

April 19, 2020

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Subject: Conference Call Transcript to discuss Business Updates

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith Transcript of Conference Call of the Company held on Monday, March 30, 2020 at 6:00 PM IST to discuss Business Updates.

We request you to please take the same on record.

Thanking You,

Yours Faithfully,

For **Dr. Lal PathLabs Limited**



Rajat Kalra
Company Secretary and Legal Head



Encl: As above



Dr. Lal PathLabs Conference Call to discuss Business Updates March 30, 2020

Moderator: Ladies and gentlemen, good day and welcome to the Dr. Lal PathLabs Conference Call to discuss Business Updates. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask question after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Nishid Solanki from CDR India. Thank you and over to you.

Nishid Solanki: Thank you. Good evening, everyone and welcome to today's call hosted by Dr. Lal PathLabs to share business updates and discuss the situation arising out of COVID-19, the company's empanelment for testing for COVID-19 and overall sentiments in the diagnostic industry. Joining us today, are senior members of the management including (Hony) Brig. Dr. Arvind Lal – Chairman & Managing Director, Dr. Om Prakash Manchanda – Whole Time Director & CEO and Mr. Ved Prakash Goel – CFO. We also have with us Mr. Bharath – CEO (India Business) and Mr. Rajat Kalra, Company Secretary & Head of Investor Relations.

Before we commence the call, I would like to underline that some of the statements made on the call today could be forward looking in nature and the actual updates may vary from these forward-looking statements.

I would now like to request Dr. Arvind Lal to share his perspectives with you. Thank you and over to you sir.

Dr. Arvind Lal: Good evening, ladies and gentlemen. Thank you for joining us today and believing in our strategy and progress. COVID-19 is indeed a challenge that as a nation we must address together. As a healthcare organization, we find ourselves at the forefront of this effort and we are all in it together. You would be aware that we have commenced testing for COVID-19 at our laboratory and as the days progress, that activity will get scaled up to cover every potential sample that may arrive in the geography in which we operate.

As a responsible corporate, we have a defined budget for the CSR related initiatives and we will work towards contributing directly to the cause as well. Over the long term, we do not see changes in the requirement for diagnostic services nationwide although in the immediate term, in the light of measured adopted by the nation to contain the threat of this contagion, our operations are seeing significant impact though, it seems temporary as we are an essential services business. The Management is overseeing multiple task forces to mitigate impact on the day-to-day operations and streamline the processes. This includes working with the



relevant authorities to ensure smooth movement of samples, materials and our employees all of which is being to be an essential service. We have provided overnight stay and facilitated key personnel wherever they are required to remain onsite. Moreover, we continue to stand with the nation at this hour. We remain attuned to the challenges ahead and are completely prepared and willing to restore normalcy as and when the situation improves on the feet.

With that I would like to request our CEO, Dr. Om Manchanda, to address all of you now.

Dr. Om P. Manchanda: Thank you Dr. Lal and good evening to all of you. Thank you for taking the time out and being with us on this call. I want to take this opportunity to brief you on the measures that we have taken to successfully tide over this difficult period, our efforts partnering with the Government on testing the suspected COVID-19 cases and a general overview of where we wish to head.

You would be aware that Dr. Lal was one of the early labs that received clearance from the Government for testing of COVID-19. These tests are being handled by our National Reference Laboratory in Rohini, Delhi. As you aware, tests are being offered with a price of Rs. 4,500 for the initial and confirmatory test. There is a dedicated desk at the backend that is taking requests and our employees are visiting the patients to collect the samples. At the laboratory, we have protocols in place to handle test and dispose off the samples. The results are shared online or via other means that do not involve any contact. As is mandated, a specific isolated area has been earmarked within the laboratory away from the rest of the operations in order to conduct these tests and the rooms presently will have things like atmosphere control, limited access and will function as a dedicated unit. The personal visiting for sample collection has been adequately trained and observing the correct safety measures. The test is being run on our PCR machine and the kit that we are using is coming from vendors authorized by Government of India. Being initial days, the vendors are scaling up their supplies globally and we should see supply picking up in the next few days.

Following the Janata Curfew on March 22, the nation went into a lockdown mode from Midnight of March 24 onwards. Walk-ins and business coming from collection centers and pick up point network have certainly come down and we expect that the business will stay subdued quite a bit till we have some normalcy.

I would like to reassure you that our infrastructure remains available to the patients. Employees are finding it difficult to attend, the stoppage of public means of transport as also the inter-city logistics for samples themselves remains impacted. The local authorities have been briefed on the nature of the services and on a daily basis we are seeing situation improving. We are seeing shortages in some of the material that is required to collect and test the sample for COVID-19 like personal protection equipment is critical for an entity engaged in medical profession and also in diagnostics to ensure safety overall. We are able to manage within the present situation where the requirement is in the order of few 100s. However, we will need more. Moreover, we are continually working with those on the field and at the frontline to keep their morale high. Our supply chains have been tested and our focus is also on ensuring that we are operationally able to meet the requirement of the patients that need our services. In a few weeks from, now we will be reporting our annual results and I would not want to get into that aspect today. Therefore, I would urge you not to focus on the immediate financial performance, implication of the operation as we are in the early days yet. This is going to be a situation that evolves and our management is making a full assessment and adjustment to the



course of action strategically speaking. The same will be shared with you by the time we announce our annual results.

I wish to add however that we are cognizant of the costs and other challenges that are prominent with the lockdown and we are working towards mitigating the same through already ongoing initiatives. In interim, our teams are focused on delivering maximum reach and scale to this entire operation. We are aware and focused on a long-term agenda of making quality diagnostics available to the larger population. We expect that by the time we share our annual results with you, we should be in position to give perspectives on the coming quarters.

With that, I would like to request the moderator to open the lines for queries from participants. Thank you.

Moderator: Thank you. We will now begin the question and answer session. The first question is from the line of Harish Bihani from ICICI Prudential. Please go ahead.

Harish Bihani: This is a product question. At the national level, when you look at the number of tests done so far which according to my understanding is somewhere between 30,000 to 35,000 till yesterday. Is that adequate? How should one think about that in terms of the number of tests done and the number of positive cases? So, there is this general consensus globally, especially in the US market that number of tests should increase, that will give you a real picture of how good or bad we are in the present status. So, your perspective on this would be very helpful?

Dr. Om P. Manchanda: We probably as a company are not in a position to comment on this aspect, because there is lot of stuff going on in social media, etc. I think as an organization, we are completely focused on the Government for sort of guidelines and directives. So, I would refrain from commenting on whether this testing is less or more. I think people working in ICMR and Ministry of Health, they probably would be in a better position to comment on this aspect.

