“Shalby Limited
Q1 FY2020 Earnings Conference Call”

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Moderator: Ladies and gentlemen, good day and welcome to the Shalby Q1 FY2020 earnings conference call hosted by Elara Securities 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 touch-tone phone. Please note that this conference call is being recorded. I now hand the conference over to Mr. Param Desai from Elara Securities. Thank you and over to you Sir!

Param Desai: Thank you Steven. Good afternoon to all the participants on the Shalby Limited Q1 FY2020 earnings call hosted by Elara Securities. Today we have with us from Shalby Management, Dr. Vikram Shah our Chairman and Managing Director, Mr. Shanay Shah, Director, Dr. Nishita Shukla, Chief Operating Officer, and Mr. Prahlad Inani, the Chief Financial Officer. I will hand over the call to CFO for the opening remarks. Over to you Mr. Prahlad!

Prahlad Inani: Good afternoon everybody. I welcome you all forQ1 presentation. We are very happy to announce the result and talk about our growth. I would like to state the figures here that in Q1 FY2020, our company achieved a total revenue of Rs.1337.2 million compared to Rs.1187.4 million in corresponding quarter of the previous financial year , that is a growth of 13% year-on-year.

Our Ebitda For the Quarter grew to Rs.311.5 million compared to Rs.275 million in the corresponding previous quarter implying a growth of 13% on year-on-year basis. On quarter-on-quarter basis, we achieved a growth of 83%. We were able to maintain a strong EBITDA margin at 23.3% for this quarter and that was similar for the quarter corresponding to the previous financial year.

On year-on-year basis Q1 margin showed a growth of 10 BPS and 850 BPS on quarter-on-quarter basis. Profit before tax (PBT) for the quarter stood at Rs.209.7million compared to Rs.177.8 million for the corresponding quarter of the previous financial year. We achieved a strong growth of 18% on a year-on-year basis and 204% on quarter-on-quarter basis.

Corresponding to Q1 FY2019, our PBT margin expanded for Q1 FY2020 by 70 BPS to 15.7%. On a quarter-on-quarter basis PBT margin expanded by 970 BPS.

With respect to Profit After Tax, our current quarter PAT stood at Rs.236.6 million compared to Rs.121.3 million for the quarter corresponding to the Q1 of the previous financial year.

PAT margin stood at 17.7% compared to 10.2% of Q1 FY2019 and 2.9% for Q4 FY2019. The company clocked an ARPOB of Rs.32154 for this quarter compared to Rs.31141 in Q1 FY2019 that is also a positive sign here. Our occupancy also grew by 9% in Q1 FY2020 with 457occupied beds compared to 419 occupied beds last year.

With respect to our ALOS, our Quarterly ALOS stood at 4.24 days compared to 4.19 days in Q1 FY2019 and 4.38 days in Q4 FY2019. I would like to mention here that we have changed the ALOS calculation from Q1 FY2020 and we now exclude our daycare patient count from IP count for the same. This was done to better reflect average length of stay parameter. Over to you CMD Sir. I will be just presenting mature profile after a while .

Vikram Shah: Good afternoon dear friends. I am not very good at facts, figures as good as you guys and our CFO and Shanay are, so I am not going to talk on figures, but I am going to talk on a broader picture and the broader picture is that Q2, Q3, and Q4 of last year there were quite a bit of headwinds in this particular business, which we have overcome in this quarter and I am hopeful that we will be doing further better in the coming quarters and there are full indication of that even in our month of July.

I am very happy to say that we have overcome all our hurdles. We have overcome all our difficulties and our company is now not only zero debt, it is a cash surplus. All sectors, surgeries, medical therapy, radiotherapy, oncotherapy, and liver transplant, all specialties are doing very well and will continue to do so. As compared to all our peers or as compared to all other type of industries even in this time of recession we will do well and we are doing well. I am also happy to inform that Shalby received the Best Brand Evolution Award before one month in Delhi by Indian Express Group. Over to Mr. Shanay Shah for further details!

Shanay Shah: Good afternoon everyone. I will take you through some of the key highlights for the quarter further to what Mr. Inani has mentioned.

Q1 of FY2020 as he rightly mentioned has proved to be robust quarter for all of us on all the operational and financial parameters. Corresponding to Q1 of the previous financial year, we witnessed an 8% growth in the inpatient count at 9799. Our outpatient grew 24% at 87575. Our daycare patient count grew 101% at 6356 and surgery count for the quarter grew at 12% at 6146.

