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Subject – Q1 FY25 Earnings Call Transcript

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed herewith a copy of the transcript of the Company's Q1FY25 earnings conference call, which we shall be uploading on our website after sending this letter to you.
This is for your information and record.

For **Sun Pharmaceutical Industries Limited**

Anoop Anjanikumar Deshpande
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(Anoop Deshpande)
Company Secretary and Compliance Officer
ICSI Membership No.: A23983

Corporate Participants

Dilip Shanghvi
Chairman & Managing Director, Sun Pharmaceutical Industries Ltd.

Abhay Gandhi
CEO (North America Business), Sun Pharmaceutical Industries Ltd.

C. S. Muralidharan
Chief Financial Officer, Sun Pharmaceutical Industries Ltd.

Kirti Ganorkar
CEO (India Business), Sun Pharmaceutical Industries Ltd.

Moderator: Ladies and gentlemen, good day and welcome to the Q1 FY25 Financial Results Earnings Conference Call of Sun Pharmaceutical Industries Limited.

As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touchtone phone.

I now hand the conference over to Dr. Abhishek Sharma - Vice President & Head, Investor Relations and Strategic Projects. Thank you and over to you, sir.

Abhishek Sharma: Thank you. Good evening and warm welcome to our 1st Quarter FY25 Earnings Call. I am Abhishek from the Sun Pharma Investor Relations team.

We hope you have received the Q1 Financials and the Press Release that was sent out earlier in the day. These are also available on our website.

We have with us Mr. Dilip Shanghvi - Chairman and Managing Director; Mr. C. S. Muralidharan – CFO; Mr. Abhay Gandhi - CEO, North America and Mr. Kirti Ganorkar - CEO, India Business.

Today, the team will provide an update on Financial Performance and Business Highlights for the quarter, pipeline updates and respond to any questions that you may have. We will refer to the consolidated financials for Management comments. The call recording and call transcript will also be put out on our website shortly.

The discussion today might include certain forward-looking statements, and these must be viewed in conjunction with the risks that our business faces. You are requested to ask two questions in the initial round. I also request all of you to kindly send in your questions that may remain unanswered today.

I will now hand over the call to our CFO, Mr. C. S. Muralidharan.

C. S. Muralidharan: Welcome and thank you for joining us for the Earnings Call after the Announcement of Financial Results for the 1st Quarter FY25. Our Q1 Financials are already with you.

As usual, we will look at key Consolidated Financials:

Q1 FY25 sales were at Rs. 125,245 million, an increase of 6.3% versus Q1 FY24, and increase of 6% versus Q4 FY24. Material cost stands at 21.4% of sales lower than the same period last year on account of better product

mix and slightly higher versus Q4 FY24. Staff cost stands at 19.3% of sales. Other expenses were at 30.9% of sales, higher year-on-year on account of higher R&D and selling and distribution expenses.

FOREX loss for the quarter was Rs. 505 million compared to a gain of Rs. 20 million same period last year. EBITDA including other operating revenues was at Rs. 36,076 million for Q1, an increase of 8.3% over Q1 last year with EBITDA margins for the quarter at 28.5% against 27.9% for Q1 FY24 and 25.3% for Q4 FY24. Net profit after tax for Q1 FY25 was Rs. 28,356 million up 40.2% over reported net profit of Q1 last year. Excluding adjustments of prior quarter, net profit was up 20.9%.

Going forward, we expect effective tax rate to go up on a full year basis on account of number of factors including sunset of certain available exemptions. As always, our tax rate should be seen on an annualized basis. EPS for the quarter was Rs. 11.8 per share. As of 30th June 2024, net cash was US $2.3 billion at the consolidated level. From this quarter, we are reporting Taro financials as part of the combined entity.

Over to Kirti who will share the performance of our India business.

Kirti Ganorkar: Thank you, Murali. I shall take you through the performance of our India business.

