November 16, 2022

BSE Limited ***Code: 532321***
1st Floor,
P J Towers,
Dalal Street,
Mumbai-400001

National Stock Exchange of India Limited ***Code: Zyduslife***
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra-Kurla Complex, Bandra (East)
Mumbai-400051

Sub: **Transcript of the Investors' Call held on November 11, 2022**

Dear Sir / Madam,

Pursuant to Regulations 30 and 46(2)(oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the Transcript of the Company's Q2 FY23 post results Investors' call held on November 11, 2022.

Please find the same in order.

Thanking you,

Yours faithfully,
For, **ZYDUS LIFESCIENCES LIMITED**

DHAVAL NARENDRA SONI
Digitally signed by DHAVAL NARENDRA SONI
Date: 2022.11.16 12:26:50 +05'30'

DHAVAL N. SONI
COMPANY SECRETARY

Encl.: As above

“Zydus Lifesciences Limited Q2 FY 23 Post Results Earnings Call”

November 11, 2022

MANAGEMENT: **DR. SHARVIL PATEL - MANAGING DIRECTOR, ZYDUS LIFESCIENCES LIMITED**
MR. GANESH NAYAK - EXECUTIVE DIRECTOR, ZYDUS LIFESCIENCES LIMITED
MR. NITIN PAREKH - CHIEF FINANCIAL OFFICER, ZYDUS LIFESCIENCES LIMITED
MR. ARVIND BOTHRA - SENIOR VICE PRESIDENT, INVESTOR RELATIONS, ZYDUS LIFESCIENCES LIMITED
MR. ALOK GARG - SENIOR VICE PRESIDENT, MD OFFICE, ZYDUS LIFESCIENCES LIMITED

Moderator: Welcome to Zydus Lifesciences Ltd. Q2 FY23 Earnings Conference Call. Please note, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the opening remarks. Please note that this conference is being recorded. I now hand the conference over to Mr. Ganesh Nayak – Executive Director of Zydus Lifesciences Limited. Thank you and over to you sir.

Ganesh Nayak: Good afternoon ladies and gentlemen. Welcome to our post results teleconference for the quarter ended September 30, 2022. For today's call, we have with us Dr. Sharvil Patel – Managing Director, Mr. Nitin Parekh – Chief Financial Officer, Mr. Arvind Bothra – Sr. Vice President, Investor Relations and Mr. Alok Garg – Sr. Vice President from the Managing Director's office. I hope you would have gone through the quarterly results, investor presentation and the press release which are available on our website and also filed with the stock exchanges.

First, let me quickly run you through the Q2 FY23 consolidated financial performance. We registered revenues of Rs. 41.3 billion, up 10% year on year. Excluding COVID related revenues, the growth was 15% on a year on year basis, driven by our key markets viz. India and the US, both of which grew in double-digits during the quarter. Reported EBITDA for the quarter was Rs. 8.2 billion, down 9% year on year. However, adjusting for the COVID related inventory provision during the current quarter, the EBITDA margin stood at 22.6%, which is an improvement of 210 bps on a sequential basis. Profit After Tax for the quarter was Rs. 5.2 billion. Excluding the impact of COVID related inventory provision as mentioned above, exceptional items and profit from discontinued operations, PAT for the quarter stood at Rs. 6.1 billion, up 15% on a sequential basis led by improved EBITDA margins. We remain confident on our ability to achieve 20% plus EBITDA margin for the current fiscal, backed by growth visibility across our key businesses, coupled with various cost optimisation initiatives.

With this, let me take you through the operating highlights for the second quarter of FY23 for each of our business segments.

Our India geography which comprises of formulations and consumer wellness business accounted for 43% of the total revenues during the quarter, and grew 11% year on year, adjusted for COVID related revenues in the formulations business last year.

