Biocon Limited's Q2 & H1 FY14 Earnings Conference Call
October 25, 2013

Participants from Biocon Group's Senior Management Team

- Kiran Mazumdar Shaw: Chairman and Managing Director
- John Shaw: Vice Chairman
- Arun Chandavarkar: Chief Operating Officer
- Murali Krishnan: President, Group Finance
- Abhijit Barve: President, R&D
- Rakesh Bamzai: President, Marketing
- Siddharth Mittal: Vice-President, Finance
- Satish Arunachalam: Associate Vice President, Finance
- Kiran Kumar: General Manager, Finance
- Peter Bains: Director, Syngene International
- M.B. Chinappa: President, Finance, Syngene International
- Manoj Nerurkar: Chief Operating Officer, Syngene International
- Saurabh Paliwal: Head, Investor Relations

Presentation Session

Moderator: Ladies and gentlemen, good day and welcome to Biocon Limited Q2 & H1 FY14 Earnings Conference Call. As a reminder for the duration of this conference, all participants' lines will be in the listen-only mode. There will be an opportunity to ask questions at the end of today's presentation. Should you need assistance during this conference, please signal the operator by pressing '*' and then '0' on your touchtone phone. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. Saurabh Paliwal of Biocon Limited. Thank you.

Saurabh Paliwal: Good afternoon everybody, and thank you for joining us on Biocon's quarterly conference call for the period ending 30th September 2013. I am Saurabh Paliwal from the Investor Relations team. We had released our Q2 & H1 FY14 results last night and the same are available on our website. We have with us on the call today Ms. Kiran Mazumdar-Shaw, Biocon's Chairman and Managing Director and our colleagues from the senior management team. We will begin this call with opening remarks from Biocon's management followed by an interactive Q&A session.

Before we proceed with the call, I would like to remind everyone that this call is being recorded and a replay will be available for the next few days. The call transcript shall be available on our website soon. I would like to add that today's discussion may be forward-looking in nature and must be viewed in conjunction with the risks that our business faces. The safe-harbor contained in our press release also pertains to this conference call. After the end of this call, please feel free to get in touch with the investor relations team with any additional queries that you may have. Now I would like to turn the call over to Ms. Kiran Mazumdar.

Kiran Mazumdar Shaw: Thank you Saurabh, and welcome to Biocon's Investor Conference Call for the first half ended 30th September 2013. Let me begin with our key financial highlights for this period:

- Group sales have risen by 23% to Rs. 1,429 crores
- Our Biopharma business has delivered a strong growth of 21%; up from Rs. 734 crores last fiscal to Rs. 886 crores for this first half
- Research Services have continued with its stellar run with a 36% YoY growth to deliver Rs. 343 crores for the first half
- Branded Formulations grew by ~13% to close the half year at Rs.200 crores.

This growth has been supported partly by rupee depreciation where Syngene has been the larger beneficiary, given that its business is largely dollar-denominated and the import component is fairly small. While Biocon's exports have certainly benefited from a weaker rupee, our imports have not allowed us to retain the entire benefit of the rupee depreciation. To put it in perspective, at constant exchange rates our Biopharma business has grown 16%, while Research Services has delivered 25% YoY growth. These numbers reflect the underlying momentum in our business and endorse our diversified portfolio strategy.

Group EBITDA was at Rs.363 crores which is a growth of 19%. EBITDA margins were at 25% for the first half. If we exclude R&D spends, licensing and other income; our core EBITDA margins stood at 28% indicating the robustness of our business model. I should also mention here that these EBITDA numbers are post the impact of an exceptional one-time FOREX loss that we saw this quarter, due to some of our earlier hedges. We had a large 19 crores FOREX loss in Q2 which appears under other expenses.

We also saw an increase of ~300 basis points in our tax rate due to the partial expiry of tax benefits to our SEZ and EOUs. Our group net profit for the first half year has grown by 16% to 196 crores and in Q2 FY14; we have delivered a PAT of Rs. 102 crores. PAT margins for H1FY14 stood at 13%.