On the financial front as all of you must have seen the results our total revenue for Q1 FY2020 grew 13% to Rs.133.7 Crores. Our EBITDA grew at 13% and is at Rs.31.1 Crores and on a QoQ basis we saw 83% growth in our EBITDA numbers.

Our profit before tax increased to Rs.20.1 Crores. This is a robust growth of 18% year-on-year and over 200% on a QoQ basis.

Our PAT for the Q1 FY2020 grew to Rs.23.6 Crores, which signifies a 95% YoY growth and a 600% QoQ growth.

I am also very happy to say that Shalby Hospitals has reached a landmark of 2000 surgeries per month in the previous quarter and over 33000 plus patients footfalls per month. This is a result of our continuous focus on increasing our business efficiency and patient centric approach.

I think this is all from the management. We are happy to take questions.

Moderator: Thank you very much. We will now begin the question and answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Pritesh Chheda from Lucky Investment. Please go ahead.

Pritesh Chheda: Gentlemen, I just wanted to understand a bit on the performance of the hospital based on maturity if you could give some idea because the revenues, which you have clocked this quarter is substantially higher than what you would have done for the last four to five quarters so if you can give some idea on how the Ahmedabad hospitals did and the growth rate did and how did your newer hospitals perform and if you could give the accompanying margins in the Ahmedabad hospital and the newer hospitals?

Shanay Shah: We have already mentioned that EBITDA percentage of all the different cluster wise units, so it is there in the presentation.

Prahlad Inani: I will just brief you about the maturity profile. Our six years plus matured hospital, which is basically SG, Krishna, Vijay and Vapi, which is from Ahmedabad they have contributed nearly 47% of the total revenue and EBITDA margin for the same bucket hospital stood at 33%.

Pritesh Chheda: What is the revenue growth?

Shanay Shah: The revenue growth is 5%.

Prahlad Inani: Going to our four to six years hospital, which is Indore and Jabalpur, they have contributed 19% of the total revenue and EBITDA margin for the bucket stood at around 10.5% for this bucket.

Pritesh Chheda: And revenue growth?

Prahlad Inani: Revenue growth that is just flat at this moment with respect to Indore and Jabalpur.

Shanay Shah: The two to four years units, there are three units in this bucket and the revenue growth is 37% and they have done a healthy EBITDA of over 20% EBITDA margins and the less than two year unit only has Mohali where the growth has been 143% and the EBITDA margin was negative 8% for the quarter. It is a one year old unit so we should be breaking even in the next two quarter.

Pritesh Chheda: So your four to six year is at 10% EBITDA margin and two to four year is at 37% EBITDA margin?

Prahlad Inani: Two to four is a 37% growth and 20% EBITDA margin.

Shanay Shah: So the EBITDA margin in four to six years is 10% and two to four years is 20% that is how it is.

Prahlad Inani: That is correct.

Pritesh Chheda: Why is that disconnect for us slightly older hospital the margin is lesser?

Shanay Shah: What has happened is that the Indore and Jabalpur are both four years old units now and there were a lot of schemes that we possibly took up initially so that we could ramp up the capacity utilization and all of that and make the hospital known in the community, but after some point when you are already a mature hospital you try and focus on the more hygienic business that pays you well one and two that it pays you on time, so there are a lot of government PSUs, etc., where we have stopped doing work across those areas and we are focusing on more self pay and insurance work.

Pritesh Chheda: Lastly, when I see your numbers there is once the hospital ramps up you tend to stay on those business, so now after five quarters I see this Rs.120 Crores revenue and also your matured hospital growing 5% so it is safe to assume that what we see in this quarter is a sustainable performance or you have opinion otherwise?

Shanay Shah: We believe that last quarter was a one off, not this quarter. We feel that this is the kind of run rate we will be having in this current fiscal year for all the quarters. Q3 is usually a slightly damp for us because of the Diwali festival, but apart from that if you look at it even now the difference was that last year almost 50% of our capacity during last Diwali was new capacity. Right now all the new hospitals like Surat, Naroda and Jaipur would also have completed three years, so the kind of dip that you see during Diwali over the last two years you will not see that kind of a dip this year as well although you will not see the numbers like Q1 and Q2.

Pritesh Chheda: What is the net debt and what will be the capex numbers for FY2020?

