



“Eris Lifesciences
Q1 FY2020 Results Conference Call”

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Moderator: Good morning ladies and gentlemen, welcome to the Eris Lifesciences Q1 FY2020 Results Conference Call hosted by Axis Capital 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. Please note that this conference is being recorded. I now hand the conference over to Mr. Prakash Agarwal from Axis Capital Limited. Thank you and over to you Sir!

Prakash Agarwal: Thank you all. I welcome on behalf of Axis Capital to the Q1 FY2020 Eris Lifesciences Conference Call represented by senior management team. Over to you Sir!

Amit Bakshi: Good morning. Thanks for this opportunity. Let me follow up with the presentation and then take up questions as usual. So for Q1 20, the company has shown a growth of around 12.8% versus 7.9% for the IPM, this is as per the AIOCD data, which adds to the growth momentum of the second half of 2019 last year. Business continues to retain and grow focus on fast improving chronic and sub-chronic segments. That is now accounts 84% of chronic and sub-chronic vis-à-vis of the industry of 55%. As we told you in earlier calls we are expecting first commercial launch of in-licensed product by the Q2 20 or September, October rather and one more product for in-licensing is in regulatory approval stage. We also launched Saarthi 2.0 PlexusMD which is a platform, which we are building for education of doctors across the country also our airport kiosk are now screening a huge number of patients. We have five such kiosks and are planning to add three more in the quarter. Till date we have screened almost 2,00,000 patients and almost 20% of those are being detected for the first time at the airport for diabetes, hypertension or both. As proposed Kinedex is now a wholly owned subsidiary of the company.

Now coming to the quarter result, year-on-year growth in sales is 10% with an EBITDA growth of 18% and a PAT growth also of 17.5%. We have also fully prepaid the external borrowing from internal accruals and we have a debt free status now. Strong expansion in EBITDA margin led by increase in the YPM from 4.1 lakh to 4.4 lakh in the first quarter we have been elucidating this that as soon as YPM crosses 4 lakh the falloff on the profit is generally very good.

To give a perspective to the sales, the standalone sales grew by 16.7%, the base with UTH is 9.7%, Strides is now doing Rs.45 Crores on a quarterly basis that is a Rs.15 Crores run rate. It has very well amalgamated into our numbers also from a gross margin and the EBITDA margin perspective, so that is a good sign. Kinedex as you know has come in, but has again shown degrowth of around 9.2% for the first quarter, but the secondaries are now improving and we are expecting a significant turnaround in the next quarter.

From the data standpoint, we grew by 12.8% as per 8% of the IPM, IPM was a tad bit slow in the first quarter, one of the rare first quarter to report an 8% growth. We managed around 12.8% growth in this quarter. Chronic and sub-chronic therapies grew by 14% compared to 9% of the market and we again lagged a bit in acute therapy growing at around 6% as compared to 7% of

the market. Prescription ranking more or less remains the same 4th number in cardiology, 2nd in diabetology, 4th in gastro, 6th in consulting physician and 3rd in neurology. Then we have put a 10-year highlight of the numbers just to take everybody through. We also have added the manufacturing details at Guwahati. Last year we did around 61%, effective tax rate is 8% and the tangible capex, which we are looking for this year is around Rs.35 Crores to Rs.38 Crores. The facility is exempted from income tax till FY 24 and the last slide shows, how the shareholding pattern has evolved. So this is from our side. Can you please take up the questions now?

Moderator: Thank you. Ladies and gentlemen, we will now begin the question and answer session. The first question is from the line of Lakshmi Narayanan from Catamaran. Please go ahead.

Lakshmi Narayanan: Thanks a lot. Good morning. I have two questions. First regarding your outlook for the taxation at a consolidated level for this financial year and also for the next three to five years and second in terms of field force expansion what is the kind of outlook for this year and how is the attrition and the field force expansion.

Amit Bakshi: The taxation outlook that we have is like we will have around 70% to 75% of production coming into Guwahati by Q3 to Q4 this year and as that transforms to sale we have a positive impact on the tax flow so we see 8% to 10% of tax rate this year and this will go down next year.

Lakshmi Narayanan: At an aggregate level for the full company it will be around 8% to 10% is the taxation for this year?

Amit Bakshi: Yes.

Lakshmi Narayanan: You said next year the taxation will go down?

Amit Bakshi: It should remain stable or go down, but marginally not very much.

Lakshmi Narayanan: Three to five years what kind of outlook one can have it will be around that 7% to 8% is what you should look at?

