Ref: MHL/Sec&Legal/2021-22/39 **Date: August 12, 2021**

To,

Head, Listing Compliance Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001.

Scrip Code: 542650

Head, Listing Compliance Department
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1. G Block,
Bandra -Kurla Complex, Bandra (East),
Mumbai- 400051.

Scrip Symbol: METROPOLIS

Sub: Transcripts of Earning Call for Q1FY2022.

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed herewith transcripts of the Earning Call held on Friday, August 6, 2021 wherein the management of the Company discussed the Financial and Operational Performance of Q1FY2022.

The audio recording for the same has been uploaded on the Company's website and the same can be accessed at www.metropolisindia.com.

This is for your information and records.

Thanking you,

Yours faithfully,
For **Metropolis Healthcare Limited**

Simmi
Singh Bisht

Simmi Singh Bisht
Head – Legal and Secretarial
Membership No.: ACS 23360

Encl. a/a

"Metropolis Healthcare Limited Q1 FY2022 Earnings Conference Call"

August 06, 2021

ANALYST: **MR. PRAVEEN SAHAY - EDELWEISS FINANCIAL**

MANAGEMENT: **MS. AMEERA SHAH - MANAGING DIRECTOR - METROPOLIS HEALTHCARE LIMITED**
MR. VIJENDER SINGH – CHIEF EXECUTIVE OFFICER - METROPOLIS HEALTHCARE LIMITED
MR. RAKESH AGARWAL – CHIEF FINANCIAL OFFICER - METROPOLIS HEALTHCARE LIMITED

Moderator: Ladies and gentlemen, good day and welcome to the Metropolis Healthcare Limited Q1 FY2022 Earnings Conference Call hosted by Edelweiss Financial. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference, 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. Praveen Sahay from Edelweiss Financial. Thank you and over to you Sir!

Praveen Sahay: Thank you Melissa. Good evening everyone and thank you for joining to the earning call of Metropolis Healthcare. On behalf of Edelweiss I would like to welcome management team of a Metropolis to discuss the result and outlook. We have with us, Ms Ameera Shah, Managing Director; Mr. Vijender Singh, CEO and Mr. Rakesh Agarwal, CFO. I would now request Ms. Shah for her opening remarks post which we can open the floor for Q&A. Over to you Madam!

Ameera Shah: Thank you and good evening everyone. Thank you for joining us on the Q1 FY2022 earnings call. I hope you and everyone around you are safe and healthy and I am joined today by Vijender, Rakesh and SGA. The presentation and press release have been issued to the stock exchanges and uploaded on our company's website. I hope everyone had an opportunity to go through the same. Let me start by thanking each and every frontline worker including those at Metropolis who has restlessly worked around the clock during the past few months to get us past the deadliest second wave of COVID-19. Let me share with you the business highlights for the quarter. I am very pleased to share that we have continued from last quarter and delivered highest ever quarterly revenue, EBITDA and PAT during Q1 FY2022. We crossed 300 Crores quarterly revenue to beat 100 Crores EBITDA milestone in this quarter. We also recorded highest ever patient visits at 3.5 million and number of tests at 6.5 million. Strong Q1 performance was partly led by increased COVID revenue due to second wave of COVID-19, which was bigger in magnitude. Accordingly, the COVID PCR test contributed 19% to the total revenue in Q1 as compared to 14% in Q4. Majority of the COVID revenues were recorded in the month of April, which tapered down in the month of May and June and cases started moderating. This was typically in the west of India where the COVID wave started in March and ended in April while in the north of India it started in April and completed in May, which is why we see an increase in West India for Metropolis the COVID revenue split between the two quarters of Q4 2020-2021 and Q1 2021-2022.

