

## "Eris Lifesciences Q2 FY2020 Results Conference Call"

November 07, 2019





MANAGEMENT: MR. AMIT BAKSHI – MANAGING DIRECTOR, ERIS LIFESCIENCES



Moderator:

Ladies and gentlemen, good day, and welcome to the Eris Lifesciences Q2 FY20 Results Conference Call. 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. Please note that this conference is being recorded. I now hand the conference over to Mr. Amit Bakshi – Managing Director. Thank you, and over to you.

Amit Bakshi:

Hello. I welcome everyone and thank you for joining for this call. Let me begin by taking you through the presentation that we have uploaded and then we can open for Q&A.

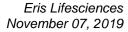
So for the quarter, we have grown by 9.4% versus IPM, which is at 11.5% YoY growth. In our chronic and sub-chronic therapy, which comprises around 86% of our business, we have grown 11.4% versus 10.6% of the IPM. We have also shared the secondary numbers for H1 '20, where the trend continues of Eris outperforming IPM in chronic and sub-chronic segments. We also continue to have high ranks among our key specialties, fourth with cardiologists and third with diabetologists, gastroenterologists as well as neurologists.

Moving on some commentary on what we've planned for the year ahead. The portfolio of our core brands, which is now more focused and sharper after the rationalization exercise we did last year, continues to report high growth, growing at 12.6% year-on-year on an adjusted basis. We are also planning to expand our cardiometabolic franchise and launch a dermatology division. For these 2 exercises, we see an addition of around 300 people. The newer business of IVF and Nutrition that we launched in the recent past have also seen some traction.

As we have said before, Eris will continue to keep considering in-licensing opportunities to leverage on our super specialty reach and ability for successfully bringing in the new concepts. In this line, there are 2 new in-license deals we have signed in the recent past: one is Sideral which is an iron preparation, which will be launched in the market in the month of November or December; and second, TPIAO, which is first of its kind, to be launched in India, for which we've just applied in the regulatory front. We have already alluded to the fact that there are opportunities in the non-patent market i.e. products which are going off patent.

Now for the financial highlights. Sales for the consolidated entity have grown by 7.6%, EBITDA by 9.1% and net profit by 8.4%. As I shared before, adjusting for the rationalization exercise and the FDC ban component, sales have grown by 12.6% for quarter 2 and 13.13% for H1. We have added around 145 BEs in the H1 taking the number of BEs as on 30<sup>th</sup> September to 2145 and YPM to 4.4 lakh per person. As you know, we had announced a buyback of shares on 3rd July 2019. The company has filed a Letter of Offer with SEBI in relation to such proposed buybacks and is waiting for regulatory approval of the same. We have also sought a confirmation from the Ministry of Finance in relationship to the applicability of the buyback tax announced in the Union Budget July 5, 2019.

Now we look at the quarter 2 and H1 '20 income statement. Sales have grown by 7.6% for quarter 2 and 8.8% for the first half. EBITDA margins have expanded slightly to 38.6% in quarter 2





from 38.1% quarter 2 last year. The finance cost of this quarter is minimal, as we prepaid the borrowing in quarter 1. Net margins have also slightly expanded to 32.6% in quarter 2 versus 32.4% last year.

In the entity wise performance, our standalone base business grew 6.8% in quarter 2 and 8.2% in H1. Strides recorded INR 53 crores of sales this quarter, growing on a year-on-year basis at 17%. Kinedex continues to face degrowth, while our subsidiary, Aprica, has grown by 20%. Again, adjusting for the disruption last year, the consolidated business has grown by 12.6% this quarter year-on-year.

As you know, we are now debt-free after having prepaid from internal accruals, the term loan we took for the Strides acquisition. For the 6 months ending September, we have generated operating cash flow of INR 133 crores and our conversion of EBITDA to OCF is now 62%. We have shared a snapshot of our financial performance for the last 10 years and our shareholding pattern. We may now open for Q&A.

**Moderator:** Thank you very much. We will now begin the question and answer session. The first question is

from the line of Aditya Khemka from DSP Mutual Fund. Please go ahead.

Aditya Khemka: Amit, so you have reported adjusted sales of 12.6% growth Y-o-Y. When did we roughly start

this rationalization of tail products? Which quarter did we start this?

Amit Bakshi: There are 2 components to it, as I said, in my presentation. One is the discontinuation of FDC.