We are net cash positive with a balance of 703 crores at the end of Q2 FY14; post the dividend payout in July. Our total debt for the group, at the end of Q2, stood at 404 crore; largely coming from drawdowns for the construction of our Malaysia facility. As you know, this is a very low interest debt that we have on our books.

Moving on to the individual business unit performances, our ***Small Molecules*** vertical has seen good traction in emerging markets. We have seen healthy growth from Immuno-Suppressants and Orlistat, while our statins basket has remained steady. The improving product mix in Statins has helped us with better realizations as well. We continue our efforts to optimize our product mix to improve profitability.

Now coming to our ***Biosimilars*** vertical, our generic Insulin business continues to do exceedingly well. We see a very strong demand emanating from the emerging markets, supported by our increasing global footprint. We have now registered our generic rh-Insulin in over 50 countries and are progressively reaching out to other markets with our generic Insulin Glargine as well.

We have received the European Phase-III study report and I am pleased to report that the study has met all primary and secondary end points. This gives us the confidence to move ahead with our harmonized global strategy that integrates US and EU with our Malaysian facility.

We have also successfully completed the India Phase-III trial for Biosimilar Trastuzumab which is a partnered asset with Mylan. We have recently filed an application with the Indian regulators. In line with our 'India-first' strategy, we expect to receive regulatory approval for this first Biosimilar Monoclonal Antibody in the near future. Other programs in our Biosimilar portfolio continue to progress well.

Our ***Branded Formulations*** business grew by ~13% in H1FY14, which is well ahead of the overall market growth of 6%. As you all know, the slowdown in the market is largely due to various regulatory and trade issues which has impacted the entire Indian Pharma sector. Amidst these challenges we continue to work on launching differentiated product offerings which should aid the growth of this vertical and we believe that the next half will show an increased growth momentum.

This quarter saw the launch of our very exciting second novel biologic ALZUMAb™ (generic name: Itolizumab) in the Indian market. This is a first-in-class novel biologic and the world's first anti-CD6 monoclonal antibody which has been approved for treating patients with chronic plaque psoriasis. The product was launched on the 10th of August this quarter and we are extremely encouraged by the response that this molecule has received from both doctors and patients. We believe that this is a molecule that will garner increasing presence in the Indian market. We intend to file a US IND and a European IMPD for Itolizumab in the very near future. This will enable us to commence global development of this very exciting, ***Novel Molecule***. We also continue with our efforts to engage with interested partners to take this product to global markets. We will ensure that this asset's value is unlocked in the best possible way and we will certainly keep you posted on the developments.

The ***Research Services*** vertical continues to grow across service platforms, delivering an EBITDA growth of 29% for the first half of this fiscal to reach Rs. 129 crores. We have seen strong customer retention in addition to several new wins, which have helped us to ramp up our Research and Manufacturing services. While the rupee depreciation has certainly benefited us at the revenue level, the same has not accrued to the bottom line largely due to the expiry of our lower-priced hedges which led to a one-time loss. As explained earlier, this closes out the hedges that we had taken on account of our older contracts, and we hope that the year ahead will basically reflect improved profitability.

I am also pleased to share with you that the Science Magazine has ranked us at # 6 in their annual list of Top 20 Global Biopharma Employers. We continue to be the only Asian company to have made to this list and have been commended for being socially responsible, having a clear vision and for doing important quality research. We are extremely proud of this ranking. To remind you, we were ranked at #19 last year and this is a significant shift that reflects the growing profile of Biocon worldwide.

Before I conclude I would like to summarize by saying that Biocon has done well in the first half of this fiscal. Our Insulin business in emerging market continues to surge while Branded Formulations continue to perform in a challenging environment. The strong momentum in Research Services will continue as we make incremental investments to catalyze this growth. We recently filed the application for biosimilar

Trastuzumab and will hopefully launch biosimilar trastuzumab into the Indian market in the near future. Our focus on delivery of our business plans continues and our efforts to improve the efficiency of our processes remain unchanged. We remain committed to achieving the top line target of US$1 billion by 2018. With this, I would now like to open it for question-and-answers. Thank you.