For Q1, sales of formulations in India were Rs. 41,445 million, recording a growth of 16.4% over Q1 last year. India formulation sales accounted for 33.1% of total consolidated sales for the quarter.

Sun Pharma is ranked number one and holds 8.6% market share in the over 2,019 billion Indian pharmaceutical market as per AIOCD, AWACS MAT June 2024. Corresponding market share for the previous period was 8.3%. For the quarter ending June 24, we grew higher than IPM and we have done well across all major represented therapy areas. We are happy to note that on MAT basis, majority of the sales growth has been led by volumes and new product launches versus the IPM growth, which is predominantly price led.

As per SMSRC MAT February 2024 report, we continue to be number one ranked company based on the prescription volume. Sun Pharma is also ranked number one by prescriptions with 12 different doctor categories. For Q1 FY25, the company launched 6 new products in India.

I will now hand over call to Abhay.

Abhay Gandhi: Thank you, Kirti. I will update on the performance highlights of our US businesses, which includes US portion of Taro as well.

For Q1, our overall sales in the US business is lower by about 1% over Q1 last year at US $466 million. The US accounted for over 31.1% of consolidated sales for the quarter. US Specialty business has continued to grow. Excluding the sales of Lenalidomide, the US generic business has also shown growth.

For Q1, we launched 5 generic products in the US.

On 25th July 24, the US FDA approved LEQSELVI™ 8 mg tablets for the treatment of adults with severe alopecia areata. We are pleased with the first cycle approval of LEQSELVI™ by the US FDA. This validates our team's capability to effectively bring treatments from research and development to approval.

Currently, a motion seeking a preliminary injunction has been filed in a US court to prevent the launch of LEQSELVI™.The company intends to rigorously oppose this motion and work towards an early outcome. The decision of the LEQSELVI™ launch will be governed by the decision of the Court on the motion. We are excited about the impending launch of LEQSELVI™ in the US. We will be unable to address further questions around the LEQSELVI™ launch timeline during today's call.

I will now hand over the call to Mr. Shanghvi.

Dilip Shanghvi: Thank you, Abhay. I will now provide an update on the performance highlights of our other businesses as well as give you an update on our R&D initiatives.

Our branded formulation revenues in the Emerging Markets were US $284 million up by 8.8% over Q1 last year. The underlying growth in constant currency terms was 11% year-on-year for Q1. All of our larger markets have done well in local currency terms. Emerging markets accounted for 18.9% of total consolidated revenue for Q1.

Formulation revenues in Rest of the World were US $190 million lower by 2.9% over Q1 FY24. Rest of the world markets accounted for approximately 12.6% of consolidated Q1 revenue. We continue to invest in building an R&D pipeline for both the global generics and the specialty businesses. Consolidated investment towards R&D for Q1 FY25 stands at Rs. 7,940 million, 6.3% of sales. Specialty R&D accounted for 45.2% of total R&D spend for the quarter.

Moving on to updates on Global Specialty:

In Q1 FY25, our Global Specialty sales were up by 14.7% to reach US $266 million. In July, European Medicines Agency validated the submission of the marketing authorization application of NIDLEGY™. It is the first

marketing authorization application of NIDLEGY™ and the treatment of locally advanced, fully resectable melanoma as potential first indication.

In June, Sun Pharma acquired all outstanding ordinary shares of Taro other than shares already held by Sun Pharma. Taro is now a private company and wholly owned by Sun Pharma. The combined entity is better positioned to compete in the increasingly competitive generic industry. The teams are working towards seamless integration of both the organizations.

With this, I would like to leave the floor open for questions. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The next question is from the line of Surya Narayan Patra from PhillipCapital. Please go ahead.

