“Eris Lifesciences Limited Conference Call”

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Moderator: Ladies and gentlemen, good day and welcome to the Conference Call of Eris Lifesciences. 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. V. Krishnakumar -- Chief Operating Officer and Executive Director of the company. Thank you. And over to you sir.

V. Krishnakumar: Good morning. I'm happy to share with you today that Eris has announced its entry into India's Insulin and GLP1 Agonists market through Eris MJ Biopharm Limited, a Special Purpose Joint Venture between Eris and Mumbai-based MJ Biopharm Private Limited.

The insulin and GLP1 market in India is presently worth Rs.3,500-4,000 crores and we expect it to double over the next five years. So, we are talking of an addressable market of nearly Rs.8,000 crores by the year 2025-26.

Eris, one of India's leading players in the Oral Diabetes Care segment, will now extend its product offering to Insulins and GLP1 Agonists. The 70:30 joint venture where Eris holds 70% stake will primarily engage in the marketing and distribution of human insulin to begin with, and subsequently, insulin analogues including Glargine, Aspart, Lispro and GLP1 Agonists including Liraglutide, and potentially other biopharma products in India. We expect to launch human insulin in Q4 of this financial year. This will be part of the guidance of 10 new product launches we have given for this financial year.

Now, let me explain the deal rationale to you. We all know that diabetes is a progressive disease and that India's patient pool in diabetes is set to at least double in the next 20+ years. Hence, the next decade will see diabetes care emerge as an even more crucial therapy. The anti-diabetes therapy growth in the next 10 to 15 years will be driven mainly by four categories -- DPP4, SGLT2, Insulin and GLP1 Agonists. Firstly, DPP4 Inhibitors, SGLT2 Inhibitors and their combinations will play a major role in the oral diabetes market on account of their superior clinical evidence around glycemic control, cardio-renal protection and weight management. These two segments account for 83% of the US oral anti-diabetes market whereas their penetration is only 44% in India. We expect this penetration to rapidly increase following the loss of exclusivity of more products in these two segments in India. On the back of our strong market position in oral anti-diabetes and successful introduction of blockbuster brands like Zomelis and Gluxit, we are well positioned to ride the growth wave in DPP4 and SGLT2.

Now coming to the other part; human insulin, analogue insulin and GLP1 Agonists are expected to gain traction in India as the diabetes treatment protocols get aligned with western standards. These two segments account for 61% of the total anti-diabetes market in the US compared to only 21% in India. This limited penetration is largely on account of limited suppliers in India and higher price points. Example, the cost of GLP1 therapy in India is typically around Rs.12,000 per month, compared to Rs.1,200 to Rs.1,800 a month for Glargine therapy versus

Rs.400 to 600 a month for oral anti-diabetes. The entry of additional players in insulin and GLP agonists will improve access to the therapy and hence drive faster growth in these segments.

Through the formation of this joint venture, we bridge an important gap in our diabetes care portfolio, and are well positioned to leverage the market opportunity in human insulin, insulin analogue and GLP agonists as well.

Our unique patient care engagement platform through which we reach thousands of patients every year will enable us to effectively leverage the opportunity in the insulin market, which is essentially a patient service and engagement-oriented segment.

Now, I will provide an overview about MJ Biopharm, our JV partner. It is a privately held biopharma company with proven capabilities in the development of advanced biological formulations from preclinical to phase-III and regulatory approval. MJ has an R&D team of 35 members, including three Ph.Ds. MJ operates two WHO GMP compliant manufacturing facilities for biologics, bulk and formulations based on the microbial fermentation platform. In terms of dosage forms, they can manufacture injectable formulations and ampoules, vials, cartridges and prefilled syringes.

They have manufactured and supplied more than 14 million vials p.a. and more than 4 million cartridges p.a. of human insulin to over 25 countries around the world since the year 2015. MJ's product pipeline presently consists of insulin analogues, Glargine, Lispro and Aspart and Liraglutide which is a GLP-1 Agonist.

