



“Narayana Hrudayalaya Limited Q2 FY18 Results
Conference Call”

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MANAGEMENT:

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Moderator: Ladies and gentlemen, good day and welcome to Narayana Hrudayalaya Limited Q2 FY18 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. In case 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. Debangshu Sarkar. Thank you and over to you, sir.

Debangshu Sarkar: Thank you, Aman. Good afternoon, ladies and gentlemen. Myself Debangshu Sarkar, and I run the Investor Relations and Mergers & Acquisitions function at NH. I welcome you all to our Q2 FY 2018 Earnings Conference Call on behalf of the Company. To discuss our financial and business performance, outlook and to address your queries today we have with us Dr. Ashutosh Raghuvanshi – our Group CEO; Mr. Kesavan Venugopalan – our CFO; Mr. Viren Shetty – who spearheads the Strategy & Planning at NH; and Ashish Sukhija from the IR team alongside myself. I hope you have gone through our result release and the quarterly investor presentation, which have been uploaded on our website as well as the Stock Exchange website. Before we proceed with this call, I would like to remind everyone that this call is being recorded, and the transcript of the call shall be made available on our website. I would also like to remind you that everything being said on this call that reflects any outlook for the future or which can be construed as a forward-looking statement must be viewed in conjunction with the uncertainties and the risks that they face. These uncertainties and risks are included, but are not limited to what we have mentioned in our prospectus filed with SEBI and subsequently, annual report on our website. After the end of this call, in case you have any further questions, please feel free to get in touch with us.

With that, I would like to hand over the call to Dr. Raghuvanshi.

Dr. Ashutosh Raghuvanshi: Thank you, Debangshu. Good afternoon to all of you. On behalf of the Company I welcome all of you to our earnings conference call.

We started fiscal 2018 with a strong revenue growth despite pressure from price regulation on drugs and implants. We are pleased that this quarter posted ~15% growth in revenues on the back of well-calibrated expansion exercise we undertook in Northern and Western regions of the country along with sustained performance from our Southern and Eastern clusters. The capital cycle associated with our newly commissioned hospital in South Mumbai resulted in subdued profitability this quarter, but these results are in accordance with the typical trajectory of a newly commissioned hospital. However, growth of ~15% in operating revenues on the back of our newer facilities such as Dharamshila Narayana Superspecialty Hospital, is a reason to cheer.

We believe that short-term challenges should not have a material bearing on the long-term growth prospects NH envisages in its journey towards becoming a leading healthcare operator. There might be sweeping regulatory changes across the healthcare sector but we are of the view that

the long term potential remains intact and this provides plenty of growth opportunities to a low cost operator like NH.

NH remains committed to expanding across major healthcare markets across the country. Our Northern and Western clusters have started contributing meaningfully to the group's performance and we are hopeful of a strong ramp up in due course of time. SRCC Narayana Children's Hospital in Mumbai is fast gaining eminence in the region and has been recently awarded with "The Best Emerging Brand" award at the National Award for Marketing Excellence presented by Times Network. On the northern cluster front, we are pleased to share the news that our Dharamshila Narayana Cancer Hospital has been upgraded to a state-of-the-art Superspeciality hospital with tertiary healthcare specialties like Orthopedics, Urology, Nephrology and Gastroenterology under one roof.

With this backdrop, let me summarize the headline performance of NH during the second quarter of fiscal 2018. For the last quarter, we registered a robust growth of ~15% in total operating income from INR 4,874 mn to INR 5,592mn. We recorded an EBITDA of INR 638 mn reflecting an EBITDA margin of 11.4% as compared to INR 681 mn in Q2 FY17. As outlined earlier, this minor dip in profitability is on account of recent commissioning of SRCC Children hospital in Mumbai.

Elaborating on performance front, this quarter was again a healthy mix of sustained growth in the matured facilities falling into greater than 5 years' bucket coupled with a strong ramp up at newer facilities. Our mature centres continue to provide a steady cushion to group's performance in terms of industry leading growth of ~12% YoY with consistent, best-in class ~23% EBITDA margin. This was accompanied by commendable ramp up of operations in newer facilities such as Mysore, Whitefield, Guwahati and Jammu; allowing less than five years' bucket to grow at ~32%.