Q&A Session

Moderator: Thank you. Ladies and Gentlemen, we will now begin with the question-and-answer session. We have the first question from the line of Ranjeet Kapadia from Centrum Broking. Please go ahead.

Ranjeet Kapadia: My first question is on the Syngene listing. We have been talking about it for a while. Is it the right time or will we continue to wait? And the second question relates to IN-105: can you give any update on this molecule?

Kiran Mazumdar-Shaw: As you very well know, this is not the right time to list a company as there is a lot of uncertainty in the marketplace. We will certainly wait for the right time which could be post-elections. Secondly, in terms of IN-105- this asset is being developed in partnership with BMS. We are progressing on developing this molecule on the clinical development front. There are certain challenges in the same because of the hold that the Supreme Court has put on clinical trials. We are now mitigating this particular risk by doing this overseas.

Ranjeet Kapadia: Can you quantify the effect of NPPP on the Formulations business?

Rakesh Bamzai: The new DPCO came into effect very recently, but has had a very small impact on us. As you are aware, Insulin has been under price control for quite some time now and hence the overall impact is less than 1% on our overall bottom line.

Ranjeet Kapadia: Is there any effect from the trade related issues in the recent…?

Rakesh Bamzai: Yes, I think the entire market has been impacted because of these issues. We continue to maintain that we want to follow the DPCO norms on trade margins while the trade wants to enhance margins. It is more of a policy decision for Biocon and we want to stand by it.

Moderator: Thank you. The next question is from the line of Surya Patra from Phillip Capital. Please go ahead.

Surya Patra: This quarter we are seeing improvement on the gross margin front, which has improved to ~54% level. Is it because of the incremental revenue flowing to the Research Services business or is there something else in that gross margin number?

Kiran Mazumdar-Shaw: As I explained during my opening remarks, we have been able to realize better earnings due to an improving product mix. We have gained from the rupee depreciation as well.

Surya Patra: I think we have been seeing a very good set of growth numbers from the Insulin and Immuno-Suppressants basket. Since we are registering our Insulins in various countries, so possibly the

growth momentum would carry on. On the Immuno-Suppressants front, how would the growth be say in next few quarters time or possibly next 2 years?

Rakesh Bamzai:I think you are right. Insulin continues to be growth driver for Biocon. On the Immuno-Suppressants front, we had initiated several strategic measures a few years back; which are paying off now. Some of our customers have received approval for Sirolimus, which is a new Immuno-Suppressant, in US. We continue to work with a number of US players in this space. In addition to that, the new Immuno-Supressants are also coming up in emerging markets. So Imunosuppressants will continue to grow for Biocon. Does that answer your question, Surya?

Surya Patra: Yes. One more query with regards to the launch of generic Herceptin, which you mentioned in the initial comment. You said that we are likely to launch the product in India soon. What is your thought process regards the pricing, its importance for the Indian market or what is the kind of a sales potential that you are looking at in the first year of launch, any sense on that?

Rakesh Bamzai: Breast cancer patients account for close to 8-10% in the total cancer patients in India, so it is an important segment for Biocon. It is too early for us to comment on pricing. Once the approval comes, Biocon and Mylan will commercialize this molecule with a very strategic pricing and positioning. The pricing will be patient and physician centric to ensure that people, who cannot afford Herceptin in India currently, will start affording it and it will help us gain market share.

Surya Patra: Have we seen the full implication of the expanded Insulin capacity this quarter or will we be seeing the full implication in the subsequent period?

Rakesh Bamzai: By and large, Yes. We can still look at further improvements because we are continuously enhancing our productivity and process efficiencies.