The initial contracted tenure of the joint venture will be 10 years and the business will be kick started with human insulin as mentioned, and will eventually expand to cover a range of insulin analogues, GLP1 agonists and other biopharma products.

MJ will be paid a one-time lump sum fee of Rs.15 crores at the commencement of the JV. Eris will be responsible for ongoing sales, marketing, distribution, and pharmacovigilance and MJ will be responsible for supplying products to the joint venture via the terms of a 10-year supply arrangement. So together we will bring our complementary skills to bear in order to expand access to the insulin and GLP1 therapies in the Indian market.

We can now open up for Q&A.

Moderator: We will now begin the question-and-answer session. The first question is from the line of Ruchika Jain from PRP Wealth. Please go ahead.

Ruchika Jain: It is mentioned that we will be offering some kind of therapeutic options to the patients in cardio metabolic segment. So what kind of products will be available to the patients?

V. Krishnakumar: I have just answered that question in the introduction; we said that through this deal, we are entering the insulin, insulin analogues and GLP1 agonists markets. So, those are the product options that we will be able to add to our product basket.

Ruchika Jain: How the revenues and the margins will get affected after this transaction?

V. Krishnakumar: It is too early to talk about revenues and margins since many of the planned launches are still in the development stage. Over the lifecycle of this project, the return on invested capital will be around 30% which is in line with what our existing business has generated for the last 12-years.

Ruchika Jain: Are there any guidances you would like to provide going further?

V. Krishnakumar: At this point this is the guidance that we can provide that return on invested capital or IRR for this project is in the range of 30%. More clear details and information will be provided as and when we are ready because as I said, we are launching human insulin in Q4 and then subsequently all the other planned launches are in the development pipeline. So we will keep updating our guidance as we go along.

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

Anubhav Agarwal: How big is this human insulin market with which you are starting?

V. Krishnakumar: Human insulin market presently is about Rs.1,500 crores out of the total Rs.3,500 to 4,000 crores market. So it's kind of 1,500 plus, so you can take it in the 1500 to 1800 crores range.

Anubhav Agarwal: This is excluding the analogue side?

V. Krishnakumar: Yes, this is pure human insulin. The rest of it is analogues and GLP1.

Anubhav Agarwal: In terms of timelines, when do you expect to launch the analogues as well?

V. Krishnakumar: The first analogue which is Glargine, is in phase-III trial, and it is expected that sometime in the calendar year 2023, it could make it through to commercial launch.

Anubhav Agarwal: As previous participant is also asking that margins in insulin are much lower in general for the industry, would you say the margins could be just half of what you make normally, the reason we are asking is because the cost of manufacturing is also very important for insulin, we are not sure MJ Biopharm, what is their scale and therefore, how competitive they will be with other players in the market, can you give some idea about their potential costs versus other players in the market?

V. Krishnakumar: Yes, so there are a couple of things I can tell you by way of guidance. One is that I have given you some indication of MJ's volumes, the kind of scale at which they operate in my introductory comments. So they are pretty much the largest third-party manufacturer for this product in India.

Secondly, regarding what margins finally make, to say that it might be half of our existing margins is too much of an assumption to make at this point because once the analogues come into play, then the margins will end up being better than what it is for human insulin given the sheer difference in price points. So the analysis that we've done is based on an ROIC basis, because we are here in this business to ultimately make a return on capital. So, as you can see, this is a very capital efficient deal for us, because we are paying a one-time license fee of Rs.15 crores upfront. Apart from that there is no capital investment. So on an ROIC basis, we expect this business will generate close to 30% ROIC which is what the current business also generates.

Anubhav Agarwal: On this human insulin itself, I'm not talking about analogues here, Rs.1,500 crores market, do you think you can take potentially 10% market share or more than that in this market in next two, three years?

V. Krishnakumar: In terms of the strategy for human insulin, I think it would be best for Amit to comment. So, I would invite him to share his perspectives in terms of the go-to-market.

