



IPO OFFERING: Eris Lifesciences Ltd



About Company Recommendation: **Subscribe for Investment**

Gujarat based, Eris Lifescience Ltd is a pharmaceutical company engaged in research, development, manufacturing and selling of select therapeutic areas within the chronic and acute categories of the Indian Pharmaceutical Market. Eris product portfolio is primarily focused on therapeutic areas which require the intervention of super specialist and specialist doctors such as Diabetologists, Endocrinologists, Cardiologists, and Gastroenterologists. Eris products in the chronic category cater primarily to the therapeutic areas including cardiovascular, anti-diabetics and neurology, chronic respiratory and chronic pain (analgesics). Eris Lifescience own and operate a manufacturing facility in Guwahati, Assam. They also outsource the manufacturing of certain of its products to 20 manufacturers.

Price Band	: Rs.600/- to Rs.603/- Per Share
Bid Lot size	: 24 Shares
Issue opens	: Friday, 16th June 2017
Issue Closes	: Tuesday, 20th June 2017
Issue Size	: Rs 1741 Cr
Min App Amount	: Rs 14472/- at upper band

Msearch View:

We believe Investors are getting an opportunity to invest in domestic focused Pharma company which is on a high growth trajectory and we see further headroom for growth going forward. At Rs. 603 per share, company's market cap comes around Rs. 8291 Cr and PE multiples of 28x which is slightly on the higher side. We feel pricing appears to be reasonable, Considering Zero revenue from exports and it is immune from USFDA issues plaguing Indian Pharma currently Vs. its peers. Eris also enjoys tax break manufacturing facility at Assam, which accounts for 78% of sales. Hence, effective tax rate for company was very low. Considering healthy growth in domestic Pharma industry and no USFDA overhangs make this issue a Subscribe both from listing gains as well as long term investment.

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