Surya Narayan Patra: Sir, my first question is on the US business. Sequentially, we have seen some kind of sequential decline. So, is it fair to believe that entire part of the slippage sequentially is led by the seasonality factor in the Levulan, that is my first question? And also, the related point is that I wanted to understand whether we have seen any sequential ramp up in the Revlimid sales, because I think the 12 month period would have expired and now this quarter would have fallen in the new 12 month period where the volume share would have gone up. So, despite that there is a slippage. So, hence I wanted to clarify these two points relating to the quarterly slippage what we have seen in US sales?

Abhay Gandhi: So, last part, like you said, in the specialty side is because of the seasonality of Levulan. Barring Levulan, which for seasonality reason has declined from the previous quarter, every other specialty product has shown growth. As far as the generic Revlimid is concerned, you should assume quarter 1 number to be similar to the quarter 4 number of prior year.

Surya Narayan Patra: So, that means we might not have seen any meaningful uptake in the Revlimid that is what we should understand right now?

Abhay Gandhi: So, sales of this product will always be a little episodic. So, to estimate regular consistent sales each quarter is difficult.

Surya Narayan Patra: My second point is, about any update about the Chinese Ilumetri launch, any progress that we have seen because that could be a sizable opportunity. So, I am just continuously trying to get a sense about that?

Dilip Shanghvi: So, no, I think based on our interaction with the licensee, our sense is that the product is doing well, it is getting accepted in major hospitals and they are happy with the response they are getting from market place and doctors are happy with the clinical outcome the patients are getting from the use of product.

Surya Narayan Patra: So, then this will be part of the ROW sales or emerging market sales?

Dilip Shanghvi: It is a product supply and royalty, yes.

Surya Narayan Patra: And part of the Global Specialty sales?

Dilip Shanghvi: It will become part of the global specialty. To that extent the sales would be lumpy. It may happen in a quarter, may not happen.

Surya Narayan Patra: And third point that I wanted to have a sense, in fact in the annual report you have mentioned about building clinical capability in-house, can you just elaborate what is the kind of or what that you want to intend to say about it and in what way that will help us either to the specialty or to the overall business of Sun Pharma?

Dilip Shanghvi: No, I think clinical development capability helps us consider licensing a product with let us say late Phase-2 development because then we have to do the Phase-3 and all of that ourselves, like also file the product, get regulatory approval, negotiate with the FDA for the label, all of the skill sets and capability help you with ultimate success of the specialty product in the marketplace.

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

Bino Pathiparampil: LEQSELVI™ litigation, is this injunction a new case that has been filed or an application in an ongoing litigation and when was it filed?

Dilip Shanghvi: It is a recently filed litigation.

Moderator: Thank you. The next question is from the line of Neha Manpuria from Bank of America. Please go ahead.

Neha Manpuria: Abhay sir, on Winlevi, IQVIA seems to be showing very sharp peaks and dips in prescription trends, but your comment for the last few quarters has been that we are seeing improvement there. Just wanted to

understand, any reason for the discrepancy in the revenue and the RX, is IQVIA not capturing that? And is the traction that we are seeing in Winlevi in line with the expectation especially given the changes that you mentioned you have done in the last quarter?

Abhay Gandhi: I was saying that we have consciously worked towards improving the realization per prescription, so and that is working well. So, although you may see a drop in the prescriptions, I think the product revenue is growing at a healthy pace on a smaller base of course.

Neha Manpuria: And despite that, you are still seeing growth in the product quarter-on-quarter?

Abhay Gandhi: Yes.

Neha Manpuria: And that is in line with expectations as well or do you think that?

Abhay Gandhi: It is a conscious strategy that we adopted.

Neha Manpuria: And I know this is very early so for the GLP-1 product, it is just entering Phase-2. Given we don't have a presence in diabetes in the US, how are we thinking about commercialization? Would this be something that we could potentially outlicensed commercialize on own? Or even if I were to ask EM versus US, could we see commercialization earlier in the US for this product? Any color on timelines would help?

