



Suven Life Sciences Limited

Q3 & 9MFY18 Conference Call Transcript

January 31, 2018

Moderator Ladies and gentlemen, good day and welcome to Suven Life Sciences Limited Q3 FY'18 Earnings Conference Call. As a reminder, all participant lines will be in a listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. In case you need assistance during the conference call, please signal an operator by pressing * then 0 on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Gavin Desa from CDR India. Thank you, and over to you Mr. Desa.

Gavin Desa Thank you. Good day, everyone and thank you for joining us on this call to discuss Suven Life Sciences results for Q3 & 9MFY18 . We have with us Mr. Venkat Jasti – Chairman and CEO; and Mr. Venkatraman Sunder – Vice President, Corporate Affairs.

Before we begin, I would like to mention that some of the statements made in today's discussions may be forward looking in nature and may involve risks and uncertainties. Documents relating to the company's financial performance have been mailed to you earlier.

I now would like to invite Mr. Jasti to share his perspectives on the performance and his outlook ahead.

Venkat Jasti Thank you, Gavin and thanks to everyone for joining us for our Conference Call on the Results. As you know, for the nine months ended, the income is up by close to 12%, PAT is up by about 16%. So we have surpassed the last year's numbers as far as the CRAMS is concerned. The total CRAMS including commercial for this quarter is Rs.117 crore, and Rs.36.64 crore for the Specialty Chemicals, Rs.8.8 crore for the CTS. I think for the fourth quarter also, we expect the Specialty Chemicals to come in much healthier and also continue the buoyancy in the CRAMS numbers.

And with respect to the innovation, SUVN-502, we have now 370 patients enrolled and hope to finish the enrollment likely before September'18, but certainly before calendar year. With respect to the SUVN-G3031, we are expecting the Phase-II clinical trials to start somewhere in this calendar year. We are now in the process of getting key opinion leaders to see what kind of indications we would like to go on and also to write the protocol for the clinical trial Phase-II proof-of-concept. Also the



other compound 911 is going through the Phase-I clinical trial and that will be done by around May'18.

So I will stop it there, so that I can take questions and answer you.

- Moderator** Thank you very much. Ladies and gentlemen, we will now begin the question-and-answer session. The first question is from the line of Rashmi Sancheti from Anand Rathi. Please go ahead.
- Rashmi Sancheti** Just want to know that in the last quarter, you mentioned that the specialty business would see a drop during the year because of the generic competition and you also guided that it would be in the range of Rs.160 crore-Rs.165 crore for the entire year. But this quarter we have done very well, Rs.36 crore, Rs.37 crore. So do you stick to your guidance? Also do you think that Q4FY18 would be lower business for specialty?
- Venkat Jasti** See, I still stick to my guidance because if you see three quarters put together, the specialty chemicals has done only Rs.82 crore. Now the fourth quarter, we are expecting to do the rest of the Rs.80 odd crore. So that will be a reduction of 25% roughly, compared to the last year.
- Rashmi Sancheti** Okay, thank you. And one more thing related to the CRAMS business, see your CRAMS business this time has given a very strong growth, but still your gross margins are very low, and at the same time, it has dragged down your EBITDA margin also. So what is the reason behind lower EBITDA margin, and lower gross margin?
- Venkat Jasti** See last quarter, we had only Rs.5 crore for the Specialty Chemicals, whereas this quarter we have Rs.36.64 crore for the Specialty Chemicals. The Specialty Chemicals margins are less than CRAMS side of things. And when it comes to the CRAMS, [because] even though growth is there, they are mainly in the early stage of the molecules where [your] value proposition is less.
- Rashmi Sancheti** Okay. So basically you are saying, the reason for that is higher contribution of Specialty Chemical this particular quarter?
- Venkat Jasti** Yes, in Specialty Chemicals and also the product mix.
- Rashmi Sancheti** Okay. And for the commercial quantity, you maintain your guidance of around Rs.70 - Rs.75 crore for the entire year, because still nine months, we have already done Rs.60 - Rs.65 crore of business?
- Venkat Jasti** Yes, I think we expect at least another Rs.20 crore because we have a second molecule also done this quarter, a small amount, which will continue through this fourth quarter, which gives you roughly another Rs.20 crore.
- Rashmi Sancheti** Okay. And sir, my last question related to your overall R&D guidance on consolidated basis for FY'19 and '20, if you can give some color on it, like how it would look in FY'19 and FY'20 after taking into account SUVN-502 expenses also?
- Venkat Jasti** Roughly it will be around \$19 million to \$20 million.
- Rashmi Sancheti** \$19 million, \$20 million you are saying on the company level, right on the consolidated basis?



