“Wockhardt Limited Q4FY15 Earnings Conference Call”

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Moderator: Ladies and Gentlemen, Good Day and Welcome to Wockhardt Limited Q4FY15 Earnings Conference Call. We have with us today on the call, Dr. Habil Khorakiwala – Chairman; Dr. Murtaza Khorakiwala – Managing Director; Mr. Ravi Mitra – AVP, Finance. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference, please signal an operator by pressing '*' then '0' on your touchtone telephone. Please note that this conference is being recorded. I now hand the conference over to Mr. Ravi Mitra. Thank you and over to you, sir.

Ravi Mitra: Thank you. A very good morning Ladies and Gentlemen. I am Ravi Mitra – AVP, Finance. The meeting will start with Presentation by Dr. Murtaza Khorakiwala on the Company's Performance, followed by Q&A Session; Dr. Habil Khorakiwala – Chairman, would be present in the Q&A Session. I would now like to hand over to Dr. Murtaza Khorakiwala. Over to you, sir.

Dr. Murtaza Khorakiwala: Thank you, Ravi. A Very Good Morning to all of you and welcome to our Investor Presentation for the Q4 of Financial Year '15 and for the Annual Performance Review.

Going to Slide #4: That is a snapshot of the organization as we have in today in terms of our operations. We have direct operations in India, UK, Ireland, France, US, Mexico, and an office in Switzerland. In terms of our manufacturing on Slide #5, we have 12 manufacturing locations globally, of which 9 are in India, 1 in UK, 1 in Ireland and 1 in Chicago in US.

Going to the next slide: In terms of our research facilities, we have three research facilities – one each in US, UK and India; India being the largest and the major R&D center that we have.

Before we go on to the Financial Performance, I wanted to give you a brief update on some of the key business events during the last quarter until now. Going to Slide #8: As far as our regulatory issues are concerned, the update that we have is fairly positive, during the year we had two of our facilities – the L1 facility and the Kadaiya facility which at the beginning of the year under non-compliance by UK MHRA, during the current year, these have been lifted and now we have all our facilities in India in a state of compliance by UK MHRA except the EoU facility which is still to be inspected. During the year we had inspection by USFDA at our MGP facility which has been found to be satisfactory and is in a state of compliance. Additionally, the USFDA also inspected our facilities in L1 and Waluj and have observed that there has been a positive ongoing improvement in our efforts towards remediation and compliance. Though the non-compliance certificate has not been removed, but they have noted a positive improvement in these efforts.

In terms of our research, I am happy to share with you that as we have been indicating over the last several years that as an organization we are highly research-focused and some of the areas

that have started to see early evidence of that result is in our NCE Program where two of our molecules — 771 and 2349 – received QIDP status from the USFDA during the financial year '14-15. Additionally, one more product received a QIDP status during the current month, that is WCK 4873. Also, during the year we have filed 267 patents, taking our cumulative filings to 2,268 and we have been granted 82 patents during the year, taking our cumulative patents granted to 341.

Moving on to our Financial Results for the Quarter-- Slide #10: Our sales for the quarter is at Rs.1,079 crores Vs Rs.1,038 crores for the last year which is a growth of 4%. Slide #11 shows our EBITDA for the last quarter is at Rs.136 crores Vs Rs.122 crores for the last year which is a growth of 11%. Slide #12 shows a PAT of Rs.34 crores Vs PAT of last year of Rs.75 crores, which is a degrowth of 55%.

Then coming to the Financial Results for the entire year '14-15 – Slide #14 shows our sales for the year is at Rs.4,481 crores Vs Rs.4,830 crores of last year, and our EBITDA for the year is at Rs.827 crores Vs Rs.980 crores of last year. And on Slide #16 shows our PAT which is at Rs.405 crores Vs Rs.841 crores of last year.