Prahlad Inani: Outstanding is coming to Rs.99 Crores, and the net debt is right now zero. There is no working capital in other thing. In fact we are surplus on that front.

Shanay Shah: At this point of time, we are net cash between Rs.5 Crores and Rs.20 Crores at any point of time.

Pritesh Chheda: What will be the capex for FY2020?

Shanay Shah: There is no significant capex for FY2020. We can expect between Rs.10 Crores to Rs.15 Crores when it comes to our Mumbai Project and apart from that whatever maintenance capex will be there will be the capex for this year. We do not have any significant capex.

Pritesh Chheda: Thank you and all the best gentlemen. Thank you very much.

Moderator: Thank you. The next question is from the line of Jason Soans from Monarch Network Capital. Please go ahead.

Jason Soans: Thanks for taking my question. My first question would be if I see the key metrics like your outpatient count or your inpatient count, your surgery count all of these metrics have trended very well and they have grown very strongly this quarter, so just wanted to know what are the main drivers this quarter, which has lead to such a strong performance?

Shanay Shah: We have been investing in the right kind of doctor talent over the last six to nine months and if you look at our doctor cost as a percentage to revenue, it has been going up significantly, so even right now while we are talking about Q1 we saw the revenues grow at 13% to 14% from last year; however, the doctor cost is up by 22%, so we continuously believe that investing in doctors will help. Apart from that we are working a lot on marketing activities where we are trying to create awareness amongst people so we are doing a lot of medical camps, a lot of health talks and usually in healthcare you will see that when the outpatient count of the previous quarter is high the effect comes in the next quarter where you see a higher number of IP patient counts, so if you look at the OP count for this quarter, it has been one of the highest so we are expecting that the current quarter that is Q2 July to September will also be good for the company.

Jason Soans: Just one more question regarding your upcoming units, which are based I think two in Mumbai and one in Nasik when are they expected to be operational?

Shanay Shah: Nashik will be operational in the next 12 to 15 months time and the Mumbai unit the Asha Parekh Hospital will be operational in roughly 36 months from now.

Jason Soans: Thanks. That is all from my side. Thank you.

Moderator: Thank you. The next question is from the line of Runjhun Jain from Nirmal Bang Securities. Please go ahead.

Runjhun Jain: Thank you Sir. Sir just one clarity on the earlier participant about the maturity of the hospitals and the related EBITDA to that so you are saying that for the Indore and Jabalpur, which are under four to six years the margins are low because of the earlier discounts you have given, but you are now trading off from that exercise, so do you think that these margins are bottomed and we should see that directionally it should go up and eventually in the next two to three years they should also reach the levels at least if not by six plus years, but two to four years?

Shanay Shah: The insurance patients have gone up significantly. If you look at the last six months the insurance patients have gone up significantly. Second thing is that I want you to compare Q4 of FY2019 with Q1 of FY2020 when it comes to some of these numbers, so the OP numbers have gone up by 5%. The IP numbers have gone up by 10% and the number of surgeries has gone up by 25%, so from all fronts we had one of the best quarters when it comes to these two units and these are clear signs that the units will ramp up going forward. Having said that if you talk about the ARPOB, the cluster ARPOB looks less because Jabalpur has a SOC where the rebates are not as high as some of the other Tier 1 towns where we are present, but having said that the margins will surely expand and it has the capacity to do as well as some of our two to four hospitals when it comes to EBITDA margin, so we are going towards that kind of a path.

Runjhun Jain: Sir in the next two to three years we can expect to reach to that level?

Shanay Shah: Yes so we can reach between 12 and 24 months.

Runjhun Jain: Just one thing you are saying the insurance patients have gone up significantly sorry for the very nice position, but the insurance patients gives you more margins? Is it like that than the cash patients?

Shanay Shah: Insurance patients give you a much better margin because the kind of packages they give you are superior to some of the government schemes and some of the other private corporate.

Runjhun Jain: Thank you Sir.

Moderator: Thank you. The next question is from the line of Atul Mehra from Motilal Oswal Asset Management. Please go ahead.

Atul Mehra: Good afternoon and thanks for the opportunity. My question is if you were look at maturity profile of hospitals again, so this four to six bucket ARPOBs are much lower than the other buckets, so why is it that so far you have not been able to get them to the system average of 12000 plus?