Coming to the formulations business in India geography, the business registered an improvement in growth during the quarter as it grew by 11% year on year, excluding revenues from COVID related products and divested brands. H1 FY23 growth for the business was 11% as well, excluding revenues from COVID related products and

divested brands. We gained market share and improved ranking in our core therapies viz. cardiovascular, gynaecology, respiratory and gastrointestinal during the quarter on a year on year basis. Overall, we grew faster than the market during the quarter on account of higher growth in therapeutic areas mentioned above. Notably, our first new chemical entity Lipaglyn consolidated its position in the market further and is now ranked as the 56th largest brand in the Indian pharmaceutical market during Q2 FY23, a gain of 10 positions versus the first quarter of FY23.

Our consumer wellness business recorded revenues of Rs. 4.2 billion, up 12% year on year. Growth during the quarter was led by Glucon-D, Nycil and Everyuth brands. While the business continued to deliver double-digit growth, gross margins were under pressure during the quarter on account of pricing pressure in key inputs. We continue to implement price hikes at a portfolio level to mitigate pressure on gross margins which is likely to recover over the coming quarters.

Now let me take you through the performance of our US formulations business. The business accounted for 43% of the consolidated revenues during the quarter, with sales of Rs. 17.1 billion and grew by 10% on a sequential basis. We launched 10 new products during the quarter, including the gRevlimid which is Lenalidomide, which aided the growth momentum. We received 15 new product approvals, including 2 tentative approvals during the quarter.

On the emerging markets front, the business continues to maintain its high growth momentum as it posted revenues Rs. 3.3 billion, up 24% year on year, excluding revenues from COVID related products. The growth was broad based across most of the geographies. The business grew during the quarter, despite the challenging political and economic scenario in some of the emerging market countries.

This concludes the business review. I will now request Dr. Sharvil Patel to take you through the key drivers across businesses and initiatives in our innovation program. Thank you.

Sharvil Patel: Thank you Dr. Nayak. Good afternoon ladies and gentlemen. It is a pleasure to have you all today on the call. We continue to direct our efforts and resources towards the focused execution in two of our largest geographies viz. India and the US, with an aim of sustained value creation for all stakeholders. All our key businesses sustained the growth momentum and delivered a robust performance during the quarter.

Our formulations business in India continued to steadily improve on growth metrics, registering a steady double-digit growth in ex COVID revenues, in line with the market. While this has been our near-term target, we intend to outperform the industry growth sustainably in the medium to long term. We will continue to leverage our innovation pipeline, including the IP protected novel molecules and biosimilars and focus on volume expansion through strategically directed marketing efforts, brand building and improved distribution, including the new-age channels.

With the impact of COVID related disruptions behind us, the consumer wellness business maintained the strong growth momentum and posted a double-digit growth during the quarter. However, there were challenges in forms of higher input costs and slower pickup in rural demand, which impacted the profitability. We continue to expand our distribution network and broaden our product offerings to drive additional growth going forward.

We are pleased to see the fruits of our continued R&D efforts aiding steady growth in the US formulations business, supported by new launches, including gRevlimid during the quarter. Also, monetisation of our internal pipeline along with our BD & L efforts will be the key drivers of our US generics business. Our specialty portfolio is likely to scale up over the medium term and become a niche and sustainable growth pillar as well.

It is heartening to see the impact of our innovation products on patients' health outcomes, which has enabled affordable treatment options with easy access through our comprehensive distribution network. This has enabled commercial success of our innovation products. Notably, Lipaglyn sustained its momentum and is continuing to add newer patients and has improved its rank in the IPM every quarter. Bilypsa, which is the only available treatment for NASH indication continues to display a robust growth consistently since launch.

On the biologics front, we launched Ujvira which is our first ADC last year. The molecule has gained significant traction in the first year of launch itself, and is one of the leading brands of our formidable oncology franchise.