Amit Bakshi: The interesting thing in the human insulin market is there is a shift from vials to cartridges and pens. Now, this is something which is very interesting. So there are a number of new patients who are coming in and equally there are a number of people who have been shifting from vials to cartridge. Because cartridges are 30% of the overall value and have been growing better than the vials, that is where we have an edge because of our own manufacturing integration. And we feel that a lot of human insulin will shift to cartridges in the next three to five years and we plan to be a catalyst in that particular field. So 10% market share over a period of time is completely manageable.

Anubhav Agarwal: So this is more about low pricing then. How would you convince doctors to prescribe your product here because this is very different from the other categories that we got into, this is very much an established product category where there are no new products to enter into?

Amit Bakshi: It will take you for a little surprise that the adoption of insulin among physicians is still only 30%. That means if we presume that 50,000 physicians practice in India, the adoption of people who write insulin is only 30%. So that means a lot of work has been left open to be executed. What we bring to the table and why we think we are in a good position is because insulin is a very patient service oriented business where you have to really service the patients well. You know that from the last decade, we have been doing a lot of patient services and that is a clear cut advantage which we have in being able to get traction in our human insulin business. So, two things; one, 30% of the patient needs insulin, but India is low on initiation, low initiation is typically happening because the participation of physicians in insulin initiation is still low. So, these two pieces put together plus the technology. Now, what happens? The initiation of insulin has a problem of a risk of hypoglycemia. Now, we have been doing CGM for a long period of time. So, when we put all these things together and establish a better practice of human insulin initiation with the field force who has been trained on patient engagement, that seems to me as the x-factor.

Anubhav Agarwal: Can you talk about patient engagement, are you planning to have let's say for example, in the diabetes field, you had multiple places where you used to screen patients for their sugar levels, etc., what kind of patient engagement that you can bring in here which can provide you an edge here?

Amit Bakshi: Nothing strategic, but I can tell you at this point of time that we are bringing in a much larger piece of technology into insulin initiation through devices. So, that would be our game. So, we will be starting the insulin business on a technology background. That is where we will have more and more adoptions.

Moderator: The next question is from the line of Prakash from Axis Capital. Please go ahead.

Prakash: On similar lines, as the insulin MNC players are mostly established, and couple of companies are selling on behalf of these MNC players, so, one is this technology related engagement, etc., but what would be our right to win, I mean, established players and we are entering into these kind of difficult-to-enter markets, while it is clearly helpful in covering the full portfolio of diabetes, but what would be the strategy if you could give more details? And how should we take a look at ramping up market share within this space, I mean, if we look at Biocon so many years, in Glargine they are still distant number two?

Amit Bakshi: As I alluded to when I was talking to Anubhav, look at these two things. Now, you used some strong words saying very established and very penetrated brands. I'm showing you the other piece, even after that, the adoption rate is only 30% in the entire physicians. And I can give you one more data point, the adoption rating in the general practitioners is only 2%. Now, all of us know that 30% of people who have diabetes at some point of time will go to insulins. That's a global data which we have. Now imagine with this kind of population of diabetes, these 30% they are all over the place. So what I'm trying to reiterate is that still the adoption of insulin is very low. Still, there is a huge fear of introducing insulin. And the basic reason for that is one; a myth that insulin is the last resort and second is the fear of hypoglycemia. Now, if this fear can be taken care of, if we are able to give comfort and technology is the right thing to go. I give a different example. When technology sits with insulin, it becomes an insulin pump, which doesn't give any hypoglycemia and that is the reason why type-1 diabetics have been able to live in the western countries for 70-years. So the basic medicine remains the same, but it is the technology which tells when to take and how much to take. So there are no hypoglycemia and hyperglycemia. So that's the way forward. And that is what we will be able to pull out.

Prakash: The second part was, how do you see the ramp up of your insulin given you said that you're going to start with human and what are the timelines you're expecting these analogues to come through?