Shanay Shah: You have to understand and which I have just mentioned in the previous question that two to four year bucket has Jaipur, Ahmedabad, and Surat. Four to six years has Indore and Jabalpur. Now Jabalpur being a Tier 2 city the schedule of charges are much lower over there, so when you look at aggregate number, the aggregate average the ARPOB looks to be lower, so that is the main reason. Second reason is very evident that the Arthroplasty revenue as a percentage to the total revenue is much higher in the six years plus bucket and the two to four bucket and that is driving the higher ARPOB over there, but that does not mean higher ARPOB does not necessarily mean a higher EBITDA margin, basically I think ARPOB is not the measure to look at for profitability, so from that perspective we are doing well in Indore and Jabalpur. There has been a change in management over the last six months so things are falling in place and I will repeat that our outpatient count from Q4 to Q1 has increased by 5%. The IP count has increased by 10% and the number of surgeries has gone up by 25% in the four to six year bucket that is Indore and Jabalpur.

Atul Mehra: Sir when do we see in terms of margins for this bucket reaching system level margin at about 24% to 25%?

Shanay Shah: You have seen that the two to four year units are doing 21% EBITDA margins so these two hospitals also have the ability to reach that stage and as I said between 12 and 18 months from now, we will be able to get there.

Atul Mehra: Sir if you were to do a capital allocation mix between these four buckets so how will it look like you have given the revenue share? How will the capital allocation look like for the four buckets?

Shanay Shah: Capital allocation I do not have the exact numbers in front of me right now, but less than two years would have about 5% to 7%. Two to four years would have about 50%. For four to six years would be another 25% and the balance would be six years plus.

Atul Mehra: One final question in terms of tax rate any particular reason why we got those tax write-back this quarter?

Shanay Shah: You are talking about the deferred tax?

Atul Mehra: Yes the tax write-back this quarter?

Prahlad Inani: Exactly there is one change in this budget, which is there from 30% to we are just coming into the bracket eligible for 25%, so it was one benefit we got and the other was because of the deferred tax liability we created and that was another benefit, which has come, so this way you will see that our PAT is higher with respect to the corresponding quarters.

Shanay Shah: Because we fall on MAT we are paying 21.4% tax so the tax outflow for this quarter is Rs.4.5 Crores.

Atul Mehra: Thanks and wish you all the best. Thanks.

Moderator: Thank you. The next question is from the line of Dhiresh Pathak from Goldman Sachs. Please go ahead.

Dhiresh Pathak: Sir in the new hospitals, which is Santa Cruz and Nashik, Santa Cruz is Rs.150 Crores capex how much have you spent so far?

Shanay Shah: So far we have not spent anything in Asha Parekh Hospital and we are yet to spend, so we will be spending between Rs.10 Crores to Rs.15 Crores in this fiscal and another Rs.10 Crores to Rs.15 Crores in the next fiscal when it comes to the building. The Nashik Hospital is under progress right now, so within 12 to 15 months from now the Nashik Hospital shall also be operational.

Dhiresh Pathak: This year's capex does not including anything for Nashik because you called out Santa Cruz, so Nashik and you said COD in 12 to 15 months, so Nashik capex is already been done in FY2019?

Shanay Shah: No Nashik capex will come in FY2021.

Dhiresh Pathak: FY2021 so then how will it get COD in the next 12 months?

Shanay Shah: Sorry.

Dhiresh Pathak: You will start spending in FY2021?

Shanay Shah: In Nashik the arrangement is such that the partner is making the building for us and when the building is ready in the next 12 months after that we will be investing in the Equipments, so that will come in the next fiscal year.

Dhiresh Pathak: Greater than six years bucket there the occupancy is only 37%, why cannot we have higher occupancy in assets, which are marquee assets and where the ARPOB and margins and everything is already so high so why do not we have higher growth? We have 437 operational beds? We barely occupy 40% of those?

Shanay Shah: There are a couple of reasons and we are working on the occupancy numbers over there to make sure that it goes up, so one of the reasons of course is the fact that in between we had stopped some of the local scheme work that we used to do in the receding Q4 so that number has gone down. Even then we have been able to maintain this kind of occupancy level because of the growth of some of the other insurance patients.

