Max India Limited
Earnings Conference Call
May 30, 2017

Moderator

Ladies and gentlemen, good day and welcome to the Max India Limited Q4 & FY17 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. I now hand the conference over to Mr. Jatin Khanna – CFO of Max India. Thank you and over to you, Mr. Khanna.

Jatin Khanna

Good afternoon everyone. Good morning to all participants from US and Europe and good evening to participants from the East. First of all, I would like to thank you for being part of Max India's earnings call. My name is Jatin Khanna and I am the CFO for Max India.

Before proceeding with the performance highlights, I would like to introduce my other colleagues who are with me on this call. I have with me Yogesh Sareen the CFO of Max Healthcare and Rahul Ahuja the CFO of Max Bupa. I would like to begin with significant developments that have taken place in the last quarterwhich some of you might already know or might have seen in the press. We have been in past talking about consolidating our shareholding in our healthcare business to about 50%**,** by acquiring 3.75% stake from IFC between us and Life Healthcare. So, pleased to report that we have agreed to do so with IFC for a consideration of Rs. 212 crore. The agreement for the same is currently under finalization. To fund this acquisition as well as other funding needs of our businesses over the next 24 to 36 months, a shareholder approval for allotment of warrants to sponsor of Rs. 300 crore is being secured. We have also initiated the funding process for acquisition of 49% stake in Saket City for which IFC has offered a long term funding proposal of around Rs. 500 crore.

So with these highlights, now I will move on to the key highlights for our businesses and their performance for FY'17. I am very happy to share that Max Healthcare had a robust revenue growth of about 18% to Rs. 2,567 crore despite business impacted by demonetization and regulatory headwinds. Our East Delhi and Saket complex posted strong revenue growth of 22% and 20% respectively. Significant portion of revenue growth was driven by Max Healthcare's, key focus specialties, wherein renal science led the revenue growth by 28%. EBITDA has grown at strong 31% to Rs. 281 crore and our margins have improved by 120 bps to 11.4%. This is despite the fact that the business got impacted by demonetization and regulatory headwinds. As you know, price controls have been put on some of the

drugs and stents and Delhi government has increased the minimum wages amongst few other small things. Those are some of the regulatory headwinds which are impacting the performance.

The growth in profitability was driven primarily by improvement in margins of new hospitals, which expanded to about 8.3% from 4.2% last year. The return on capital from mature hospitals have improved further by 80 bps to about 18.1% and we see further improvement over the years as the performance of mature beds improves. Max Saket has received JCI accreditation which is the highest standard of clinical governance and compliance across the world. The two landmark acquisitions we did in Max Healthcare last year provided Max Healthcare a catalyst to step up the growth to encouraging level. We expect the strong growth trajectory to continue for many more years as we double our bed capacity to over 5000 beds. Most of this growth is brown field and we already have land bank in place to deliver the expansion. And also line of sight on internal accruals as well as the leveraged capacity to internally finance this growth.

As margin expands further and unmatured hospitals start to mature, Max Healthcare is expected to continue to outpace growth of most of the other corporate hospital chains in the country. Also happy to report that Max Bupa continues its fast paced growth with GWP growing at 25% to about Rs. 594 crore. The tie up with Bank of Baroda though in initial phase, is gaining traction, and the branch ramp up is improving. Also, our IT systems are integrated with Banks core system. So we expect significant bump up in growth coming next year because of Bank of Baroda. The alliance will also provide Max Bupa an access to 5,400 branches with some 60 million customers which will be very good for the long term growth of the business.

Now briefly some notable highlights for the quarter. Like I initially talked about many regulatory interventions happened in the business, the impact of those interventions was significant in Q4 and that was topped with some demonetization impact, some impact of mild winters in Delhi and also we closed down our inpatient facility in Pitampura. We moved some business to Saket City hospital from the existing Saket network because of which some beds were also not available because of which some of you might have noticed a 5% drop in revenue growth on matured beds,. But other than these, some of these one-off items and some unplanned items which come and hit, all of them together in Q4, the business is on a good trajectory and we actually saw recovery coming back starting from the month of March and now it is back on track in terms of how we expect it to perform going forward. Because of this, the overall revenue growth was a moderate at 5% but what we did was relentless focus on cost and that drove up our EBITDA margins quite sharply. So the margin expanded by about 182 bps to about 12.8% as we closed the Q4**.** The growth in the profitability was again driven by unmatured hospital margins expanding from 6% to about 10.4%.