Amit Bakshi: We want 50,000-60,000 patients in the first year, that's what we are looking at. And then we believe that with analogues coming in the ramp up will really shoot up. So that's the time we'll see a lot more ramp up happening.

Prakash: If the patient is already on a drug, normally Indian patients do not switch despite product being the same, so, have you done some studies in terms of what is the switching rate in terms of brands, with the same product in insulin?

Amit Bakshi: Yes, so switching as you know has always been a difficult thing. We don't really depend too much on switch. Having said that switching to a superior technology is something which has always happened and will keep on happening. So that is where the space is from a switch point of view.

Moderator: The next question is from the line of Kunal Dhamesha from Emkay Global. Please go ahead.

Kunal Dhamesha: The first question is regarding the penetration numbers that you've shared in US versus India. Are those in value terms or let's say SGLT2, DPP4 as well as insulin?

V. Krishnakumar: Yes, this is value data as reflected by IQVIA.

Kunal Dhamesha: When you say that insulin penetration is kind of low in India, have you studied it in terms of the type-1 and type-2 because I think the primary users are type-1 diabetics, juvenile diabetics, they use it for the entire life, so what would be the penetration in juvenile diabetes right now in India?

Amit Bakshi: Type-1, you have to take insulin, it is lifesaving. So if you don't take insulin, there's no survival rates. Having said that type-1 is a very, very small population of diabetes; it is considered to be less than 1% of total diabetes. Therefore, the entire market depends on type-2 diabetes, and in type-2 diabetes there is data that 30% of people suffering will need insulin for control. So the major market globally remains a type-2 and India more so ever.

Kunal Dhamesha: Switching in the human insulin brand, does that mean that then your growth will be dependent on population which is newly diagnosed, so it would be more a function of the incidence of diabetes?

Amit Bakshi: Insulin initiation happens generally from fifth to seventh year of being diagnosed with diabetes. So, here, it is not about the detection of the diabetes, because the protocols do suggest that once the patient is detected, he goes into oral diabetes agents, and it is five to seven years' time when he might need insulin. So that is where the data is. So this business is more dependent on patient who have not been able to have control on and then need insulin or there are some prototypes where you need to give insulin very early, typically patient who lose a lot of weight in diabetes, so we can clearly understand that the beta cells are not functioning anymore. The way we read it when we were very young is it's like beta cells is like riding a horse, you give a whip, it will run faster, another whip may be faster, still faster, but there comes a point where as much as you like the, horse doesn't move, and that is what happens to the pancreas also. So the beta cells after some times do not respond to OHA and that is typically called beta cell failure. And that is where you need to give insulin to make the metabolism work.

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

Tushar Manudhane: Taking forward from the previous participants and then further connecting that to the price point where there is a significant spread between the GLP1 therapy and the oral diabetes, so, while the necessity would be to take up GLP1 therapy, but considering the price point, how easy or difficult it is to convert the patient to GLP1 therapy, that is first question? And secondly, irrespective of that further now that you are going to introduce the product, relatively how much of the price discount can be possible from these levels? And thirdly, even if the price discount let's say go up to 50%, which is from 12,000 per month to 6,000, still it is much costlier affair compared to the previous therapy. If you could answer these three questions.

V. Krishnakumar: It's too early to provide responses on pricing. It is very clear that we are committed to expanding insulin products in India. In terms of providing some insights around this topic, I would invite Amit to share his perspectives if any.