Moving on to Slide #17 which is showing our research cost as a percentage of our sales over the years, our research cost in 2011 was 3.5% of sales and as of today it is 11.5% of sales. And in absolute terms, it has moved from Rs.132 crores to Rs.515 crores.

Briefly sharing some of the business highlights of the various businesses that we have on Slide #18 shows our US business which last year was at $364 million, this year we are at $179 million. During the year we have filed 14 ANDAs and our cumulative ANDAs which are pending are 69.

Next Slide shows our EU Operations: UK has done well which had a sale turnover of £104 million, this year is closing at £141 million. We have had 11 new filings during the year and we are among the top five generic companies in UK. Domestic Irish market which was at €22 million last year, this year we are closing at €20 million.

Going to our India and Emerging Markets, Slide #20, has done well and has grown by 26% in the Q4 and 19% on an annualized basis, that is India and emerging markets, of which India business has grown by 46% in the last quarter and 24% for the full year. The India business has launched two new products in the last quarter and 42 new products for the entire year. Emerging markets has grown by 3% on an annualized basis from 302 to 312 and India has grown from 998 to 1235.

Thank you very much. This was a brief update on the major financial highlights and business highlights. I would now leave the floor open and encourage any questions that you may have and we are glad to respond to that, our Chairman, Dr. Habil Khorakiwala also joins us for the Q&A session. Thank you.

Moderator: Thank you very much, sir. Participants, we will now begin with the question-and-answer session. The first question is from Dhiresh Pathak of Goldman Sachs. Please go ahead.

Dhiresh Pathak: I just wanted to better understand the FDA compliance status of our main facilities. I think there is one inspection which recently happened as per your release to the exchange on Waluj and there was in Chikalthana re-inspection had happened sometime in March, on those two facilities. If you can just walk through again how the inspections went and what is the status after that?

Dr. Habil Khorakiwala: As of now all our facilities to USFDA both L1 at Chikalthana and one at Waluj, which manufactures the solid and injectable facility and also Waluj which manufactures Cephalosporin, also three have been inspected, the last facility which was just inspected very recently, we received 483 with four minor observations and obviously we would be responding. We believe that more or less we are trying to deal with all the issues which has been raised so far in this recent inspection by USFDA and a very fact that Waluj facility which was recently visited has a very minor observation, suggest that we have more or less complied with all their requirement. One of the major concerns they had expressed in L1 visit was the products which were in the market and for that we have taken a call and withdrawn all our products both at the wholesale and retail level in the US in March. So, with that we have removed an important concern that FDA had on this subject and with this we do hope that in near future we should be able to resolve this issue. As far as the UK authorities are concerned, all the facilities which they have inspected and we supply from two facilities in Daman and one in Chikalthana, all three of them are in compliance and we are supplying the products from these facilities. I think that is a current position.

Dhiresh Pathak: On Waluj, just to be clear, I think there are two facilities – one is a Cephalosporin facility which had got 483 early in the year and the Waluj which is ex-Cephalosporin which was recently inspected on which you gave the update on the exchange a few days back, is that clear, are those…?

Dr. Habil Khorakiwala: Yeah, that is clear, that is what we are discussing and the one which was recently inspected as I mention received four ADRs in 483.

Dhiresh Pathak: Prior to these issues in 2013, the main facility was generating US revenues is the facility which was recently inspected, not the Cephalosporin facility, right?

Dr. Habil Khorakiwala: That is correct.

Dhiresh Pathak: What about Shendra?

Dr. Habil Khorakiwala: Shendra facility… we have offered for inspection, we have filed a number of ANDAs, but it has not yet been inspected and we do hope that it could get inspected soon enough.

Dhiresh Pathak: Last quarter you had guided that there is a one-off in the UK geography revenue stream, half of which you had guided would also accrue in the subsequent quarters, this quarter it seems that has not happened. Can you explain that sir?