Surya Patra: What would be the tax implication on Biocon, once you commercialize your Malaysian plant?

Siddharth Mittal: It will take a few years for us to commence operations from Malaysia as the plant has to be commissioned and then subsequently qualified. As we have explained in the earlier calls, Malaysia has certain tax incentives for a period of 10-years, so the overall effect on Biocon would be dependent on the margin that the Malaysia plant will generate.

Moderator: Thank you. The next question is from the line of Krishnendu Saha from Quantum Mutual Fund. Please go ahead.

Krishnendu Saha: What is the growth rate for the Research Business in dollar terms?

Peter Bains: The headline number for the half year was 36%; underlying dollar growth rate was 25% YoY.

Krishnendu Saha: And how much would it be on a Q-o-Q basis ?

Peter Bains: Against Q2 FY13, the reported number was 46%, the underlying growth rate was 30%.

Krishnendu Saha: Just to understand the $104 million worth of hedges (options outstanding) on the books of Syngene and Clinigene. At what rates are they hedged at options?

Chinappa: We will not be able to share the hedging rate. However, all the remaining options are put options giving us a floor rate and participation in the upside.

Krishnendu Saha: How much MAT credit do we have in the Research business?

Chinappa: MAT credit continues to accumulate at 20% of the net profit whereas our average tax rate is still at 15%. Hence, there is a 5% delta accumulating in MAT.

Krishnendu Saha: So how much will be the accumulated amount?

Chinappa: That is in the 70 crore range.

Krishnendu Saha: We have completed Phase-III for rh-Insulin. So what will be the strategy going ahead?

Abhijit Barve: As we had mentioned during our last call, we are following a harmonized global strategy that will integrate the US, European and the Malaysian facility. The data from our current study gives us the confidence to go ahead with that particular approach.

Krishnendu Saha: But will we be filing for approval in the Europe or will we be waiting a little bit longer?

Abhijit Barve: We want to integrate Malaysia when it comes on stream. Presently, we are unable to keep pace with the current growth in demand. I think we will wait for Malaysia to come on-stream in 2015. We will also take advantage of this time to harmonize our strategy so that once we get the facility approval; both US and Europe can approvals can be timed around the same time.

Krishnendu Saha: Could you elaborate on the kind of future contracts, which will drive the uptick in the revenue stream for research services?

Peter Bains: We cannot give guidance on the contracts per se, but that we can say that the mid-term outlook remains very positive. We see a continuing trend towards outsourcing in the large and midsize biotech companies' development and manufacturing phases. We see a strong traction in virtual biotech companies for whom contract services are the primary option. Outside of biotech, we see accelerating externalization in some of the adjacent life science sectors, like agricultural, animal health, nutrition, consumer and food companies. So we continue to see a momentum continuation of market opportunity, in the mid-to-long term.

Krishnendu Saha: Just to tie that a little bit forward, if we go further into nutrition, food science and agro industries, does the margin tend to go down or does it stays stable at 30-odd levels for the Research business?

Chinappa: It stays around the same level.

Moderator: Thank you. The next question is from the line of Bhagwan Chowdhry from India Nivesh. Please go ahead.

Bhagwan Chowdhry: Where do we report the ROW market sales for Insulin and Immuno-Suppressants- is this in Biopharma?

Siddharth: Yes, It has always been in Biopharma. Whatever we sell in India, gets reported in Branded Formulations.

Bhagwan Chowdhry: So when we say, that we have registrations in 50 countries; are we supplying API to these 50 countries?

Siddharth: API as well as the finished formulation, depending on the commercialization status in these countries.

Bhagwan Chowdhry: What would be the contribution of that to the total Biopharma? Would it be roughly in the 10-20% range?

Siddharth: Yes, that should be okay.

Bhagwan Chowdhry: Regarding the harmonized filing for Europe and US, do you think that by 2018 you will be in a position to launch those products in any one of the regulated markets?