Amit Bakshi: One reason for GLP and analogues to have a lower adoption is the prices. And this is not new. We have seen this with SGLT2 and with DPP4. Imagine a DPP4 being sold for 10-years, grows 100% in the first year when the price comes down to 30%. The way you look to this data is you see how the developed countries are behaving. As we told you that there's a 61% adoption between GLP and insulin in US, that is where the money is being paid by the insurer and that is where people work as per the guidelines. So, the guidelines do suggest an early adoption of GLP and insulin also. So, I think the price coming down will be the time. Whosoever does it, but whenever the price comes down, that is the time the adoption will just hit the roof. And that 5,000 question, the other side of the story is we have seen SGLT2 and DPP4 inhibitors selling at around Rs.50-60 a tablet, which is like Rs.2,000 therapy and both put together became Rs.2,000 crores market in India. So, there is a lot of comfort now on dollar a pill a day kind of a price point. So, if GLP as you said could be half or maybe little here and there, the adoption rate will go up tremendously.

Moderator: The next question is from the line of Abdulkader Puranwala from Elara Capital. Please go ahead.

A Puranwala: A couple of questions on this entire JV side. First of all, like to understand what are the kinds of investments we'll have to do in order to promote the entire insulin franchise and whether it will be done through the SPV route only or you will have to do it in present capacity?

V. Krishnakumar: There are no capital investments in the JV as I mentioned at the end of my opening remarks of. There is a one-time license fee of Rs.15 crores payable. All the other so-called investments which are of RevEx in nature will be undertaken through the JV.

A Puranwala: If I look at some of the competitors with whom you will be competing with, they have local manufacturing advantage, they could get this done easily by toll manufacturers, any specific reason why you would not prefer toll manufacturing over entering this easily?

V. Krishnakumar: So we believe that a joint venture creates better alignment of interest in the long-term. And it is true that there are people who are getting it toll manufactured. I think the scope of this joint venture is something very broad. It's not just insulin, we're starting with human insulin, we are adding insulin analogues and GLP and we can add potentially other biopharma products also because microbial fermentation is a platform technology on which you can manufacture a whole range of products. So we see this JV as a long term kind of alignment which marks our entry into biopharmaceuticals, which is why this is a 10-year JV and which is why we've chosen the JV route.

A Puranwala: By when should we expect all the three forms to be launched in the market? You mentioned Glargine will be launched in Q4. So the rest two, Aspart and Lispro; by when will these products be launched?

V. Krishnakumar: Glargine is not Q4. Human insulin will be launched in Q4 of this year. Glargine we said is in phase-III trials and it will be launched in calendar year 2023. And the remaining products are in various stages of development. So as and when the time is right, we will come back to you with the guidance on those.

Moderator: The next question is from the line of Vivek Tulshyan from New Mark Capital. Please go ahead.

Vivek Tulshyan: I just want to understand what is the share of MJ Biopharm in the human insulin market. You mentioned that they're the largest third-party manufacturer. Is there some sense on how big they are in this market?

V. Krishnakumar: We don't have that kind of market share data published and available. Suffice to say that they have built significantly large scale. As I mentioned, they got approval for human insulin in 2015. So they have been in the market for six years manufacturing and supplying to other pharma companies and between cartridges and vials they have done nearly 20 million in volumes p.a. in the last five to six years. So that's significant scale in this business.

Vivek Tulshyan: The other question is on the agreement. Does this give us any kind of exclusivity for some of the products that are going to be launched or MJ Pharm will continue to manufacture it for other players as well?

V. Krishnakumar: Each product will be discussed as it comes up for launch, but there is nothing in the agreement that precludes MJ Pharm from continuing its contract manufacturing business, because building market share in crowded markets has been the DNA of Eris. When Eris was launched in 2007, we brought Glimepiride to the market. At that point, Glimepiride was genericized. There were dozens and dozens of Glimepiride brands in the market. And yet we have built Glimisave-M to number five, number six market share. That's what we're good at. That's essentially the game that we will be playing in insulin also. So the supply of products by MJ to third parties as a contract manufacturer – that is not something that bothers us a whole lot.

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

Anubhav Agarwal: One question on MJ Biopharm. Can you just talk about how large is the scale for them, not the volumes of 20 million, but overall revenue size, how large is this company?