Happy to report that we have taken around Rs. 58 crore cost from the business in FY17 against the target of about Rs. 30 crore and we are targeting another Rs. 60 crore cost takeout in FY18. So there is a very sharp focus on cost which is helping us deliver superior outcomes on profitability despite the fact that there is a significant headwind on the other side on the regulatory intervention which happened in the last quarter. The other good thing is that this cost has come out from across the cost lines like material cost line, the personal cost line and the indirect cost line. Now, we are focusing significantly on technology and we believe

that technology led cost rationalization and business mix improvement will create margin uplift over the next 3-4 years as we get to a desired level of margins.

A little bit of update on our new growth bets now. On the pathology side, the B2B business launched in May 2016 has already done more than 320 tie-ups. The B2C pathology business was also launched in Q4FY17. We have seen a 3x growth in volume from when we started. We are running at about Rs. 75 lakhs a month on the pathology side and experiencing a very good robust EBITDA margin of about 30%. There is a significant intend to scale up this business quite fast, but before I talk about the long-term plan of the business, I think we have some homework to be done in terms of getting all our backend right and fine tuning the growth projections. Then we launched the first standalone Onco Day Care Center in Delhi last June which has also turned EBITDA positive in the third quarter of operations. So that as well as the pathology both have played better than our initial estimates. On the hospital side, we launched a liver transplant program in February 17. We have conducted about 35 liver transplants within two months of launch and we have big plans on the transplant side as we move forward as part of our overall specialty mix shift.

Moving on to the health insurance business, it continues to perform well in chosen B2C segment, the gross premiums have grown at 25%. We are seeing very good experience and feedback from customers which is driving up our renewal growth to about 28%. Also, conservation ratio has improved quite significantly and we are now running at about 83% conservation ratio. We have been able to take significant price increases in the business after a gap of about 2-3 years period and despite that, we do not see this persistency coming down because on the other side we have taken lot of initiatives to move up the persistency experience.Our secular trend towards getting to breakeven continues.

The Senior Living business also we launched our maiden community in Dehradun. We already have about 21 residents who moved in into the community and all residents have been offered possession. So, we will see some traction in this business as we go to next year in terms of residents moving in as half of our units are already sold and we expect that the sales traction will be now much faster to be able to sell the other half of the units. So, with all of this, we believe that our businesses will continue to sustain the growth and profitability trend in FY18 and have been encouraged further by the improving trends after short-term pain from demonetization and regulatory intervention.

To sum it up, Max India is on a robust growth trajectory. Max Healthcare is charting a profitable growth for the next 5 to 7 years to double its bed capacity by about 5000 beds. Its revenues are expected to grow at a strong 15% to 18%. Our EBITDA growing between high teens to early 20s at a ballpark in that range. And Max Bupa again, we are confident we will continue to deliver a growth of 25% as in the past or may be actually start outperforming the 25% growth trajectory as the new partners revenue start kicking in and is on course to achieve operating breakeven in FY19 and on Antara, full filled it's on-time delivery promise during this fiscal, something which is very really seen on the residential development.

So on that note, I will hand it over to the moderator to open the floor for Q&A.

Moderator: Thank you, Mr. Khanna. The first question is from the line of Kane Slutzkin from UBS. .

Kane Slutzkin Could you just throw light on the March quarter versus March in the previous quarter if you can just sort of reiterate the performance of the mature beds whether that is concern for you with revenue down, if you can just maybe comment on that. Thanks.

Jatin Khanna I alluded to this in the opening remarks. So, there were quite a few things which impacted the performance of the mature beds in the last quarter and are temporary in nature. The first one was that we shifted our orthopedics practice from the mature hospitals to the unmatured hospitals which is the Saket City side from the Saket side which essentially impacted because almost 25 beds were not available throughout the quarter and then what replaced that revenue was liver transplant which was a practice, launched in the month of March. So that is one big reason why we see a drop. The second big reason is that we have a hospital in Pitampura wherein we stopped the inpatient services and now we have converted that purely into an outpatient or specialty center which does outpatient consultants and some daycare. The third reason is there was a little bit of impact of demonetization on elective surgeries which we felt even flowing through part of January and the fourth reason was that we had mild winter in Delhi because of which the diseases which we typically see coming through in the winters did not happen as much. And then on top of it, we had impact of cap on Stent prices which impacted the revenue and actually one more thing which impacted the revenue was that we have been slowly and gradually bringing down our institutional business and shifting the mix to normal business and because of this, we do not see that impact flowing through on the EBITDA as much as we see it on the revenues. So that is the reason why the Q4 performance on mature bed was bit under pressure relative to the overall network.