Moving onto international operations, we are delighted to share the news that NH entered into an definitive agreement with Ascension Health Alliance and its affiliate Ascension Health Ventures LLC to effectively increase NH's shareholding in HCCI to 100%. Our Cayman facility continues to grow on the solid platform laid down in FY17. The facility reported revenues of US\$11.6 mn in Q2 FY18 with an EBITDA of US\$1.8 mn reflecting a strong margin of 15.9%. The 105 capacity-bedded super-speciality hospital with core offerings across cardiac sciences, orthopaedic, neuro sciences etc., having commissioned in April, 2014, broke even at monthly EBITDA level in the 24th month of its operations and became profitable at Net Profit (PAT) level in Q4 FY17.

The commendable performance of this facility underpins the sheers success of NH's differentiated business model even in unexplored international territories like Caribbean Islands. We remain confident about the prospects of this facility in terms of attracting international patients from the neighbouring island nations and its ability to contribute significantly to group's cash flows.

On the clinical front, our enhanced focus on high-end specialties has started yielding desired results with specialties like Gastroenterology and Oncology now contributing ~17% and ~10% respectively. Our clinical results have resulted in NH garnering attention of patients across the Middle East, Africa nations and South Asia. This has led to international patients' base now contributing ~9-10% to group revenues.

Coming to the clinical developments, we are pleased to witness significant progress in this direction as we continue to prioritize health and well-being of the patients.

- Our superspeciality hospital at Vaishno Devi, Jammu performed its 5,000th dialysis in August 2017 (17th month of operations) cementing the facility's pre-eminence in nephrology in the northern region of the country
- Our hospital in Mumbai performed Extracorporeal Membrane Oxygenation (ECMO) on a little girl suffering from H1N1 and severe hypoxemic respiratory failure, the procedure being first of its kind in a paediatric case in Mumbai
- For the first time in Eastern India, a patient was successfully treated with Flattering Filter-Free Radiotherapy in Narayana Superspeciality Hospital, Howrah bolstering our reputation as a leading player in oncology
- Our hospital in Howrah successfully performed a complicated procedure involving Intra-Cardiac Repair for Tetralogy of Fallot along with a complete chest wall reconstruction on a 2-year-old girl

I am also pleased to announce that during the last quarter, our organization was recognized at various platforms, the key ones being the following:

- NH won The Economic Times "The Best Asian Healthcare Brands 2017" award in September 2017
- SRCC NH Children's Hospital won "The Best Emerging Brand" award at the National Award for Marketing Excellence presented by Times Network in September 2017
- NH won "The Express Healthcare Excellence Award 2017" in Health Tourism category in September 2017
- Narayana Institute of Cardiac Sciences, Bengaluru was listed among "The Most Trusted Hospitals" in Bangalore by Reader's Digest in September 2017
- Dharamshila Narayana Superspecialty Hospital, Delhi was listed among "The Most Trusted Hospitals" for Oncology in Delhi by Reader's Digest in September 2017

The list goes on, while these achievements recognize the pioneering work we do in healthcare space, we continue to evolve our business across the geographies with focused approach on affordability, high quality tertiary care and fostering clinical excellence.

We are of the view that the Indian healthcare sector is poised to grow by leaps and bounds. NH believes that it is very strongly placed in this value chain and is advancing progressively towards its aim of providing affordable quality healthcare to all. Near to medium impacts might affect us

to some extent but in the long-term, as these ripples smoothen out, NH will emerge as a dominant, Pan-India healthcare player.

Now I would like to open the floor for questions.

Moderator: Thank you very much. Ladies and gentlemen, we will now begin the question-and-answer session. The first question is from the line of Nirmal Bari from Sameeksha Capital. Please go ahead.

Nirmal Bari: I have two set of questions, one is, as you already mentioned about the 3-5 years and >5 years buckets have been growing and supporting the Narayana Hrudayalaya's growth overall. But ARPOB in these buckets declined this quarter, anything more to read on ARPOB here? That is one and second is, if I look at the trend of 3-5 years and >5 years buckets, we are seeing occupancy rate of around 60% to 70% range and growth has been moderated at 12%, less than 12% that is a peak as you say that industry-leading growth on the matured assets. So how are we, in a sense that for the matured asset like we have the growth and the occupancy are at the current level is the peak one can expect from this asset? These are the set of questions. Thanks.