Venkat Jasti On the consolidated basis.

Rashmi Sancheti In FY'19?

Venkat Jasti Yes.

Rashmi Sancheti And FY'20, do you think there will be a drop because we will be completing our enrollment and everything. So after the results are out R&D expenses would reduce.

Venkat Jasti By that time, we will be starting the second molecule, so it may not be \$ 19 million or \$ 20 million, it will be around \$ 10 million.

Rashmi Sancheti Okay. It would be \$10 million?

Venkat Jasti Additionally, in the consolidation, if you see already, we are roughly spending Rs.60 crore in India itself, right?

Rashmi Sancheti Yes, correct.

Venkat Jasti So then it will be still \$15 million to \$16 million in '20 also.

Moderator The next question is from the line of Ranvir Singh from Systematix Shares & Stocks. Please go ahead.

Ranvir Singh Sir, just I was looking at interview you gave yesterday saying that revenue growth maybe 10% to 15% in FY'18. So just I was calculating that the Q4FY18 should be in the north of somewhere Rs.200 crore or Rs.220 crore. So apart from the Specialty Chemicals, do you believe other segments are also contributing to it?

Venkat Jasti Yes, sir.

Ranvir Singh So CRAM, core CRAM, we can see going ahead, that will be greater than that?

Venkat Jasti I think it will be in the similar fashion as this quarter, it will be a little bit better.

Ranvir Singh Okay. And in Specialty Chemical, Q4FY18 should be in the range of more than Rs.100 crore?

Venkat Jasti No, as I said, we have done Rs.82 crore so far and I said, when the other lady asked me, I said around Rs.165 to Rs.170 crore. So it will be close to the range of Rs.85 Rs.90 crore

Ranvir Singh Okay. So rest of the thing will come from other segment, is that right?

Venkat Jasti Right.

Ranvir Singh Okay. And project wise, 114 projects, can you give the breakup into Phase-I, Phase-II, Phase-III?

Venkat Jasti Yes, we have 75 in Phase-I, 34 in Phase-II and Phase-III is same, remain as 2, and commercial three; 114.

Ranvir Singh So I think this project remains same, so that change in project mix or what has actually driven this CRAMS revenue?

Venkat Jasti CRAMS revenues, we have done more number of projects because as you see, the Phase-I projects, more of the Phase-I projects we have done and that gave us the volumes but not the values.

Ranvir Singh Okay. And since in subsequent quarter, the contribution of the Specialty Chemical would be significant, so do you see gross margins dropping from here?

Venkat Jasti So I think it will be partially offset by some of the CRAMS and gross margins will be in the same range, I mean a couple of point this way or that way. As I said, our EBITDA margins will be plus 30%.

Ranvir Singh Okay. And though it's premature, but for FY'19 also, can we expect similar type of growth in CRAMS and Specialty?

Venkat Jasti That's highly impossible for me to give you that guidance because I have only six months guidance I keep telling you all the time, so it will be difficult. As and when the time comes, I can tell you, but right now based on the past, we can say about 5% to 10% on the CRAMS side.

Ranvir Singh Okay. Any guidance on the CAPEX side, for FY'19 now?

Venkat Jasti Which will come up within the end of March. Right now, the existing CAPEX is going on, as you know, Rs.120 crore for the Pashamylarams unit plus Rs.30 crore we spent and last quarter we [cannot] did not spend much because of the construction [going up] is still going on. The Rs.90 crore we will be spending in this quarter and next two quarters. So before the calendar year, it will be ready. And some replacement CAPEX is always going on about Rs.25 crore to Rs.30 crore.

Ranvir Singh Okay. And this royalty income is entirely related to that supply total?

Venkat Jasti Yes.

Moderator The next question is from the line of Ritika Jalan from Narnolia Securities. Please go ahead.

Ritika Jalan I missed the number what is the breakup of the revenue coming from specialty and core and the sale of services?

Venkat Jasti The CRAMS business, core is Rs. 93 crore, Rs.24 crore is the commercial, Rs.36.64 crore is the specialty chemicals and Rs.8.8 crore is the CTS, Contract Technical Services.

