



AUDIO CONFERENCING SERVICE

TRANSCRIPTION REPORT



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Company	Indoco Remedies Limited
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Operator:

Thank you for standing by. And welcome to the Q2 FY 2008 Financial Performance Conference Call for Indoco Remedies Limited. This call is hosted by Reliance Money. At this time, all participants are in a listen-only mode. There will be a presentation followed by a question-and-answer session, at which time if you wish to ask a question, please press "star" "one" on your telephone.

I would like to hand the conference over to Mr. Surya Narayan Patra from Reliance Money. Over to you, sir.

Surya Narayan Patra:

Thank you, Varsha. Good evening, friends. I am Surya Narayan Patra. On behalf of Reliance Money welcome you all for the second quarter FY08 earnings call of Indoco Remedies Limited.

I have great pleasure in having with us, Mr. Sundeep Bambolkar, Director of Finance and Operations, Mr. Coutinho, Marketing Director, Mr. Ganesh Gokhale, GM Finance and Accounts from Indoco Remedies Limited on the call today. I would like to congratulate the entire management team of Indoco Remedies on good set of numbers.

Now, I hand over the floor to Mr. Bambolkar, who will be taking us through the financial numbers and brief us about the future outlook of the company. Over to you, sir.

Sundeep Bambolkar:

Yes. Thank you, Surya. Good evening all the participants. We just had audit committee meeting and our board meeting today afternoon, and the Q2 results for this year have been announced. I would like to take you through the results now followed by specific question-and-answer session.

To begin with in this quarter, the company has shown an overall growth of 16% on net sales. The domestic business has grown by 17%. To speak of the individual divisions, the

Indoco division has grown by about 12%, Spade by 15%, Warren by 20%, Excel by 8.5%, Surge-Radius by 30%, and Spera by 41%. Incidentally, Spera is our latest division, which was launched a few months back and resultantly, the domestic business has grown by 17%.

Coming to the international business for the quarter, the **reg** business has grown by about 25% and the semi-reg business has grown by 19%. For the half year, the reg business has grown by 25% -- 25% to 26% and the semi-reg business has grown by about 69%.

I shall now take you through the various parameters of material consumption and other expenses etc. To start with material for the quarter, material consumption is 43.14%, compared to 45.40% for the same quarter last year. Staff cost has gone up, it is 11.88% compared to 9.90%. Other expenses have been controlled **and** they are at 24.27%, compared to 25.59%.

With the operating efficiencies built in as a result of the optimum capacities reached at the Baddi plant. We have managed to expand our EBITDA margins by 162 bps, i.e. 1.62% up. The R&D expenses are at 2.65%, compared to 1.95%, showing an increase initiative on R&D.

The R&D center also as you all are aware it's fully operational now on all aspects, that is API process development, analytical research, formulation development, Dossier and ANDA compilation.

On the interest front, the company has managed to do much better for the quarter. We have clogged 1.05 crores against 1.34 crores for the corresponding quarter last year. And incidentally as we mentioned, you know, the short-term money to the company is now available around 7.5% to 8%, thus giving us a distinct edge.

Depreciation is at 2.59 crores compared to 2.07 crores. We've had a small VRS amount for the Tarapur plant, which is appearing as an extraordinary item. We have shutdown operations at Tarapur, since Baddi has gone fully operational, accounting for 21 lakhs and miscellaneous expenditure written-off 8 lakhs.

As a result, the operating profit is at 16.64% to net sales compared to 14.66%, again an expansion of almost 200 bps and the profit after tax is at 11.85 crores compared to 9.63 crores for the same quarter last year.

To give you some more highlights, we have filed two DMF, and two COS on the API front, which has been nascent business for Indoco. On the filing front, the Amneal JV is also going on well and in '08, '09, we hope to file at least three ophthalmic ANDAs on that front.

As far as, the international business is concerned, we are strongly hopeful of closing it with the growth of over 40% by the end of the year that is at around 90 crores.