Harish Bihani: Sure. In terms of the kit availability, how is that, as in if theoretically you want to do say a 1,000 tests in a day and possibly you can do that, I don't know what is the number of test that you can do, do we have that kind of kit availability or is that a bottleneck right now, as you said protection gear is a bottleneck, or there is some shortages of protection gear?

Dr. Om P. Manchanda: So, I think as we speak right now, this update might change in few hours from now, but as of now we definitely have shortage and I would like to spend little time on to this because none of us were actually prepared for this kind of situation. So, whatever capacity most private players have, it is a capacity that usually exist for running our day-today business and lot of PCR tests which are done on HIV, HCV or swine flu, so that capacity is what we have already. I think that is a capacity which we were currently utilizing and the moment we got approval obviously at the same time many manufacturers also got approvals. So, it has taken a bit of time for these guys to get approvals if they are importing from outside to get DCGI and import licenses. I think my sense is currently we are in short supply. My personal judgment is that in next few days this should start improving as commercial manufacturing will start taking place in India by one of the labs approved by the Government and also some global players are importing some of these kits. So, as we speak there is definitely a shortage. But we do see things improving in a few days from now.



Harish Bihani: Okay. And how many days does it take now from doing a test to getting your final results?

Dr. Om P. Manchanda: If everything is available with us in terms of all the materials etc. then I think it just takes about 6-7 hours. Theoretically speaking, since there is a shortage of kits etc. we are not in a position to commit any turnaround time because we are collecting samples only as per what we have. But I think 24 to 48 hours is good enough time for us to report on this, depending on where the sample is also collected because there is travel time for sampling mode. But within the lab itself when the sample has hit and it is put on the machine, it is just about 6 to 7 hours' time.

Moderator: Thank you. The next question is from the line of Mayank Hyanki from Axis Mutual Fund. Please go ahead.

Mayank Hyanki: I had questions with regards to the capacity of testing and shortages. So, if seeking a number of testing before the private labs were committed to do testing, Government also asking about 1,500 tests per day, whereas the number barring last two days jumped to about 2,500 tests per day. So, we are seeing about 1,000 tests more per day. I mean, we had initially seen inputs that actually Government has put through close to one lakh kits for testing and I am not sure about how each private lab is supposed to arrange for the test kits. But if you could just help us highlight within this 1,000 are you guys also facing shortages to some extent that you have to receive patients from a testing perspective, I understand there are problems around logistics, manpower. But when we say there are kit shortages, as of now you do not have even the whole private sector itself, does that mean you have 1,000 kits per day kind of supply?

Dr. Om P. Manchanda: I probably may not have entire industry data as we speak, but let me tell you on the capacity aspect. There are many things one need to look at it. In fact, the focus right now is quite a bit on kits, but let me break this capacity in three parts. So, there is a capacity to collect, because that is also an important area because healthcare workers are in limited numbers, because this is sort of a skilled job. You require a PPE which is Personal Protection Equipment required while collecting a sample, because that is also important because that is also in short supply. So, that is one area which is capacity to collect. Then the second is capacity to test, which is actually a function of both. Both in terms of machine capacity as well as kit capacity. While I think everyone of us talking about kit capacity but there is also very important for everyone to know that machine capacity is equally important. At this stage, none of us are in a position to actually forecast the demand and once you start placing orders for machines etc. there is also a lead time involved. Currently the capacity, all the private players that they have, my understanding is if the capacity which usually they carry for their day today business, people are planning for next phase of capacity enhancement depending on how the testing volume will improve. And currently, I don't think anyone of us is in a position to know what the demand is going to be in future, but currently we are underutilized for the capacity that we are carrying. So as of now the focus is to get the kit and then we will see in Phase II whether we need to add machines also.

Mayank Hyanki: Okay. So my question is right now, I don't want to get into future demand, but last 5-6 days since you guys have got into this testing, do you guys have adequate number of kits to basically meet the incoming test demand which you are facing, so that is one.

Secondly, I understand that because the current business has taken a hit, the PCR machine will also be underutilized. To that extent as of now, you will be probably able to deploy it towards COVID-19 testing. So, are you facing any challenges



towards kits, that is what my question is? I understand that other challenges would be there and they are also many serious challenges.

Dr. Om P. Manchanda: As we speak now, we have a short supply of kits.

Mayank Hyanki: Okay. And lastly could you also touch upon the process of somebody calling for COVID-19 test, as in how actually does the process takes place, which physician has to call, it has to be directed through that and you can also use some private doctor also for that need of having COVID-19 test and then you guys how do you verify the same thing?

Dr. Om P. Manchanda: There are clear guidelines given by ICMR on this and in fact there is a circular that has come out which clearly outlines as to which kind of patient we need to entertain. It is very clear that it has to be supported by a doctor's prescription. Without that, we will not entertain any requests and there are guidelines given to doctors also as to who can be prescribed for this test or not. So clearly there is documentation in place and without proper records, we don't really entertain any patients. Currently, we are seeing there are two kinds of patient flow, one is people who are asking for home collection and second is where the patient is admitted in the hospital and hospitals are calling us to collect the samples. Because it is highly infective sort of material, we have made sure that two teams for COVID as well as non-COVID. They are completely like two water tight compartments, so that we don't end up actually mixing the people also who are collecting COVID samples or non-COVID samples. So that is the way we are looking at it. Short answer to your question is that it is actually supported by a doctor prescription.

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

Chandramouli: The first question, you mentioned in your opening remarks that there has been significant slowdown in walk-ins and volumes from collection centers, so understand that this should become visible on the revenue side, but just on the cost side, could you give us some perspective on maybe what percentage of your sales is fixed or variable and where you will see opportunities for cost or CAPEX rationalization to offset some of these revenue pressure?

Dr. Om P. Manchanda: It is a fairly good question. I think the impact came immediately on our network as the lockdown was announced and it disrupted the entire supply chain, sample movement got disrupted completely. There are many small nursing homes, smaller labs in various parts of the country and then collection centers who also shut their shops. Something which was in our control and I am happy to say that our employees really have risen to the occasion and actually close to 90% of our own infrastructure was open and it is currently open as well. Teams have worked very hard to work with local authorities to get some of these passes to move around and I must say that the authorities have been very cooperative. Though it took little time in the beginning, now as things have settled down, in many places, Dr. Lal PathLabs' people teams have been allowed to move around freely. So that really impacted the business and there was a sharp dip. We do see on a daily basis some improvement as we are working and ensuring people and also talking to our franchisees that they should really open the collection centers.