Abhay Gandhi: Clearly I think. US as well as in Europe, which are large markets, we will not have any front end to commercialize the product ourselves. So, that is a market in which we will consider partnering or even licensing the product. A player who can help us get sensible share of the market because that may also be equally useful for getting better market. In Emerging Markets and in some of the larger markets, we may have our own capacity to bring the product to market our goods.

Neha Manpuria: And would emerging market happen earlier, sir, given it would take time for US?

Abhay Gandhi: As on today, there is no plan to conduct separate studies for Emerging Markets, so it will be part of a global trial.

Neha Manpuria: And Abhishek, if I can squeeze in one more question on the R&D, we had given 8% to 10% guidance obviously 1st Quarter significantly lower. Should this step up in the consequent quarters given the timelines haven't really changed for the pipeline?

Dilip Shanghvi: Yes, I think you should presume a step up in the subsequent quarters.

Moderator: Thank you. The next question is from the line Damayanti Kerai from HSBC. Please go ahead.

Abhay Gandhi: My first question is on US generic business. Now, like you just said, Taro is part of the US business. So, how do you see this business growing? And if you can also update on any update which you have on the Halol plant from FDA perspective?

Abhay Gandhi: I would probably just echo what you have been saying Mr. Shanghvi in prior calls. We were already 80% of shareholders of Taro, so we were always intimately involved in the running of the business. So, to that extent, nothing changes. Both teams are now working towards integrating both organizations and making it into a far more efficient single entity, and that work is ongoing.

Damayanti Kerai: So, any update on Halol from FDA perspective?

Dilip Shanghvi: So, I think the idea is that once we are clear, which should be shortly, we will request FDA for a re-audit of the facility. But that is a decision that we will take once we are 100% sure.

Damayanti Kerai: My second question is on LEQSELVI™, so this new litigation which Incyte has filed, so obviously you mentioned that you intend to rigorously oppose that motion, but you intend to bring this product into market, so is there a possibility that you look to settle this litigation?

Dilip Shanghvi: I think especially in the context of the US, either a favorable judgment or settlement will always remain an option.

Moderator: Thank you. The next question is from the line of Kunal Dhamesha from Macquarie. Please go ahead.

Kunal Dhamesha: Sir, when we look at our specialty business growth from here on for the next, let us say 2-3 year, what would you be planning in terms of volume growth with a new product growth and pricing mix? In your view what could be the ideal mix in this business and for the new product related growth, would you say that our current pipeline is sufficient to support what you have in mind?

Abhay Gandhi: Unlike, say, a market like India where we have been operating for decades now, you have a pretty clear answer on how much is volume, price and other factors that you mentioned, it is very difficult for us, but philosophically, we always work towards growing volumes. The price increase is taken as a bonus rather than the way to grow. So, I think increasing volume, growing faster than the market and increasing share of

prescriptions from the doctors is where the organizational focus has always been for any product in any geography. Coming to new products, again in the specialty business, you don't have the luxury of launching multiple products. So, we are looking forward to launching LEQSELVI™ and we hope to be doing a good job with the launch of this product when we are able to.

Kunal Dhamesha: And on the LEQSELVI™ launch, would you say some of the launch cost is already built into our current quarter P&L or there are more to come?

Abhay Gandhi: Obviously, when you launch the product actually in the market, the marketing and sales expenses will be higher than what you see for the current quarter.

Kunal Dhamesha: Sure, but some of the, let us say, back-end processes like reimbursement or excess personnel, maybe little bit of additional sales force etc., would that be already there in the quarter or that will also?

Abhay Gandhi: It would be.

Kunal Dhamesha: It would come, or it is already there?

Abhay Gandhi: It is already there, but it is expected to go up when we actually launch the product there.

Kunal Dhamesha: And one for CFO sir, what would be your current net cash position as of June 24?

C. S. Muralidharan: $2.3 billion.

Moderator: Thank you. The next question is from the line of Amey Chalke from JM Financial. Please go ahead.