I think this is brief I would like to give you, so we would like to have question and answer session, now.

Question-and-Answer Session

Operator:

Certainly, sir. At this time, if you wish to ask a question, please press “star”, “one” on your telephone and wait for your name to be announced. If you wish to cancel your request please press the “hash” or the “pound” key.

The first question comes from Mr. Manoj Garg from Emkay Research. Please go ahead, sir.

Manoj Garg:

Yeah, very good afternoon to all of you. This is regarding our API export, where if you see on QoQ basis, our API products come down almost by 68%, and on first half it is down by 62%. Can you please throw some light on this?

Sundeep Bambolkar:

Yeah, sure. API business has been a nascent business, as far as Indoco is concerned.

Manoj Garg:

Yeah, then.

Sundeep Bambolkar:

You'll recollect, we had acquired LaNova Chem India Private Limited on 4th of July 2006. So it's about one and half years that we have acquired this company. And by the time, we could go fully operational to start the plant because it was in a semi-finished stage when we took over.

Manoj Garg:

Right.

Sundeep Bambolkar:

Almost November to December, last year and as the result we have been building up that business. Initially there was some business of trading exports, but we would like to have that kind of business properly sustainable, you know, so we are making some more molecules R&D centre, which will ultimately be manufactured in the LaNova plant. So I think in the next year there should be a strong improvement on this front.

Manoj Garg:

Okay. Another thing if I recollect adequately in your last analyst made, you have mentioned that probably in Germany with the contract manufacturing data that you are doing, initially just to see that how the business has spin out. But going forward you would look forward for the contract manufacturing, which will be, having higher margins, any update on that side.

Sundeep Bambolkar:

Yes, the contract manufacturing in Germany and in Eastern Europe is of a much higher margin. So we have succeeded in getting contracts of three companies...

Manoj Garg:

Okay.

Sundeep Bambolkar:

...two in Eastern Europe and one in Germany.

Manoj Garg:

Right.

Sundeep Bambolkar:

And the business is on regularly.

Manoj Garg:

Okay. One thing like, if I talk about domestic business, most of the company in domestic market, they have suffered this quarter on anti-infective front because last year there was an epidemic called Chikungunya, which was not been seen this year. But I think, you have shown a very good growth almost on 38% this quarter in your anti-infective segment. Anything specific you would like to mention out there?

Sundeep Bambolkar:

See we have got in to the antibiotic segment about five to six years back. This year in '07, '08 I agree, we should be getting at least about 65 crores or so.

Manoj Garg:

Right sir.

Sundeep Bambolkar:

What is that means is that we have got six marketing divisions promoting different brands.

Manoj Garg:

Okay.

Sundeep Bambolkar:

So as a result each of the marketing divisions are focusing on their brand very significantly.

Manoj Garg:

Okay.

Sundeep Bambolkar:

Most of it, Spade, they have a brand ATM and Febrex therapy. With Indoco, we have got Vepan then Oxipod, septichek, Kefchek. With Surge-Radius, we have a brand Bactogard. Warren we have a brand AMCLAID. As a result what is happening, each division is focusing adequately and to be frank even though our case recently said that in the pharma segment antibiotics have contributed and even Indoco has contributed well, happy with the performance. And to answer your question once again very specifically, I'll say that it has happened because of our focus...

Manoj Garg:

Okay.

Sundeep Bambolkar:

...sub-division.

Manoj Garg:

Okay. Again like in domestic market, you know, there is a still a cloud about this factious combination.

Sundeep Bambolkar:

Yes.

Manoj Garg:

Where the, you know, regulators are talking about banning of irrational combination or maybe the combination, which have been approved by the settle authority. Are we expose to any of this combinations and what percentage revenue that contribute to it?

Sundeep Bambolkar:

See, the industry -- you must be reading it in the papers...

Manoj Garg:

Yeah.