Ritika Jalan Okay. And in Specialty Chemicals, what could be the range like for FY'19 or '20, if you can give some guidance like?

Venkat Jasti As I said, we can give you only guidance for this quarter maximum, and I already said that it will be in the same range, a little bit maybe better, maybe 10% better than this quarter because the visibility is only six months for us, I cannot give you guidance for the '19-'20, I mean, fiscal '19.

Ritika Jalan Okay. And how much is the Taro royalty for the quarter?



Venkat Jasti This is Rs.3.44 crore.

Ritika Jalan Are you planning to add any new client to the CRAMS business?

Venkat Jasti No, it's only one CRAMS, exclusive.

Ritika Jalan what is the SUVN-502 progress, if you can give me any guidance like when will the clinical trial get completed?

Venkat Jasti Yes, the expectation is to finalize the enrollment. Right now, we have enrolled 370 patients, we are expecting to close the last patient in by September 2018, if not certainly, it will be before the end of the year. And if everything goes well, the data will be out by the second quarter of next year.

Ritika Jalan Second quarter of next year?

Venkat Jasti Right.

Ritika Jalan Okay. Like in FY'19, we can expect that we can move to Phase-III?

Venkat Jasti Yes, I mean, that's based on the outcome. Right now, we cannot tell anything about it.

Ritika Jalan Okay. And can you tell me for the quarter, what was the R& D expenditure for 502.

Venkat Jasti So far, we have spent about \$13.75 million.

Ritika Jalan \$13.75 million?

Venkat Jasti Yes, \$13.75 million in the Phase-II clinical trial.

Moderator The next question is from the line of Sriram Rathi from ICICI Securities. Please go ahead.

Sriram Rathi Hi sir, on the commercial sales, I missed your comment that additional Rs.20 crore may also come in Q4FY18, so what will be driving that?

Venkat Jasti Yes, because we started a second product little bit this quarter and it will continue for the fourth quarter.

Sriram Rathi Okay. So it will be the same that diabetic molecule that we supplied in FY'17?

Venkat Jasti Yes.

Sriram Rathi Okay that has started so the total now will be Rs.85 crore to Rs.90 crore approximately?

Venkat Jasti Right.

Sriram Rathi On the RA molecule, I mean for which we have already done the revenue this year, so we can assume that our supplies should continue next year also, the amount maybe less or higher

Venkat Jasti I mean, see only when the order is placed, I can get an idea. Until that time, I do not know, because, there was a gap of two and half years before I got this.. So our hope is at least, we should get something, at least continuation, not the same amount.

Sriram Rathi Okay. So the order that we have already got for this year has already been executed now?

Venkat Jasti Yes, it's finished, Yes.

Sriram Rathi Okay, got it. And sir, secondly on this 502, basically we already spent \$13.75 million that you mentioned. And our target was \$20 million to \$25 million. So the remaining amount should be spent over next one year till the time trials continue?

Venkat Jasti Yes, next 15 to 18 months.

Sriram Rathi 15 to 18 months? Okay, got it. And sir, any idea about the investment that will be going for G-3031 now, because that will also be starting the Phase-II?

Venkat Jasti Yes, G-3031 right now we are, and as I was telling you in the earlier stage, that we are in the process of getting a protocol developed for a certain indication, we would like to have a quick proof-of-concept and we expect that because it will not be for Alzheimer's, I'm sure, because even though it can be, it can be for sleep disorders or it can be for the Parkinson, we don't know yet, which one we are going to go. I think it will be in the \$15 million range that we will know only after we finalize the protocol.

Moderator The next question is from the line of Hareesha Kakkera from B&K Securities.

Hareesha Kakkera How much of the CAPEX of the Rs.120 crore guidance has been incurred so far?

Venkat Jasti Around Rs.30 crore, not much change has happened since last quarter.

Moderator We've the next question from the line of Shariq Merchant from Quest Investments.

Shariq Merchant Sir, on the 502 molecule, just wanted to understand why the ramp-up in patient enrollments has been fairly muted, because you added roughly 34 patients this quarter, and if I was to go by your guidance, you are adding around 2.5 patients a week. To meet a September target, you would have to almost double that. So do you see that ramp-up happening at the pace that you're expecting?

Venkat Jasti That's what the efforts taken by the CRO, but for this quarter it is muted because of the holidays. After Thanks-giving holiday, it's almost [dead] slow in US, so you don't get many patients enrolled.