Amey Chalke: The first question I have is on the Taro integration. Is it possible for the management to outline the integration benefits coming out of Taro consolidation, like in terms of manufacturing landscape, etc., is it possible to quantify the impact on the cost or margin.?

Dilip Shanghvi: So, as on today, as we explained, I think Taro has been operating as an 80% owned subsidiary for a long time. So, there are no major structural changes which are likely as Abhay explained, we are working with a view to create an integrated single organization both for customers as well as for suppliers. That is what is our current plan. So, we are not seeing any significant short-term synergy, but I am sure that as we continue to focus and make our operations more efficient, synergy will evolve. Abhay, you have any point to add.

Abhay Gandhi: Not much.

Amey Chalke: Sir, second question I have is on the US generic market, we have 3 units which have been affected by the regulatory issues. Is it possible to tell how much of our spending pipeline for the US is affected by because of these plants and are there any meaningful launches for the US generic markets in the coming years?

Abhay Gandhi: I was saying that critical launches that are important for us in the generic business and we are not dependent on these three plants, but having said that, if I look at the total basket, naturally products that we have filed from these two facilities will be impacted.

Moderator: Thank you. The next question is from the line of Girish Bakhru from OrbiMed. Please go ahead.

Girish Bakhru: Abhay, just to comment on Ilumya, given it is 4 years to launch, I don't know whether it is possible to highlight if the peak sales here for Ilumya, is it within next 2 years or would you say it still has a long way to go given the IL-23 adoption?

Abhay Gandhi: I would think you have a long way to go because we still have headroom to grow in the current indication and when we get the psoriatic arthritis indication, that is an additional segment that opens up for us. So, in my opinion, we are not near to the peak sales of the product as yet.

Girish Bakhru: And just related, we have seen two aggressive launches recently, Bimzelx came and has been grabbing a lot of I think prescription share, Sotyktu has also been doing well. I know yours is a more medical benefit product, but any comment you can share on whether the rebating has increased in the class, or the volume growth is a bit of a challenge now?

Abhay Gandhi: So, without naming, I think at least one of the two products that you mentioned in my opinion has actually not met expectations of the organization at least. And the class that we are into, that is psoriasis always was highly populated class in terms of number of options. So, I don't think that pressure has increased. The pressure was always there and within that as you said, since we have a medical benefit product, we have been able to find a niche in which we are able to find ways to grow.

Girish Bakhru: The second question was on LEQSELVI™ actually, I know your comments on the launch timeline, but reimbursement for this class has been a very challenging issue. Pfizer also has been talking about that. Possible to comment, have you had any discussions already with payers on the product and if assuming the launch comes, would the update be slower?

Abhay Gandhi: I don't really want to go there at this stage, it is evolving. We are engaging with the payers, with the guardrails that we have to maintain prior to the launch of our product. And we feel that there is interest in the payor community for our product. How it evolves, I think let us wait for it and then we will probably give you a little more color.

Moderator: Thank you. The next question is from the line of Tushar Manudhane from Motilal Oswal Financial Services. Please go ahead.

Tushar Manudhane: Sir, just with respect to Ilumya for the indication of psoriatic arthritis, where we are in terms of the recruitment of patients, 60%-70% done, 80%-90% done, if you could share some like that?

Dilip Shanghvi: We have shared the, what you call details about when we expect to file for this product. I think once that is complete, I mean for the sake of clarity, one study is very close to letting completion, because there are two arms of the study, one is biological naive and biological failure patients, so I think hopefully we should meet the timeline, some of these patients are difficult to recruit.

Tushar Manudhane: Sir, considering that and considering the other product sort of will do completing the Phase-2 and sort of topline data in first of CY25, so just trying to understand what would lead to big step up in the R&D spend as far as FY25 is concerned?

Dilip Shanghvi: You are trying to link up this with the R&D spend?

Tushar Manudhane: Sir, not just for Ilumya, but when considering the other products in their current studies, not just specifically?