Dr. Habil Khorakiwala: It has happened, but it has not happened to the same extent we were expecting and it has been slightly delayed because of the supplies of API from the contracted party and we would be completing the total business and that will be coming into the current quarter and the next quarter.

Dhiresh Pathak: So our normal run rate is about £25 million, last quarter we did £40 million and you had guided that half of that would come in. So another £20 million would be spread out in 1H of FY16, is that right?

Dr. Habil Khorakiwala: Roughly so.

Moderator: Thank you. The next question is from the line of Jigar Valia of OHM Group. Please go ahead.

Jigar Valia: A few questions: Just to understand the QIDP approvals, from which plants would these products be supplied and if you can help quantify the opportunities and the time…?

Dr. Habil Khorakiwala: First, let me just give you a little background on the QIDP issue, these are drug discovery space factoring the bacterial one, and we have received so far three products which are under various stages of clinical trials – 771, 2483 and 4873 recently. So far, USFDA has given QIDP status against that to 12 products so far. Out of that 3 of them are our products. And we are the only company in the world to receive 3 QIDP approval, all others have received mainly 1 and one or two companies have received 2 QIDP approval. So this demonstrate the very robust program we have in our Anti-Infective Drug Discovery program. To answer to the revenue stream, because these products are entering clinical trial, one at Phase-III, one at Phase-II, so they are entering Phase-II and Phase-III clinical trials in all these new products. So therefore, we would higher up the clinical trial over sometime in next 3-5 years and be in the market. So it will be very difficult to early comment on what would happen, but there would be certainly a significant value product because these are unmet need as per QIDP, and these 3 drugs are positive; 2 of them deal with MRSL and the recently approved is for community acquired pneumonia.

Jigar Valia: If you can give a plant wise FDA filings?

Dr. Habil Khorakiwala: It is very difficult for us to give you plant wise filing at this point in time as I do not have adequate information but broadly speaking I could say that a little less than half of the filing would be from earlier filing, about 40% between L1 and EoU, 60% of these new filings either from our Shendra facility or our MGP facility or some of them are outsourced facility.

Jigar Valia: If you can give how many of the filings would be duplication filings from multiple side approvals?

Dr. Habil Khorakiwala: I do not think we are counting duplicate filing when we say 69.

Jigar Valia: For how many products you would have multiple site approvals?

Dr. Habil Khorakiwala: I honestly do not have that information but that would be roughly 10-15 products would be there.

Jigar Valia: Any estimates internally in terms of how much timeframe or if you can give some color in terms of the level of interactions now going forward with the FDA on L1 in Waluj?

Dr. Habil Khorakiwala: Our interaction with FDA so far has been respect to inspection and probably since all the facilities which were there has been inspected and they have a clear picture of our quality system, also they inspected our MGP facility during the year, also they visited our UK facility, both these facilities are in full compliance with them. So we intend to initiate some kind of a discussion and dialogue to get some clarity on way forward.

Jigar Valia: Just to follow up on compton stalevo, we were earlier sourcing through a partner and there were some manufacturing issues which I believe were resolved. If you can help understand whether the share continues and the arrangement continues?

Dr. Murtaza Khorakiwala: These products have been introduced in the market with the partner and they are very much in the market and they are continuing to gain market share as the time passes. So they are doing decently well.

Jigar Valia: On the US consolidation which is happening at the channel partner levels, what would be the approximate price impact for us in terms of pricing?

Dr. Habil Khorakiwala: I am not seeing any negative price impact as a result of consolidation in the US so far.

Moderator: Thank you. The next question is from the line of Gopal Madnani of Arjawam Advisors.

Gopal Madnani: I had a question regarding the Contract Manufacturing business that we got last quarter. The total UK business were Rs.630 crores. This quarter it has dropped to Rs.300 crores and largely because of the fact that the Contract Manufacturing order as you explained has kind of got delayed. A general question I wanted to know, is this a kind of business segment that we pursue because the margins are so good and why are you not pursuing contract manufacturing on a regular sustainable basis?