Sundeep Bambolkar:

...losing approximately about 4,000 crores out here.

Manoj Garg:

Fair enough, sir.

Sundeep Bambolkar:

We have lost about 18 to 20 crores, so considerable loss because what has happened just back there were some disapprove combinations, there were some approve combination...

Manoj Garg:

Yeah.

Sundeep Bambolkar:

Yeah, to make minor changes in some of the constituent's symptoms of competition, a few milligrams here and there and still 60 % of the products have come back in the revise combination.

Manoj Garg:

Okay.

Sundeep Bambolkar:

And we have come up with alternative, so we are not easily losing at all. Like that suffered in a month but you will feel the change which came about in November, December...

Manoj Garg:

Yeah.

Sundeep Bambolkar:

...second quarter has been much better than the first quarter, so the change has been managed very well by us. For every discontinued product however big loss one, we have not lost out at all.

Manoj Garg:

Okay. But what percentage of revenue we are getting from all combination -- this kind of combination?

Sundeep Bambolkar:

About 8%.

Manoj Garg:

8%.

Sundeep Bambolkar:

8%, but once again, as I told you all been taken care of.

Manoj Garg:

Okay.

Sundeeep Bambolkar:

With even, therapies and all the products we have come, we have anticipated the change and we had applied for fresh licenses and all the fresh products that are to come in.

Manoj Garg:

Okay. But applying for a new combination maybe you have to submit the clinical trails and all those things...?

Sundeeep Bambolkar:

No.

Manoj:

No.

Sundeeep Bambolkar:

Application is approved, but there is no trial.

Manoj:

Okay.

Sundeeep Bambolkar:

So, we went by the two formulations approved by the [Trial Controller General of India], the TGI.

Manoj:

Yes.

Sundeeep Bambolkar:

So they approved, so we didn't have to conduct any trial.

Manoj:

Okay. Thanks a lot, sir. Thank you.

Sundeep Bambolkar:

Okay.

Operator:

Thank you, Mr. Manoj. Once again, participant who wish to ask a question, please press "star" "one" on your telephone keypad. And wait for your name to be announced. Next question comes from Ridhim Thapar from Parag Finance. Please go ahead.

Ridhim Thaper:

Yeah. Hi, this is Ridhim here. I just wanted to know, I believe you have taken over a company for 25 million odd rupees, if you could be kind enough to throw some light on the same?

Sundeep Bambolkar:

Yeah. We have taken a company, whose registered office is in Delhi. And it has lot of land measuring about 5.5 acres in Baddi.

Ridhim Thaper:

Right.

Sundeep Bambolkar:

So, since our present Baddi plant has done well and the optimum capacity utilization has been reached.

Ridhim Thaper:

Okay.

Sundeep Bambolkar:

We are in the process of putting on paper plan for another plant, which is likely to go on streaming around April '09.

Ridhim Thaper:

Okay.

Sundeep Bambolkar:

So that's the basic idea behind acquiring this company.

Ridhim Thaper:

So, it's basically just for land acquisition that you taken over this company?

Sundeep Bambolkar:

That's right.

Ridhim Thaper:

Okay. Sir, some general questions, I mean what is the growth you see annualize for your company, going forward as in for a couple of years when considering your Baddi plant and other plants running at decent capacity.

Sundeep Bambolkar:

Yes.

Ridhim Thaper:

What is the future outlook for Indoco per share?

Sundeep Bambolkar:

Definitely between 20% and 25%.

Ridhim Thaper:

That's top line?

Sundeep Bambolkar:

Top line. Yes.

Ridhim Thaper:

20%, 25%?

Sundeep Bambolkar:

Yes.

Ridhim Thaper:

And on the margin front as in do you have a ballpark figure i.e. what margin you'd be comfortable going forward?

Sundeep Bambolkar:

You are talking of growth impact?

Ridhim Thaper:

Yes.

Sundeep Bambolkar:

Growth impact should be around 25% to 30%.