Just the discontinuation of FDC, if I only adjust for that, the growth is 10.5%. The rest is coming

from tail brand adjustment which we had mentioned in our annual report also.

Aditya Khemka: Right. So I just wanted a refresher of my memory. Which time did this FDC ban hit us, which

quarter?

Amit Bakshi: This was the same time. So if I'm talking about H1, I'm comparing it to the H1 last year.

Aditya Khemka: So in other words, when will our base be excluding the FDC ban in the tail product

rationalization? When will our base quarter not have any impact of our rationalization or FDC

ban?

Amit Bakshi: Yes. The FDC ban is now behind us. There was no component in quarter 3 last year because it

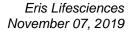
all closed in September. So going forward, there is no FDC component.

**Aditya Khemka**: And the tail rationalization?

Amit Bakshi: Tail rationalization is very minimal of the total portion. So some of it will take time until it goes

out. So there's nothing much I can say on the tail part. But on the FDC, which is the major

component, we are done and dusted with that.





Aditya Khemka: Understood. And would you say your gross margins reported now include the entire benefit of

moving production to Guwahati or there is more to go?

Amit Bakshi: So we haven't started Guwahati in the 2.0 regime. I think that will start in Q4, but it's only at Q1

21 we will have almost all or most of it done.

Aditya Khemka: Okay. And now that we have a healthy balance sheet, as in no debt, what is the plan for further

capital deployment?

Amit Bakshi: So we'll let you know as soon as something happens. Right now, there is nothing which is in the

anvil.

Aditya Khemka: But would the strategy be primarily to look at more acquisition targets and try to sort of increase

our width in the market?

Amit Bakshi: Yes. So that remains, we have always taken the stand that we feel the best opportunity of

deploying cash is in the business itself. And as and when we get opportunities and we have money to go through with it, which is strategic in nature, we will continue to look out for such

opportunities.

Aditya Khemka: And just making sure that I heard it correctly, without FDC ban, the growth would have been

10.6%?

Amit Bakshi: Yes. Only the FDC ban 10.6%, you're right.

Moderator: Thank you. Next question is from the line of Anubhav Agarwal from Crédit Suisse. Please go

ahead.

**Anubhav Agarwal**: Question on this Derma divisions that we're talking about, this is cosmetology division? Or are

we talking about the pure derma products here?

Amit Bakshi: This is a mix of derma and cosmetology. The bend is towards cosmetology, but it's a fair mix of

both dermatology and cosmetology. To get this in perspective, Anubhav, it is going to be a large field force of around 110 people. So it's not something which is very niche, which goes to only a couple of hundred cosmetologists, but the portfolio will have a bend towards cosmetology.

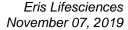
Anubhav Agarwal: Okay. And when you also mention the cardiometabolic division, what kind of products are we

talking about as a launch or expansion here?

**Amit Bakshi**: So Anubhav, we are gearing for a Vilda launch.

**Anubhav Agarwal**: Because you also had off-patent opportunities, so you called it out separately?

Amit Bakshi: Yes.





Anubhav Agarwal: And on ticagrelor, my question was that I hear from the industry that the pricing has really gone

down. Any comments over there? Is that the opportunity now? I don't know about vildagliptin,

but ticagrelor now, is a surprise kind of pricing, which has come down?

Amit Bakshi: I'm not surprised because the innovator which was selling at whatever price was offering

benefits, which were quite significant. So typically, there's a life cycle to these products. We believe that within 12 months of the launch, when the API supply gets ironed out, then the margins will start ticking. So even if there are little or no margins to start with, it is a matter of

time with the supply chain getting firmed up on the API side, the margins generally kick in.

**Anubhav Agarwal**: Okay. And just a couple of more questions on this in-licensing opportunity. Let's say if all goes

well, in 2-3 years, how big can these products be it for Eris?

Amit Bakshi: So Anubhav, the larger chunk of in-licensing opportunities will show up in quarter 3 and quarter

4. These are just the 2 products. The TPIAO, which I was talking about, which is first of its kind, will take a significant time going through the regulatory. We expect this to take 4 to 6 quarters exactly. But the other things which we are in advanced stage will open up in quarter 3 and quarter

4.

Anubhav Agarwal: Okay. So you're talking about further in-licensing opportunity there?

Amit Bakshi: Yes. We are only telling you all that which has been signed and completed.