Amit Bakshi: Yes 8% to 10% is something that we should look at for the next five years and as far as field force expansion is concerned we might add between 300 to 400 people in the remaining part of the year this year.

Lakshmi Narayanan: What kind of attrition you are seeing at the field force?

Amit Bakshi: Our internal attrition is 20% to 22%.

Lakshmi Narayanan: Thank you so much. I will get back in queue.

Moderator: Thank you. The next question is from the line of Jatin K from Alpha Capital. Please go ahead.

- Jatin K:** Congrats for a good set of numbers. My first question Sir is on the buyback. We had announced Rs.100 Crores buyback, but now there is a regulation by government on buyback tax of 20% so how do we plan to go ahead on this thing?
- Amit Bakshi:** We have gone by the process and we have filed the Draft Letter of Offer with SEBI. The usual exchange of communication is underway. There is no other update on it.
- Jatin K:** If in case we have to pay Rs.20 Crores more tax?
- Amit Bakshi:** We are still looking at what is happening because there are a lot of presentations happening with the government and there are a lot of discussions with SEBI also so we are waiting for the results.
- Jatin K:** Sir my second question is on our gross and EBITDA margins have grown quite well over the years and now is among the best in Indian pharma names, so would you like to mention what has happened and why are we so good in terms of gross and EBITDA margins?
- Amit Bakshi:** This has been the trend. It is precisely because of the portfolio in which we operate. This portfolio is difficult to enter, but enjoys a good margin and that has been the case for a long, long time.
- Jatin K:** Sir any outlook for this one to two and two to three years for sales and margins?
- Amit Bakshi:** Margins more or less have remained in a particular zone, so there is nothing much to talk about that. Sales growth as we always maintained, would like to grow 30% to 50% ahead of the market growth.
- Jatin K:** That is it from my side. Thank you.
- Moderator:** Thank you. The next question is from the line of Sudarsan Padmanabhan from Sundaram Mutual Fund. Please go ahead.
- Sudarsan P:** Thank you for taking my question. Sir my first question is on the industry. You had also mentioned in your remarks that in Q1 20 the industry has been growing slower than usual, in your opinion what is the reason behind this and how do you see the industry growth rates going ahead because at some point of time we were growing at 13% to 14% and now I think we are anywhere between 7% to 10%, so do we see this continuing or do you see this further slowing down?
- Amit Bakshi:** You are absolutely right. We did see volumes going down to 0%, 1% or 2% for secondary sales. These secondary sales (sales by stockist to chemist) are a mix of 2 things – one is the tertiary sales ie what the patient buys from the stockist and the second is the stock that the chemist maintains to service the tertiary sales. These 2 components together are the secondary sales. Our channel checks validate the fact that the tertiary sales are very well intact. Prescriptions are still

intact which is validated by prescription agencies which have been doing this for decades now. So our understanding is that because of pressure on margins on retailers especially due to online pharmacies and chain pharmacies, the inventory which the chemist maintains to service the tertiary sales has gone down. This is a structural change and is probably the reason why the secondary data seems haywire; it seems to be the new normal. It summarize, margin pressure on retailers should continue given that online and chain pharmacies are growing. Small retailers will manage this pressure by reducing the inventory they maintain to minimal levels. So we believe that the prescription business has not suffered. It is the service of the prescription that is taking some hit due to inventory management.

Sudarsan P: Some time it should normalize and come back because there should always be a base minimum inventory.

Amit Bakshi: Yes. It should.

Sudarsan P: Sir my second question is also on your strategy as well as what is happening in the industry, now what we are seeing of late is a number of M&A, which we also participated with Strides, but also a number of incensing deal like recently SGLT2 given to Torrent do we see any opportunities coming into this because if we get a free runway of some products, which is relatively more unique should not we kind of benefit from this as well?

Amit Bakshi: Absolutely and I have been telling this earlier also that we have gone into this say a year back very seriously and I feel at the end of this year we should be having three to four products, two of them quite significant and because now we have maintained a pipeline this will go on for some time. Generally it goes for negotiations, then it goes for regulatory, it is always a long gestation, but we have been doing this for the last one-and-a-half years. So as I wrote in my presentation one product is commercializing in this quarter or may be by October maximum and the other product is in regulatory approval stage and we will wait how the regulator responds on the product so it could be three months to a one year kind of a timeframe and then we have two more products, which should be good to do at the regulatory level by the end of Q3, so this is the cycle, which will now maintain on a year-on-year basis.

Sudarsan P: Thanks a lot Sir. I will join back the queue.