Ridhim Thaper:

25% to 30%?

Sundeep Bambolkar:

Yes.

Ridhim Thaper:

No, I mean at what margin impact to sales if you going to look at?

Sundeep Bambolkar:

Impact to sales in this quarter we have cross around 13%.

Ridhim Thaper:

Right.

Sundeep Bambolkar:

11.85 crores, which we have cross 13%.

Ridhim Thaper:

Right.

Sundeeep Bambolkar:

Going forward, I think that will inch forward you know, year-on-year at least 50 basis point.

Ridhim Thaper:

50-basis point?

Sundeeep Bambolkar:

Yes.

Ridhim Thaper:

And now -- any CapEx plans apart from these 5.5 acres that you picked up? In near term CapEx plan that you have?

Sundeeep Bambolkar:

No. Not really. Otherwise, all is maintenance CapEx.

Ridhim Thaper:

Maintenance CapEx. So, no debt -- that will be required from your company?

Sundeeep Bambolkar:

Baddi plants we have covered already.

Ridhim Thaper:

Right.

Sundeeep Bambolkar:

No, there won't be any debt, right now the debt level is around 38 to 39 crores. When I say debt is totaled - the working capital and long-term loans put together.

Ridhim Thaper:

Okay.

Sundeep Bambolkar:

So, I think we are very comfortable on that front.

Ridhim Thaper:

Right. Out of the 39 what would be long term?

Sundeep Bambolkar:

Only 4 crores.

Ridhim Thaper:

4 crores.

Sundeep Bambolkar:

Yes.

Ridhim Thaper:

Fair enough. And going forward growth, do you see in domestic markets or would you be continuously pushing forward for the international growth or so.

Sundeep Bambolkar:

No. We would definitely be working towards the domestic growth too. Absolutely, as an average you can take it as about 18%, 19% year-over-year.

Ridhim Thaper:

That's domestic.

Sundeep Bambolkar:

Yes.

Ridhim Thaper:

And international?

Sundeep Bambolkar:

International this year our growth will be around 40%.

Ridhim Thaper:

40%.

Sundeep Bambolkar:

This year, yes. And as the base grows higher, of course, it's going to be between 35 and 40.

Ridhim Thaper:

So basically 35% is something that internationally you will be comfortable.

Sundeep Bambolkar:

Yeah. For the next two three years, yes.

Ridhim Thaper:

Next two, three years. Thank you very much.

Sundeep Bambolkar:

Yes. Thanks.

Operator:

Thank you, Mr. Ridhim. Next question comes from Mr. Akshat Vyas from Angel Broking. Please, go ahead sir.

Akshat Vyas:

Yes, sir. I just wanted to ask you a gross margin decline this time right.

Sundeep Bambolkar:

Sorry.

Akshat Vyas:

Gross margins.

Sundeeep Bambolkar:

Has declined.

Akshat Vyas:

Your gross margins have been around 56.9% as compared to last year 63%. Right.

Sundeeep Bambolkar:

No, I think EBITDA margins we are talking about, which is 20.73% compared to 19.11%. So in fact, they have grown up by 162-basis point.

Ridhim Thaper:

No. Actually, I was talking about the gross margins here. Okay. Your operating margins would it be sustainable at these levels.

Sundeeep Bambolkar:

Yeah. Even operating margins are up. They are 16.64% compared to 14.66%. So definitely they will be sustainable.

Ridhim Thaper:

Okay, sir. Yes.

Operator:

Any other question, Mr. Akshat.

Akshat Vyas:

No. Thanks.

Operator:

Thank you, sir.

Akshat Vyas:

Next question comes from Mr. Ashish from JHP securities. Please, go ahead sir.

Ashish:

Hi, this is Ashish. Actually, like could you throw some light on the US authentic market. As regards the partners and the CS target that you're targeting to be achieved?