Anubhav Agarwal: Understood. But what about this Sideral as a product? How big iron supplement can be?

Amit Bakshi: Look, the overall market is close to 1,800 crores. It's one of the largest markets. And this product

in the oral category is technically the best product both from a tolerability point of view and the efficacy point of view. So therefore, it obviously has a very large scope. How much we do about this is something which we will figure out in the next couple of quarters. But if you take our market share in our represented market, it hovers around 4% to 5%. So 4% to 5% is something which we have been able to do and demonstrate in the last decade. So that's where it could be

pointed out.

Anubhav Agarwal: So you're saying that if you launch at the current pricing, potentially, this can be 70 -80 crore

product for us?

Amit Bakshi: Yes, potentially. And the logic is that we have 4 or 5% market share. So growing by the same

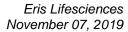
logic, this is a large market. It has that kind of an opportunity also.

**Moderator:** Thank you. The next question is from the line of Prakash Agarwal from Axis Capital. Please go

ahead.

**Prakash Agarwal**: Sir, just checking on the Sideral, just taking up on Anubhav's question. So you mentioned target

is 4% to 5%. But I mean, what is the sweet spot here in terms of access to doctors? Or is it just





a product, which will help us get to that market share? Or do we need specialized field force for that?

Amit Bakshi:

No. This will actually fit very well in our existing field forces. There are 2 large specialties here. One specialty, obviously is the gynecology, where we already have the team. The second and very important specialty here is going to be nephrology because almost in all Chronic Kidney Disease cases, iron supplementation is needed. And we believe that this product offers far superior results, both in the efficacy as well as in the tolerability. So these are 2 large specialties other than the GPs and physicians. And in these 2 specialties, we are fairly placed. So we will not be needing any extra people. This would ride on our existing teams.

Prakash Agarwal:

Great, understood. And sir, just when you say sharper and stronger brand focus, I mean, the AIOCD clearly shows top 10 is growing at 18%. Would you agree? I mean, it is a high double-digit, the top 10 products.

Amit Bakshi:

Prakash, if AIOCD is saying, it is the same data we see.

Prakash Agarwal:

You know sometimes there's a lot of lag. I mean, sometimes it is a lead indicator, sometimes a lag indicator. But would you say 18%, 20% kind of growth for the top 10 products?

Amit Bakshi:

So look, my cardiovascular diabetes have always outshined, even at times when as a company, we haven't done well. And other than 2 products, 8 products in the top fall into that category. So obviously, they are doing much better than the entire portfolio. And acute businesses, which we showed in the presentation have still not caught up. So largely, the growth is coming from there. And we being a very focused brand-building company, the top brands enjoy a better market share as well as better growth.

Prakash Agarwal:

Okay. And one more question I had, like, in terms of if you just break it down into volume, new product and pricing. So what would be the breakup here? As I understand, for the new product would have been lower, and it will pick up going forward. If you can break the quarter?

Amit Bakshi:

So if I remember one of the reports, wherein what was mentioned for Eris was that the contribution of new introduction had been just 1% compared to 4% of the industry and 5% of the volume compared to little lesser from the industry; exactly, I don't know. So that 1% of new introduction, which was 4% of the industry, will now see a jump because there are a lot of products which will come in quarter 3 and quarter 4.

Prakash Agarwal:

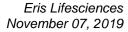
And my last question. Sir, in one of your comments in the presentation, it talks about increasing the credit terms from 7, 14 days to now 21 days.

Amit Bakshi:

Yes.

Prakash Agarwal:

So if you could explain that? And is there any sales impact which we have booked?





Amit Bakshi:

There is no sale impact because it has happened over 3 months' time. You would have heard me saying that, typically, we have a higher component of metro sales. And metro, used to be 7 days of credit. So between 7 to 21 days, it is not something which is very significant. But it actually helps to ease out a bit of pressure faced by our stockists. So that was our effort to ease that out a bit.

Okay. And this has happened over the last quarter, you are saying?

Amit Bakshi:

Yes.

Prakash Agarwal:

Prakash Agarwal:

So I mean, obviously you're entering a low base in the second half, but on this run rate, what you have already achieved now, and with Strides turnaround that we can see now, is it fair to see our Q-on-Q growth as well? Or the industry slowdown would lead to a flattish kind of growth from here?