Reviewing both quarters together will provide a more balanced insight into performance of diagnostic form. If one were to look at the performance of last two quarters Q4 and Q1

Metropolis has fared well on profitability metrics as compared to the industry. However, this time around the non-COVID business was not impacted to the extent it was impacted during the first wave of COVID-19 as people continue to undertake non-COVID tests with adequate precautions. Non-COVID revenues thereby grew 269% on a year-on-year basis and 5% on quarter-on-quarter basis. COVID or non-COVID we have seen a strong acceptance to brand Metropolis which is visible in our growth on all accounts including patient visit. Even in noncore geographies we have seen faster growth and North and east India now contribute 4% extra to total revenue compared to last year same period and therefore we strongly believe that we will continue to move ahead and clock better than industry growth in quarters ahead. I am also happy to share the arbitration case with respect to receivables related to Global Hospital, which is now part of the IHH group. We had conservatively written off the dues in Q4 FY2020 and have now returned back 16 Crores after receipt of the said money, which is reflected as exceptional gain in the P&L statement. Accordingly, we have restarted the business of Global Hospital and other hospitals in the IHH group as well. We have signed with them a multi year contract which will start giving us revenues from September. Further there was an arbitration proceeding which we had with our erstwhile JV partner in Pune for breaching the noncompete provision in the SHA. I am happy to share that we have won this arbitration and we have been awarded dues of 7.5 Crores, which was in escrow till now which will now get added to our cash reserve with no effect on the P&L. The outcome of these cases truly affects the business ethics we practice while conducting our business as per agreed terms with partners while being on the right side of law and serving our patients

Let me now highlight a couple of points, which had a minor impact on our profit in Q1 FY2022. You may have noticed that our employee cost and other expenses have risen. With respect to employee expenses apart from normal increments it also includes a one time special incentive to our frontline workers for their restless efforts during the phase 2 of the pandemic. Motivating and retaining talent is a critical action at this time and we are investing in our people financially and via learning and development also. Other expenses increased on an account of variable pay to third party centers and investments made in the new network expansion, the result of which will accrue in quarters to come. As the industry is changing with COVID acting as the ultimate catalyst and accelerating the pace of shift from unorganized to organized, there are many opportunities for consolidation via the inorganic route; however, the valuation expectations between public and private companies is reducing leading to difficulty in closing deals in the sector. We will continue to evaluate all strategically significant deals that help us consolidate market share in focus cities or to build B2C platform in non-core cities and believe we are best placed to conclude such deals due to our large experience in M&A and integration of such businesses. If the right opportunities arise we would be comfortable in doing deals using stock cash and debt as appropriate. Before concluding my part of the speech, I would like to mention that the healthcare sector including diagnostics is at a key inflection point. We believe we are at the start of something transformational and we at Metropolis are keenly watching and evaluating the changing dynamics and will be ready to grab any new opportunity which can enhance our service offering adding value to our customers and shareholders. That is all from my side. I will ask Vijender now to take you through some of the operational parameters.

Vijender Singh: Thank you Ameera and good evening everyone. Now let me come to key performance metrics, which we track for our progress. First on revenue share of B2C business, our revenue share of B2C business in focus cities for non-COVID business increased by 500 bps from 54% in Q1 FY2021 to 59% in Q1 FY2022. It has also increased by a 100 bps as compared to FY2021. We are swiftly progressing towards our near-term target of reaching 65% with customer centric approach, focused marketing and branding initiatives and ramping up home testing offerings. Increasing share of B2C business improves customer stickiness, enhances brand equity and is margin accretive for the company. We will continue to focus on B2C business especially in our focus and seeding cities via organic and inorganic route.