Moderator: Thank you. The next question is from the line of Anubhav Agarwal from Credit Suisse. Please go ahead.

Anubhav Agarwal: Good morning. I have one question on this HR cost, so this quarter no annual increments have flown in?

Amit Bakshi: Yes I think Sachin will answer you.

Sachin Shah: There are two things that have happened this time from Q4 to Q1. What we have done is we have got all the Kinedex people inside this payroll only so there are two major impacts; one is the

reversal of gratuity plus leave encashment that was standing in the Kinedex books that we have reversed. Also what happened is this time we have done the recalculation of the leave encashment liability so these two have had major impacts on the Q1 salary cost.

Anubhav Agarwal: Let us say when we look at consolidated so that will take care of your first point right it does not matter with Kinedex how it has moved, consolidated cost is flattish sequentially on the employees, now on the leave encashment thing is this that portion has gone down and that is why it is a flattish number?

Sachin Shah: One thing is leave encashment number the other thing is that there was a gratuity payable that was standing in the books of Kinedex, which has accumulated for years. As of now we have to provide only for the people that are currently on the payroll, so we have just reversed the gratuity etc as there is no employee there.

Anubhav Agarwal: How much was that liability, which is now and how much has reduced to?

Sachin Shah: It should be in the range of Rs.1 Crore

Anubhav Agarwal: This is small right, so I am just asking have we guys given any increment?

Amit Bakshi: This I can tell you Anubhav. Increments have been to a tune of 5.5% to 6%.

Anubhav Agarwal: Because why I am asking is that annual increments have gone in, our number of reps this quarter are higher than what we had in the previous quarter still the overall cost is flattish, it should have been higher that was my only question because that liability that Sachin talked about is only Rs.1 Crores to Rs.1.5 Crores it should have been much higher right?

Sachin Shah: Anubhav we have done the increments in the range of 5.5% to 6% approximately right, so that should be around Rs.2.3 Crores to Rs.2.5 Crores of the last base. Now if you take that base and reduce the liability reversal of Kinedex and also the recalculation of leave encashment liability, which is around again Rs.0.5 Crores we should match the numbers to a large level.

Anubhav Agarwal: Second question was on this last quarter we had mentioned about there is some impact of inventories we still need to take, in this quarter on the standalone we reported about 9.7% growth was the impact of the higher inventories that we were carrying and we wanted to rationalize some of them?

Amit Bakshi: If you remember I told that the lump is all over now, so there is no lump, which was remaining, so now whatever is happening is in a real market term situation.

Anubhav Agarwal: You mentioned in the last call that in Q4 19 you have taken Rs.25 Crores impact and there is another four to five days of extra inventory, which is still lying in the channel that you ideally will want to be lesser?

- Amit Bakshi:** I also told subsequently Anubhav that this will be corrected on its own and might adjust to one day or two day in a month, so while of 13% has been our growth rate from an external point of view and we internally are at around 10%, so more or less something in between the adjustment.
- Anubhav Agarwal:** So it is already happening automatically and the last question is you mentioned about adding 300 to 350 people that is almost 15% addition to your field force can you just given an idea what is your planning over there?
- Amit Bakshi:** Anubhav as I told previously that we are expecting in the third quarter we might see more than one or two inlicense deals going for us. Then one team is being crafted out to launch Vildagliptin, which will happen in December plus one more expansion. Cosmetology we have tried our hands with only 15 to 20 people in the last one quarter and two quarters. We are expanding that team to a significant level, so these are three things, which will increase manpower.
- Anubhav Agarwal:** This 15 to 20 are you really looking to make it 100 people team this cosmetology?
- Amit Bakshi:** Yes of course. That will not only include cosmetology but will also include dermatology.
- Anubhav Agarwal:** Dermatology we are not there right now, but you really plan to introduce significant number of products is it?
- Amit Bakshi:** Yes, so it will be cosmetology and dermatology. So dermatology typically is more GP oriented, which is more for infections and viral and all those things. There is something, which is dermatology and cosmetology. Cosmetology as a product range the price point is higher. Dermatology price point is lower, but that is the bigger and the most growing market.
- Anubhav Agarwal:** Thank you very much Sir.
- Moderator:** Thank you. The next question is from the line of Prashant Nayar from Citigroup. Please go ahead.
- Prashant Nayar:** Good morning. Follow up on the employee cost question, so is it fair to say that on an ongoing basis before you add the new MRs this quarter plus about Rs.1.5 Crores would be your recurring employee cost?
- Amit Bakshi:** Yes sure.
- Prashant Nayar:** That is it from me. Thank you.
- Moderator:** Thank you. The next question is from the line of Rajeev Shah from RMS Investment. Please go ahead.