Dr. Ashutosh Raghuvanshi: Yes. So your second question first. As far as the matured centers are concerned, two of those in the Bangalore cluster still have a further headroom in terms of occupancy. So we expect that those centers to continue to show a larger growth. However, in the larger center in the East, which is RTIICS, the growth has been muted in the last quarter due to capacity constraint. We expect that the growth over there will remain muted. However, in the all other centers there is still a headroom to grow. As far as the sequential QoQ ARPOB drop is concerned, the same is attributed to change in case mix due to seasonal factor as well as relatively higher proportion of government scheme empaneled patients.

Nirmal Bari: Okay. And on the acquisition, if you see the enterprise value that is ~\$70 million, it translates into upwards of 400 crores and I think that translates into EV per operating bed at around greater than 4 crores per bed. So is it a fair valuation or anything we want to add more apart from what you have mentioned in your initial remark on the acquisition?

Dr. Ashutosh Raghuvanshi: You are referring to Cayman Islands' transaction?

Nirmal Bari: Yes. Cayman

Debangshu Sarkar: Nirmal on this one, we believe this is a fair value transaction, which has been contractually agreed upon by both the parties, who have been involved in this project from day one, i.e. it has been almost 3.5 years. The current numbers possibly are not a true or a fair reflection of what the true earning potential of this asset is. Having said that, both the parties in their own wisdom felt that looking at the fair potential of this asset in terms of its earning capacity, discounting that to the present value in terms of what the cost of capital could be for both the respective parties.

And thus, was arrived at what both the parties felt was a fair valuation for this asset at this point of time.

Nirmal Bari: Okay. Because, why I'm referring to 4 crores per bed, operating bed valuation at HCCI we are paying right now, if we see as a whole, Narayana Hrudayalaya overall at the current venture, our EV to operating bed is somewhere near 1.1 crores, 1.2 crores, so I just wanted to understand.

Viren Shetty: Cayman Islands is a first world country, the earning potential there is in several orders of magnitude higher than in India. So it's not good to compare the EV per bed in India versus in Cayman Islands.

Debangshu Sarkar: Just to add on to that, the gross block of the unit itself is \$70 million, so that is relatively how costly it takes to put up a bed over there as compared to India.

Moderator: Thank you. We have the next question from the line of Charulata Gaidhani from Dalal & Broacha. Please go ahead.

Charulata Gaidhani: Yes. My question pertains to Dharamshila, you have said that Dharamshila has been upgraded to multispeciality, how much was the CAPEX involved in this and how do you account for the performance of Dharamshila?

Debangshu Sarkar: Charu, the CAPEX for upgrading it to a multispeciality facility in terms of the specialities that Dr. Raghuvanshi mentioned in his opening remarks is not that significant. It is certainly less than 5 crores kind of a number at this stage. And as we have previously mentioned in terms of putting up a newer block, which will accommodate the cardiac sciences specialties which will take probably 18 to 24 months from now, that CAPEX is being borne by the partner to the tune of around 25 crores. So this upgradation of the Dharamshila from a pure cancer block to a multispeciality unit has not cost us any significant amount in terms of CAPEX. And this addition has essentially been factored into post this quarter, so the results of that will possibly be borne out in the results of Q3 quarter onwards. So till Q2 it continued to remain essentially as a cancer only facility.

Charulata Gaidhani: Okay. And how do you account for the revenues and profits of Dharamshila?

Debangshu Sarkar: 100% of the revenues is booked in our books.

Charulata Gaidhani: Okay, fine. Then my second question pertains to depreciation, it is quite high in the quarter.

Debangshu Sarkar: We don't foresee any specific change in or rather any particular reason for change in that. There has been some accounting treatment as per relevant clauses of IND AS whereby some bit of non-cash provisioning has been done to our balance sheet on the asset side, which would have resulted in a higher depreciation and amortization cost. But the specifics of which, we can possibly get back to you on a separate basis on a call or sometime later over e-mail or something.