Amit Bakshi:

Prakash, I think, as far as we are concerned, you are right about the third and fourth quarter. Typically the fourth quarter, the base has actually gone down quite a bit. So for the remaining 2 quarters, because of the base, forget about what the industry growth happens, it is very difficult to really predict industry growth. But because of the base, our growth relatively will be better.

Moderator:

Thank you. The next question is from the line of Nilesh Wagle from Suyash Advisors. Please go ahead.

Nilesh Wagle:

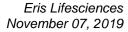
Amit, we are relatively new shareholders of your company. So I may not have a lot of detail on your history. I just wanted to have your comments on the acquisitions you have done in 2016-17. You haven't done any since then. And I realize you have digested the debt that was taken for these acquisitions. And now we are, again, at a debt-free level, which is all commendable. In particular, I wanted to know how you assess the Strides acquisition in hindsight, now that it has been done, dusted and digested? And relative to your expectations, when you made the acquisitions, how have they worked out? And how do you feel about these acquisitions in summary?

Amit Bakshi:

So look, a large part of this is captured in the annual report. We have stated all these things in quite a bit detail. So if you could find some time to go through it, most of the things would be clear. Since you have asked this question, very briefly, I can tell you that Strides has gone as per our expectation. And it is still building up. The growths are still building up. So Strides is something, which I have always been saying that it's a candidate for a good turnaround. And within Strides, the brands which we were interested in, have done quite well. So the details would be mentioned in the annual report, but more or less, we are happy with the Strides acquisition.

**Moderator:** 

Thank you. The next question is from the line of Vishveshwaran from Bajaj Allianz. Please go ahead.





Vishveshwaran: Since you are targeting more in-licensed products, I just want to understand how will the margin

profile of this in-licensed products look like? Whether it is significantly lower as compared to

branded generic product? Or is it like almost in line with this branded generic product?

Amit Bakshi: So product to product, they're all different. But broadly, I can tell you that the gross margins are

not in line with our current gross margins. Having said that, the ticket size or the price of the product is substantially higher because these are generally high ticket products. So the value and the volume is actually quite higher. So you gain on volume and you lose at the gross margin

level. But generally, the gross margins are not comparable to the domestic gross margin.

Vishveshwaran: Okay. So will it differ significantly as compared to branded generic market like 10%, 15%? Can

you quantify it?

Amit Bakshi: No, qualification is very difficult. But largely, what needs to be seen is what is the portion of the

sales which comes through this because the impact would only be limited to what amount of sales we do overall. At an overall level, at 1,100 crores, roughly 1,100 crores base and 80%-84%

gross margin, the incremental effect would be limited.

Vishveshwaran: The second I want to understand is the concentration risk. Can you please tell your top 5, top 10

of the products contribute, what percentage of total sales?

**Amit Bakshi**: So top 10 contributes to 63% of the total sales. And these top 10s are the mother brands. But if

you look at the market size, which they cater to, it would roughly be in the range of 6,000 to

8,000 crores. So these are not niches, these are large markets and large indications.

Vishveshwaran: So lastly on this, what is your current MR numbers and the productivity?

Amit Bakshi: So we mentioned here, the current number is close to 2,145 with the productivity of around 4.5

lakhs.

Moderator: Thank you. Next question is from the line of Ashish Thakur from Motilal Oswal Securities

Limited. Please go ahead.

Ashish Thakur: So on this cardiometabolic division that we have recently planned, so how do you plan to

integrate with your cardiac division?

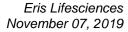
Amit Bakshi: So integration in what sense you're asking if I can ask you?

**Ashish Thakur:** So, we are putting 190 people here, right? If I'm not wrong? Or...

Amit Bakshi: Yes.

**Ashish Thakur:** So would you consider this cardiac and metabolic division same? Or you are considering it as a

different division all together?





Amit Bakshi: No. Nothing will be different. It will be one of our other divisions, which is in cardiometabolics.

A good portion of people who will start this division will really be from our internal divisions. So that you maintain continuity and hit the ground running. So there is no difference between an

Eris and Adura and the next division.

**Ashish Thakur:** Okay. And so the 300 people that we are planning to add, their costs will be reflected in second

half, right?

Amit Bakshi: Yes, it will.

**Ashish Thakur**: Okay. On this licensing opportunity, the product that we have with 3SBio, so we have applied

for a patent in India and will be having the patent protection as such?