Kiran Mazumdar-Shaw: I'm sure that is a very doable target.

Moderator: Thank you. The next question is from the line of Krishna Prasad from Kotak. Please go ahead.

Krishna Prasad: First of all, if you could give us some details around what are you targeting in terms of numbers over a couple of years from now for Herceptin in India- that will be helpful

Rakesh Bamzai: Metastatic breast cancer is a large unmet need. Not everybody can afford a Her-2 positive drug like Trastuzumab. We aim to enhance affordability to increase reach via a number of partnership models. This can translate into huge numbers in India and emerging markets. As you are aware, we are also conducting trials in US and Europe. We will be able provide more concrete details once the approval comes.

Krishna Prasad: And just to understand your deal with Mylan better, would you have to pay anything to Mylan for your sales in India or in the emerging markets?

Rakesh Bamzai: Mylan has exclusivity in markets like US, Europe, Canada and Japan, but in rest of the world we are co-exclusive. This means that both of us could be present in the same region with 2 different brands and there is no cross revenues/profits to be shared.

Krishna Prasad: So what you mean is that, in India- both of you could launch the product and individually promote it?

Rakesh Bamzai: Yes.

Krishna Prasad: Would the filing be in Biocon's name in India or would both of you have your individual files?

Rakesh Bamzai: We cannot share the details right now. Suffice to say that we want to reach as many patients and physicians as possible.

Krishna Prasad: On the emerging markets Insulin opportunity, which are the countries where you have attained a critical size at this point. If you could just share a few countries, where we have made some sort of headway in terms of achieving scale?

Rakesh Bamzai: As you are aware it takes time to build markets. In India it took us 7-8 years to get a market share of 10%, but in other markets we are doing it faster because we have support from the local government there. We currently have registrations in 53 countries. Maybe another 3-4 years down the line you will see very big numbers.

Krishna Prasad: Any specific countries that you think it would be worth highlighting?

Rakesh Bamzai: We are targeting at least 10 of the top 20 countries, from IMS MAT.

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

Bino Pathiparampil: A couple of clarifications on earlier questions. First on the Domestic market, what is the actual situation on the ground now, is the trade channel taking goods from you or is the stalemate going on still?

Rakesh Bamzai: I think all of us read newspapers, and what you have read is absolutely true. All the pharmaceuticals companies in India have been affected by DPCO and the trade channel stalemate. On one side, we have to follow the DPCO regulation which indicates 8-16% trade margin on these products, on the other side the trade wants 10-20% margin. So, while we want to stay with in line with the guidelines from DPCO, we are also discussing with various trade bodies to address this issue.

Bino Pathiparampil: Is the filing in Europe really tied to the completion of Malaysia project or is it not possible that we file and Malaysia's capacity comes on line by the time we get approval?

Abhijit Barve: The strategy is to look at all these three things together because it takes a long time to get a facility inspected from a regulatory standpoint. We have taken this approach of harmonized strategy that would allow us to make sure that we have the capacity to serve the market once we get the approval.

Bino Pathiparampil: And finally, could you give any updates on Herceptin in the regulatory markets?

Abhijit Barve: The clinical trials that we are doing with Mylan are on track and nothing has changed since the last time we have given an update.

Bino Pathiparampil: So they are still in Phase-II, not yet final?

Abhijit Barve: They are in Phase-III.

Bino Pathiparampil: Is that like a final trial or…

Abhijit Barve: Yes, this should be the final trial

Moderator: Thank you. The next question is from the line of Sachin Kasera from Lucky Investment Managers. Please go ahead.

Sachin Kasera: It was mentioned earlier that we were almost at full capacity which was followed with debottlenecking recently. You also mentioned that the demand from domestic and emerging markets where you are present continues to be very strong, and Malaysia is still at least 1-1.5 years away from commissioning. So, over the next 4-6 quarters, how do we plan to meet the demand for Insulin?