Shariq Merchant So in January, over the last three, four weeks, you have seen that pace improving?

Venkat Jasti Yes, incremental growth has taken place, but the efforts are being taken care of because some trials have been curtailed six months ago. Now people will be eligible for getting into a new trial, that is the hope we have as availability of the patient is the core.

Shariq Merchant And my second question was on the ramp-up on the existing molecules. I know that it's difficult for you to give guidance that goes beyond 3-4 months. But just to

understand the typical ramp-up of a new molecule that comes in, so for instance, the diabetes molecule, which you started supplying, what is the normal ramp-up phase that you see given your historical experience. At what pace does this ramp-up take place and what intervals do the order start coming, because very often you see large gaps between orders coming through. So just wanted to understand how the cycle works?

- Venkat Jasti** On the commercial product?
- Shariq Merchant** Yes, on the commercial product.
- Venkat Jasti** Yes, on the commercial product, it's not in our hands, and all in the hands of the customer. First of all, it has to be approved in all the various territories then the ramp up takes place. I mean, they usually take from us 1.5 times of the requirement and by the time, they go through all the territories, it takes 1.5 year or two years sometimes. So this stock is still there. And then the replacement only they will be taking based on how it is sold in that particular country. And the other third thing, you need to understand is, nowadays, new drugs, most of them are paid by the insurance, it has to get to the insurance also, not necessarily all the drugs go into the insurance. So the insurance also plays a role. So all these factors affect, hence it's very difficult for us to get into the marketing side of the activity, which we don't know yet.
- Shariq Merchant** So but it would be fair to assume that, if over the next 2-3 quarters, you see the orders coming through, the next leg of orders, if the product as well, will be in two years' time?
- Venkat Jasti** This may not be two years' time, it may be after one year. The first time will be 2 to 2.5 years after the launch. Then every year, I think it's not a big quantity, small quantity will be there, yearly campaign will be there. They will be doing this product yearly once. So you can expect after one year the campaign.
- Moderator** The next question is from the line of Cyndrella Carvalho from Dolat Capital. -
- Cyndrella Carvalho** Sir, just wanted to pick your mind again on the base CRAM, you have told us that, you know, a lot of Phase-I has happened and that's the reason you're seeing this buoyancy in the base CRAM business. So is it something that we should look at, at least the first half of next year, do you have that kind of visibility or just yet too early for that?
- Venkatraman Sunder** I mean, I have this quarter visibility, but next quarter visibility is small as of now. I mean how much growth will be there, I don't know, but the trend is there but how it will ramp-up, I'm yet to be sure of it.
- Cyndrella Carvalho** So we have got more of molecules in Phase-I or is it the existing ones only, which has got more like, more have been worked in this quarter or last two quarters?
- Venkat Jasti** Yes, more of Phase-I has come in this quarter as far as 10 molecules are added.
- Cyndrella Carvalho** Okay, 10 molecules are added. And do you see lot of inquiries coming by? There is a basic kind of a movement in the R& D space globally. What is driving it your sense in terms of large pharma or the medium size boutiques, from where do you see this coming?

Venkat Jasti It is all over the place. I mean, mainly the large pharma naturally, also the large and medium size and some Biotech's. So not only that we have the additions, but also deletions also there, because they may feel that it's not a priority for them after doing Phase-I and sometimes they fail in Phase-II, so there the deletion takes place. So this is a mix and match, always happens. But you'll only see what you're seeing in the numbers, but at the same time, there is a 20% to 30% churning that takes place.

Cyndrella Carvalho Sir coming to the commercial supplies, we have done Rs.24 Cr this quarter. Just wanted to understand how much of that is the Rheumatoid Arthritis and how much of that is the Diabetic?

Venkat Jasti About Rs.18 crore or so is the Rheumatoid Arthritis, the other one is for the other diabetes molecule.

Cyndrella Carvalho Okay. And, what is the visibility on the diabetic because this is the first supply in in last two years, right or last 1.5 years for diabetic?

Venkat Jasti Yes, but we are expecting close to Rs.18 crore - 20 crore in this quarter.

Cyndrella Carvalho Okay, alone from diabetic. So we are saying that whatever we were supposed to supply for Rheumatoid Arthritis, that's almost done?

Venkat Jasti Yes.