Amit Bakshi: So these are patent protected globally. So whosoever sells this will come into that ambit. So

whenever we launch the product, we would be under patent for the next 10 to 12 years.

Ashish Thakur: Okay, good. Last question on this diabetic side. We have almost 25% exposure there. So it's

good to hear that we are getting into vildagliptin. But apart from that as far as other categories are concerned like say linagliptin or canagliflozin, are we thinking to get into these categories

as well because we have huge exposure to glimepiride itself.

Amit Bakshi: Yes, you're right. So yes, that's what I've been alluding to, that in the next 2 to 4 quarters, there

are more than 2 additions, which will happen to diabetes family. And they are all large markets. So what I was telling your colleague was that our new introduction had been very low over the last year. And this is the time when everything will catch up. So you are right. We are very keenly looking into SGLT-2. But as policy, we only talk about products which we have already

signed.

**Ashish Thakur**: Okay. So expansion of gliptin is something on your mind?

Amit Bakshi: Yes. So gliptin, after vildagliptin comes in, which will come in next month, more or less, gliptin

should be okay. Then we will start looking into the other categories, which you talked about the

SGLT-2 and 1 or 2 others.

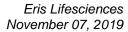
Moderator: Thank you. The next question is from the line of Ashok Shah from LFC Securities. Please go

ahead.

**Ashok Shah:** Sir, can you just throw some light on the buyback, which we had planned?

Amit Bakshi: Yes, of course. So I had gone through the statements. I will just go through the statement, once

again, so that we are clear. So our Board of Directors had approved a buyback of shares, amounting to INR 100 crores in a meeting held on July 03. The company then filed a Letter of Offer with SEBI in relation to such proposed buyback. We are still waiting for regulatory





in relation to the applicability of the buyback tax announced in the Union Budget on July 5. So we did our board meeting on July 3 and the budget said, anything before July 5; we have seeked clarification from the Finance Ministry and it is underway. So as soon as we get clarity, as a company, we are completely committed about having the buyback done. We are just waiting for more clarity from the regulators. As soon as the clarity comes, we will go ahead with that.

**Ashok Shah**: Okay. And any record date has been announced? Or it's over?

**Ashok Shah**: Record date at ex-date?

**Sachin Shah:** Record date is there. We have already given, the record date is closed.

**Ashok Shah:** It is over no, yes. So it will be there. Okay.

Moderator: Thank you. The next question is from the line of Aditya Khemka from DSP Mutual Fund. Please

go ahead.

Aditya Khemka: Amit sir, what was the average price increase across the portfolio it took?

Amit Bakshi: We are not carrying this information.

Aditya Khemka: Okay, no problem. Secondly, so I see your employee costs went up about 8% year-over-year.

And you've added field force of about 150-odd people in the last 6 months. So I'm just

wondering, did the field force get their incentives for the first half?

Sachin Shah: Yes. See, Aditya, what happened is even the last call, we said that this figure of 47 crores for the

Q1 was lower by 2 - 2.5 crores because of some adjustments about the provisions. And the Kinedex employees that we took in. So it was more of adjusted 47 crores. Approximately, it was 49 crores. And then in the last 6 months, we have added 150 people. So they have got their

salaries. So it is a basic increase that has happened because of the number of people increased.

**Aditya Khemka**: Yes. So I understand the basic increment and the number of people. But in terms of the variable

incentives that you pay to the field force, so given the growth rate has been like a single-digit

growth rate, has the field force been able to earn their incentives?

Amit Bakshi: So Aditya, this is a very large question. Who was able to win, who has not been able to win, I

will not be able to tell you. But we have been moving as per the process. So nothing has changed

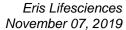
there.

Aditya Khemka: No problem. And lastly, what has been the attrition in our field force for the first half?

**Amit Bakshi**: Attrition is in the same zone of around 25%.

**Moderator:** Thank you. The next question is from the line of Anubhav Agarwal from Crédit Suisse. Please

go ahead.





Anubhav Agarwal:

Yes. I just have one question on the Strides growth, very good growth shown. Just wanted to check, is there seasonality in this portfolio? I used to think that this should not be that seasonal, it's a CNS portfolio. So for example, quarter 2 sales are 18% higher than quarter 1. What leads to this seasonality here?