V. Krishnakumar: Yes, so my understanding is they are coming up to around Rs.200 crores in revenue.

Anubhav Agarwal: Just some more clarity on one of the questions which is asked, MJ getting a 30% share in this JV versus just acting as a toll manufacturer. So if they're not bringing any capital investment, and if they're just supplying the product, I'm assuming they're taking certain margin on the supply of the products also, so what's in your interest to give 30% in JV to them or is it that you're getting benefit that when you're getting the suppliers of products, the margins that they're keeping is so low that you are giving a 30% interest in the JV to them?

V. Krishnakumar: So it's too early to talk about that because we have just formed the JV and each product will be a different agreement. So what is the price at which each product will be launched, what will be the supply price, that will be decided on a product-by-product basis. As I said, we didn't want to make this very tactical and look at product-by-product kind of third-party arrangement because we believe that there is a lot of things to be said about Biopharma being an important growth lever going forward. And we don't see this JV as only for human insulin or insulin analogues. But we see this as a long term platform in which we can build a biopharma business, and that is the reason for the 70:30 equity stake.

Anubhav Agarwal: These guys will be supplying products on non-exclusive basis. I can understand if you'd give them 30% stake, they will have a higher interest to give their future products to you guys as well, but if it's a non-exclusive contract, still giving 30% stake is not very clear?

V. Krishnakumar: It is obvious that for human insulin, they have supply agreements in place, right and so those will continue, there is nothing in this agreement which will affect those supply agreements. For the newer products, we have agreed that obviously they probably will not need to go so broad-based in terms of having third party supply agreements. The JV will definitely get some kind of a preference.

Amit Bakshi: Anubhav, this 30% equity has been given or we have come to this arrangement looking at what will happen in the next 10-years. Since each of these products we feel can have large volumes and value and we wanted one, surety of supply, second we wanted to shape up the future in case of what is to be done early, what is to be done later, we wanted a say there, and we also wanted a say or an understanding of how better we can integrate. So this is not one, but there is more than one thing which has been considered for having this JV and when we looked in the market, we understood that if we keep on running a third-party kind of an arrangement, this business will get more and more difficult to enter. That is the reason we stayed out of this for so many years, otherwise it was quite easy to understand that after having a position in OAD, it is a natural progression to get into insulin. So, we have enough and more reasons to get into this JV, and it

will be as I said, the supply, some kind of a pricing, some kind of a strategic direction i.e which comes when, which combinations, all those things. So, that's where it is important.

Anubhav Agarwal: The last question on this is that we are paying Rs.15 crores right now. When Glargine gets approved or other product gets approved, maybe would there be some more milestone payments?

Amit Bakshi: Anubhav, there is nothing which we have decided at this point of time, there is nothing in the agreement, but I told you that this is strategic and why giving 30% to the manufacturer is important because we need to have his interest also in place. So while there is no agreement on that side, but the way things evolve and if we think that there is some strategic investment which needs to go behind, we will be completely open. That's how our mind is at this point of time.

Moderator: The next question is from the line of Surajit Pal. Please go ahead.

Surajit Pal: What I understood is that the two things which is bit different than what Eris has been telling us or has been targeting. One area is that which you are talking about is that given the kind of data, concentration level or the expansion level of insulin in GPs is 2%, whereas the specialty, super-specialty is around 30%. Now, what you have been telling us since beginning of this conference call, what I understood is that instead of wasting time and energy for converting people of the existing insulin taker, you might be targeting the guy who could be potential candidates to be converted into insulin. So that would be easier. So that means you are targeting new clients. Am I understanding is right?

Amit Bakshi: So there'll be a mix of both.

Surajit Pal: I understood the mix of both but your major target will be the new customer rather than converting and pursuing the older to new one which will be side-by-side we'll keep on going. But your major focus will be the new customer which will be easier to catch hold on.

Amit Bakshi: If you have this understanding, then I'm okay with it.