- Rajeev Shah:** Thank you for allowing me. Just one question regarding your dividend policy just before listing you had two years of dividend paying, now you have not been paying dividend, so you will start again paying dividend or not?
- Sachin Shah:** As of now we give it back to the shareholders when we have excess funds with us, which we had this year, so we had plans for the buyback because it increases the shareholder value and we will see going forward how do we do it depending on the surplus cash flow that we have.
- Rajeev Shah:** Have you framed any dividend policy or we have not framed any dividend policy till now?
- Amit Bakshi:** We have a dividend policy.
- Rajeev Shah:** If the buyback fails then there will be paying up a dividend that is the understanding?
- Amit Bakshi:** That will go to the board again. All these decisions are at the board level so we will not be able to comment on this.
- Rajeev Shah:** Thank you.
- Moderator:** Thank you. The next question is from the line of Aditya Khemka from DSP Mutual Fund. Please go ahead.
- Aditya Khemka:** Thanks for the opportunity. Sachin what is our current net cash position?
- Sachin Shah:** It was around Rs.190 Crores as of June 30, 2019. As of today it is Rs.210 Crores.
- Aditya Khemka:** Rs.210 Crores?
- Amit Bakshi:** Yes.
- Aditya Khemka:** Definite cash?
- Amit Bakshi:** We do not have any debt.
- Aditya Khemka:** Zero debt and this is a net cash and secondly on the YPM mark that has gone up from 4.1 to 4.4 Amit Sir do you care to sort of divide this between let us say your MRs, which are two years older versus those MRs who are relatively newer because my understanding is that the newer MRs would be at a lower number and the older MRs would be at a higher number, so could you give us some sense on what the newer MRs are doing in terms of YPM and what the more mature older MRs are doing in terms of YPM?
- Amit Bakshi:** Aditya I am not sitting with that math, but what you said is a thumb rule. We have not really done who is doing what, but I can say that the neurology business, which we had expanded last year that is growing much better than other matured businesses that is how the trend is, but having the numbers or bucket we do not have at this point of time.

- Aditya Khemka:** No problem. I can take it from you later. Also if you can just remind me what was the number of MRs that we have last year around this time June 30, 2018 what would have been the number or in other words how many MRs we had in the last one year net of attrition?
- Amit Bakshi:** We are more or less ranging between 2000 to 2075 I think all the time. The addition has not happened. The real organic additions happened when we took the Strides business, otherwise it has been some minor additions, but the next round of major addition will happen in Q2 and Q3, which I just alluded to in my answer.
- Aditya Khemka:** I got that and Amit Sir on this Strides portfolio so now we are doing about Rs.45 Crores this quarter, which is heartening to see compared to the Rs.40 Crores previous quarter number, but do you think this is further scalable or do you think this Rs.180 Crores to Rs.200 Crores annual run rate is where the Strides portfolio would be like given the potential of the products and the reach of the company?
- Amit Bakshi:** I reiterate that these are the brands, which have legs so if you see externally also this portfolio is growing by 15%, so it is just growing double the speed of the industry. This portfolio has some very good brands and as you would know that Renerve which was the major brand as per IMS is now bringing Rs.8.5 Crores a month so these are brands, which have a potential to go a long way. It has been completely amalgamated in the overall businesses and now it is all about growth.
- Aditya Khemka:** Understood and I just could not get your earlier comment on the buyback so you have filed it with SEBI and the industry is representing against the taxation on the buyback, but assuming that the buyback taxation stands, as a company what are you looking at, if the buyback policy of the government taxation stands would you still go ahead with the buyback and if you could also at the same time tell me whether promoters plan to participate in the buyback or not?
- Sachin Shah:** Aditya the promoters are not participating that we have made very clear in our board outcome that was there.
- Amit Bakshi:** Promoters are not participating and whatever happens from now is more of regulatory and board so I will not be able to comment, but we will do as per the law and as per the advice of the board and the other dignitaries.
- Aditya Khemka:** Understood so just one followup on that Amit Sir, so in case let us say we do not do the buyback let us say the board recommends that we do not do the buyback then how do we utilize the cash proceeds that we have, what is the plan of capital deployment from this point onwards?
- Amit Bakshi:** Let us reach that point where we get into this discussion. We are still little away from that point. Let us be there and then we will let you know whatever happens at that point of time we will be happy to let you know, but at this point of time we really do not have an idea.
- Aditya Khemka:** Sure. One last question if I may Amit Sir. On the incensing deals that we are getting, if my understanding is correct almost all pharma companies in India, the larger ones at least are looking

to inlicensed products, it has sort of become a focus area for all of them. So what made us clinch these deals, is it like a bidding process where each of you go and sort of put a bid that I will be able to distribute the product for X amount of margin and then compared to your bid and your competency the innovator decides which company he chooses to out license or does the innovator reach out to you given your expertise in a particular area and then you negotiate a deal with him on the table, how does it work really?