On specialty test contribution, volume contribution from specialized tests for non-covid business has increased from 11% in Q1 FY2021 to 16% in Q1 FY2022 while its revenue contribution has increased from 34% in Q1 FY2021 to 41% in Q1 FY2022. Our continued focus on research and development has led us to offer a differentiated set of tests, which enhanced our relationship with doctors as well as customers improving the stickiness of the business. Improving share of specialized test also leads to higher revenue per patient and revenue per test leading to better profitability for the company. On home testing business, home testing business as we have stated earlier is one of the most important focus areas for us. Revenue from home visit business including COVID increased by 70% year-on-year to Rs.37 Crores in Q1 FY2022. If you consider only the non-COVID business it grew even faster by 130% year-on-year to Rs.24 Crores in Q1 FY2022. We are witnessing a shift in preference to home visits even for non-COVID test on the back of convenience and safety factor. Our home visits coverage has now been extended to 64 locations and we plan to further extend the coverage to 100 locations by end of FY2022 and cover 200 locations by end of FY2023. On digital initiative we believe that digitization in healthcare is inevitable. Accessing a digital customer experience on Metropolis Corporate portal is now live and the new app will be launched soon. Our smart report feature, which provides an enhanced report experience and the sample tracking feature which provides assurance and certainty to consumers are also live. By digitizing logistics pickup and travel, real time home collection scheduling and implementing CRM to get one view of customer, we plan to continue to make the consumer experience more seamless. For us B2B and third party partners, we have recently rolled out a partner portal platform to get ready digital access to services from Metropolis and with improved engagement potentially leading to higher revenues per partner and more stickiness. We are also working to revamp the platform to make it mobile friendly and add more features as we get feedback from our users. For our doctors making it simple for them to interact with Metropolis to prescribe test for patients is our key focus and as the healthcare ecosystem expands we are actively looking to increase our participation in this area with leading platforms and aggregators. We believe these initiatives will drive more customers to Metropolis and coupled with science first approach strengthen our brand equity. With focused digital and marketing initiatives we have witnessed increase in our website traffic on year-on-year basis. 3x increase in call volumes due to digital campaigns and faster ramp up in home visit testing business. As a result of these efforts about Rs.29 Crores of revenue came through leads generated via digital medium which is about 9% of Q1 FY2022 topline. Our target is to reach 15% revenue contribution through digital leads by end of FY2022 and increase it to one third of revenue over the next three years.

In the last quarter meeting, we spoke about expanding our physical infrastructure in terms of labs & service network to enter into new geographies and strengthen existing ones where we want to increase market share. We have added 4 labs and 161 service network centers during Q1 FY2022 taking the total number of labs to 129 and service network to more than 2700 centers. Most of these new service networks comprises of third party patient service centers, which helps us to expand our network coverage quickly in an asset like manner. As stated earlier our plan is to add 90 labs and 1800 service centers in the next three years giving us entry into 100 to 150 new cities. This expansion will also enable us to penetrate into the deeper parts of the country where we do not have the presence currently. It will also facilitate us to widen our coverage for home testing business and in turn increase the B2C component of the business. For Q1 FY2022 we recorded highest ever patient visits at 3.5 million and number of test at 6.5 million in a quarter that is patient visits grew by 158% and number of tests grew by 147% on year-on-year basis. Even on quarter-on-quarter basis patients visits grew by 11% and number of tests grew by 1%. For Q1 FY2022 revenue per patient for non-COVID business increased by 26% year-on-year and 11% quarter-on-quarter to 1028 on the back of improved volume contribution from specialized non-COVID tests. Including COVID revenue per patient had decreased by 11% year-on-year basis as COVID test prices were at its highest levels in Q1 FY2021, which were capped downwards during the year. However, in spite of that overall revenue per patient increased on quarter-on-quarter basis.