Dr. Habil Khorakiwala: I must tell you as we mention this is one-off option available and it is not possible for us to have a more sustainable activity because this is really one-off. So, that is what we are bringing the clarity into it.

Moderator: Thank you. The next question is from C. Shrihari from PCS Securities. Please go ahead.

C. Shrihari: Firstly, I wanted the quarterly sales breakup for Domestic Formulations market. The second one pertains to whether you have any monetization plans meaning out-license it for 3 NCs which are in QIDP status?

Dr. Murtaza Khorakiwala: For the India business for the last quarter we had a growth of 46%, and on annualized basis it was a growth of 24%. So this includes the entire India business which is Branded business plus the Generic business.

Dr. Habil Khorakiwala: We do not have any monetization program in short-term.

C. Shrihari: What is the kind of research outlay on this molecule if you could share that figure?

Dr. Habil Khorakiwala: As we mention that we are already at various phases of clinical trial and our research outlay next year would be a bit higher than what we saw on the last year, mainly because of the products are entering various clinical trials.

C. Shrihari: Wanted more details on these three NCEs if you could please share some numbers on that, what was the research outlay during Fiscal '15 and what is likely to be before Fiscal '16?

Dr. Habil Khorakiwala: We would not be able to give you the breakup but the delta increase what you see a little bit on '15 is partly because of our NCE program funding which is required, and similarly, our NCE program funding in '15-16 also will go up and that would reflect overall increase of our R&D spend by reasonably significant number, maybe 20% or plus.

C. Shrihari: On employee expenses, in absolute terms it has been the least during the fiscal for the quarter, can you please throw some light on that?

Dr. Murtaza Khorakiwala: Part of it is a reflection I think of the one-time UK opportunity that was there as a result of in terms of percentage wise it gets reflected accordingly.

C. Shrihari: What would be the branded sales for the quarter vis-à-vis 1235 that you mention for the full year?

Dr. Murtaza Khorakiwala: Roughly, it is in the ratio of about 80:20.

Dr. Habil Khorakiwala: We do not have exact information at the moment, we can give it to you later on.

Moderator: Thank you. The next question is from Navneet Harikumar, he is an individual investor. Please go ahead.

Navneet Harikumar: The other income which I assume the interest income as a proportion of the cash in the balance sheet is very low compared to the regular interest rate….?

Dr. Habil Khorakiwala: Most of these are cash, we are having in our Wockhardt bio organization in various part of the world that is in Switzerland and in UK an interest and there the cost of interest is very low and therefore what you see is that information.

Navneet Harikumar: How do you think of the investment in your NCE molecules, how do you rationalize the investment, recently, Piramal shut down their India NCE development plan, so do you look at probabilities to commercialization?

Dr. Habil Khorakiwala: I cannot comment on the other companies view but this is an area we identifies many years back and we remain focused on one single area of drug development that is Bacterial Anti-Infectives and we did recognize where there was not a multinational at that time and it is still has a very limited presence of multinational. There is antibiotic crisis developing in the world. Therefore, the USFDA came out in 2012, recognizing this, identifying the unmet need. Since we had this robust program, we have got already three of our products QIDP status and these are really unmet need and we believe that once our product goes to Phase-II and Phase-III clinical trials, we will have a significant global opportunity of marketing and we are following development approach with eye to get a global approvability in both regulated market and emerging market and therefore we will have a global business emerging out of this opportunity.

Navneet Harikumar: Rs.489 crores on R&D for the year, can you just split between Generic, Research and the NCE Research?

Dr. Habil Khorakiwala: This obviously includes part of the investments we have in our Drug Discovery Program, also even in Generic, we are dealing with a lot of technologies actually. So, it also covers that part of investment.

Navneet Harikumar: Can you break up the 489?

Dr. Habil Khorakiwala: No, I do not think we will be able to give you that information.