Coming back to the question on cost side, close to I think, I don't have that number readily available, but my sense is close to 48%-50% of our cost are fixed in nature and obviously any impact on topline will have a sort of a deleverage impact and we may see a pressure on profit. We have identified certain areas of costs which we



can cut down and its early days yet, but our teams are actually working together identifying few projects where we can actually reduce the cost and clearly we can see rentals is a big item and we are going back to some of our landlords when it is time to renegotiate the agreements, which I think it is very early days here, but we are just putting together cost optimization plans for our company as we go forward. But we do recognize in the short term there will be pressure, hopefully once we are out of this in a few weeks from now and hopefully as early as possible, then things should come back to normal.

Chandramouli: Thank you. That was very helpful. Second question is just on the volumes, if you just look at B2B and B2C where do you think you are seeing more of the slowdown come from at this point?

Dr. Om P. Manchanda: It is actually all across. I really can't single out one particular scene. We are virtually in touch with our field teams on a daily basis, two times in a day. What is coming out is all across. I think the major problem has been complete shutdown of supply chain, nothing can go in and nothing can come out, all borders are sealed, I think that really impacted everything and it has been just a week, but if I were to really identify one particular area where the impact has been there, I don't think there is one, it is all across.

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

Ashish Thakkar: As far as the sample collection is concerned, there are only 4 to 5 private labs which are allowed to do a PAN India collection. Is that a right understanding?

Dr. Om P. Manchanda: Our understanding is, see there are two parts to this. One is to collect and another is to test. Testing is not all across because these kinds of equipment and facilities are very unique and you can't really invest. So normally such testing would be available in a high-end lab. Currently in our set up, we have as you know we have 200 plus kind of labs, but there are two reference labs at Kolkata and Delhi. We have the ability to test in both the places, but as of now our Delhi lab in Rohini has been approved for this test and our understanding is, we can collect from everywhere because that is what I got the briefing as well. But health is a state subject, so every state is now viewing it the way they want to look at it. Current understanding for us is that we can collect from everywhere and test it in Delhi and bring the samples here. Since the supply chain movements are not happening so most of our samples that have been collected, whatever we have done so far has been in Delhi itself.

Ashish Thakkar: Okay, thanks. Last question from my side, everyone has been saying that this is a no-profit, no-loss model, but given the fact that we are standing up to the cause, can this current expense model be put under the CSR category?

Dr. Om P. Manchanda: Anyway, our CSR money is not that large that it can be taken from there because that is a very small sum of money. We are at a stable sort of a cost structure, it is at cost. Obviously we are not looking at making any money out of it. But since the volatility on supply side is so much and price fluctuation so high, one also is not able to get a sense of what is the real cost of the test. Our understanding is, at stable pricing, it should be breaking even.

Ashish Thakkar: So, actually in other words it can absorb a part of our fixed cost, is that right understanding?



Dr. Om P. Manchanda: Both yes and no, because the teams that are actually working on this are very different and it is not that the patients are walking into our collection centers or labs because if I were to look at it, these are two different businesses completely. Precautions that one needs to take in transporting it, in collecting it, this is completely different material, different training is required and the department is only one which is molecular diagnostic. It is not that you can move people from one department to another department. So, I think the answer to your question is partly true, but to a large extent I think it is a completely different sort of a skill which is required to deal with these samples.

Ashish Thakkar: Just last one from my side, cumulatively how many samples we might have processed or collected?

Dr. Om P. Manchanda: We are doing few 100s, I don't want to put a specific number here, but since the supply of kits is issue as of now, but we are hoping it will get resolved. But right now, it is not a very large number to talk about.

Moderator: Thank you. The next question is from the line of Prashant Nair from Citi. Please go ahead.

Prashant Nair: The first question is on the testing kits availability, there have been some news reports over the last few days of Indian manufacturers also trying to come up with their testing kits, I believe one has been approved as well. So, does this improve availability meaningfully in your view over the next few days and secondly does it make a difference to the cost or would the cost be still the same comparable to the imported kits?

Dr. Om P. Manchanda: So, there are various vendors or companies that have been approved and if you want to know the list of companies that are approved, it is available on ICMR website. Initially, when the approval came, it came for USFDA approved NCE certified kits. Then approval came for non USFDA, Indian manufacturing as well. If my information as of now is right, I think there are 4 Indian manufacturers for 4 non USFDA approvals and one of them I think is Indian manufacturer which is Mylab. So, once that approval came in they actually had to undergo few more licenses from DCGI and based on my understanding, Mylab I think is taking a commercial run.

To answer your first question, as the commercial run comes out, assuming that logistics is not a problem, I think their plant is in Pune, the things on kits should improve. Most of the companies that have USFDA approved kits are all multinationals. They are trying to import from their home countries and again the information is that supply on that front also should improve in coming days. So, whosoever I am talking to, most people are saying from 3rd, 4th, 5th April onwards, you will have sufficient stock of kits. So, let us hope by then things should improve on supply of kits. What was the second question there?

Prashant Nair: Second question on cost.

Dr. Om P. Manchanda: On the cost side, I think the data that we have, there is no significant difference between Indian manufacturers, or any foreign manufacturers from what the data I have. So, it is not going to be a material difference between the two.

Prashant Nair: Okay, thanks. And the second question relates to the cost of doing the test and how profit will alter your breakeven, how much is it a function of volumes as well?



So if say we start testing a lot more, does that cost go down significantly like it does with many of your tests or this does not follow that same model?

Dr. Om P. Manchanda: It is a slightly semi technical question, but my understanding is that in each kit there are some 96 wells, so if you have a batch of 96 at the same time then it is the optimal point for cost per test. If you have anything below that as a batch then we will be adversely impacted. If it is probably above that then you will end up using a separate sort of well. Maybe Dr. Lal can answer that question a little more.

Dr. Arvind Lal: See, it is a 100 well kit, in which you have 98 samples and two samples are to be put as a positive control and negative control which are not patient samples. So theoretically you can do 98 tests in one run provided you have 98 samples with you. If you don't then you can break that into a two cycles, for example if you won't utilize this kit twice, then you will have to put up four controls, two positive and two negatives at different time, one each different time and therefore the number of sample testing goes slightly less. So that is the way it works.

Dr. Om P. Manchanda: So Prashant if you are looking at, will we have economies of scale, the patient load goes up, as of my understanding it may not be the case.

Prashant Nair: Okay, understood. And the final question from my side. So, when we hear about all capacity for testing etc. this assumes that each run will use all the 98 wells, is that right?

Dr. Om P. Manchanda: Yes, that is what has been factored into costing, yes.