Dilip Shanghvi: But we are only sharing details about products which are already in clinical trial. We are not sharing any information related to our plan for initiating any further studies.

Moderator: Thank you. The next question is from the line of Kunal Dhamesha from Macquarie. Please go ahead.

Kunal Dhamesha: We have seen a sharp uptake in India revenue in Q1 around 16% year-on-year growth, so if you can highlight what is, we have said that we have seen growth across therapies, but any particular variable affecting this and is this growth momentum sustainable for the rest of the year?

Kirti Ganorkar: As I said earlier, we are seeing the growth across the therapy and the business is performing well because the majority of our growth is also coming through volume, which also talks about the growth in a

prescription. Your comment whether this momentum will continue is difficult to say because we don't know how the markets will be in next 2 quarters. But our idea has always been to grow in line with market or slightly higher than market, so that we gain a market share and we also focused on a volume growth.

Kunal Dhamesha: But there isn't any additional channel that we would have focused in this quarter, right, maybe modern trade or something which would have led to higher growth?

Kirti Ganorkar: No, I don't think there is any additional channel in this quarter.

Kunal Dhamesha: Our staff cost growth on a year-on-year basis is quite muted. I can see only 2% growth. So, is it related to some of the cost efficiency measures that we have taken and are the performance related wage hikes etc., baked into the current quarter?

Dilip Shanghvi: No, I think like what we say for majority of the expenses, you look at annualized cost, don't look at quarter-on-quarter. There will be some amount of adjustment or periodicity which may mask actual underlying numbers.

Kunal Dhamesha: And last one from my side, I think the atopic dermatitis trial readout for SCD-044 has been moved to H1CY25 versus earlier guideline of H2CY24, so what is causing this delay?

Dilip Shanghvi: I think recruitment of the subject.

Kunal Dhamesha: And we expect anymore delays here or we are kind of okay in the guidance?

Dilip Shanghvi: I think idea is that we shouldn't give explanation rather than giving the outcome. That is a position that we try and achieve in all businesses. Hopefully within next some time we should achieve that also in clinical trials because I have never explained our performance. That is because of this reason we did not achieve the numbers. It is better for me to factor everything before I give guidance.

Kunal Dhamesha: And the last one, since we are on Specialty, we have said that we might look at in terms of out licensing our GLP-1 molecule, right, but do you have any particular timeline in mind as to when in terms of development stage, we would be looking out for partner?

Dilip Shanghvi: So, my sense is that once we have greater clarity in terms of clinical outcomes, is the best time at which we will start..

Moderator: Thank you. The next question comes from Sumit Gupta from Centrum. Please go ahead.

Sumit Gupta: So, what is the share of Ilumya in the psoriasis market in the US?

Abhay Gandhi: You are talking all categories?

Sumit Gupta: Yes?

Abhay Gandhi: Very small. It is like 0.5%. Only IL-23 Class where we will be closer to 8%.

Sumit Gupta: 8%?

Abhay Gandhi: IL-23.

Sumit Gupta: And how do you expect it to like over the next 4-5 years or over the long term, how do you see it going forward?

Abhay Gandhi: Hopefully the idea is to grow.

Sumit Gupta: And sir, any guidance on the overall revenue growth over the next 2-3 years?

Dilip Shanghvi: No, we don't give long-term guidance.

Moderator: Thank you. The next question is from the line of Saion Mukherjee from Nomura. Please go ahead.

Saion Mukherjee: Abhay, just one clarification on IL-23, 8%, this is the volume market share, or the patient market share you are referring to?

Abhay Gandhi: This is the prescription market share.

Saion Mukherjee: And the second one, Revlimid, so you mentioned it is flat quarter-on-quarter, I remember last quarter it wasn't significant. So, should we assume that it is not significant contributor this quarter and it can increase in the subsequent quarters?