- Charulata Gaidhani:** Okay. Then if I can squeeze one more, the occupancy rate is a little lower than Q2 FY17?
- Viren Shetty:** Are you talking about overall occupancy?
- Charulata Gaidhani:** Yes.
- Viren Shetty:** That would be because we commissioned a new hospital in Mumbai, and that dragged the overall number down.
- Moderator:** Thank you. We have the next question from the line of Farzan Madon from Axis Capital. Please go ahead.
- Farzan Madon:** I would like to ask one question on the Mumbai facility, as to how much would be the EBITDA loss for Q2? I guess Q1 it was close to around Rs. 7 crores.
- Debangshu Sarkar:** Yes. It's closer to the same numbers, around 8-odd crores for this quarter.
- Farzan Madon:** Right. And are we seeing any impact of the stent pricing or have we increased procedure prices in this quarter?
- Dr. Raghuvanshi:** We have taken the pricing sort of readjustment, which is splitting the procedure (Services) price and the stent (product) price. This has happened only during the month end of September, which was the six month period post change in the stent prices. So, the impact of that, you would start seeing from the third quarter. This quarter, you can assume for all practical purposes that there has been an impact of the price change in the stent. In terms of quantum, I would say that it is about 7 crores.
- Farzan Madon:** Okay. So totally our EBITDA was depressed by roughly around 15 crores, I would assume?
- Dr. Raghuvanshi:** Yes. I mean, Mumbai and stent put together, that would be the number.
- Farzan Madon:** And we still maintain that Mumbai unit can breakeven within 18 to 24 months?
- Dr. Raghuvanshi:** 18 to 24 months from now, yes.
- Farzan Madon:** Great. And just one more question, is that the Cayman Islands will now be consolidated 100%, right? which also will again be reflected in EBITDA. Then it must be a higher EBITDA?
- Dr. Raghuvanshi:** Yes. That's right.
- Moderator:** Thank you. We have the next question from the line of Harith Ahamed from Spark Capital. Please go ahead.
- Harith Ahamed:** On the Cayman Islands Hospital, can you provide the occupancy levels at this point?

Debangshu Sarkar: It's around occupancy of 24-odd beds out of the 90-odd census beds that's commissioned over there. You should also bear in mind that a lot of day care procedures are being undertaken by this facility, which doesn't get reflected in the midnight census that we report in terms of occupancy. So to that extent, if you were to calculate, let's say, a mid-day noon census for this, it possibly will go up to as high as 35-36.

Harith Ahamed: Okay. Understood. And just to understand the rationale for the acquisition a little better. If I remember right, a couple of years back, there was an opportunity to invest additionally in this facility and we had refrained from doing that. So and now what has changed for us to step up our stake in the facility?

Viren Shetty: We invested in this hospital along with Ascension Health Alliance from the US, which is the largest non-profit catholic healthcare network. And the idea was that, we would enter as 50-50 joint venture partners. At that time, we had a constraint in our ability to invest outside India, and so we committed to ~29% of the funding with a call option that would bring us up to 50%. Discussion that we had with Ascension was to go up only to 50%. For Ascension, primarily US-based healthcare operations have faced significant regulatory and financial challenges over the past couple of years, specifically around the Affordable Care Act, and a lot of the regulatory issues around their own versions of Medicare and price control. So they have been divesting a lot of their foreign operations. They had a joint venture with us called TriMedX in India, that was into maintenance of medical equipments that they sold. So this Cayman venture was the only healthcare asset outside the US that they wanted to get rid of. And so the discussion to increase our stake to 50% turned into an outright acquisition.

Viren Shetty: Sorry for the call drop. As I was saying, we were able to acquire the rest of Ascension stake, while they were very keen to exit for strategic reasons. This came to us at a very good time because the hospital has done extremely well. We believe that there has been very strong growth both in the Cayman Islands as well at the broader Caribbean and Latin American markets. So this is something that we predict will show very strong growth going forward.

Harith Ahamed: And the ARPOBs that we have at this facility currently, is there a scope to take this up further through adding new specialties or new procedures there?

Viren Shetty: We have \$1.9 million ARPOB at Cayman Islands and we believe that that is about as much as can be possible with the current case mix. We are considering at sometime in the future, we may increase the speciality mix to include cancer as well. But for the time being, we still have enough latent capacity to drive up more footfalls and do more with that.

Harith Ahamed: Okay. And secondly on NewRise, can you give an update on the timelines around commissioning and update on the ongoing CAPEX, doctor recruitment, if you have started that?