Moderator: Thank you. The next question is from Chirag Dagli of HDFC Mutual Fund. Please go ahead.

Navneet Harikumar: What is the status of the inspection that has happened at Chikalthana?

Dr. Habil Khorakiwala: I have already covered these issues that we received 483 at that time and we are responding to 483 as to what has happened and whatever observation they have had not only we are dealing with that and dealt with it in Chikalthana but all our facilities, and as a consequence of that when we had the reinspection after about 6 or 8 weeks at our Waluj facility where we make solid and sterile, it went off relatively smoothly where we received only for observation. And with this I would like to just reemphasize out of these three facilities, two of the facilities were solid manufacturing facilities and two were sterile manufacturing facilities.

Navneet Harikumar: So the sterile manufacturing facilities at Chikalthana have also been inspected, is it?

Dr. Habil Khorakiwala: That is correct.

Navneet Harikumar: And 483 that you received the first time around, that was in context with all the four blocks basically?

Dr. Habil Khorakiwala: No, 483 we received per facility. In '13 early March-April when the first time it was informed that is where we received the warning letters, alert, everything, and the same facility very recently has been inspected.

Navneet Harikumar: So Chikalthana has been re-inspected?

Dr. Habil Khorakiwala: No, I am talking of Waluj, all are re-inspected in the last few months.

Navneet Harikumar: In terms of whatever your understanding is of how this progresses say over the next 12-18 months, basically the FDA will re-inspect these facilities?

Dr. Habil Khorakiwala: We do not know what they would do but we believe that last inspection of all the three facilities and observations they were made, none of them are of critical nature and we have responded and corrected all the situation as per the requirement. So, I cannot comment on it whether they will re-inspect again or not, that is very difficult for us but if I go by normal historical basis earlier, what used to happen and they see our response and we will have dialogue with them to know what is the way forward.

Navneet Harikumar: These four minor observations that you are alluding to at Waluj, are any of these repeat observations of what have been observed in the past?

Dr. Habil Khorakiwala: No.

Navneet Harikumar: Chikalthana 483, are any of those repeat observation?

Dr. Habil Khorakiwala: I am not 100% sure of it but I do not think so.

Navneet Harikumar: Like you mentioned at the Waluj facility there were four minor observations, similarly at Chikalthana, if you can try and give us some sense of whether these issues, how many of these were minor observations and how many do you think were major?

Dr. Habil Khorakiwala: As we told you after Chikalthana inspection that there were no observation as far as the data integrity or GMP-related issues, there were other observations, which I mention was one of the concerns that they had was what are we doing for the product in the market actually and how are we making sure at validating the product in the market is all right, to that we responded by withdrawing all our products which were there in the market.

Moderator: Thank you. The next question is from Gaurav Maheshwari of Unilazer Venture. Please go ahead.

Gaurav Maheshwari: Where you expect the growth come in the next year barring the US facility which will get approved as and when it happens, would it be India or the EM, even in the Europe part of the business where do you expect the growth to come from?

Dr. Habil Khorakiwala: I think we will be definitely having growth coming out of the UK operations and also coming out of India and emerging market operations.

Gaurav Maheshwari: Ireland and France… we expect to further de-grow or should it be flat?

Dr. Habil Khorakiwala: France is not very significant in overall sales, so I do not like to comment on it, because either way it does not make huge difference, Ireland I think we will get some growth, not degrowth next year.

Gaurav Maheshwari: This Q4 we saw a bit of degrowth happening in Emerging markets, so what was it led by – was it a kind of one-off situation and that should grow back?

Dr. Habil Khorakiwala: We expect the emerging markets will do better next year overall mainly because we are completely renovating our biotechnology facility and there were some supplies issues which we are now going to be the full stream by second quarter and therefore overall emerging market would do well.

Moderator: Thank you. The next question is from Krunal Shah of Amideep Investments. Please go ahead.