Amit Bakshi:

Aditya as you said the process could be so many different things, but what typically happens is that if company is considered to be a better company in terms of ability to sell innovative products, ability to tell the story and has a super specialty reach so within our core segment etc. It is more about what kind of a justice we as an Indian partner could do to the brand and what kind of a promise we can make, so it is in that zone, so when we publish the deals portfolio you will see most of them lying in our strength areas of cardiac, diabetes, and other areas, which we are reasonably good at.

Aditya Khemka:

Understood, but Sir when you are talking about the addition of MRs you said some of these MRs need to be added because you are inlicensing some products, so if it is your strength area would you still need to add more master promoters?

Amit Bakshi:

Yes we would because right now our portfolio is quite good. It is time for us to add people and these new products are all promising they require a lot of space so to discuss these products you require a lot of space so if you club this with the existing products either of them is compromised, which nobody wants, so that is the reason we have new people.

Aditya Khemka:

Sorry one more question Sir these straight margin cap that the government and the innovators keep talking about can I have your thoughts on it, how does it impact business, how are you seeing the industry move towards trade margins?

Amit Bakshi:

We have no impact on that. All the domestic business and branded domestic business will not have an impact of this Neither do we will sell devices nor we sell any products where the trade margins are different from what is prescribed.

Aditya Khemka:

Sir earlier when there was a practice of sort of giving free bonus units to distributors and incentivizing prescribers how do you see the industry moving in that context, is the industry moving away from such practices to a more hygienic selling practice or do you think some players are choosing to be at one end of the spectrum while some players are still at the end of the spectrum?

Amit Bakshi:

No as far as the distribution is concerned it really depends on the portfolio. Giving discount till the time the distributors or the retailers can actually help the brand is a good idea. How much to do, it is an individual call. As for us if you look at our data from the AIOCD we are one company, which has never given bonuses to that extent, so we are practically not there and that is typically because of the kind of portfolio and the kind of specialty we are in.

- Aditya Khemka:** Regarding the entertainment of doctors?
- Amit Bakshi:** Everybody is following the norms, which have been laid out for this. All the companies, which have scaled up they are following it with a lot of responsibility and this responsibility is only growing by every year.
- Aditya Khemka:** Thank you so much for your answer Sir. All the best.
- Moderator:** Thank you. The next question is from the line of Charulata Gaidhani from Dalal & Broacha. Please go ahead.
- Charulata Gaidhani:** I wanted to know whether you have any FDC combinations in your portfolio, which will not be allowed to be sold?
- Amit Bakshi:** So as of now nothing.
- Charulata Gaidhani:** Fine. Thanks.
- Moderator:** Thank you. The next question is from the line of Lakshmi Narayanan from Catamaran. Please go ahead.
- Lakshmi Narayanan:** Can I have two followup questions. First is in terms of the end doctor coverage how you are tracking and what is the plan ahead, my second question is that lot of your investments of cash I understand is in mutual funds. Given that for the last couple of months there have been some haircuts in terms of NAV, etc., any impact for us and what is our excess cash investment policies in mutual funds the kind of views you have there?
- Sachin Shah:** What we did in April this year is that whatever was the exit load free funds we have redeemed all of them and invested all of them into AAA bonds funds, they are very secure.
- Lakshmi Narayanan:** There is no mark down or anything you have taken?
- Sachin Shah:** No.
- Lakshmi Narayanan:** The other question is in terms of your doctor coverage what has been the doctor coverage last year and what is your plan for this year?
- Amit Bakshi:** We meet around 90,000 doctors all put together all specialties.
- Lakshmi Narayanan:** Do you actually measure something like how many additions new doctors you have met and what is the fraction something you have, are you like to share?
- Amit Bakshi:** We meet 90,000. Whenever we expand we try and incorporate newer specialty or newer doctors.
- Lakshmi Narayanan:** Thank you Sir.