Rakesh Bamzai: We have internal milestones to bring about process and productivity improvements, which will help us get some enhanced quantity. So we expect next 4-6 quarters to be strong on Insulins.

Sachin Kasera: Secondly from a medium term perspective, is there a scope for further increase in capacity via a Brownfield expansion in India or would the emerging market demand be met from Malaysia as we go ahead?

Rakesh Bamzai: Continuous improvement is the way we deal with the situation. We have our own internal improvement targets and if we deliver, we will be okay.

Sachin Kasera: One question on FOREX loss. There was a mention that the loss for the quarter was around 26 or 28 crores. That was for the consol or that was only for the standalone number?

Siddharth: The forex loss for Q2FY14 is 19 crores at the Consol level.

Sachin Kasera: How much of that would be because of Syngene?

Murali Krishnan: It is largely coming from Syngene.

Sachin Kasera: Just one question on the other income, for the quarter it is at 19 crores vis-à-vis 50 crores last year. Can you share the reason for this 30 crores decline?

Siddharth: We had a partnered program with Amylin, which we terminated, post Amylin's acquisition. They paid us some termination fee, which is non-recurring in nature. That is why you see a huge difference.

Moderator: Thank you. The next question is from the line of Meeta Shetty from HDFC Securities. Please go ahead.

Meeta Shetty: If I look at your Research segments margins, they are at 38.5% vis-à-vis 33% odd in preceding quarter. Even if I see the last eight quarters, it has gone up significantly from 27% to 38%. So I understand that currency has played a part here, but is there also an angle there indicating some higher margin contracts or some new deals which has taken up our margins to that level?

Peter Bains: I think you are right in recognizing that the currency has played a part in the margin in this half. There is no major movement in single contract or mix in the underlying business which is otherwise affecting margin. I think what you are saying is correct, that what we have seen EBITDA margins in the range of 30-35% consistently now for the last 3 years that I think is the underlying margin rates of our business.

Chinappa: In addition, I think there is an element of contribution driven by increased asset utilization. The underlying range of EBITDA margin is in the 30-35% range.

Meeta Shetty: Does the acquisition of Optimer by Cubist change things for us- positively or negatively?

Rakesh Bamzai: The acquisition process by Cubist is still on-going. Once this process is complete we will have further clarity on forecast and strategy. We are expecting Cubist, being a bigger organization in that space, should do better. Once the acquisition is complete then only we will come to know further, but till then we have good business from them.

Meeta Shetty: So, the acquisition has not disrupted any kind of supplies?

Rakesh Bamzai: Right now nothing has changed.

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

Nitin Agarwal: On the Herceptin roll out, are we looking at a probable launch in India sometime in the second half of the year?

Rakesh Bamzai: We are waiting for the approval and we will try to get the product in the market at the earliest, post the receipt of approval.

Nitin Agarwal: And Rakesh, how do you see the rollout will be happening beyond India? Is the emerging markets something which we can do in a relatively immediate manner or it is going to take some more time before the roll out happens?

Rakesh Bamzai: Within the next 2 years, you should see good traction in many emerging markets because there is a significant demand for bio-similars in these markets from the governments and the various healthcare providers. As all of you are aware, this will be the world's first Biosimilar Trastuzumab, and people are waiting for that.

Nitin Agarwal: In these markets that you have in mind, what would be the brand size market of Herceptin right now?

Rakesh Bamzai: It is a huge number. You come and meet me sometime I will discuss in detail.

Nitin Agarwal: And likewise on the Insulin part of the business in the semi-regulated markets outside of Europe and US, what is the potential opportunity size that is a whole market for us?

Rakesh Bamzai: It is a very big market potentially, close to $250-500 million opportunity for rh-Insulin.

Nitin Agarwal: And on Insulin I guess with this harmonization strategy playing out, what is the realistic timeline for a Europe or US launch for the product now?

Kiran Mazumdar-Shaw: We cannot share the exact timing of when these things are going to happen. We are on track with our strategy of having a harmonized filing.