Moderator Thank you. The next question is from the line of Charulata Gaidhani from Dalal & Broacha. .

Charulata Gaidhani I wanted to know one in terms of the JCI accreditation that you have received, what are the types of revenues that you expect?

Yogesh Sareen We are doing roughly 10% of the business in international markets and we have roughly 21% of the business which is coming from the institutional business. So our endeavor is that in the next 3-4 years we should be able to take out 4% out of this institutional business, which means the revenue should to be around 15%-16% and the same percentage should be added in the international business. So, we are looking at that into the market that means we are setting up offices in Nairobi, Bangladesh and Iraq and we also building ground presences with some partners in some of the countries. So basically by the end of FY18, we will have five offices operating which we think should be able to secure the channel and be able to spend less in terms of this payout to the affiliates. So our endeavor is by next 3 to 4 years' time, we should be able to grow this channel by 3.5-4%. Today it is around 10% of the earning and if I see the numbers in Q4FY17, so that is the channel which actually grew and touched around Rs. 71 crore of revenue, which is the highest ever in our network and earlier we did not have liver transplant as part of our offerings which has now been added in Q4FY17. This also gives lot of play in lot of markets, in Myanmar and Pakistan you have lot of liver transplant patients. Now, we are getting Rs. 2.5-3 crore business every month from Pakistan itself. The endeavor is that international business should be at probably Rs. 100 crore business per quarter in 2 years' timeframe, and should be roughly 13% of the overall topline.

Charulata Gaidhani And these 5 offices you mentioned will be in which countries?

Yogesh Sareen One is in Kenya, other is in Nigeria, third is in Bangladesh, Myanmar and Iraq. So, two of them will be direct. Three of them will be in partnership with some affiliates.

Charulata Gaidhani My second question pertains to Antara, when do you think Antara will breakeven and turn profitable?

Jatin Khanna I think Antara is in very early days at this stage. I do not know whether calling it a breakeven or not is the right word to look at it. I think the business is currently in its investment phase and in the last call we had discussed in detail that we are now working out asset-lite strategy for the business. I must report that we have a strategy in place, but there are few opportunities available to execute that strategy, but none of those opportunities have crystallized as we speak because we were currently firstly formulating the strategy in terms of how we want to go and grow this business in an asset lite manner so that it does not take any significant amount of capital from Max India. So, we have a strategy in place and how we want to grow the business, but the opportunities have not converted as yet as we speak. Therefore, I cannot at this point in time, give you more details about how the business will grow, but I think expecting Antara to deliver profits and sizable value, I think is a more of a 3-5 years story than 3-6 months' story because it is currently in a build out phase. So, like our hospital business took 16 years to breakeven, so we will have to give this business at least some years before it starts adding to the bottom line, but I think as through asset lite strategy we have started to execute, the value creation in this business will start becoming visible over the next 3-5 years.

Charulatha Gaidhani What I heard right that you have closed down Pitampura?

Jatin Khanna No, it is not close down. It is being down-sized. We do not do IPDs there. We now do OPDs and daycare there because we have Shalimar Bagh Hospital which is 10-15 minutes' drive from our Pitampura Hospital wherein we are adding more and more beds. So, we decided that Pitampura, actually while it had a good revenue contribution for us, but the biggest issue on Pitampura was that on bottom-line, it never was able to contribute anything because of the structure the way that hospital was built. There were lot of inefficiencies, as its essentially in a shopping complex wherein we have taken lot of shops on rent and converted that into hospital. So, it was an inefficient structure from a point of view of adding to EBITDA. So frankly taking that revenue out will help them in some sense improving profitability and new business model around daycare and specialty consultation etc. We expect it will actually generate positive EBITDA because for example Panchsheel today is about 24% EBITDA margin. There is in some sense money to be made by converting Pitampura into what we have converted into. So it is a good move. Now it shows drop in revenue, but on profitability, it is a very good move.

Moderator Thank you. The next question is from the line of Raphael Foo from Target Asset Management. .