- Viren Shetty:** Sure. We have got extremely good interest from a lot of the top and leading doctors of the Delhi region. The construction is in full swing, all fingers crossed, we should be ready to get this, at least the operation started, if not fully commission, by the end of this year.
- Harith Ahamed:** Okay. And lastly, in the West cluster, there is a sequential decline in occupancy. And this is a cluster where we have talked about a lot of changes in hospitals like Jaipur and Ahmedabad, in terms of adding new doctors and specialties and in general strengthening the clinical programs there. So how are these hospitals shaping up? And how should we look at the occupancy in the West cluster going forward?
- Dr. Raghuvanshi:** Jaipur and Ahmedabad, both these hospitals have lagged as we have said before. And in this quarter also both these hospitals did not show a very great growth. Jaipur grew only by about 3% and Ahmedabad actually reported a negative growth compared to same quarter of last year. So we have been making certain structural changes both in terms of clinical manpower as well as leadership related changes. We expect to see some change, but I think that the changes will take some time before they really mature. And these, especially Jaipur, we are confident that it will be turning around during this quarter.
- Moderator:** Thank you. We have the next question from the line of Nitin Agrawal from IDFC Securities. Please go ahead.
- Nitin Agrawal:** Doctor, on the Mumbai Hospital, are there any specific challenge that we faced in the city, which are yielding such high operating losses and such a prolonged breakeven time or this is a template that we should assume that will be followed in all the other new launches that we will be doing?
- Dr. Raghuvanshi:** No, Nitin. I think it is as per expectation. Your comment about the operating losses being higher than what it would be in another location is correct, because of the South Mumbai location, expenses definitely are little higher, the salary burdens etc. are little higher than we would face in a secondary location. So that is true, however, there are no specific challenges other than that and the ramp-up is pretty smooth and here also we have got a very good bunch of clinical talent in the hospital. So the trajectory, which we are expecting of the 18-24 months is within the expected lines. I won't say that this is unusual. And going forward, again it will depend on the location. Similarly, like the hospital which we are going to commission in Gurgaon also is likely to see slightly higher fixed cost, but then at the same time, the ARPOBs also are expected to be higher. So that way, the maturity cycle, the time it takes would be more or less similar, but eventually when it breaks even, the relative profitability is likely to be higher in A grade location.
- Nitin Agrawal:** Okay. And what would be the breakeven occupancy in your assessment for Mumbai hospital?
- Dr. Raghuvanshi:** Mumbai, I would expect around 50 beds occupied should be a breakeven occupancy. In Q2, the average occupied beds was 18 while currently the occupancy is about 25 beds.

- Nitin Agrawal:** And if you know, while it is early days, what would be a number that you would be looking for Gurgaon to breakeven?
- Dr. Raghuvanshi:** Gurgaon will be difficult for me to predict today. But yes, I think it should be about 60 to 70 beds occupied for breakeven.
- Nitin Agrawal:** So for Mumbai, there is an improvement in occupancy over what we did last quarter, right?
- Dr. Raghuvanshi:** Yes, there is an improvement from 4 (Q1) to 18 occupied beds (Q2). Even in current quarter (Q3), during the festival period, there was a little bit of dip, but otherwise it has been going up steadily.
- Nitin Agrawal:** Okay. thanks. And secondly after this transaction of the Cayman Islands hospital as well as the payout associated with the Gurgaon hospital, we would be significantly more leveraged than we were at the start of the year. I mean, so how do we look at inorganic growth opportunities here on going forward now?
- Viren Shetty:** We would take it on a case to case basis. We have a large M&A team that's looking at the acquisition opportunities, but most of these are asset-light in nature. The inorganic full acquisition (Asset heavy) that we do for example for the Gurgaon hospital was just one among the other acquisitions we did. So at least for the foreseeable future, we wouldn't be deploying any capital on large acquisitions and the one that we would take over would be more asset-light.
- Moderator:** Thank you. We have the next question from the line of Anuj Jain from ValueQuest Capital. Please go ahead.
- Anuj Jain:** I had one small question, what was our occupancy at Dharamshila unit in Q2?
- Debangshu Sarkar:** 48 occupied beds.
- Anuj Jain:** Because we have mentioned in the PPT slide for Delhi unit and Mumbai unit, the occupancy was 30%. So it was 48% to 49% in Q2?
- Debangshu Sarkar:** No. 48 occupied beds. The number of operational beds in Dharamshila is around 190 with census beds of around 150 thus with an occupancy of ~33%.
- Anuj Jain:** Okay, any reason of low occupancy in Dharamshila or it's a normal thing.
- Dr. Raghuvanshi:** Dharamshila facility was an oncology only centre till Q2, with large day care (radiation and medical oncology) volumes.
- Anuj Jain:** Okay. So that was the reason.
- Dr. Raghuvanshi:** Yes.