Krunal Shah: My question is regarding the 69 pending ANDAs. Can you give a color in terms of how many are Para-IIIs, Para-IVs, any FTFs we have?

Dr. Habil Khorakiwala: I do not think we will be able to give you that information.

Krunal Shah: My next question is regarding the US sales. It is currently from the Morton Grove facility, right, not from other any other plant?

Dr. Habil Khorakiwala: It is coming from Morton Grove facility, it is coming from Enalapril sales from India and we also have outsource supply of a few products, from that it is also coming.

Krunal Shah: Could you just give the outsource sales or from the USA?

Dr. Habil Khorakiwala: Very difficult to give this information.

Krunal Shah: In India, we had launched 42 products in this financial year. Any color of how many in FY16 we can expect?

Dr. Habil Khorakiwala: We expect to continue the same momentum going forward, I think we expect about 40-45 products even in the year going forward.

Krunal Shah: Regarding Q3, we had UK order for CRAMS, it contributed roughly around Rs.300 crores to the top line. How much more of the order is pending which we can expect in FY16?

Dr. Habil Khorakiwala: I think we just respond earlier, it should be something around £20-25 million for the full year.

Moderator: Thank you. The next question is from Damodar Kabra, he is an individual investor.

Damodar Kabra: One is how we are managing our foreign exchange? There is a loss of Rs.118 crores this year compared to Rs.46 crores profit last year. Is there any policy?

Dr. Habil Khorakiwala: This foreign exchange loss is really a reflection of our debtor position which is adjusted based on the rupee position and the flat share in this year. So, I think that is the only reflection which is still there, significant 72% of our business is outside India and part of our debtors is also outside India. So that is the only reflection of dollar…

Damodar Kabra: This is the only restatement loss you mean, there is nothing…?

Dr. Habil Khorakiwala: It is a restatement loss.

Ravi Mitra: Just to clarify that, our debtors which are in pounds, US dollars, Ruble, this foreign exchange loss is on account of the different rate of currency over the period of the year. Also, we have investments in euro and debtors in euro. So devaluation of this has led to this losses.

Damodar Kabra: What will be that quantum?

Ravi Mitra: The quantum is there is the financial, you can look at it.

Damodar Kabra: Investment loss?

Ravi Mitra: Yeah.

Damodar Kabra: What about the tax provisioning? Q4 the tax provision works out to about 45% of the revenue whereas earlier last quarter it was 14-15%. Is there any change in the system or anything provided now which was not provided earlier?

Dr. Habil Khorakiwala: The issue of the UK was not very clear to us in the previous quarter and we got clarity on our tax position of our UK profits and the sale, and therefore it is getting reflected in the fourth quarter. So, one should be looking at our tax position on an annual basis that will be more correct.

Damodar Kabra: What is the value of the product which is internal for the market?

Dr. Habil Khorakiwala: So far in April we have received about little more than a million dollars. We do not know how much more we will be receiving but we do not expect to be a very significant dollar value.

Damodar Kabra: Any dividend distribution policy, like so much percentage of our profits be distributed by way of dividend or something like that?

Dr. Habil Khorakiwala: No, I do not think that our board has taken that decision.

Moderator: Thank you. The next question is from the line of Chirag Dagli of HDFC Mutual Fund. Please go ahead.

Chirag Dagli: Just to be sure, these products withdrawn from the US market, the product that we would have sold prior to the import alert, and that were remaining unsold at the customer end?

Dr. Habil Khorakiwala: That is correct.

Chirag Dagli: So we have not sold anything post the alert?

Dr. Habil Khorakiwala: The product which we manufactured prior to the alert were allowed to be sold which were lying in the USA.

Chirag Dagli: Part of this could be even that?

Dr. Habil Khorakiwala: Definitely, part of that would be that also, but there was nothing manufactured after the alert, nor supplied after the alert. That is a situation.