With this, let me talk to you about some material developments on our innovation efforts. On the NCE front, during the quarter, we submitted the results for the hepatic impairment study of Saroglitazar magnesium in NASH and normal PBC patients to the US FDA. The hepatic impairment studies of the molecule in cirrhotic cholestatic patients is ongoing, and which is likely to be completed by end of FY23. We achieved a positive proof of concept in our phase

2 trial for our NCE ZYIL-1, an NLRP3 inhibitor, in patients with Cryopyrin-Associated Periodic Syndrome (CAPS), which is a rare, lifelong, auto-inflammatory condition. The study demonstrated rapid clinical improvement and remission within days when CAPs patients with flare-ups were treated with ZYIL-1. We received regulatory approval in India to initiate phase 2 clinical trials for our antimalarial drug candidates ZY19489. We also commenced our phase 4 clinical trial of Desidustat in India, in patients with chronic kidney disease induced anaemia. The trial will enrol 1,000 plus patients, half of them being dialysis dependent, and the remaining half being independent of dialysis.

On the speciality front, our wholly-owned subsidiary Sentynl Therapeutics Inc. received marketing authorisation in the EU for Nulibry® for the treatment of Molybdenum Cofactor Deficiency (MoCD) Type A. It is the first and only treatment in Europe to treat patients with MoCD type A. We are looking forward to suitable commercial partners to launch Nulibry® in the EU.

On the regulatory compliance front, I'm very pleased to share that earlier this week, the US FDA issued us an EIR with a VAI status for our Moraiya formulations manufacturing facility which was earlier in a warning letter. The inspection now stands successfully closed. The US FDA has also inspected our new animal health formulations facility located in Ahmedabad SEZ between 23rd September 2022 to 29th September 2022, which concluded with two Form 483 observations. We submitted the response to the FDA in the month of October. We are proud of our manufacturing and quality teams for their proactive approach to sustain quality excellence. We remain committed to invest in the requisite resources to build a strong corporate quality culture. This will strengthen our position as a reliable supplier of products that conform to the highest standards in the world and other markets.

Thank you. And, now we move over to the Q&A session. Over to the coordinator for the Q&A.

Moderator: Thank you. We will now begin the Question & Answer session. Anyone who wishes to ask a question may raise your hand from the participant tab on your screen. Participants are requested to use headphones or earphones while asking their question. We will wait for a moment while the question queue assembles. The first question is from Prakash Agarwal.

Prakash Agarwal: Hi, Good Afternoon. Thanks for the opportunity. The first question is on Moraiya. So, congrats on the approval. But, how do we see this approval? Have we been able to transfer most of the important files, or does this give opportunity to launch new set of products? You've

talked about couple of niches also coming out from this facility. If you could update how should we look about on the outlook?

Sharvil Patel: So, we still have some important launches that are still from Moraiya. Obviously, the whole transdermal franchise is going to be important in terms of the commercialisation of that. Also, there are some small molecules like Softgel and others which were filed out of Moraiya, which will see some positive traction going froward. So, all in all, I think the resolution of that will only help us add to the overall business mix of the US going forward.

Prakash Agarwal: Okay. But, does this change your approval/launch guidance of 20-30 products every year? How should we look at it?

Sharvil Patel: Yes. If we get through approvals, Moraiya has I think close to 30 pending approvals. So yeah, we would see an uptick in the number of approvals.

Prakash Agarwal: Okay, fair enough. And secondly, on US sales and linking it to gross margins, so one, on the US sales, if you see the QoQ movement versus other peers, it has been little softer. Is it well spread out in terms of Revlimid opportunity? How should we think about it? I mean, it doesn't seem to be upfronted like other players.

Sharvil Patel: Yeah, it is not upfronted. We have a well spread out plan for Revlimid and currently it is better than our estimates in terms of what we have been able to do on the product.

Prakash Agarwal: So, what I understand is that this quarter and the next quarter are the two big quarters where most of the companies would be booking because Natco would have the double-digit market share starting March. Would that be fair understanding or is it spread out even further, also the March quarter?