Moderator: Thank you. The next question is from the line of Krishnendu Saha from Quantum Mutual Fund. Please go ahead.

Krishnendu Saha: I have a little bit different perspective of the whole idea, just sort of a question on that. If I look at the numbers as to number of tests being conducted in a day in New York is 16,000 tests and number of cases positive is 7,000 of the 16,000. We have done some 34,900 tests and we have only got 1,071 cases positive. So, this ratio is pretty skewed, I am not understanding, why is this so different for India as the rest of the world. So, I know the number of tests have increased, but if you just look at the ratio as the number of tests performed and then number of tests positive, India is way off, is there a problem with the testing kit itself?

Dr. Om P. Manchanda: So, I think the first question was on similar lines. So, I don't think as a company we have a complete view at a macro level. So, I don't think we are in a position to answer this question. I think government authorities would be in a better position to answer this question. So, I would like to refrain to comment on this one.

Dr. Arvind Lal: I can tell you one thing. The Government has changed the testing criteria. Initially, in the first phase it was people coming from outside, say from countries like China, Italy, Spain etc. So, their contacts are to be tested. So that was a different testing strategy and therefore that is the answer for what you just asked. Once you roped in the private players, they are trying with the testing criteria even to all symptomatic cases and also to people who have been quarantined etc. Therefore, the number of testing will go up and if this does not spread in the community like wild fire, the percentage of positivity will actually go down. And that is what the Government as of today has also claimed that the percentage positivity has come down. Thanks to the measures which they took very timely.



- Krishnendu Saha:** I am coming from a distant perspective, or is it because that we are only testing if you have 3 symptoms instead of where US is testing if you have one symptom. So, is it like that or is it like if we have fever and dry cough and then another one, then only tested in India as in US you are being tested if you have only a dry cough?
- Dr. Arvind Lal:** I don't know about US's criteria but the Indian criteria is that anybody whom we suspect to be positive, where we should go ahead and if we have a history of contact with somebody who has been positive or etc. whatever and therefore these you have to get a doctor's prescription. This is not a test which patients can demand and then Dr. Lal people come and do this test for me, you have to be seen by the doctor. There is a form 44 involved which has to be filled by a doctor. And that doctor then he has to write down symptoms, and the Government from the scientific point of view is planning to test only those people who can turn out to be positive and not randomly if the population is large, anybody who has flu or flu like symptoms he should be tested. So, there is kind of a control on that.
- Moderator:** Thank you. The next question is from the line of Karthik Chellappa from Buena Vista Fund Management. Please go ahead.
- Karthik Chellappa:** My first question is of the test that you have done so far, even though the tests were conducted only in your Delhi labs, from how many states have your received samples so far?
- Dr. Om P. Manchanda:** I don't think that number is available readily, but it is all within Delhi state, because I don't think samples are travelling from outside, right now.
- Dr. Arvind Lal:** Yes, because there is no transportation right now, because of the lack of airlines, everything is shut up, we have been approached by many states, but we have also told them that since for example Goa is after us and we have no ways of transporting the samples from Goa to Delhi because all the airlines are closed down. So that is the problem. Maybe after 15th April, they do.
- Karthik Chellappa:** So, for all practical purposes, at least till the lockdown is in effect, although we have a PAN India capability to conduct tests, purely because of these constraints it is going to be restricted to Delhi and Delhi outskirts, right?
- Dr. Arvind Lal:** Theoretically what you are saying is correct. But NCR of Delhi has a population of 2 crore which is equivalent to the entire population of South Korea. So, there is enough people to be tested.
- Bharath Uppiliappan:** Plus, there are I think 44 labs that have been approved, all state Government have approved the labs. It is not that the entire system is dependent on 1 or 2 labs.
- Dr. Arvind Lal:** In Delhi itself there are 3 labs.
- Karthik Chellappa:** And my second question is, the staff that you have designated for carrying out these tests, whether pitching up or conducting it, what would that be as a percentage of the total staff strength that you have?
- Bharath Uppiliappan:** Sure, it is a very small percentage. Less than a single digit percentage.
- Karthik Chellappa:** Okay, got it. Which means that for the normal test, although that volume has actually come down, there are still sizeable staffs that are available to go and



collect samples for normal tests in case if there is a necessity, right? Is that continuing as per normal thing?

Bharath Uppiliappan: Yes.

Moderator: Thank you. The next question is from the line of Sameer Baisiwala from Morgan Stanley. Please go ahead.

Sameer Baisiwala: First question, what is the sort of backlog of samples waiting to be tested in the system or with you?

Dr. Om P. Manchanda: There is nothing right now because we are also phasing out collections as per the kits availability as well. We don't want to find ourselves in a situation where we have collected more samples but we don't have kits. So as of now I think we are just matching the demand and supply together.

Sameer Baisiwala: Okay and any comment for the system for India as whole, I mean, we hear reports that, some senior doctor was saying 40,000 samples in Karnataka, 40,000 in Rajasthan which are waiting or have not done any testing.

Dr. Om P. Manchanda: No, at least we don't have that kind of a surge in the demand also as well. But as I mentioned to you, we are right now waiting for supplies of kits. As the kits supply happens, then we start collecting. I don't have latest updates as of today, but in the morning we had exhausted all the kits and we were just putting on hold the collection because this is not right thing, you collect the sample, you don't have kits and you can't give the report as well. So, we are just trying to match both ends.

Sameer Baisiwala: Okay. And just talking about the kits, did you mention like your current capacity is few 100 samples in a day which will go up in next few weeks and second to that is, in say 3 to 4 weeks, I mean what would be your major source of kits, would it be the domestic kits, MyLab type of companies or would it be the imported ones?

Dr. Om P. Manchanda: Actually, will be both. We have placed order with all the vendors and whosoever can supply us early is there because right now our capacity for testing let us say the full peak requirement is about 1,500 tests per day we can do. If the number goes up beyond that then we will have to add the capacity by having more machines or so. But to answer your question we will procure it from everyone, whosoever is approved by the Government of India.

Sameer Baisiwala: This is a little bit in worst situation, because I was listening to some US call by the diagnostic companies over there. And what they were saying that the orders that they have placed on Thermo Fisher, etc., they are having a three weeks backlog and what they have placed they are getting 10% of that after 3 weeks. That is one thing if there the home markets are suffering with such a shortage, then how will they be able to export it to countries like India?