Cyndrella Carvalho So now in terms of FY'19, how do you see both these molecules, do you see a repeat of Rheumatoid Arthritis of around Rs.60 crore, Rs.65 odd crore, and this Rs.20 odd crore base to continue or any sense?

Venkat Jasti Just now I had told the other gentlemen that usually they have yearly campaign. I think it will last for another nine months before the order, it may come in fiscal '19 at fag end, not in the beginning of it.

Cyndrella Carvalho No, that's okay. So we're looking at...

Venkat Jasti We don't know. Depending on how it will be ramping up in the market and based on the market and sales, the requirements, they will come. And we hope the same amount should come, but we are not sure yet, because this is the first time repeat order started coming in a little bit better way.

Cyndrella Carvalho Yes, so that you're discussing about the diabetic molecule.

Venkat Jasti I am talking about any commercial product, not only diabetic's molecule.

Cyndrella Carvalho Okay. So for both, as of now, we are not giving any visibility for FY'19. So, I just wanted to understand that looking at it as a commercial base setting into your numbers, just wanted to understand on that line and hence I was picking your mind on that. So basically, if I look at it as a 165, 170-odd from the Specialty Chemical and this coming at around 60 to 80 type of number, would that be something as a commercial basis sustainability in your numbers, is what I wanted to basically look at.

Venkat Jasti We hope, that it's a sustainable one, but only time will tell. At this time, as I said, I don't have the visibility for that one.

Cyndrella Carvalho Okay. And sir, this is more on the margins aspect. So I understand that you would be supplying around Rs.80-odd crore of Specialty in Q4FY18. And this quarter, your raw material cost was looking really very heavy. Does this have any connection or more towards I wanted to understand whether the Q4FY18 gross margins will be similar to Q2FY18. Is there any possibility considering that there is some raw material impact in this quarter, specialty as well as for supplies?

Venkat Jasti You cannot compare quarter-on-quarter basis to start with. It's a product change mix that happens. It is the year-on-year basis only. But in our business, not having the same kind of a molecule as for the Specialty Chemical, we have so many number of molecules supplying, checking on the raw material cost and raw material consumption, it's very difficult.

Cyndrella Carvalho Okay, and sir, any visibility on our API additional products that we were thinking of doing, what we discussed last quarter? Any update on that?

Venkat Jasti Which one?

Cyndrella Carvalho API.

Venkat Jasti ANDAs, no APIs.

Cyndrella Carvalho Yes, that's what. I mean, ANDA supply, sorry.

Venkat Jasti Okay. We have one, as you know, Malathion. The other one we have filed on our own. Two more molecules are filed by the customers and we expect to file two to three in the coming calendar year for Suven.

Moderator The next question is from the line of Satish Bhatt from Anvil Shares & Stock.

Satish Bhatt Sir, I just wanted to know whether we have any visibility in terms of Phase-III products, which we have two products, any visibility when they will get commercialized and when the results will be out, whether it will be in the production, be going for the launching or not?

Venkat Jasti As of now, no, because the guidance is not given yet. They were saying sometime in the second quarter calendar they will have the results out. And these are not big items like our existing compound like RA. These are small items, but they have not given any guidance yet.

Satish Bhatt Sir, which therapeutic area those two products are?

Venkat Jasti These both are for cancer.

Moderator We have the follow-up question from the line of Hareesha Kakkera from B& K Securities.

Hareesha Kakkera So, I just wanted to understand, commercial supplies for this year are over or will we be supplying more in Q4FY18? The commercial supplies, the RA and diabetic, so are we done with this for the year or more is yet to come in?

Venkat Jasti As I said, another Rs.20 crore will accrue in quarter four for the commercial appliances.

Hareesha Kakkera That's for both RA and diabetic?

Venkat Jasti Yes, I mean, RA is more or less completed.

Hareesha Kakkera RA is more or less completed. Okay.

Moderator We have the next question from the line of Suchi Nahar, as an individual investor.

Suchi Nahar Sir, if you can throw some light on our molecule of 4010, like in which Phase-It's going through?

Venkat Jasti D-4010, finished the Phase-I. Now, the long-term safety toxicology is also being undertaken.

Suchi Nahar Okay. So what are your expectations like, by what time, it can...

Venkat Jasti It will be a ready for Phase-II, sometime in calendar 2019.

Moderator We've the next question from the line of Ranvir Singh from Systematix Shares & Stocks.