Raphael Too My first question mainly relates to Max Bupa. I noticed that the loss for this fourth quarter is Rs. 120 million, but you do mention in the notes that there is a one-off adjustment and before the one-off adjustment, the loss is actually bigger at Rs. 490 million. So, I just wanted to understand what is the positive adjustment, what is it exactly there helps to minimize the loss?

Rahul Ahuja This adjustment relates to our unearned premium reserve calculation. During the last financial year, the regulator had opened up a window to change the regulations on how we can calculate the unexpired reserve. Earlier, it was 1/365 day method that we used to use. They allowed us 50% of net written premium for the preceding 12 months as another way to calculate. So, we switched over in line with most of the other players in the industry to this method which resulted in positive swing or reserve release of about Rs. 53 crore for the full financial year which is largely reflecting in the last quarter being the biggest quarter for us.

Raphael Too I thought there were two adjustments. The first one is what do you mention where the unearned premium was the factor. Then the other one I was curious about was the second adjustment. There were two adjustments, right?

Rahul Ahuja The other adjustment pertains to an exercise that we were doing relating to our providers. There was reconciliation exercise that we have embarked on about 18 months ago for which we had made a provision of around Rs. 9 to 10 crore. We ended up not paying much on this account post our reconciliation and hence entry was reversed.

Raphael Too Jatin, I wanted to ask you that I noticed you have a pipeline of expansion program, but your debt is already quite high. I just wanted to understand what kind of funding mechanisms you have in mind going forward?

Yogesh Sareen Basically, we do have expansion plan and you would have seen that in the slide, so we do think that we will be adding roughly around 800 beds in next 4 years' time. We obviously would be spending CAPEX for this. So, we do think there will be Rs. 900 crore of CAPEX for having 800 beds. So, we do think that with whatever projection we have, roughly 60%-70% of this will come out of the operating cash and after the working capital changes and after taxes and after routine CAPEX, and balance part of it obviously, we will have to fund it in the initial parts through debt because most of expansion, I would say quite a big part of expansion would be in the next 2 years and thereafter from the third year which is FY20-21, we should be able to generate much more cash than what we need for CAPEX and at that point of time, we will obviously much more comfortable in terms of debt to EBITDA and debt to equity. Yes, we do see that debt-equity and debt-EBITDA will go up, but the projection that we have that should scale down in FY22 and so this obviously is a fairly, I would say conscious bet that we are placing in terms of how we want to really add the capacity. By FY21, actually we do think that debt-to-EBITDA near to 3-3.5 than what we see today.

Jatin Khanna I just wanted to add to Yogesh's comments. I think the biggest thing here is that why has this debt built up. So the reason why the debt has built up is because we did two acquisitions back to back in a gap of 6 months. So that is the first thing. Second is that having done those two acquisitions in a gap of 6 months, we refinanced the entire debt to a 15-year debt which had a 2-year of clear moratorium because we knew that the next year will be difficult from a cash flow standpoint. So, therefore we built a two-year moratorium and 3 years of very small repayment. So the real servicing of debt which is the repayment of debt will start in FY22 and not before. So while there is debt, it does not need to be repaid at this stage because of the longer tenure nature of that debt. Now what happens is that when we get to FY22, our debt-to-EBITDA will be very comfortable at around 2.5-3x given where our projections are. So, we feel very comfortable to be able to service this debt and I must say that as parent, which is Max India, we have provisioned some cash in the balance sheet, if we have to put in the business. If required, we

will be happy to contribute that because we have done all these acquisitions currently based on debt, but we do not see any reason for doing so. If you were to ask me that are we worried or are we concerned that there is a leverage risk on the balance sheet, answer is partly yes, partly no and why I say partly yes because obviously the leverage ratios are high, but why I say partly no is because we know how those ratios will pan out over the year as well as how we have structured this entire debt.

Moderator Thank you. The next question is from Hiral Patel from India Capital. .

Hiral Patel Two main questions from me. Could you please quantify the regulatory impact of all the things you mentioned stent pricing, drug pricing, minimum wages going up in Q4 and what will be the incremental impact of these things in FY18?