Sharvil Patel: I think, for us it would be spread out beyond the March quarter also.

Prakash Agarwal: Okay, fair enough. And lastly, on gross margins and EBITDA margins, adjusted for this forex as well as your COVID led inventory, EBITDA margins are flattish despite Revlimid. So, have we started to look at some costs coming down both in terms of input and other operating expenses, or inflation still is at elevated levels? Some colour will help.

Sharvil Patel: See, I think we have maintained that we believe that we will comfortably be above 20% EBITDA margins, and with the kind of product launches, we can see some improvement there. On the cost and other expenses front, we continue to obviously look at various opportunities. Maybe on the inflation thing, maybe Nitin bhai can add something.

Nitin Parekh: So Prakash, while we have calculated forex gain and shown that on the income side, you can understand there are certain expenses also including imports and other expenses, where also there is a negative impact, which currently we have not separately computed and made available. But, the gain is to be considered on a net basis, that is one. Plus, there are certain input costs which have started easing out, and the result of that you would see in the ensuring quarters.

Prakash Agarwal: Okay perfect. Thanks and all the best.

Moderator: Thank you. The next question is from Bino.

Bino: Hello. Can you hear me?

Nitin Parekh: Yes.

Bino: Okay, great. Just a follow up on Revlimid, when you say it is well spread out, so in the last quarter which is reported, you had less than a month of sales. So, if I roughly assume that the coming quarter will have three time of whatever sales you booked last quarter, is that an okay assumption or is it far away?

Sharvil Patel: No, I think because there's a limited market share, we have divided the market share. So, it is not monthly market share but we just divided the overall market share.

Bino: In the quarters?

Sharvil Patel: Yeah.

Bino: And continuing with US, there is this product Trokendi XR, in which I believe there is a settlement to launch sometime soon. Can you give some timeline?

Sharvil Patel: Yeah, so we are planning to launch the Trokendi XR in Quarter 4 of FY23 which will be an important launch.

Bino: Right. And one product Myrbetriq in which you've got a final approval recently. Any timelines regarding the launch of the same?

Nitin Parekh: The timelines are yet not finalized.

Bino: Okay. And just one if I could add, regarding this Hepatic Impairment study that you talked about, what sort of study is that? Is that a safety study or any efficacy study?

Sharvil Patel: It's a safety study. It is to improve the label claim when we finally look for a PBC NASH approval. There are challenges with some molecules with this and we believe our product is much superior to that. So, these studies are there to demonstrate that there are no safety concerns for this molecule or products in this class.

Bino: Understood. Thank you, I'll join back in the queue.

Moderator: Thank you. The next question is from Kunal Randeria.

Kunal Randeria: Hi, Good Afternoon. Sir, your R&D is quite diversified across NCEs, biosimilars, besides the normal 30-35 ANDA filings that you do. So, of this around 1,100 crore R&D budget, is it possible for you to split how much you'd be spending across these different R&D verticals?

Sharvil Patel: So, I think broadly we have said about 2/3rd of R&D investment is in generics, biosimilars and all those put together, and about 1/3rd of this is in the current NCE programs that we are running. I think going forward, we will see maybe a mix which is more driven towards NCEs, but that's the current mix.

Kunal Randeria: And, on an absolute basis, how do we see R&D for the next 3 years? Because, Saroglitazar and all the other products should be entering into late phase clinical trials?

Sharvil Patel: So, I think there would be definitely growth in our overall R&D expenses. Currently we are comfortably in the 7-8% as a percentage to sales level. Maybe in the next 3 years we'll review. Surely it will go up, but maybe we'll still be around the 8% plus range.

Kunal Randeria: Sure. And just one more from my side. I guess you would be launching about 25-30 products annually. So maybe, if you can give some granularity in terms of how many injectables you expect, let's say in FY24, how many transdermals and how many solid products?