Dr. Om P. Manchanda: I think that is a good question. I am sure our officials in Government are addressing that and I think they are building up lot of Government capacity as well. So, I am sure that people sitting up there are actually addressing that. My sense is, it is not really India versus US scenario, we have to actually make sure that right now our capacity is 1,500 test per day, we don't even have kits to test 1,500 itself, at the same time as ICMR guidelines are coming out, as a Management team we have to really get a sense of what is the likely demand possible. Right now, demand is much less than what the capacity we have and then we will prepare ourselves to buy some more machines if we are actually required to do that to meet the



demand. But I really won't like to get into a comparison between US and India, I am sure this is a shortage at a micro level, Government of India will address that need very quickly.

Sameer Baisiwala: Okay, but Government would be buying it for public hospitals and labs, not for the private guys?

Dr. Om P. Manchanda: Yes, so we know the list of players who are having approvals. So we are reaching out to all of them and have started placing orders for more numbers, depending on whatever we can think of is a likely demand in next let us say 10-15 days and we are also getting some sense out of it because our geography is right now restricted to Delhi and we are not able to move samples from other parts in the country. It is becoming extremely difficult even to project the demand also.

Sameer Baisiwala: Okay, fair enough. I just have couple of follow ups with your permission, the first one is on Abbott's rapid testing thing which will test one in 5 minutes. Any thought on the rapid testing? And will that solve the capacity issue going forward? Would you be adopting that?

Dr. Om P. Manchanda: I think this is little technical question, I will ask Dr. Lal to answer this. This is antibody versus antigen test, so I don't think I am competent enough to answer that question. But he would be in a better position to answer that.

Dr. Arvind Lal: So, it is not for us to adopt and not to adopt. It first has to be recognized as a testing strategy by the Government of India namely ICMR. Now all that said and done in the acute phase which we are going through trying to find out what the number of cases are, the correct test to be done is the one which is being done right now, known as the RT-PCR. Once you go to an antibody test, these antibodies develop after the virus has come into the body and this can take anything around average 7 to 10 days. So, if you don't test at the point of time, it might become positive. But this is not the strategy for acute cases, for asymptomatic cases, may be people who are contacts of positive cases and they could be seen with this testing with these kits. Right now, there is no place as of today of detecting active cases, we are trying to do that, of the antibody test and this is up to the Government of India where they might feel that the virus has come down all over India, then they might introduce the antibody testing. So right now, the answer is no.

Sameer Baisiwala: Okay, very clear. Cynical minds says that there are companies with many years of research coming up with the testing kits and stuffs versus our Indian company which has come up with a 6 week of effort and they were not that well established. So, is there a room for cynicism here and then the accuracy of this, Mylab or the ability to supply may not really match out?

Dr. Arvind Lal: You see, what they are saying, the Indian company has said in their site that they were given permission to go ahead with the manufacturing of this kit only 12 weeks back. That is what they have said, but they have been working on this for the last 8 years. It cannot be done from a scratch in 12 weeks' time or 3 months' time or 6 months' time, so make no mistake and this has been approved, it has stood the test in the ICMR at various times and it is completely okay and we are finding the same that the kit is absolutely up to the market, no problems.

Moderator: Thank you. The next question is from the line of Abhishek Sharma from IIFL. Please go ahead.



Abhishek Sharma: Two questions from me. In the earlier part of the call, you basically took us through use of the testing kit, I wanted to know same about the PPE equipment, how many PPE gear do you need per patient to be tested?

Dr. Arvind Lal: You need one PPE per patient. So, you can't reuse it for any other collection that you have. So it is a simple equation, but the challenge is not only for collection of COVID sample, all the challenge probably which is coming up is that the person who is being diagnosed positive for COVID or suspected to be COVID also may require a PPE Kit because we have to take care of the safety of the patient as well as for our own employee. So, my sense is even non-COVID collection also will require lot of these PPE kits. So, PPE kit requirement is actually going to sharply move up compared to even testing kits. PPE kits are required by hospitals as well because any healthcare worker who is dealing with any kind of patient, even now non-COVID patients also want to be careful with these kinds of stuff. So, PPE kit consumption is going to go up very sharply in times to come.

Abhishek Sharma: Is that two kits per test, per sample collection?

Dr. Arvind Lal: It is actually one kit at the time of collection. When there are certain other protective gears we require, when the sample hits the lab because the guy who is actually opening the box also has to be protected from all that. So, there are lot of these protection kits which are available, so the demand for protection kit is actually going to move up very sharply.

Abhishek Sharma: And just wanted to know, do we have local vendors for PPE kits or these are imported?

Dr. Om P. Manchanda: Very good question. Right now, there are no Indian manufacturers so to say and they are assembling the stuff and hopefully in the next few days something should come up. So, they were all importing this PPE and they were coming from China because of the cost factor. So right now, many Indian manufacturers have woken up. Hopefully in the next very few days we will have an Indian manufactured kit.

Abhishek Sharma: Right. And you expect that to scale up sufficiently to be able to supply to the local needs?

Dr. Om P. Manchanda: Absolutely.

Abhishek Sharma: The other question is on the PCR machines, if you looked around trying to procure PCR machines, what kind of waiting times are you seeing right now in the market?

Bharath Uppiliappan: . So, the PCR machine is easily available. That is not a constraint. We can get it. I don't think that it will be a very big challenge in the short term.

Moderator: Thank you. The next question is from the line of Prakash Kapadia from Anived PMS. Please go ahead.

Prakash Kapadia: For the eastern region, are we going to ICMR or the local government to showcase the infra capability which you built and saying we can do the test if required or no?

Dr. Om P. Manchanda: I think that is a good question. That is work in process because it is not only the facility in place, it requires certain NABL approvals as well. So that work is in progress and we are hoping that very soon we should get approval for Kolkata as well.



Prakash Kapadia: Understood. And secondly on the Rohini Lab which you currently mentioned, which is doing most of the tests in and around Delhi NCR, so what are we doing to ensure safety, sanitization, demarcation if you could throw some light?

Dr. Om P. Manchanda: Yes, actually that is a primary requirement basis on which the approval has come. So, there are certain standards, bio-safety standards, all that actually has been validated and verified by NABL, then only we have got the approval. So, it has been as per the laid down protocols.

Moderator: Thank you. The next question is from the line of Keshav Lahoti from Angel Broking. Please go ahead.

Keshav Lahoti: Can the diagnostic industry, breakeven at Rs. 4,500. Can you just give me some idea about the Rs. 4,500 cost, in terms of cost of equipment, CAG under personal broadly?