Yogesh Sareen Basically, one is that there is a DPC order came in April, which is where the injectables got impacted. So that had an impact of Rs. 10 crore which is already subsumed in the FY17 number in April of 2016 when it came. Thereafter, there are two more things which have impacted. I am coming to major ones, one is the stent price and other is minimum wage. So stent price came-in in February, so we have only 1.5 months impact. So, we do think that there will be an impact of probably Rs. 30 crore on an overall basis. Of this, Rs. 2-2.5 crore or probably Rs. 3.5 crore they are in the numbers for Q4FY17 and besides that, so the incremental impact of Rs. 25-26 crore, which we have taken steps and we revised prices from 1st of April. So partially this will be recovered and partially we have taken other measures to make sure that we are able to recover that loss. Second is on the minimum wage. The Delhi Government has increased minimum wage by 37%. This has been done from March 3rd and the overall impact is again in the range of Rs. 25 to 30 crore and roughly a month's impact is already there in the number because we made the provisions. So the matter is subjudice, it is under the Delhi High Court and I think the judgement is expected in sometime. So, we have provisioned for these minimum wages and that is another incremental impact of Rs. 20-22 crore as we see today. Now obviously we have taken the measures to really neutralize this impact, some of this impact will as you can understand will flow into the EBITDA straight, but we have obviously taken steps in terms of apprenticeship program, making sure we optimize the manpower cost and try and more pricing levy this time. So all those steps have taken to neutralize it. So overall, incremental impact probably I would say Rs. 45-50 crore, but I would say measures in place to really neutralize it.

Jatin Khanna So if I were to add to what Yogesh just said, so that impact of Rs. 45-50 crore on one side because of regulatory action is being absorbed through cost takeout of about Rs. 60 crore. So you should really look at it both these together and therefore the organic growth in the business will continue to grow the EBITDA.

Hiral Patel My second question is relating to the purchase of IFC stake which is 3.75%, you mentioned that, that has been agreed at Rs. 220 crore. And then there will be incremental Rs. 300 crore for the warrants issue to the promoters will subscribe to and that money would come into the company. May I know the timeline on that and what will be the use of those Rs. 300 crore, the warrant money?

Jatin Khanna So as we speak, the acquisition of IFC Washington stake is not something which was factored in our cash flows. We saw this as a good time to do that consolidation because we thought that there is a robust outlook for the business, that is one. Second is that we said that 46% versus 50% is much better. As this conversation

started with IFC to be able to acquire their shareholding, so we said how do we fund it? So really we needed about Rs. 212 crore to finance it plus we had little bit small capital requirements for Max Bupa and Antara going forward like I said. Most of the capital for Max Bupa, they will internally finance through their own means of finance, but small capital which will go into Max Bupa and small ones will go into Antara also. We said you need to replenish this capital somehow. So we said from one side there is Rs. 212 crore going and the other side let the Rs. 300 come, what it does is that it keeps us funded for next 24 to 36 months, therefore pretty much rule out any dilution in the near-to medium-term and secondly, we did not see the warrants as dilutive any which ways because on the one side, we were buying and on the other side, we are diluting. So in some sense, these warrants are anti-dilutive and are important from our cash flow standpoint.

Hiral Patel The third question really is a qualitative question. If I understand correctly, life healthcare has undergone a lot of senior management changes. Has anything changed for us from their standpoint or everything stays same, their onboard in terms of plans and expansions going forward?

Jatin Khanna Not really, the people who were looking at us still continues to be same set of people. So, it has not impacted us and they have had senior management changes not in terms of their senior management and the people who are there have not left them unless you are talking about some people who left them I think 2-3 years back, but other than that, there have not been any senior management changes. All they have done is that they segregated the international business with the business back in South Africa which really does not impact us because the people who are looking at international business pretty much remain the same.

Moderator Thank you. The next question is a follow up from the line of Charulata Gaidhani from Dalal & Broacha. .

Charulata Gaidhani What is the CAPEX that you would see for FY18 and 19?

Yogesh Sareen CAPEX in terms of the routine or Project CAPEX?

Charulata Gaidhani Both.

Yogesh Sareen So as I mentioned, we are adding beds. So obviously there will be some CAPEX. We spent 3% of the topline on routine CAPEX. So with Rs. 2700 crore kind of turnover you can assume impact will be Rs. 80-95 crore kind of number. So that is on the routine CAPEX and then as we have given you the chart in terms of the bed addition, roughly Rs. 1.1 crore would be the per bed cost that will come. So you can imagine what will be the CAPEX from that perspective. Now you have a chart of bed additions and so that the costs that we have incurred, obviously I cannot give you exact numbers for what we are going to spend. I am just using indicative numbers.