- Moderator:** Thank you. The next question is from the line of Prakash Agarwal from Axis Capital. Please go ahead.
- Prakash Agarwal:** Sir just on the outlook front you mentioned you will be adding a few people and you have clarity of commercializing a couple of products and given that you already done 10% growth overall for the quarter how should we look for full year on topline growth Sir?
- Amit Bakshi:** Prakash we generally maintain that we will be between 20% and 50% above the market and depending upon the market that might corroborate into 12% to 14% of growth depending upon how the markets are behaving in the first quarter.
- Prakash Agarwal:** Secondly on the margin also since we are adding some people what would be the outlook for the margin Sir?
- Amit Bakshi:** Margins we do not expect any movement here or there because addition of so many people will also bring revenue. The base business will also grow, so 200 and 300 people will really not change the margin perspective.
- Prakash Agarwal:** Understood and one more question on the therapeutic growth so we have major therapies like cardio and diabeto would the growth be similar to what the standalone is showing or they are much higher versus and the remaining would have been much lower?
- Amit Bakshi:** We showed you the slide in the presentation Prakash that the chronic has grown by around 12.9% compared to a 9% industry and acute has actually lagged behind the industry by 100 basis points, so cardio and diabeto continues to be good. Neuro is also picking up and that is the third area, which we are focusing other than the women's health, so these four put together would be our four vistas.
- Prakash Agarwal:** So that is AIOCD data and the question was is AIOCD reflecting the correct data in terms of higher growth in the diabeto and the cardio, which usually is the case for us?
- Amit Bakshi:** Yes absolutely. If you look at this quarter last year there was some rationalization in the FDC, so there has been a loss of at least Rs.4.5 Crores to Rs.5 Crores if not more in Triglimisave which we lost out. There is another loss of at least Rs.2 Crores in FSSAI alignment, which we have done in the other products, which are semi chronic, so that has already been taken and with these numbers one can easily understand that the base business growth has been particularly high to have an offset on this data point.
- Prakash Agarwal:** Understood. Fair enough. Thank you.
- Moderator:** Thank you. The next question is from the line of Abhishek Sharma from India Infoline. Please go ahead.

- Abhishek Sharma:** Sir I wanted to understand out of the 300 reps that we are planning to add this year how many of them are we planning to add in neuropsychiatry?
- Amit Bakshi:** No addition in neuropsychiatry.
- Abhishek Sharma:** Why would that be Sir because you acquired a company there recently I thought you would be looking to grow in that area or consolidate your position?
- Amit Bakshi:** Yes, but Abhishek right now in neuropsychiatry we have around 275 people and their productivity is still less than 2 lakhs, so the whole game here is going to be the productivity game. We have actually expanded it quite a bit early on, so neuropsychiatry will only see consolidation in terms of YPM and not any expansion.
- Abhishek Sharma:** Just a followup on that I just wanted to understand so you are basically adding newer therapeutic areas like cosmetology and dermatology and you are also planning to expand your portfolio in diabetes with Vildagliptin would that take away some of that focus that you intent to or you intended to bring on neuropsychiatry?
- Amit Bakshi:** No Abhishek those are two different buckets altogether one does not eat up the other and the reason why we are planning to add another team in cardiometabolic is also an indication of not losing intensity and focus on our current portfolio.
- Abhishek Sharma:** Got it. Just my last question is, are you seeing any impact of trade generics on your part of the portfolio?
- Amit Bakshi:** Trade generics?
- Abhishek Sharma:** Yes.
- Amit Bakshi:** Not really Abhishek. As I alluded in one of the question I find that the tertiary and the stock, which is kept to maintain or handle that tertiary sale is something, which has gone down at the chemist level. That is why the secondary sales even in the data is a little worrisome, but when I did my channel check from a prescription point of view everything stands okay.
- Amit Bakshi:** Got it. Thank you.
- Moderator:** Thank you. As there are no further questions I now hand the conference over to Mr. Prakash Agarwal for closing comments.
- Prakash Agarwal:** I thank the management and the participations for the call. Over to you Sir, for the closing comments.
- Amit Bakshi:** Thanks for attending the Q1 call and I hope we have been able to answer everything. If there is something, which you guys would like to know, you can get in touch in with Kruti and Himanshu offline and we will be happy to provide. Thank you so much. Have a good day.



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Moderator:

Thank you. Ladies and gentlemen, on behalf of Axis Capital Limited that concludes today's conference. Thank you for joining us. You may now disconnect your lines.