Sundeep Bambolkar:

Yes. As it is on US, I just spoke about it that we have signed this agreement with Amneal Corporation, US and it has a basket of 10 ophthalmic products.

Ashish:

Okay.

Sundeep Bambolkar:

Most of them, at least six or seven, we are developing right from the FTI stage. So that we have the control on our soul and now, we are hopeful, strongly hopeful that at least three ANDA's we will be filing in this year 08, 09, three ANDA's and the remaining, out of the remaining seven, five will be filed in 09-10.

Ashish:

Okay.

Sundeep Bambolkar:

So the first approval will come in around October 09.

Ashish:

Okay. October 09.

Sundeep Bambolkar:

Yes.

Ashish:

Okay.

Sundeep V. Bambolkar:

So, as time passes you will have a cluster of approval and the market value of these ten formulations right now is \$1.8 billion. But of course, when they go off patent there is likely to be price erosion without doubt.

Ashish:

Okay.

Sundeep Bambolkar:

But the only satisfaction is and the confidence level on this point is very high that the price erosion unlike in Solid Dosage will not be 90% and that. You can expect 40%, 50%.

Ashish:

Okay. So 40% to 50% will be the price erosion?

Sundeep Bambolkar:

Presumably, yes.

Ashish:

Okay. And let, any sales target for admin?

Sundeep Bambolkar:

Well, they all said that we will garner at least 14% to 15% over the market share.

Ashish:

Okay on an annual basis?

Sundeep Bambolkar:

Yes.

Ashish:

Okay. Sir, could I also get the interest rate on the debt as well as the interest rate on cash and marketable securities?

Sundeep Bambolkar:

Yes. On interest rate on debt is averaging around 8.75% right now.

Ashish:

Okay.

Sundeep Bambolkar:

And...

Ashish:

The cash and marketable securities.

Sundeep Bambolkar:

No. We are not having any securities act at the moment.

Ashish:

Okay. So the depreciation risks?

Sundeep Bambolkar:

Depreciation for the quarter was 2.59 crores.

Ashish:

Okay.

Sundeep Bambolkar:

Against 2.07 crores last year.

Ashish:

Okay. Sir, I need, the last question like, I need your approvals for the regulatory authorities for the Baddi plant?

Sundeep Bambolkar:

Baddi plant, we are just, we have completed the validation batches and the data is about to be filed with UK-MHRA.

Ashish:

Okay.

Sundeeep Bambolkar:

But on this question, I would like to inform everyone that we have just secured South African approval for both our plant in Goa.

Ashish:

Okay.

Sundeeep Bambolkar:

And Australian inspections have gone exceedingly well. So we are confident of getting that approval say within a month or two from today. And once the dossiers, which are already been submitted in these markets are approved then the business can start.

Ashish:

Okay. So like the starting of this business how you had expected to be like from there naturally, the next quarter also.

Sundeeep Bambolkar:

Yes. Almost six months from today.

Ashish:

Okay fine, that's it. Thanks a lot.

Sundeeep Bambolkar:

Thank you.

Operator:

Thank you Mr. Ashish. Once again, if you wish to ask a question, please press "star" "one" on your telephone and wait for your name to be announced. I repeat participants, who wish to ask a question, please press "star" "one" on your telephone and wait for your name to be announced. Next question comes from Mr. Balaji Vaidyanath from Sundaram. Please go-ahead sir.

Balaji Vaidyanath:

Hello sir.

Sundeep Bambolkar:

Yes.

Balaji Vaidyanath:

I joined the call a bit late. Could you just tell me your total regulated markets and semi-regulated markets, what will you finish the year with in June 2008?

Sundeep Bambolkar:

International business in totality, we will show a growth of about 40%. Last year, the international business was 63 crores that will go to 90 crores this year.

Balaji Vaidyanath:

Okay.

Sundeep Bambolkar:

The Semi-Reg business was 14 crores that will go to 20 crores. So the Reg business will be 70 crores this year.

Balaji Vaidyanath:

Okay. Thanks.