Sharvil Patel: It is a very in fluid situation. So it is very difficult to give dosage wise. But I have always stated that with the kind of portfolio that we have, including all of the three that you stated, we would see robust number of products launched in the US and, which will also, we believe add to significant growth for the US business.

Kunal Randeria: Got it. Thank you and all the best.

Moderator: Thank you. The next question is from Neha Manpuria.

Neha Manpuria: Yeah, thanks for taking my question. Sir just to understand, the US business. You have given me that we have launched ten products in the quarter. Did the base business erode higher than what we have seen in the last few…? Because Asacol does not seem to be showing any erosion. So any colour there in the base business?

Sharvil Patel: No, I don't think we have seen any critical base business erosion in the US in this quarter.

Neha M: So has it been a high single digit like we have seen or…?

Sharvil Patel: Mid-single digit.

Neha Manpuria: And my second question is on the R&D that you mentioned. Did I hear correctly that the R&D spend for the next year could be 8 plus percent?

Nitin Parekh: Yes.

Neha Manpuria: Okay. In that context, I know our US run rate will improve going forward. How should we look at the margins from the 20 plus percent that we would do this year?

Sharvil Patel: I think we will see a good improvement on that.

Nitin Parekh: Yeah, but I think when we have the close of this particular year would have better visibility in terms of the products to be launched next year and should be in a position to give more accurate guidance.

Neha Manpuria: Understood. Thank you.

Moderator: The next question is from Bino.

Bino: Hi, thanks for the follow-up. Sharvil Bhai, just a follow up on the animal health business. So, I am not quite understanding our strategy there. We sold the animal health business which we had and now we again have an animal health facility where USFDA had the recent approvals. So, what are we trying to do with annual health side of the business?

Sharvil Patel: So this business is our export, I mean, the business is targeted towards the USA. We have filed a lot of ANADAs, as they call them, as the regulator submission, and our facility that was built for those has been inspected and now we are looking forward to a closure of that inspection and then commercial launch of these products.

Bino: Okay. So the earlier animal business which we sold had no sales in the US?

Nitin Parekh: No, just for your clarification. What we sold did not have any business in US. We are starting new business in US with a dedicated facility which was inspected recently.

Sharvil Patel: It is a new business.

Nitin Parekh: It is a new business.

Bino: Understood. Thank you.

Moderator: The next question is from Nitin Agarwal.

Nitin Agarwal: Thank you for taking my question. Sharvil bhai, on the Moraiya plant, by when do you see the approvals begin to come through from this facility and how many approvals do you expect over the next 12 months?

Sharvil Patel: So approvals, I believe generally we have seen that in 2 to 3 months we start seeing approvals. So that's what we hope. And it could be anywhere from 20 to 35. I can't exactly say how many number, but 20 plus approvals are possible.

Nitin Agarwal: And on the transdermal, the transdermal approvals are just right now function of the approval process getting started or there is something else which can hold back these approvals from here on?

Sharvil Patel: So, largely it is for the facility cGMP, and there are a few queries that have also been answered in the latest round. So, majority of them are for facility clearance.

Nitin Agarwal: And if you can just refresh memory, how many transdermals have we filed from the site?

Sharvil Patel: 5.

Nitin Agarwal: Okay. And from a market perspective, in terms of, because we did file a long back, how many of them are where the market is still interesting for you from a site perspective of these 5?

Sharvil Patel: We will be launching immediately 4 and then we are doing one site transfer. So overall, all will be launched.

Nitin Agarwal: Okay. Secondly, on Asacol HD, how have the dynamics been in the market and what are you now pencilling in for competition?

Sharvil Patel: Currently, as I keep on adding, our best estimate is we don't see any immediate competition, over the next 3 to 6 months is our best estimate as of now.

Nitin Agarwal: Okay. Thank you.

Moderator: Thank you. The next question is from Vibha.