The second thing that we are trying to do in these units and of course, which is not visible in the presentation is that is that the daytime occupancy is 15% to 20% higher than the occupancy team in the presentation because there are a lot of people who get admitted during the day and get discharged in the evening, so these beds are occupied through the day, but you see them empty during the nighttime occupancy and what we show you on the presentation is nighttime occupancy, so if you look at that it is considerably higher than this number. Having said that there is still room to grow and we are working on that. It can grow 8% to 10% every year and another reason is that the six year plus years unit also has Vapi and for reasons the Vapi Hospital has not been able to do well and those are another 100 to 150 beds so because of that you see a lower occupancy percentage on the presentation.

Dhiresh Pathak: I am not just talking about this quarter Sir? I am saying that if you look at those greater than four year whatever your legacy marquee properties, which you invested when you first started your practice in India those assets if you look at the occupied beds they have stagnated, not just this quarter, but if you look over the last three to four years they do not grow in terms of occupied beds or they do not grow too much in terms of surgery count or inpatient volumes?

Shanay Shah: What has happened is the patient volume another thing is that our Chairman himself did not travel to some of the other units earlier. In the last three to four years, he has started doing that, so lot of traffic is being treated in these respective units also. To some extent there has been a cannibalization effect also, but having said that we have been able to maintain similar kind of occupancy levels, but as I said there is room to grow 8% to 10% every year in these units and we are working on that at this point of time. The occupancy numbers are not as low as they seem to be because as I said the daytime patients are 15% to 20% more and the second thing is that the Vapi unit 100 to 150 beds are beds are the hospitals over there is not doing too well for whatever reasons, which is why you see a lower number. Otherwise is between 50% and 60%.

Dhiresh Pathak: Why is Vapi not doing well?

Shanay Shah: Sorry.

Dhiresh Pathak: Why is Vapi Hospital not doing well?

Shanay Shah: Vapi Hospital is basically over there to get good talent is difficult because it is a Tier 4 town of India and after that we have kind of tried to stick with Tier 1 and Tier 2 towns and the population of the town is very less. It is about 5 lakh to 6 lakh people. It was in fact the first hospital we acquired in 2012 and over there we are trying again trying to send doctors the super specialist from Surat because it is a two hour journey from Surat to Vapi, so we are trying to develop the business from that perspective and most of the patients over there about 60% to 70% of the patients are covered by ESIC and they do not pay you too well. ESIC does not pay you too well, so we are trying with basically by sending the doctors from

Surat the super specialists over there to Vapi trying to do some high end work to improve our occupancy.

Dhiresh Pathak: Sir I was wanting to understand the four to six years maturity bucket where Jabalpur has an asset and you said that it being a Tier 3 town we are in , ARPOB is poor?

Shanay Shah: I got your question, so I can answer. So basically first of all Jabalpur, a Tier 2 city, has a population over 20 lakhs and over there as I said that ARPOB is not a major factor for profitability of that unit, but having said that the unit over there in Jabalpur has to ramp up and we will see a higher number so we do expect that Jabalpur also will do 20% kind of EBITDA margin in the 12 months to 18 months. We have kind of changed the management there over the last three months and we are working in the right direction over there to kind of do marketing because the best part is that in Jabalpur we are the only corporate hospital in the 200 kilometer, Mahakoshal area, so we are very, very optimistic when it comes to Jabalpur and Indore of course is already well. We are doing one of the highest occupancy numbers after our flagship unit in Ahmedabad, Indore is doing the next highest occupancy in terms of numbers and we are already a household name in entire Malwa region.

Dhiresh Pathak: Sir one more question, so of the total surgeries, which happened this quarter I think about 6000 plus surgeries how many would have been on Sir's name in terms of the patient directly coming and asking for him and being billed for his involvement?

Shanay Shah: Roughly 6000 surgeries have happened in total that is arthroplasty plus others and out of which roughly 3000 would be arthroplasty in this quarter, out of which we can say that about 500 surgeries, the 400 to 500 surgeries would be under his name or specifically the patient has asked for Dr. Shah it would be about that between 10% and 15% of total number of arthroplasty surgeries.

Dhiresh Pathak: So in a quarter 500 surgeries so five surgeries per day?

Shanay Shah: Yes.

Dhiresh Pathak: Thank you.

Moderator: Thank you. The next question is from the line of Runjhun Jain from Nirmal Bang Securities. Please go ahead.

Runjhun Jain: Thank you for the opportunity again. Sir there is two to three questions. Why the revenue growth has been flat in the four to six year bucket?