Sundeep Bambolkar:

Yes.

Operator:

Thank you Mr. Balaji. Participants are requested to please press "star" "one" to ask a question. Next question comes from Ms. Swati Kulkarni from UTI Securities. Please go-ahead.

Srivatsa:

Yes. Hello. I am Srivatsa here. Sir, can you give me the breakup of the countries as far as regulated markets is concerned?

Sundeeep Bambolkar:

Regulated markets, we are operating in UK, Germany and in Eastern Europe.

Srivatsa:

Okay. And have you seen any kind of price cuts for our products in the last three to six months?

Sundeeep Bambolkar:

Not really because as and when the prices are negotiated...

Srivatsa:

Okay.

Sundeeep Bambolkar:

I think that's the time the discussion on the pricing happens and once the business starts, there is no more discussion on that.

Srivatsa:

Okay. So because these markets have seen some kind of falling price environment in the last six to nine months, we have not been affected by the falling price.

Sundeeep Bambolkar:

No, no, no.

Srivatsa:

Okay. And secondly sir, you have dedicated creams facility and in one of your earlier meetings, you had indicated that you are on the look out to sell these creams in the US markets which is very lucrative, so any update on that, sir?

Sundeeep Bambolkar:

Yes, right now we have got three cream products nearing formulation development.

Srivatsa:

Okay.

Sundeeep Bambolkar:

In fact one out of that is all most ready.

Srivatsa:

Okay.

Sundeeep Bambolkar:

And we are scouting for a US partner.

Srivatsa:

Okay.

Sundeeep Bambolkar:

In fact, my colleague, Aditi, is in the US right now.

Srivatsa:

Okay.

Sundeeep Bambolkar:

And she is having meeting with various companies.

Srivatsa:

Okay.

Sundeeep Bambolkar:

For this purpose, and I think within two to three months we will sign the deal.

Srivatsa:

Okay. But in this case, all the expenses will be borne by whom? Because I suppose the clinical trial expenses will be very high for these products? So...

Sundeeep Bambolkar:

Clinical trial expenses if conducted in US or anywhere else in the world...

Srivatsa:

Okay.

Sundeeep Bambolkar:

This will be borne by the partner.

Srivatsa:

Okay. And sir what will be in the CapEx like in the last nine months, sir, I mean, last six months, half year?

Sundeeep Bambolkar:

There is a hardly any CapEx. You can see the depreciation is 2.59 crores.

Srivatsa:

Okay.

Sundeeep Bambolkar:

Compared to 2.07 crores last year. So it's only basically need-based CapEx.

Srivatsa:

Okay.

Sundeeep Bambolkar:

Like you know HPLC instruments for R&D and all those.

Srivatsa:

Okay. And sir, you said that you had acquired those lands in Baddi. So have you firmed up your CapEx plants in terms of what could be the amount and how you would finance those CapEx?

Sundeeep Bambolkar:

Yes. I think first phase, we would be investing about 20 crores.

Srivatsa:

Okay.

Sundeeep Bambolkar:

Which will be mainly the tablet block and this plant will be fully for domestic operation.

Srivatsa:

Okay.

Sundeeep Bambolkar:

So that the existing plant can be figured for UK and Europe operations

Srivatsa:

Okay. Okay fine. Thank you.

Sundeeep Bambolkar:

Thank you.

Operator:

Thank you, sir. We are having the last question from Mr. Ashish from JHP Securities.

Ashish:

Yes sir. It's about one more question. Sir, like what about the Rupee/Dollar impact?

Sundeeep Bambolkar:

Yes. See, as things stand, I'll give you a breakup of our earnings from abroad in various currencies.

Ashish:

Okay.

Sundeeep Bambolkar:

In pound, we have 50% earnings out of the total earnings. In Euro, it is 30% and dollar, it is 20%.

Ashish:

Okay, okay.