- Moderator:** Thank you. It's a follow-up question from the line of Nirmal Bari from Sameeksha Capital. Please go ahead.
- Nirmal Bari:** On the CAPEX front, what is the guidance on this and next year?
- Kesavan Venugopalan:** See, I think from the replacement / maintainence / upgradation CAPEX, it would be approximately around 150 crores or even less than that on yearly basis, apart from the any other new facilities what we would have.
- Debangshu Sarkar:** In H1 2018, we have incurred around 50 crores towards replacement / upgradation and maintenance CAPEX other than what we have incurred for Mumbai and Gurgaon, which are basically one off in nature.
- Nirmal Bari:** What would be that amount, it will cumulatively be around 350-odd crores including Bombay and Delhi CAPEX?
- Debangshu Sarkar:** Gurgaon was 180 crores and Mumbai was 52 crores bulk of which was incurred in last fiscal year.
- Nirmal Bari:** So I'm talking about first half, what we have spent.
- Debangshu Sarkar:** First half, leaving aside Gurgaon and Mumbai, it was 50 odd crores.
- Nirmal Bari:** Inclusive of both these hospitals?
- Debangshu Sarkar:** Add-on 187 crores, because we have incurred another 7 crores towards CAPEX towards Gurgaon in the last 6 months. And another 4-odd crores towards Mumbai in this fiscal year. Around 240 crores in total.
- Nirmal Bari:** Okay. And balance we are seeing, what will be the amount this year?
- Debangshu Sarkar:** Another 50 to 100 crores.
- Nirmal Bari:** Sure. And in terms of ARPOB we have seen, as you explained that one of the reasons, because of the two centers which are recovering that led to a slight dip in the ARPOB. So can we see that normalize over the quarter or it will take some more time for the ARPOBs to improve?
- Debangshu Sarkar:** ARPOBs, as it has been improving steadily, as you see anything between 10% to 14% typically. This quarter with the onset of the monsoon typically there is a rise of lot of flu-related diseases which have been borne out historically in the Q2 quarter, which always results in a sequential dip in the ARPOB as compared to Q1. So this is something which is very much expected and in line with seasonality of the business. To add on to that, in this particular quarter, sequentially speaking, there has been a slight increase in the payor mix geared towards the scheme patients, which has also added on to the pressure on the ARPOB sequentially speaking, but to our belief,

ARPOB growth of 10% despite that year-on-year is pretty impressive and something that we would be very keen to cling on to going forward as well.

Moderator: Thank you. We have the follow-up question from the line of Charulata Gaidhani from Dalal & Broacha. Please go ahead.

Charulata Gaidhani: My question relates to the increase in stake in Cayman Islands, how much will it cost?

Debangshu Sarkar: Charu, as per the Stock Exchange filing that we have filed yesterday, the payout involves around \$32 million for the balance stake of 71.4% to be made to our partner Ascension over there.

Charulata Gaidhani: Okay. And just about what the previous participant asked, the CAPEX for FY18 will roughly be around 350 crores?

Debangshu Sarkar: Including Mumbai and including Gurgaon, yes.

Charulata Gaidhani: Okay. So, and FY19, how much you expect it to be?

Debangshu Sarkar: Other than specific projects that we might end up acquiring, if at all, it should be hovering around a figure of 150 crores.

Charulata Gaidhani: Okay. So you will capitalize Delhi also in FY18?

Debangshu Sarkar: Yes. I mean, that's the intention.

Moderator: Thank you. Ladies and gentlemen, that was the last question. I now hand the conference over to Mr. Debangshu Sarkar for closing comments. Thank you and over to you, sir.

Debangshu Sarkar: Thank you all for participating in this Investor call of ours. Should you guys have any further queries or questions please feel free to get in touch with any of us at any of the forums. We would be more than happy to get back to you to address the same. Thanks again.

Moderator: Thank you very much. Ladies and gentlemen, on behalf of Narayana Hrudayalaya Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.