Shanay Shah: We had earlier mentioned in the last few calls that we have had to change management in the last three months over there in the Jabalpur unit and apart from that we did see there was a sharp fall during the elections, which happened in the month of December in MP, so the Q3 of last year was impacted because of elections also and as I said we are expecting things to improve from here on and we are already seeing that in the numbers so when you compare Q4 and compare Q1 we are already seeing the impact of us adding specialist doctors as well as increasing the amount of marketing activities that we are doing in that region.

Runjhun Jain: Sir I did not get it. You are saying you have changed the management, but that should not impact the patient volume? Second thing you are saying because of the elections, but elections that happened in Q3 so why Q1 has been flat? The Q1 in the last year did not have any impact on that right?

Shanay Shah: You need to understand Madam that marketing is driven by the Head of a unit at the respective unit right, so basically the marketing activities do get impacted and the previous management was there for the last 12 months and that is why you see the numbers being impacted.

Runjhun Jain: What was the Q4 growth comparable or FY2019 growth for this segment?

Shanay Shah: Madam Q4 last year to Q1 this year you are seeing a 5% growth in OP numbers, 10% growth in IP numbers and 25% growth in the number of surgeries done. This is QoQ Madam.

Runjhun Jain: Fair enough. Is there any impact of AS 116 on your profitability?

Shanay Shah: Is there any impact of?

Runjhun Jain: AS new standard of 116 that has changed from the recent?

Shanay Shah: Impact is negligible. It is to the tune of Rs.40 lakh in the quarter.

Runjhun Jain: Sir, I am new to the company, so sorry, but what are the investments you have earmarked for the Nashik unit?

Shanay Shah: We are going to invest Rs.25 Crores.

Runjhun Jain: Rs.25 Crores. Sir is there any increase in the surgery prices also like we have seen the increase in the volumes, but are the prices have also increased? Any hike you would have taken?

Shanay Shah: We have not taken any significant hike.

Runjhun Jain: For future also you think that it would be at the same level so for our position we should not take any hike in the prices?

Shanay Shah: What happens is that usually we do not hike up the prices of the entire SOC all together, so we pickup a particular segment say pathology, radiology every quarter and we kind of revise the procedures according to the market prices, etc., so you can expect an ARPOB increase of between 3% and 5% every year.

Runjhun Jain: Last question from my side. You are saying that you have been investing in the doctors and that is why that increment is higher than the sales increment. I am sure this is the continuous process ongoing process, but the hike what you have specified for this quarter is a little higher so do you think this is like a one-time or would normalize and would be more in the sync of the sale growth?

Shanay Shah: Usually in healthcare business you have to invest in doctors first and then you get the revenues right, so essentially you will not see this kind of a rise going on every quarter and quarter-on-quarter for the next quarters, but you will see a higher jump in the revenues over the next few quarters.

Runjhun Jain: That is what exactly I was trying to understand. This is like a one kind of thing, which we have seen in this quarter and going forward it should normalize?

Shanay Shah: Yes. That is correct.

Runjhun Jain: Thank you so much Sir.

Moderator: Thank you. The next question is from the line of Aparna Naik from CRISIL Limited. Please go ahead.

Aparna Naik: Thank you for the opportunity. I just wanted to know your hospital as in legacy have been scheme work, so has there been any incremental demand that you see in surgery count because of the new scheme of the government?

Shanay Shah: If you see, we have seen an uptick in numbers so we do three schemes in three particular states schemes in our hospitals, so the Ayushman Bharat Scheme the kind of numbers that we used to do in Q4 last year, we have done five times the numbers in Q1 this year and apart from that when it comes to the Mukhyamantri Amrutam Yojana in Gujarat so that also we have seen an uptick in numbers in this quarter.

Aparna Naik: Has there been an increase in the daycare patient counts also because of that?

Shanay Shah: In the daycare patients we have not seen that much uptick, but we have mainly seen the uptick in the surgery patients.

Aparna Naik: Thank you so much.

Moderator: Thank you. As there are no further questions, I would now like to hand the conference over to the management for closing comments.

Prahlad Inani: Thank you everybody for the joining this call. We are really happy this quarter was good for us and the same thing will remain for the next all three quarters. Thank you everybody.

Moderator: Thank you. Ladies and gentlemen, on behalf of Elara Securities that concludes this conference. Thank you for joining us and you may now disconnect your lines.