Surajit Pal: So my question is that since your basic USP is that you're a network among the specialty and super-specialty. What kind of strategy you have to get into also to the GP level where it would be easier to catch hold of or converting people into insulin?

Amit Bakshi: Education and hand holding for insulin initiation.

Surajit Pal: Second thing is that your return ratio focus instead of the operating margin focus, so this is something new. So, going forward, given the kind of JV you have made, can we expect there could be more number of products coming out of this JV or any other JV or other in-license deal, where margin will be lower than your current margin, but your target will be around 30% kind of ROIC or ROCE, so that will be your target going forward, so that could be the second understanding?

V. Krishnakumar: We have always maintained that we evaluate new opportunities and we always get asked about what screens to be used to evaluate M&A opportunities or in-licensing opportunities and we've always maintained that return on capital is the most important metric for us. Because, yes, you might have a business that is 40% EBITDA margin and then you have something that comes up which is 30% EBITDA margin, but that in itself doesn't make it conclusive evaluation, right, because you also have to see what investments you're making. So ROIC is not something that has popped up yesterday. ROIC has always been our screen to evaluate for investment opportunities and it will continue to be so. So we continue to screen M&A and in-licensing opportunities all the time. And so anything that is a strategic fit and anything that meets the financial hurdle, that is something that we will consider very strongly.

Surajit Pal: So going forward, given the kind of plan you have in terms of launching quite a good number of products and adding value to your portfolio, so into medium to long term, we can expect that you might be ending up to the margin of something like around 30% from the current level while you maintain your ROIC?

V. Krishnakumar: That's too difficult to say because nobody can forecast what kind of deals will get done over what time period. As far as medium to long term margin is concerned, we have always maintained that considering where we are starting from standalone EBITDA margin of 40% to 42%, we have the luxury and liberty to let go of 200, 300, 400 basis points of EBITDA margin as we push for growth. So that is something that has always been our strategy.

Moderator: The next question is from the line of Aryan Sharma from Infinity Investments. Please go ahead.

Aryan Sharma: In your presentation, you have said that Eris will be responsible for sales and marketing. So will Eris have to add in the MRs rather than improve the field force?

Amit Bakshi: Yes, this JV to begin with, will house around 200 people and then going forward, there could be some expansion.

Aryan Sharma: My next question is that this JV is more focused on diabetes. So are you planning on entering any other JV, maybe a newer therapy and what will be your strategy going forward regarding this?

V. Krishnakumar: As far as therapy focus is concerned, we have maintained that there are six therapies around which we are focusing our investments -- Diabetes, Cardiovascular, VMN, CNS, Dermatology and Women's Health. So any of the investments that we make whether it is organic or inorganic will be centered around these specialties.

Moderator: As there are no further questions from the participants, I now hand over the conference over to Mr. V. Krishnakumar for closing comments.

V. Krishnakumar: Thank you all for taking this call today morning. By way of summary, we all know that diabetes is a progressive disease and that India's diabetes patient pool is set to at least double in the next 20+ years. Hence, the next decade will see diabetes care emerge as an even more crucial therapy. The anti-diabetes therapy growth in the next 10 to 15 years will be driven primarily by four categories, DPP4, SGLT2, Insulin and GLP1 Agonists. Our strong market position in oral anti-diabetes will enable us to ride the growth wave in oral anti-diabetes through DPP4 and SGLT2 inhibitors and their combinations. Through this newly formed JV, we bridge an important gap in our diabetes care portfolio and are well positioned to leverage the market opportunity in human insulin, insulin analogues and GLP1 agonists. Our unique patient care platform through which we reach thousands of patients every year will enable us to effectively leverage the insulin opportunity which is essentially a patient service and engagement-oriented segment. We will bring our complementary skills to bear in order to expand access to insulin and GLP1 therapies in the Indian market. Thank you for attending this call and have a great weekend.

Moderator: On behalf of Eris Lifesciences that concludes this conference. Thank you for joining us and you may now disconnect your lines.

This document has been revised to improve readability.