Vibha: Hi Sharvil, Vibha here. I just wanted to know, in case I just joined the call a bit late, so please excuse me if I'm repeating a question. I just wanted to know what are the COVID related product related write offs and is this vaccine related and how much is it?

Nitin Parekh: So, there are materials related to COVID vaccine which we wanted to earlier use. But now since the vaccines are not required, we thought certain materials may not be utilized and therefore we have done write off. Also, some other products which were selling during COVID

times, their inventory we now took a call that this may not be saleable since there is no demand and therefore we have made a provision for them.

Vibha: Right. In case I missed it, what's the amount of the provision?

Nitin Parekh: So, total 120 crores in this quarter. Earlier we had 40 crores in the previous quarter.

Vibha: Okay, thank you.

Moderator: The next question is from Harith Ahmed.

Harith Ahmed: Hi, good afternoon. Thanks for the opportunity. So, one of your competitors recently received approval for another modified release mesalamine product, which is Pentasa. So is that an opportunity for us as well? Do we have a filing?

Sharvil Patel: We have already launched. Sorry you are talking about Petasa. No. We are working on Pentasa.

Harith Ahmed: Okay. On the vaccines front, can you give some colour, the ex-COVID vaccine part of the vaccine business? What's the current size of the business and how should we think of scale up in this business over the next 2 or 3 years?

Sharvil Patel: So, currently on our vaccines business, currently our current business is only limited to private market vaccines which we are selling, which is our flu vaccine and the Typhoid Conjugate vaccine. We going forward I think, as I said the important vaccines will be us participating in the pre-qualification of three vaccines. One is which is and older – Rabies, followed by MR and Typhoid conjugate. So these three vaccines will become part of the global vaccines which the tenders are not before 24, 25, 26. So they are sometime away and before that we have to get pre-qualified also for this. So I think the major uptick for this is 25 when we come to 24-25 where we will see an uptick on the volumes and business. Till then obviously we are going to participate in the private market and the India public market through our MR and Typhoid Conjugate vaccine and the Rabies vaccine.

Harith Ahmed: Got it. And that last one on Saroglitazar. Can you refresh us on the timelines for both PBC and NASH indications in terms of filings? And the Hepatic impairment study that you talked about, does that change any of the timelines in any way?

Sharvil Patel: No, the hepatic impairment studies don't change any timelines. We are doing those studies to have a better superior label claim is what we hope for. Our current estimate for finishing the trial and

submission is calendar year 2025 for PBC indication and the NASH indication has a much longer drawn out trials. That is 27 kind of submission, 27-28, not before that.

Harith Ahmed: And related question on Saroglitazar again. How has been the response to our launch for NASH indication in the India market? I see that we have a separate brand for the NASH indication.

Sharvil Patel: The momentum on the brand is very good for both the indications. Ideally the largest now indication going forward will be the NAFL indication and we are seeing very strong market share gains in that particular sub therapy and overall the brand is performing extremely well. And as I always said, we aspire to make it into the top 25 brands of India very soon. That is going to be our endeavour in the short term. But this definitely will become one of the top selling brands for the company as well in India.

Harith Ahmed: Understood. That's all for my side. Thanks for taking my questions.

Moderator: Thank you. The next question is from Rashmi.

Rashmi: Sir, on Nulibry, I think the commercial shipment has already commenced. So how was the response during the quarter? And if you can give update on the market opportunity for this particular product, the addressable market size and all.

Sharvil Patel: So Nulibry is a rare disease orphan product. There had already been existing patients who were taking this in Europe. So, with this marketing authorization we will be able to continue and look for new patients as we are able to find partners and in the US also we are sourcing for new patients. But this is an extremely rare disorder and the patient numbers are going to be in the single to double digit kind of numbers. But the value proposition is there. So that is the current plan. So I think it is going to be a steady build up. But it is going to be a very sustainable, sticky business and more importantly, I think we would have brought a solution for one of the rare diseases where there are no current lines of treatment.