Chirag Dagli: $1 million of product that we have withdrawn in April and you are saying that…

Dr. Habil Khorakiwala: No, we have withdrawn all our products and return we received was 1-1.5 million.

Chirag Dagli: Can there be more to this because once you give out a notice…?

Dr. Habil Khorakiwala: We do not know the exact… but probably by end of this current quarter we will have a clear picture.

Chirag Dagli: But we should not sort of extrapolate the $1 million a month kind of run rate?

Dr. Habil Khorakiwala: No, not at all.

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

Dhiresh Pathak: In the September quarter we had mention 75 pending ANDAs, now we are mentioning 69 ANDAs. Has there been any withdrawal because I do not think there were any approvals?

Dr. Habil Khorakiwala: We have taken a call that some of the ANDAs which had no commercial value, we have decided to withdraw those ANDAs and that is why the numbers you see is lower because each one of them now we believe has a commercial logic to it, otherwise the expectation the FDA

has for reviving each of the ANDA and doing the work was significant. So we took a call which does not have a much commercial value because of the market dynamics, we have decided to close those ANDAs.

Dhiresh Pathak: From the 14 filings for the year, I think 13 were done in the first quarter itself. So why were they skewed in one particular quarter, any particular reason?

Dr. Habil Khorakiwala: The skew was because the USFDA changed the requirement from 1st July, requiring a minimum of 6-months stability for filing and before that it was only 3-months of stability. So, I think our team saw to that there as many as possible we focus on filing in the first quarter. So what you would see now onwards will be a more normal activity.

Dhiresh Pathak: Going forward we expect to maintain the space of…?

Dr. Habil Khorakiwala: 15 to 20 filing a year.

Dhiresh Pathak: On this 69 ANDAs, it will be helpful to all of us, how many are in the normal OSD injectables, modified release, if you can give some sense of what is the pipeline holds?

Dr. Habil Khorakiwala: Unfortunately, I do not have that detailed information available with me at the moment, but I can tell you a broad approach and our strategies; broadly, majority would not be our normal vanilla IR products. These are the products we do not generally file. So if at all a few of them would be there, it would be less than 20% of these. So all new filings for the current year would be in an area of we see a reasonably good potential in terms of all our Drug Delivery Systems, some are Sterile, some are with newer technologies, so those are the products we file generally.

Dhiresh Pathak: Can I make a request that next earnings call can we provide some more details on this pipeline it will be helpful?

Dr. Habil Khorakiwala: Yeah, we will try to do what we can provide which is not confidential; we will try to still work out something and see what we can do on that.

Dhiresh Pathak: India business had a very strong growth for the full year. So, is this expected to maintain at this level?

Dr. Murtaza Khorakiwala: Yes, we have developed a robust plan and strategy and we expect this kind of momentum and growth to continue going forward.

Dhiresh Pathak: Top two-three products would be what percentage of revenue?

Dr. Habil Khorakiwala: It would be something like about 25-30% the top three products would be of the revenue.

Dhiresh Pathak: They are also growing at the rate which is the reported rate of 24%?

Dr. Habil Khorakiwala: I do not think they are growing at that rate, they would be having much lower rate of growth and we are getting as you would have seen growth from the recently introduced products and new product introduction.

Dhiresh Pathak: When we had this alert in 2013, it always talked about the high value ANDAs, Toperol being one of them to be site transferred. Obviously, it has not happened. So can you just talk about why it did not happen? Obviously, I am assuming that you would have tried your level best to sort of do a site transfer. But can you just walk us through that why that did not materialize?

Dr. Habil Khorakiwala: I think our team were involved in too many things at that point in time and some of the facilities be required in the newer facility at Shendra were not available. So by the time one would do on R&D front those facilities for exhibit batches and therefore it got flatly delayed.

Dhiresh Pathak: So in terms of our expectations, is it fair to say that site transfers we should not expect, we should expect resolution of Waluj and L1 and then launch those products from those facilities?