Dr. Om P. Manchanda: I think very large part of cost is also in collection because there is a PPE Kit which is involved. I may not be in a position to give you an exact figure but significant cost actually goes in collection of the sample. And then safety of our employee and because this needs to be transported in an especially designed box, it should not get mixed up with the other samples. So, lot of cost also goes in transportation and then, I think lots of people are talking about this kit cost by various manufacturers. That is only actually a last stage of testing. Once you get the sample inside the lab, there is an extraction which is there. There is amplification of those materials, which is a separate process all together. The kit doesn't cover that. And this kit is only the last stage of testing. So, there are lots of costs that are incurred before the sample actually hits the machine. Lot of costs is actually there in collection, lot of costs are there in transportation as well. So exact figure, I may not have readily available, but just for the sake of saying that, the kit cost is only a fraction of the cost of the total cost of reporting a test.

Keshav Lahoti: Okay, understood. Just last one question from my side. As we know the business is down, people are not going out of their homes, can you give some idea about how much percentage of business is down, say 30% or 40%?

Dr. Om P. Manchanda: So, I think it is whatever we have seen in the last few days, definitely is not a representative of what is likely to happen, so let me not put figure around this. But definitely on a daily basis we are seeing an improvement because there was sudden fall when the lockdown was announced and slowly it is filling up, but I think as we talk about last one week, definitely it is a significant impact. But I would hesitate to put a figure as to what extent that fall has been there because this is definitely not a representative of what is likely to come and what we will report once the lockdown is lifted and we should quickly come back to normalcy.

Moderator: Thank you. The next question is from the line of Shaleen Kumar from UBS. Please go ahead.

Shaleen Kumar: Most of my questions are already answered. And just again on the broader subject, if you can tell us whatever you can share. What kind of demography of the patient or the test samples you are getting?

Dr. Om P. Manchanda: So, I think the samples which are discretionary in nature are impacting the most, like entire wellness portfolio is completely gone and even OPDs, I am told hospital elective surgeries are not happening. So, I think where you have no other option but to get tested, mostly we have fever-based samples, somebody is having very



high fever wants to get tested. Obviously, they also want to rule out that everything is fine, maybe related to H1N1 etc. So, I think lot of fever-based testing is what we are getting. But any other testing which can be pushed to later date, I think there has been a severe impact on that.

Shaleen Kumar: What is the kind of age profile of these tests, if you can share, a broad figure?

Dr. Om P. Manchanda: Age profile, I don't think I have that number. We all are at different locations. Bharath, would you have some idea?

Bharath Uppiliappan: Large portion of it is young people who may have travelled abroad and so on.

Dr. Om P. Manchanda: This is the for the COVID business, right?

Bharath Uppiliappan: Yes. Large portion is young population.

Dr. Om P. Manchanda: So whatever small number that we have got. So I don't know whether that is representative also because that is a very small number. But I think out of that whatever we got very large population is younger population. However, I thought seriously that most of these guys maybe the ones who have travelled abroad.

Shaleen Kumar: Sure. And if you can share, up to you, like whatever the number of tests you have done and number of positive cases you have seen, a ballpark percentage?

Dr. Om P. Manchanda: I think we would refrain from that because we cannot honestly disturb the equation. I think ICMR is declaring here. We are giving all these data to ICMR and you can see their website. Actually, they are updating on a real time basis. So that I think is a more representative data because that is an all India picture of tested and how many are positive. So, I think at a company level we would not like to share.

Shaleen Kumar: For sure. The number of COVID tests you can do per day, the number, is it 1,500 you said?

Dr. Om P. Manchanda: I think our estimated capacity is about 1,500 tests per day as of now, but we are evaluating it on a daily basis. If need be, we will augment this capacity by buying more machines.

Moderator: Thank you. We move to the next question from the line of Sujit Pal from Prabhudas Lilladher. Please go ahead.

Sujit Pal: There are few issues which we are observing in Mumbai. So basically, it is more of the guys who are connecting. So first of all is that which we learned and I just want to understand that what the situation in North, particularly in Delhi is. Is that in Mumbai some of the private guys who were calling the private players are asking them to come in a civil dress rather than a specific dress which help them to get out of this problem, so that the neighbors cannot complain and as a result of it, when this guys denied, so this requirement fell down sharply. So, the guys who had some symptoms, they want to test themselves that number has reduced quite drastically in some of the guys who adhered. Is it the same thing seen in Delhi?

Dr. Om P. Manchanda: No, we haven't faced any such issue.

Sujit Pal: So, people are asking that protective gears that you put on?



Dr. Om P. Manchanda: There is a laid down protocol, they are following the protocol and we are not deviating from that.

Sujit Pal: Okay. Another point is that, when you receive the collection, do you give preference to the Government order or addresses where you have to collect vis a vis the private requests where somebody wants to get themselves a test?

Dr. Om P. Manchanda: Yes, people are reaching out to us. So, there are multiple ways they can reach out through call centers etc. But we have told them very clearly what documents they must have. They should have a doctor's prescription. Unless we are satisfied that they have all the supporting documents, till then we don't do any of the order. So, I don't think, all the orders are actually private orders to us. People are reaching out to us directly and many of the hospitals are also reaching out because some of the patients were already admitted to the hospital. So there also people are going and collecting samples. In fact, most of our samples if I am not mistaken are more from hospitals in contrast to home cases.

Sujit Pal: Okay. So basically, what you are saying is currently you are utilizing the full capacity of 1,500 per day?

Dr. Om P. Manchanda: We are not. We don't have a kit that is what I said. We are not utilizing that capacity at all. There is a long way to go actually. It's actually in the last 7 days it's been few 100s only. So, capacity utilization is not, we are yet to go to that level.

Sujit Pal: Only 10%-15% is?

Dr. Om P. Manchanda: Maybe yes.

Moderator: Thank you. The next question is from Manish Poddar from Nippon India. Please go ahead.

Manish Poddar: If I heard you right, did you mention that things were stabilized post the lockdown?

Dr. Om P. Manchanda: Yes, we are an essential service. I think most of you are for whatever reason are asking lot of questions related to COVID. As a management team, I am more focused on the non-COVID business because there are healthcare issues generally in population. It is not that their issues will suddenly disappear. So, I think the first task that we have is our infrastructure should be opened to service our patients. And the second task is to assure our patients that we are taking all the safety precaution and they do not need to hesitate to come and call us in any point in time and in just about a week you can only push many of these things about a week, 10 days, 15 days, but you can't push it for long. And I also must say that local authorities are supporting us because everybody is realizing that I think lot of orders are being circulated where clearly they have mentioned to Dr. Lal PathLabs team is actually allowed to move around and our employees are, I must recognize that they are at the forefront of taking this challenge on and I am getting full support from all of them. So, for us, non-COVID business is equally important. And I am sure that that is going to improve. We are actually tracking this on a daily basis and are already seeing improvement on a daily basis. We want to make sure that we serve our patients even during lockdown period itself, we are not sitting ideal and saying, now it is a lockdown, only after lockdown I will service. It is our responsibility, a sense of duty and everybody is rising to this occasion and serving the patient. So non-COVID business is also improving as the way it goes by.