Sundeeep Bambolkar:

Or dollar is the least hitting; even then we have covered it about 40 for the next 10 to 11 months.

Ashish:

Okay. With the next 10 to 11 months. Okay.

Sundeeep Bambolkar:

Yes.

Ashish:

That's like, that's how much of the total revenues, the remittances.

Ganesh Gokhale:

It's 20%

Sundeeep Bambolkar:

No, 20% is dollar remittances.

Ashish:

Okay, fine. Okay, yes, I got it.

Sundeeep Bambolkar:

It is the least. Even there, most of the countries we are trying to convert them into Euro billings. Of course, I cannot say right now whether it will go through or not, but I am strongly hopeful.

Ashish:

Okay, fine. That's it.

Sundeep Bambolkar:

Yes. Thank you.

Operator:

Thank you Mr. Ashish.

Ashish:

Yes.

Operator:

Do you want to take a next round of question and answer, sir?

Sundeep Bambolkar:

Yes. Any more questions coming up, welcome please.

Operator:

Participants are requested to please press, "star" "one" to ask a question. I repeat if you wish to ask a question, please press "star" "one" on your telephone and wait for your name to be announced.

At this time, there are no further questions from the participants. I would like to hand the floor back to Mr. Surya Narayan Patra for the final remarks.

Surya Narayan Patra:

Sir, I have one or two questions. You said something like you added the three contracts from Europe for contract manufacturing. Is this three are new contracts or what, sir?

Sundeep Bambolkar:

No, no the same one.

Surya Narayan Patra:

Okay. And you have got the security approval from the Brazil side?

Sundeep Bambolkar:

Yes.

Surya Narayan Patra:

Also started some business to the Costa Rica and Peru that side?

Sundeep Bambolkar:

Yeah.

Surya Narayan Patra:

What is our plan for that and what is our outlook from that business side?

Sundeep Bambolkar:

See right now, we are dealing with Central and South America, if you take we are dealing with Columbia, Bolivia, Peru all these countries, but Brazil being the main country, we already have the plant approve by Brazil. But this dossier, which are been logged in, I have not yet got the approval. So only after the dossier is approved the business will start. In fact, one of my colleagues is traveling to Brazil in the first week of March for forming up contracts with the various companies there.

Surya Narayan Patra:

Okay. But conditionally, what is the kind of the self-business we are getting from that Latin America side, sir?

Sundeep Bambolkar:

Latin America business is Columbia, Peru, Bolivia these three put together. I don't have the figure immediately, because it's comparatively small. So, I'll give you that figure.

Surya Narayan Patra:

Okay fine, sir. And South Africa side MCC and this TGA approval also has come?

Sundeep Bambolkar:

Yes.

Surya Narayan Patra:

That means, are we discussing with some partners or marketing partners or something like that?

Sundeeep Bambolkar:

Yes. In Australia, we have discussions going on with one partner and South Africa with two.

Surya Narayan Patra:

Okay. When can we see some kind of, revenues in relation from that side, sir? And whether it would be significant in the initial stage of business or how it will be?

Sundeeep Bambolkar:

To start with it, it might be small, but it will pick up after one year. And the first revenue we can see from these countries is sometime say about seven to eight months from today.

Surya Narayan Patra:

One thing I missed probably that you are setting up another Green field plant in Baddi?

Sundeeep Bambolkar:

Yes.

Surya Narayan Patra:

What is the lightly CapEx for that you are looking at?

Sundeeep Bambolkar:

Around 20 crores.

Surya Narayan Patra:

Okay. Thank you, sir. And thanks to all the participants for their support. Now, we expressed our gratitude to Mr. Bambolkar and Mr. Gokhale for spending their valuable time with us. And for giving us the opportunity to host our conference call. Thank you, everybody once again.

Sundeeep Bambolkar:

Thank you very much.

Ganesh Gokhale:

Thank you.

Operator:

That does conclude our conference for today. Thank you for participating. You may all disconnect now.

END