Amit Bakshi

Anubhav, between 45 and 52, there is Rs. 7 crores of gap over 3 months. So there is no typical seasonality, but the neurology business is now showing up. And we are at a point where the productivity is at Rs. 1.3 - 1.4 lakh. Also, out of this 145 people, 37 people were added in the neuro team. So we are expanding one of our neuro teams. They were 100-110, now one of the team has moved to 150, and we will take it to 200 in the next year. So these are just the result of gaining traction and expansion. We might gain further traction in this because we are planning 3 launches now since the field force is quite into the mould now. So there is nothing seasonal in this, it is just the growth because of a low base.

**Anubhav Agarwal**:

So are you implying that 53 crores number is, basically, this becomes our base now? So we should, let's say, next 2 quarters, we should at least be this much or higher than this side?

Amit Bakshi:

Yes. 53 is the base in the second quarter. Now whatever happens in Q3, Q4 is March, so that gets adjusted. But Q3, I don't see any reason that this base is not intact for growth.

Anubhav Agarwal:

And this growth related question. This growth is coming. So we have 2 star products here, Raricap and Renerve and we have the core CNS portfolio here, neuro portfolio here. So where is this growth coming? So is the growth more coming from the core neuro portfolio? Is that what you are facing?

Amit Bakshi:

Yes. So Anubhav, there are 2 parts of it. One is the growth and then is the degrowth. The growth in all the therapies which you are talking about Renerve, Raricap and the core neuro product is more than what it meets the eye. But why the number is 53 because even there, there are some products at the tail, which are still kind of dissipating. So on a standalone basis, if we talk about only Raricap, Renerve and the neuro portfolio, the growth is better.

Anubhav Agarwal:

Among Raricap, Renerve and the core neuro portfolio, which one is growing faster?

Amit Bakshi:

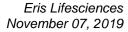
So as a brand, of course, Raricap is growing faster than Renerve. And this as a portfolio, is a combination of 7-8 brands. So as a portfolio, neuro is growing, as a brand Raricap is growing.

**Moderator:** 

Thank you. The next question is from the line of Ankit Agarwal from Arc Capital. Please go ahead.

Ankit Agarwal:

Sir, I have a question on the Acute business. See for this quarter, we have seen a slight degrowth in spite of having a relatively small base while if you see on an industry perspective, it grew by around 12%, so any reason for the same?





Amit Bakshi: Yes, our acute business has been an underperformer, so it hasn't been able to pick-up. What you

are saying is right that the season for acute was good and we saw acute outgrowing chronic in the last quarter. But we were not able to manage the same growth in acute because of the internal weakness in the portfolio and in the sale, which we are trying to get over. But yes, our

performance had been poor in the acute therapy.

**Ankit Agarwal**: Okay. So sir, another question I had is on the yield per man?

Amit Bakshi: Yes.

**Ankit Agarwal**: So sir our current yield per man is around 4.4 lakhs. What is the maximum potential that the

team can achieve?

Amit Bakshi: What's the maximum potential?

Ankit Agarwal: Yes.

Amit Bakshi: So it is broken up into so many divisions, around 12-14 divisions. Every division is at a different

level. So let me give you an example. My best division in terms of productivity would be at a productivity of around 10.5-11 lakhs. And smallest and the lowest would be at a productivity of

55,000-60,000. So it depends upon the time, the portfolio and everything.

Ankit Agarwal: Sir, I have one more question. This is based on capacity utilization. So sir of the total produce,

how much is produced in-house and how much of it is outsourced?

Sachin Shah: As of this quarter end, we have been able to sell 59% from Guwahati and rest from the third-

party outsourcing, capacity utilization on a three shift basis is still at 31%. We assume that we'll reach 75% to 80% of manufacturing by the end of the year is the estimate that we have because

everything will start running from this November onwards.

**Ankit Agarwal**: Okay. And so is there any timeline to shift the entire production inhouse?

Sachin Shah: No, whatever is more value adding is what we shift inside to Guwahati and we always analyze

what is, it is basically build versus buy decision. So we decide basis the product size.

Moderator: Thank you. As there are no further questions, I will now hand the conference over to Mr. Amit

Bakshi for closing comments.

Amit Bakshi: Thank you. Thanks, all of you for being on the call, and have a good day. Thank you so much.

Bye.

Moderator: Thank you. Ladies and gentlemen, on behalf of Eris Lifesciences, that concludes this conference.

Thank you for joining us, and you may now disconnect your lines.