Manish Poddar: Right. Would you say then, this COVID thing is more noise than you actually think, because you have done 40,000 tests let us say if I look at the numbers which are reported and you are saying it is not much of a thing and things should stabilize let us say in the next 15-20 days. Then that is how you are reading?

Dr. Om P. Manchanda: No, I am actually saying, as a company, now we test about 60,000 samples a day, that is kind of, 60,000-70,000 patients a day. In relation to that and I have a fixed cost infrastructure which is supporting that kind of volumes, right? I have to make sure and with this lockdown if that has fallen very sharply, I must make sure that also starts coming back and our infrastructure is open, our people are there to service our patient. So that is also equally important. That is the point I am saying. I am not saying that COVID is small or high. Of course, COVID right now we don't know how practically is going to be there and we hope that at a national level we come out of this crisis and we don't have that. We are not hoping that COVID should go up. But I want to actually service non-COVID business again is a point I am trying to make.

Moderator: Thank you. The next question is from Tushar P from Motilal Oswal. Please go ahead.

Tushar P: Just while the kit shortage might get resolved over a period let us say a week or maybe 4-5 days' time, but just would like to understand how has been the prescription rate per se particularly for the COVID thing, is that much more than what the sample is being collected today or even that is still much lower than what you had expected?

Dr. Om P. Manchanda: Right now, it is actually very small right now. It is not a very large number because ultimately doctors are in a better position to assess that whether people have those symptoms or not, but as far as the prescriptions are concerned, because our demand is prescription. So, our demand actually is more by prescription. Prescription is a function of what doctors are seeing the patient and right now that number is really very large. We still have capacity to service assuming that kits are available and we have the capacity, enough capacity which is close to 1,500 tests per day. I don't think we are getting request even equal to that number also. So, requests are also few 100s only on a daily basis. We are not to the extent of 1,500. It maybe just about, maybe about 10%-15% of what our capacity is right now.

Tushar P: So, is it like a deadlock kind of thing, wherein the diagnosis doesn't happen and then we are not sure whether this outbreak is there in India or not there?

Dr. Om P. Manchanda: So, as I repeatedly keep saying that I probably won't be in a position to comment on this particular topic because lot of these questions are being asked in general and I think as a company we can only comment on what samples that are flowing into us.

Moderator: Thank you. The next question is from the line of Shubham Gandhi from Primeup Capital. Please go ahead.

Shubham Gandhi: Just wanted to understand, apart from COVID, what is the structural changes that Industry is observing or maybe any high-level comment like going forward, unorganized to organized event or something like that? I mean how other players are positioned and what can be the new drivers of the growth?

Dr. Om P. Manchanda: I think that is an interesting question. I was hoping that this question will get asked earlier. As the information is flowing, lot of labs are under some kind of stress



because most smaller labs are actually shut and I have a feeling that lot of these people will find themselves in a unviable condition and structural change that I see that lot of consolidation on testing should take place while many of these labs should become a front end partner for converting into a collection center is what I can foresee a scenario. For a regional and even larger player, because 50% of our, this whole hub and spoke model, infrastructure is a fixed cost structure. If the non-COVID business, the kind of fall everybody has, if operationally some companies are not able to actually come out of this, this will create stress and could trigger a consolidation move as well, is what I sense.

Shubham Gandhi: Okay. And we may be looking forward. Means, I understand this is not the right priority but going forward in that segment?

Dr. Om P. Manchanda: Yes obviously. Actually, the more you think about this, scale economies are good for everybody. I think it is most beneficial for the patient because if you pick up the sort of history of pathology patient in the last 10-15 years the prices of test actually have been going only southwards, declining mostly if you adjust it for inflation. And that has primarily happened because of this hub and spoke model, we have big scales. And given this capacity and the kind of investments companies have been able to make in high-end instruments like RT-PCR or cytogenetics or FISH testing, all that actually have been possible because companies have built scales in the last 10-15 years. But lot of this scale actually is right now regional in nature and I do believe that there is a space to build a scale that is national in nature and to my understanding that scale will definitely help our country. First, to start with patients, second to bring new technology in India because there are lot of advanced technologies that are available and also machines which have very high throughput and automation that can come into the scale, that will be good to the country and of course shareholders of this companies as well because as we create and that is what actually two large companies if you look at Quest and LabCorp they have built to scale at a national level in a big way and those companies have become big not just organic, there has been a consolidation also there.

Moderator: Thank you. The next question is from the line of Sachin Kasera from Swan Investments. Please go ahead.

Sachin Kasera: Just two questions on logistics. As you have mentioned that most of the kits are being imported, now since the entire incoming international traffic has been banned, so how are we trying to import? Are we facing some challenges in terms of importing also because of these issues?

Dr. Om P. Manchanda: I think those issues are addressed by the vendors. I think there is a vendor who has actually got a manufacturing in India as well. So, it is not that all the kits are imported. Mylab has a manufacturing in India. So I don't know, I think if the kit if it is approved, which has a plant in Germany is what I am told, but there are USFDA kits with many companies, they are all importing it. So, there is a company which is manufacturing in India as well. Challenge which is there is not only manufacturing but also getting the kits to our lab because that is the second challenge, I think they have manufacturing plant in Pune. Kits have to fly to I think to Bombay and then to Delhi and so, right now we have list of that, so that also is sorted out.

Sachin Kasera: So that was actually my question, so both in terms of as you mentioned that kits maybe manufactured from other location while you need in Delhi, so from what we understand this is all part of essential services, so despite that we are facing challenges in terms of moving them both these as well as you also mentioned that today you are not able to test outside Delhi because of again logistical issues, perhaps what we would understand is it is an initiated as a part of essential



services and hence there should be free movement of samples out of Delhi to the Delhi centers.

Dr. Om P. Manchanda: This is getting resolved. I think this issue was in the first 2 days, but more or less things are stabilizing. But having said that it is not that we are having a huge backlog of samples also which are yet to be testing. So, it is not that kind of situation as well. I think things are getting sorted out and authorities are really cooperating on this aspect. While overall movement is restricted, but I think everybody is trying their level best to get stuff moving to our lab. But having said that it is not that we are sitting on a large number of samples which are yet to be tested also.

Sachin Kasera: Sure. As you move forward you will see challenges in terms of both production and sourcing as well as logistical movement getting much better than what it is today?