Ranvir Singh Sir just on commercial molecule, you said RA supplies are almost done. So is this done for this year or we can get a repeat order after a lag of sometime?

Venkat Jasti We don't have any orders, that's why I said done. If we get it, it will be positive for us, but as of now, there is no indication.

Ranvir Singh And for this diabetic molecule, how their end product is doing in the market, if you could give some more detail?

Venkat Jasti Yes, end product is doing good, but the end product price and quantities have nothing to do with the supplies, because this 1:1000 ratio the prices are, the API itself is very low and compared to that our cost of intermediate also is less. So there is no correlation between that. You know, the quantities we have taken at small only.

Ranvir Singh What is the time lag in repeat orders, just I wanted to have a sense

Venkat Jasti The time lag is over now, because the repeat order has started. Usually they take yearly campaigns, if we finish upplying that and then we will get another nine months' time we should be getting the other repeat order for the next year's campaign.

Ranvir Singh Okay. And for this diabetic molecule, those commercial supplies, we have a visibility up to Q4FY18 only or even going forward?

Venkat Jasti As of now, that's what we have.

Moderator We have the next question from the line of BT Vainatheya, as an Individual Investor.

BT Vainatheya One, regarding your USFDA inspection, is there anything due? I think for this year, it should be due for the Pashamylarams plant?



Venkat Jasti Yes, this year, it's due because last time it was done in April '16, so usually within two years they will do.

BT Vainatheya And are we like ready for it absolutely?

Venkat Jasti Yes, ready.

BT Vainatheya And second thing, sir regarding these patients, which was enrolled for SUVN-502, any adverse reaction so far noticed or anything about whatever they have intimated regarding anything?

Venkat Jasti Yes, as of today, there is no serious adverse events related to the molecule. Two Drug Safety Monitoring Board meetings has been done with the third-party, which they do day-in, day-out setting, and they have no concerns as of today. So safety wise, I think we are in a very good footing compared to all other molecules.

BT Vainatheya That's really nice. And the last question, sir regarding the Suven was built up as a company basically to do research and development, primarily do clinical research and applications for various other companies. So that's how you got like the Phase 1 molecules, 2 and 3, it went forward at each phase. At some point, you realized that actually that may not sustain for too long, so you had entered the Specialty Chemicals business. So now you see and you built up the entire thing as a basic bread and butter for the company. Now what has happened is that Specialty Chemical is also showing now signs of some because of the generic competition, it is showing some signs of stepping back. So do you have any other plan to enter into to sustain this company over a period of time, sir. Any plans which you can like throw some light on?

Venkat Jasti Yes, but I think you are writing off on the Phase-I, II and III molecules, that is a continuous exercise. As you know, there is depth of molecules in the global scenario that will continue the way it is continuing. These factors are that only give us the benefit in the market, otherwise the numbers will still continue to grow similarly. Okay. Additional business what we are trying to do is, we are trying to leverage our experience in the formulations. We have filed two ANDAs, one is already giving us royalty and we'll file another three ANDAs next year, and we are working on eight more ANDAs. So all this will give within some time in FY19, FY20 onwards.

BT Vainatheya That's really, actually heartening, and I would actually congratulate you and your entire team on the efforts being put in. I know it's a real hard work to get each and every penny out of this for the company to earn an income for the company. And I really hope that you all do well, and I will be there with you all.

Moderator We have the next question from the line of Hrishikesh as an individual investor.

Hrishikesh Sir, I actually wanted your view on margins. So will you sustain the margins of 30% which we can see currently or will there be any increase or decrease going forward?

Venkat Jasti There is always the increase and decrease based on the product mix. But in general, our aim and hope to achieve and keep the minimum 30 plus EBITDA margins.



Moderator

Thank you. Ladies and gentlemen, that was the last question. I now hand the conference over to the management for the closing comments. Thank you, and over to you.

Venkat Jasti

Thank you everyone for tuning in and we hope to do, as I was talking to you earlier, to better in the fourth quarter and I hope the trend will continue in the year, fiscal '19 also. And we hope the enrollment will pick up, so that we can have some kind of result coming in middle of 2019. And also we hope to finalize the protocol for the 3031 and get into a quick proof-of-concept within the next six months. I think with this, I thank you one and all, and hope to catch up with you in three months' time.

Moderator

Thank you very much. Ladies and gentlemen, on behalf of Suven Life Sciences, that concludes this conference. Thank you for joining us and you may now disconnect your lines.