Nitin Agarwal: Rakesh, you mentioned about Sirolimus. When do you see Sirolimus really kicking in for us?

Rakesh Bamzai: It will start from this quarter onwards and we are very happy with this product.

Nitin Agarwal: You do not envisage exclusivity for any of the players…?

Rakesh Bamzai: We have one customer with limited exclusivity.

Nitin: That is not like six months exclusivity?

Rakesh Bamzai: We cannot share specifics, suffice to say that you will see Biocon in most of the places in Sirolimus, because we are very strong in the limuses technology platform.

Moderator: Thank you. The next question is from the line of Mahesh Sarda from ING Life. Please go ahead.

Mahesh Sarda: I just wanted to confirm the Biopharma growth is in second quarter on a constant currency basis?

Kiran Mazumdar-Shaw: it is a 16% increase in the first half and ~13% in the second quarter on a constant currency basis

Mahesh Sarda: There are issues on the capacity which you are facing and you said that to increase the capacity you will improve the process etc. So is this growth of 16% in first half sustainable or there will be some dip because of the capacity issues which we have?

Rakesh Bamzai: We should be growing at this rate going forward.

Moderator: Thank you. The next question is from the line of Sachin Kasera from Lucky Investment Managers. Please go ahead.

Sachin Kasera: Can you give us some flavor on how has manufacturing vs. the service part of the business done for the quarter and how is it looking for the next 2-3 quarters?

Peter Bains: We had a strong performance in the last 12 months and in the quarter while we have had growth across the board in all the platforms in Syngene, that growth is being led by manufacturing.

Sachin Kasera: How do you see the mix in the next 2-3 quarters - do you see this manufacturing continue to outpace the service part of business?

Peter Bains: I think we continue to see robust growth across all the platforms, it is difficult to say going forward which ones may outperform the other but the pattern that emerged in the last 4 quarters has been consistent growth across all the platforms.

Sachin Kasera: And could share what was that consolidated CAPEX that we are looking for the current year?

Murali Krishnan: We are talking about 150 crores excluding Malaysia.

Sachin Kasera: This 150 crore is including Syngene, right?

Murali Krishnan: Yes, this is at the group level for this fiscal.

Sachin Kasera: How much would be Malaysia approximately in broad range?

Murali Krishnan: We have shared the complete project cost for Malaysia, which is in the region of about US$ 160 million. About half has been spent (cash out including advances), but almost 80% has been committed.

Sachin Kasera: And we are looking at December '14 commissioning?

Murali Krishnan: Yes, that is right.

Moderator: Ladies and gentlemen, we have the last question from the line of Bhagwan Chaudhary from IndiaNivesh. Please go ahead.

Bhagwan Chaudhary: I missed the earlier commentary on IN-105, can you please come again on that?

Abhijit Barve: There are certain studies that we are planning as part of our partnership with Bristol-Myers Squibb. Some of these studies were planned in India, but because of the clinical trial situation we might have to go out and do them. So, those studies should start soon.

Bhagwan Chaudhary: Can we utilize the data that we have gathered in India?

Abhijit Barve: That data will be used. The Phase-III trial that was done in India has taught us a lot in terms of how the drug works and we are incorporating those learnings in our future clinical development.

Bhagwan Chaudhary: On this Syngene part, how many do employees we have currently?

Peter Bains: On the Syngene side, we just crossed the 2,000 headcount mark and the total in research services is now just over 2,100.

Moderator: Thank you. I now hand the call over to Mr. Saurabh Paliwal and the management for closing comments. Please go ahead sir.

Saurabh Paliwal: Thank you all for joining us for this Earnings Call. We look forward to hosting you again next quarter.

Kiran Mazumdar-Shaw: Thank you.

Moderator: Thank you. Ladies and gentlemen, on behalf of Biocon that concludes this conference call. Thank you for joining us and you may now disconnect your lines.

Note: This document has been edited to improve readability