Dr. Om P. Manchanda: I think so. I think it is just a question of few days, so this whole topic of kit shortage should just go away is my reading.

Moderator: Thank you. The next question is from the line of Abdul Puranwala from Anand Rathi. Please go ahead.

Abdul Puranwala: Just one question regarding this COVID testing and I am sorry to bother you again repeatedly on that question. Once the patient is detected for COVID-19, how many numbers of test would he have to take till the negative outcome comes out and he is finally classified as not having that symptom again? Is there any color you will like to put forward for?

Dr. Om P. Manchanda: I am sorry. Dr. Lal is gone off the call and I don't think I am competent to answer this. But my sense is a doctor or a physician would be in a better position to address that. I know there are some guidelines on that. I don't think I can comment on that.

Moderator: Thank you. Mr. Nayak, your line is in talk mode. Kindly go ahead with your question.

Nayak: I just have two questions. One is this ICMR data that shows around 26,796 tests of individuals by 27th of this month, is it the correct data what the ICMR is putting, or is there some difference whether the individual testing is concerned?

Dr. Om P. Manchanda: As I am again repeatedly saying, I have no comments to offer because I don't have any knowledge at that level because that is a nodal authority. They will have a much clearer picture. So, I can speak only about our company per se. So, I am so sorry that I don't have any response to that question.

Nayak: Okay. And can you please give us, of how this is being conducted as far as COVID is concerned in a brief manner. Cost wise if you can throw some light that would be helpful?

Dr. Om P. Manchanda: I am not a technical person but as a layman, there 3 or 4 processes which are very important in this. Number one is when you get a request for a test, that itself is a task because you need to make sure that requisition for test is supported by a doctor prescription and there is something called form 44 which is nothing but a guideline for a doctor to prescribe a test.



The second important part is where this sample is collected. Is it collected from home or is it collected from hospital? I think that is the most critical step in this connection. Because if you don't collect it from right place, then you actually may miss the virus itself and that is the most critical part of this entire step, that the collection of a sample and in that collection we not only have to collect the right sample but also you have to ensure the safety of our own employee because that is where he is risking himself by getting exposed to patients. And you and I are still sitting at our homes and having this call and for those healthcare workers who were in the frontline, they are facing this day-in, day-out. So that collection piece is very important. Taking this transportation of virus, it is a very fragile virus. It needs to be transported very well because it actually may decay while it being transported. So that is the second step.

Third is once it reaches the lab, then the entire box, the entire sample has to be carefully opened. I think somebody asked the question, do you have all the norms of biosafety etc. The technical team in the lab has to properly open. So, these 3 steps are very important steps. Collection, transportation and testing because you may lose the virus in the process.

Moderator: Thank you. The next question is from the line of Nikhil Mathur from Ambit Capital. Please go ahead.

Nikhil Mathur: My question is a bit related to how the output looks post the current disruption we find ourselves in. If I look into quarterly patient numbers for 9M FY20, Dr. Lal was doing a run rate of 4.8-5.3 million kind of patient being addressed in a particular quarter. Now, once the situation normalizes, what would it take for you to reclaim those patient levels and just a question linked to this, during demonetization as well there was quite a bit of disruption that happened post demonetization. So, is there some learning from that event that you might want to deploy in the current situation once the situation normalizes?

Dr. Om P. Manchanda: I think that is a good question. So, I have been in this space for 15 years now. Every time we have had long holidays like Diwali or Navaratra is when the business dips, I have noticed that after we are out of that sort of a null period, there is a pent-up demand which suddenly comes. So, I don't think that whatever we are losing now is a complete loss. So having said that I am not guiding you guys saying that everything will be fine. But I do believe that some of that demand tends to come back and we have seen that during demonetization also and slowly demand does come back. And I think what is very important for us will be a) making sure our infrastructure is available to the patient because if our collection centers are not open, if some of these smaller labs that outsource to us or hospitals, they are not doing OPDs then the business will be impacted. And I am presuming after lockdown all these will open because today patients are not able to go out in the market at all and only emergency cases are going out. So, I presume it will come back.

The second most important thing would be movement of samples because a large part of our business actually depends on samples moving from point of collection to point of testing. Because our Delhi business is just about 40 odd percent, the 60% of our business is coming from outside Delhi which is entirely dependent on logistics and supply chain. So I think that should really be smooth and I think the positive news is that most of our business of outside Delhi NCR also comes from rest of North which actually can travel by road also because the entire Punjab, Haryana, Himachal, Rajasthan or Western UP, Central UP, lot of it actually can move by road also. I think in these times people want to get tested from a good quality lab. They are little okay with the not so good turnaround time. Everybody



understands this. So, my sense is sooner or later if lockdown gets lifted, we should start seeing the curve moving upward as well. So, I am pretty hopeful because we are in the business of essential services and trust is a very important factor for creating a pull for our business in this kind of category. So, we are very hopeful that we should be able to come out of it quickly.

Nikhil Mathur: Okay. And then just a question linked to this. Over the years, you would have also seen shift in consumer patterns, the consumer behavior would have changed a bit over the years. How do we see the consumer behavior evolving? It is still early days, but can there be a situation where people go for more pre-emptive tests, more kind of wellness kind of test and look to take general care of them by doing more pre-emptive testing than just going for reactive kind of proposition?

Dr. Om P. Manchanda: I think so because it is very clear that this sudden shock to all of us will definitely bring health as a number one priority because health is the most important wealth. So, awareness about healthcare in general will go up and people will be familiar with what these antibodies are, what the antigen is, what the PCR tests are, I think the general knowledge in the system has gone up and people will definitely start taking care of their health. I do believe that healthcare will definitely undergo a key change and all of us, we will have a re look at a global level in terms of how this has to move. In terms of how people look at health, I think there are new things which will emerge. I can't think of diagnostics right now, but people are already talking about tele-medicine for hospitals and senior doctors and recently some article from China has come where tele-medicine is just becoming a way of life there and not only anything which is helping you to have a social distance because it will definitely help and people are saying how do I actually get healthcare remotely. So, anything which is remote in nature will definitely be a disruptor. So, I don't think right now we are in a position to apply our mind, but once we are out of this firefighting, definitely a new order should emerge in this sector.

Moderator: Thank you. That was the last question for today. I now hand the conference over to the management for closing comments.

Dr. Om P. Manchanda: So, thank you very much. I know there are lot of questions which I couldn't actually answer directly. But I just want to reassure you that as a management team we will try our level best and put all our operating experience we have gathered over period of time and hopefully we come out of it. Thank you once again.

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

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