Dr. Habil Khorakiwala: Partly some site transfer activities have taken place, but significantly one should be looking from a resolution of the issues.

Dhiresh Pathak: In the $170-odd million that we did in the US this year, would there be something that came which was from the impacted facility but site transfer…?

Dr. Habil Khorakiwala: No, site transfer in any case that may come during this year. What we had was already there which was outsourced at that point in time, that was Entacapone and LEC, these were the two main products which has a significant value proposition. So, that was there. Some of the impact of the site transfer will be seen this year.

Dhiresh Pathak: Will Toprol be part of that?

Dr. Habil Khorakiwala: From a site transfer point of view, I do not think so.

Moderator: Thank you. The next question is from Sameer Baisiwala of Morgan Stanley. Please go ahead.

Sameer Baisiwala: I heard your commentary. Out of $179 million US sales that you did in fiscal ’15, where do you see this number go in fiscal ’16?

Dr. Habil Khorakiwala: I think it will show without resolution another 10-15% growth, with resolution it will be little better.

Sameer Baisiwala: I heard the entire commentary on Waluj and Chikalthana it is a fair bit uncertain and depends on FDA dialogue, but what would be your best guess, when do you get back in the market with these two facilities?

Dr. Habil Khorakiwala: Internally, we hope we resolve this issue during the financial year, but rest I cannot comment on it more than that, that is our internal purpose we have, it depends on the FDA, it can happen a little faster, it can get slightly delayed.

Moderator: Thank you. The next question is from Shraddha Patil of Wealth Management. Please go ahead.

Sameer Baisiwala: I just wanted to understand currently which are the facilities which are supplying to the US?

Dr. Habil Khorakiwala: We are allowed to supply one product Enalapril from both our facilities at Chikalthana and Waluj, but we are supplying currently from Waluj facility.

Sameer Baisiwala: Any other facility?

Dr. Habil Khorakiwala: We are supplying from our Morton Grove facility which is there in US, so that is anyway there.

Sameer Baisiwala: So nothing from Kadaiya or the…?

Dr. Habil Khorakiwala: No-no, they are part of the USFDA facility. Kadaiya and others are MHRA facility, the common facility is L1 where MHRA has cleared and as far as Waluj EoU facility was there, where they have not yet inspected.

Sameer Baisiwala: So all the new filings post the import alert are from which facility?

Dr. Habil Khorakiwala: Generally, after import alert we have not done excepting one or two filing which was underway, all are from facilities other than import alert we had.

Sameer Baisiwala: So in case we get an approval and the resolution is not yet done, so how do we see it happening?

Dr. Habil Khorakiwala: I have already clarified with answers of current year position that issue is not resolved, we expect another 10% plus growth in our US business, as far as other business, I have already commented we would continue to do well in our domestic India business and have healthy growth, same with the UK operations and the emerging markets.

Moderator: Thank you. The next question is from Jigar Valia from OHM Group. Please go ahead.

Jigar Valia: Are we present into Erythromycin right now?

Dr. Habil Khorakiwala: We are not present at the moment in Erythromycin but that is one of the products where we would continue and start supplying and this is one of the transfer products.

Jigar Valia: It would be a large product for us; I think pre-all the issues it would be in the top-5, top-10 products? Some color on the current market size approx.?

Dr. Habil Khorakiwala: Honestly, we do not have those information at the moment on this. But it was a reasonably decent product, it was not a very large product, but it was not a very small product either.

Moderator: Thank you. Ladies and Gentlemen, that was the last question. I now hand the floor back to the management for closing comments.

Dr. Murtaza Khorakiwala: So thank you very much for joining us for the Investor Presentation for the Last Quarter and the Financial Year, and we look forward to coming back to you next quarter on our company's performance and have a nice day, have a nice weekend. Bye-bye.

Moderator: Thank you. On behalf of Wockhardt Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.