Abhay Gandhi: We don't guide product wise. So, for me to give you each product granularity is difficult because we don't guide.

Saion Mukherjee: Sir, would you consider it a significant contributor to your revenues in the US at this point because this opportunity is there for a limited time, so just wanted to understand, would you consider it as a significant contributor?

Abhay Gandhi: Like it is a limited quantity launch and the quantities that we have are not very high. So, it is one of the important contributors to the generic business. But there are other interesting products that we have in the portfolio as well.

Abhishek Sharma: Saion, for this quarter the contribution from Lenalidomide was not large.

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

Surya Narayan Patra: My first question is about the field force expansion that we have consistently done over the last couple of years in the domestic formulation side. So, since the exercise of expansion over the 4 year period that we have completed now, so what is the stance here? Are we thinking about further expanding extending into this thing, Tier-1, Tier-2, Tier-3 kind of town, cities like that? And if that is not further getting expanded, then is it fair to believe that now the focus would be on enhancing the productivity of the people that has been added and hence improved margin going ahead?

Dilip Shanghvi: I don't think what gave you the idea that even while we are expanding the focus is not on improving productivity.

Surya Narayan Patra: No, in fact, see obviously it takes at least a year or two post the addition of the field force to see a kind of real productivity of the new people. So, that is why I said that okay, since we have consistently been adding people over the last four years, so if we are now focusing more on the kind of optimizing the productivity of the people that has been added in the recent period or what stance that we would be having here?

Kirti Ganorkar: Broadly, what I am saying whenever we use expansion as a strategy, we always looked at our productivity doesn't get diluted, that is what I can say.

Surya Narayan Patra: But practically, the sales for this thing, MR in the recent years has to some extent a bit low, although it is not very significant, but it has come down a bit. So, that is why I was trying to understand that whether we will go back to the previous peak and hence improvement there it also from that angle I was coming to this question?

Kirti Ganorkar: I understand what you are saying, but I think it will not have a big impact.

Surya Narayan Patra: Similarly, even in the Emerging Market, we have added even around 10% kind of field force test. So, could you share what is the share of the branded market there in the emerging market, branded in the sense branded generic and pure generic and since we are adding people then is it fair to believe that the share of branded generic is likely to go up in the emerging market there also?

Dilip Shanghvi: So, I think broadly, our entire business, excepting some tenders, almost entire Emerging Market business is branded generics only.

Surya Narayan Patra: So, then around 9% kind of people addition what we have done in FY24, sir as per the annual report, so whether this is an ongoing practice or this is a kind of a special effort that we have done to boost the branded generic business?

Dilip Shanghvi: I would not know because there are a large number of countries, but 8%-9% is not a dramatic increase in number of people. Because we have a large see, there are three things which we have to keep in mind. One is you have constraint about the number of product that a rep can promote. The second is number of therapy areas that rep can promote. So, sometimes simply because you are starting ophthalmology product in some country, we might have to start and hire new people because same people can't go to ophthalmologist. So, decision making is country therapy specific.

Moderator: Thank you. The next follow up question is from the line of Tushar Manudhane from Motilal Oswal Financial Services. Please go ahead.

Tushar Manudhane: Sir, just on ROW sales in terms of growth has been quite subdued for two quarters. So, just if you could explain the reason for the same and how to think about it going forward?

Dilip Shanghvi: So, one reason would be possibly because of what you call price cuts and generic product pricing pressure in Japan. But I think we are expecting even that business to be able to continue to do well as time progresses.

Moderator: Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Mr. Nimish Desai for closing comments.

Abhishek Sharma: Nimish is still pretty much top of mind, Abhishek here. Thanks everyone for joining the call at this late hour. For any questions that still remain unanswered, you can reach out to the Investor Relations team, and we will be happy to take your questions. Thank you.

Moderator: Thank you. On behalf of Sun Pharmaceutical Industries Limited, that concludes the conference call. Thank you for joining us and you may now disconnect your lines.