Charulata Gaidhani Plus you will be also purchasing the balance stake?

Yogesh Sareen That is right. So that will also be there. So, roughly our FY18 spend will be in the vicinity of including this stake purchase will be of Rs. 800 crore.

Jatin Khanna As I indicated in the question which was earlier asked in terms of the leverage, of this 800, 500 is coming from IFC Washington through a non convertible debenture

which will have a moratorium of 4 years. So again the repayment there will again start in FY22. So like I said, we are balancing out our leverage very well to make sure that we do not run into an unnecessary leverage risk.

Charulata Gaidhani And what will be the interest on the NCD?

Jatin Khanna So, we currently borrow at about 10.25%. The interest on NCD will be about 10.5% because it is obviously an instrument which is not a routine instrument. So, therefore there is a 25 bps higher interest.

Charulata Gaidhani And FY19 will be around?

Yogesh Sareen In FY19, it will be probably Rs. 350 crore which includes the routine CAPEX.

Moderator Thank you. Next question is a follow up from the line of Raphael Foo from Target Asset Management. .

Raphael Foo With regards to the deferred debt that you were talking about where there is a moratorium on the interest payment, I just wanted to understand how much of the debt is only needs to be paid in 3 or 4 years' time. I know you mentioned that 500 comes from IFC that is the deferred and how much more other debt is only needed to be paid in 3 or 4 years' time?

Jatin Khanna The 500 like I said is a 4-year moratorium which will now come. The 1100 which we have broadly also has a 2-year moratorium and 3 years of very small repayments. So, really pretty much we will be paying some insignificant from our funds maybe somewhere around say, around Rs. 100 crore over the next 4 years and not more. Now if you look at the coverage, on a debt of about say average it out over the next 3-4 years, about Rs. 2000 crore debt as the interest rate is about 10.25% - 10.50%. So say about interest servicing of around Rs. 200 crore. If you look at our EBITDA today, our EBITDA last year we closed at about Rs. 281 crore and like I said, directionally we will grow our EBITDA (+/-20%) whatever over next few years. Now if that be the sort of the growth trajectory on the performance, then pretty much the coverage on interest rate is pretty robust to that extent. So therefore, we do not see any leverage risks on the balance sheet.

Yogesh Sareen So to be specific, the repayment in the 3 years is in the range of Rs. 20-25 crore per year.

Raphael Foo From the Max Healthcare Network, the net revenue for Q4FY17 was Rs. 604 crore, but if I add up the net revenue from the mature hospitals and the immature hospitals, it comes up very close to Rs. 604 crore, but it is still around I think 2 or 3 crore missing. So I just wanted to understand what other revenue does Max Healthcare network has that now from the hospitals?

Yogesh Sareen There are revenues from some SBUs that we run which is for example ambulance we run, that remains not according in any of the hospitals. So similarly we also have some business which is the B2B Pathlabs business is also kind of considered separately. So there are these three SBUs that we run which is Digicare, ambulance and B2B.

Moderator Thank you. The next question is from Sandeep Mukherjee from Ratnabali Capital Market. .

Sandeep Mukherjee Just wanted to know about the robotic surgery contribution to total surgery?

Yogesh Sareen We have the robot in our Saket Hospital which is the flagship hospital. So we do typically 25-26 surgeries a month, a surgery a day types.

Sandeep Mukherjee Just wanted to know what are the specialties in which robotic surgeries used?

Yogesh Sareen Basically the robots are used by the minimally invasive team, which is the Gynecology team and also we do a lot of onco surgeries, in the urology segment. We are also doing lot of other oncology surgery through the robot. So typically it is 4-5 specialties where it get used.

Moderator Thank you. As there are no further questions, I now hand the conference over to Mr. Khanna for closing comments. Over to you, sir.

Jatin Khanna Thank you, ladies and gentlemen for being on Max India's Earnings Call. I appreciate you taking out time to be part of this call and I sincerely hope that we addressed most of your queries to your satisfaction. In case you still have additional queries or could not find any answers to any question, please do not hesitate to contact us. If you have missed out anything on the call, the recording of this call will be available and the transcript will be put up on our website. Thank you, and have a great day.

Moderator Thank you very much members of the management. Ladies and gentlemen on behalf of Max India Limited that concludes today's conference call. Thank you all for joining us and you may now disconnect your lines.