Nimish from MP Advisors.

**Mr. Nimish:** If you can just throw some light on the pipeline of products that you are likely to launch in France.

**Mr. Pankaj Patel:** I do not have the number in front me on how many exact number of product we are going to launch but we expect the French business to achieve a sale €41 million next year that is 2008 calendar year. We are expected to launch about eight new products during the year.

**Mr. Nimish:** Thank you sir. Just to understand your strategy how many of them would be day 1 launch.

**Mr. Pankaj Patel:** Usually we are trying to make almost all day one launches. I do not have exact numbers but we are planning about four day one launches during the 2008.

**Mr. Nimish:** How is generally the price erosion product wise?

**Mr. Pankaj Patel:** It is not as bad as you see in US, the price levels remains almost stable because it is not one party buying large quantities but it is number of wholesalers buying it. Generally the erosion is about 65% of the brand price.

**Mr. Nimish:** 65% of the brand price? You do not have incurred any marketing expenses ...

**Mr. Pankaj Patel:** All costs are incurred including selling and marketing.

**Mr. Nimish:** I understand you have already given up the sales force in France.

**Mr. Pankaj Patel:** We have not given up the sales force. We only sold out our branded products business but we have not given up our sales force. We do have sales force in France.

**Mr. Nimish:** So these generic products also need detailing through medical representative?

**Mr. Pankaj Patel:** Yeah it does require the sales force for detailing to the pharmacists.

**Mr. Nimish:** Okay thank you.

**Moderator:** Thank you for your question Mr. Nimish. Our next question comes from Mr. Srivarthara from UTI Mutual Fund.

**Mr. Srivarthara:** Yeah sir in line with the trend, most of companies are demerging their R&D outfits, so is there any plans in Cadilla in those lines?

**Mr. Pankaj Patel:** At this moment no.

**Mr. Srivarthara:** Okay thank you.

**Moderator:** Next in queue is we have is Mr. Kartik Mehta from Man Financials.

**Mr. Kartik Mehta:** Quarter 1 conference call you had mentioned that there could be some other products from Nycomed, so would you provide an update on that?

**Mr. Pankaj Patel:** I just mentioned in the earlier questions briefly that we are in a very advance stage of negotiations and pretty soon we will inform you what exactly we are going to do.

**Mr. Kartik Mehta:** Sir this Rs. 150 Crores of revenue from Hospira JV is that the total JV sales or is it our share in sales?

**Mr. Pankaj Patel:** Total JV sales.

**Mr. Kartik Mehta:** Okay thank you.

**Moderator:** Thank you Mr. Mehta. For any further questions participants are requested to press \* and 1. Our next question comes from Mr. Nimish Desai of Motilal Oswal, please go ahead sir.

**Mr. Nimish Desai:** Yeah. I had a question or rather clarifications on Pantoprazole. Can you tell us out of your total supply how much goes to the US market?

**Mr. Pankaj Patel:** We are basically supplying the global requirements so what I can say is that from the JV, 18% to 19% of the total production goes for USA market.

**Mr. Nimish Desai:** From Altana?

**Mr. Pankaj Patel:** From Altana 18% to 19% of production of Pantoprazole is going for USA.

**Mr. Nimish Desai:** Okay so if we assume that the remaining 80% or 81% of your supplies or for other markets can we assume that you enjoy the same pricing for other supplies or the US pricing is different?

**Mr. Pankaj Patel:** No we have one price for all supplies and our prices are not changed.

**Mr. Nimish Desai:** Okay the prices will remain the same for the generic version for which Wyeth has launched or will it be different?

**Mr. Pankaj Patel:** No it will remain the same.

**Mr. Nimish Desai:** It will remain the same. Okay thanks a lot.

**Moderator:** Thank you Mr. Desai. Our next question comes from Mr. Prashant of Leyman, Please go ahead sir.

**Mr. Prashant:** Hello sir. Can you clarify what is our contract research and manufacturing revenues?

**Mr. Pankaj Patel:** For the quarter the revenue is Rs. 118 million.

**Mr. Prashant:** Okay what is your outlook on trend?

**Mr. Pankaj Patel:** We continue to increase the CRAMS activities. This quarter also we have signed additional three contracts and we are progressing well as per our plans.

**Mr. Prashant:** Okay thank you.

**Moderator:** Mr. Patel, would you be taking next question sir?

**Mr. Pankaj Patel:** Yeah sure.

**Moderator:** We have Mr. Bhavin Shah from Dolat Capital. Please go ahead sir.

**Mr. Bhavin Shah:** Thanks for taking my questions again. Sir what we envisaged earlier the loss that you are possibly taking from Altana changing in account of Pantoprazole and the Hospira JV to kick upward more than to compensate or perhaps take a little time and try and cover up for the loss that we have been possibly make in Altana's profit sir in your view would you give it FY2010 or FY2011 to get position where it was?

**Mr. Pankaj Patel:** Yeah. We would be better than our current position by FY2010.

**Mr. Bhavin Shah:** So you are marking FY09 to come back to the position that we would possibly make?

**Mr. Pankaj Patel:** no, FY2010 we will come back to. Actually we are making loss in profit for the FY2009 to the extent of Rs. 17 Crores to Rs. 18 Crores, so it is not significant as one would think and we definitely would see that in FY2010 we would be even better off the current levels.

**Mr. Bhavin Shah:** Okay would the sales compensate for the Altana loss or would the margins?

**Mr. Pankaj Patel:** First of all, Altana is not going to become zero in FY10 because of the fact that for the other markets, the demands will remain. So we are not expecting it to become zero but whatever we will lose more than that we are going to get definitely from our joint venture from Zydus-Hospira.

**Mr. Bhavin Shah:** Okay from the consolidated basis the margins at least should improve but not go down.

**Mr. Pankaj Patel:** Yeah. It will not go down. It will actually improve.

**Mr. Bhavin Shah:** Okay, great. Thanks a lot. That will do.

**Moderator:** Thank you Mr. Shah. Ladies and gentlemen if you have any questions you may press \* and 1 now. Participants who wish to ask any further questions may please press \* and 1 now. Participants are requested to press \* and 1 to ask any further questions. As there are no more questions, I would now like to hand over the conference to Mr. Pankaj Patel, please go ahead sir.

**Mr. Pankaj Patel:** Thank you for joining the conference call and see you next conference call. Good evening.