Rashmi: Okay. And sir when you say that you have seen a mid-single digit price erosion in the quarter in the US business. Was that on quarter-on-quarter basis?

Sharvil Patel: Annualized it is that.

Rashmi: Okay.

Sharvil Patel: Quarter-on-quarter 5% would be a big disaster. It is annualized, not quarter-on-quarter.

Rashmi: Can you update on quarter-on-quarter price erosion?

Nitin Parekh: So low single digit.

Rashmi: Okay. And ex-Revlimid, with the help of launches and all, you might have off-setted the price erosion. So ex-Revlimid, can we consider that the base business was more or less flattish on quarter-on-quarter basis, excluding Revlimid sales?

Sharvil Patel: It was slightly softer had more to do with timing.

Rashmi: Okay, all right sir. Thank you. That's it for my side.

Moderator: Thank you. The next question is from Avneesh Khara.

Avneesh Khara: Hello. I just wanted to pick up from the question of an earlier participant regarding the COVID provisions that you made. So it was 140 last quarter and 120 this quarter. But has the total inventory been written or is it possible that we'll take some more provisions in the future quarters?

Nitin Parekh: So first to correct, it was 40 crores, not 140 last quarter and 120 in September quarter. So together it is 160.

Avneesh Khara: And there won't be any provision in the future quarter, right? It's completely been written off.

Nitin Parekh: Yes, yes. Whatever was to be written off, it is written off.

Avneesh Khara: Okay, great. Also on the Transdermal pipeline that we have, I just wanted to understand, is there any difference in the pricing erosion dynamics of that segment of the business? And can you throw some light on if there is going to be any difference on how we are marketing those products or something?

Sharvil Patel: No, it's the same channel of marketing. So there's no new channel. The same teams and the same network is there. And currently as I said, for those all products, the margins are still attractive.

Avneesh K: Okay, great. That's it from my side. Thank you.

Moderator: Thank you. The next question is from Dhruv Mehta.

Dhruv Mehta: So my question was related to Revlimid. So we have missed our sales like there's a slow ramp up and so what is the indication for the whole year and do we see any fresh competition during the year? That's my question.

Sharvil Patel: So two things. One is, we haven't missed any estimate on Revlimid. Whatever we have estimated, I think we will do better than that estimate. And as I said, this is not going to be only for one quarter, but go on for a couple of more quarters. So it's not a one off business.

Dhruv Mehta: Okay. Sir, what about any fresh competition during the year?

Sharvil Patel: No, it's a very limited quantity launch. So, the competitive scenario is not relevant for the moment.

Dhruv Mehta: Okay, thank you.

Moderator: The next question is from Vibha.

Vibha: Hi. There's some confusion. Not confusion, maybe there's not so much clarity on the direction of pricing in the US, not for you in particular. But I just want to get a general idea of how the market is expected to behave. There was some expectation during the last quarter that from this quarter onwards it would be better. Do you see that and how does it look going forward? And second, have also the logistics cost come down post COVID and after all the Ukraine crisis etc. the geopolitical upheavals that happened? So are the logistics cost for, I'm talking about overall not for Zydus in particular, but do you see that is kind of normalized now or it's still pretty high?

Sharvil Patel: So the logistics cost, to answer to your second question, have come down across as an industry for pharmaceuticals. So that's happened. With respect to price erosion, there will always be a very competitive intensity in the US. So we believe that single digit price erosions is something that we all build for in terms of our future planning.

Vibha: Okay, thank you.

Moderator: As there are no further questions from the participants, I now hand the conference over to the management for the closing remarks.

Ganesh Nayak: Thank you very much. Wish all of you a Merry Christmas and a very Happy New Year, and look forward to interacting with you again during our next quarterly results in the month of February. Thank you and have a nice evening.

Moderator: On behalf of Zydus Lifesciences Limited that concludes this conference. Thank you for joining us. You may now disconnect your lines and exit the webinar. Thank you.

End of Transcript