For Q1 FY2022 revenue per test for non-COVID business increased by 17% year-on-year and 13% quarter-on-quarter to Rs.473. Including COVID revenue per test has reduced by 7% year-on-year due to same reason mentioned earlier which is lowering of COVID test price. However, on quarter-on-quarter basis revenue per test still grew by 11%. Our revenue profile among focused seeding and other cities stood as follows. Focus cities (five cities including a city and peripheral area around metropolitan region) contributed 58% to the total revenue in Q1 FY2022. Feeding cities (8 cities including the city and peripheral area around the region) contributed 22% to the total revenue in Q1 FY2022. Rest of the other cities contributed 20% of the revenue in Q1 FY2022. Our revenue share of B2C business in focus cities for non-COVID business has increased by 500 bps from 54% in Q1 FY2021 to 59% in Q1 FY2022. With increasing marketing initiatives towards the B2C side of the business we are confident to reach our target of 65% soon. With respect to geographical distribution, revenue contribution from west region was 56%, south contributed 24%, and north contributed 10%, while the rest was contributed from east and international locations. With respect to test mix on volume and value basis during Q1 FY2022 for non-COVID business the volume contribution from specialized has increased to 16% as compared 11% in Q1 FY2021. Revenue contribution from the same increased to 41% in Q1 FY2022 as compared to 34% in Q1 FY2021 in line with our strategy. The volume and value mix overall continues to see improvement. To conclude from my end, our focus going ahead will continue on ramping up the non-COVID business, improve B2C contribution of the business and expanding the service network, ramping up the home visit business with focused marketing initiatives and complete digitization. Higher share of specialized non-COVID test, automation and cost efficiency initiatives along with other factors at play will lead to improvement in profitability with higher scale of business. This will lead to significant improvement in customer experience in the long run and in turn will enhance the brand equity of Metropolis. That is all from my side. I will now ask Rakesh to take you through the financials.

Rakesh Agarwal: Thank you Vijender. Good evening to everyone on the call. Let me give you a snapshot of our financial performance. Q1 FY2022 revenue stood at Rs.327 Crores as compared to Rs.143 Crores in Q1 FY2021, up by 128% year-on-year, on Q-on-Q basis it grew by 12%. Non-COVID business contributed 81% of the revenue while COVID RT-PCR contributed the rest 19% on the revenue during Q1. Non-COVID revenue stood at Rs.264 Crores in Q1 FY2022 as compared to Rs.102 Crores Q1 FY2021 up by 159% Y-o-Y, on quarter-on-quarter basis grew by 5%. COVID RT-PCR revenue stood at 63 Crores in Q1 FY2022 up by 53% on Y-o-Y as well as Q-o-Q basis on account of second wave COVID-19. EBITDA before CSR & ESOP stood at Rs. 105.6 Crores in Q1FY22 as compared to Rs. 13.1 Crores in Q1FY21, more than 8x on YoY basis. On QoQ basis, it increased by 2%. EBITDA Margins before CSR & ESOP expanded by more than 2300 bps YoY to

32.3%. Reported PAT stood at Rs.74.9 Crores in Q1 FY2022 more than 26x on Y-o-Y basis and up by 22% on Q-o-Q basis. PAT is positively impacted by gain on account of write back of past dues of Global hospital.

Coming to our working capital ratios. Our debtors days has improved further from 44 days in March 2021 to 36 days in June 2021. Overall working capital days have increased from 4 days in March 2021 to 12 days in June 2021 partly on account of creditor days and because of higher inventory. Our liquidity positions remain very strong cash and cash equivalent of Rs.461 Crores as on June, 2021. OCF / EBITDA stood at 71% for Q1 FY2022. That is all from our side. We will now leave the floor open for Q&A. Thank you.

Moderator: Thank you. Ladies and gentlemen we will now begin the question and answer session. Ladies and gentlemen we will wait for a moment while the question queue assembles. We have the first question from the line Pooja Bhatia from Morgan Stanley. Please go ahead.

Pooja Bhatia: Good evening everyone. Since COVID contribution has moderated in May-June and would continue subject to the third wave I guess what would be normalized EBITDA margins be like when things normalize, right now we are seeing 30% plus this quarter, I understand there will be several moving parts I guess the business mix, channel mix, the costs so just tell me would it be higher or lower than the pre-COVID level?

Ameera Shah: In the last quarter actually we had shared that we would hope and expect EBITDA margin for the whole year of 2021-2022 to be higher than the entire year of 2020-2021 and that could be a blended average of some quarters where obviously it might be higher due to certain reasons and there would be some seasonality effect, but on the overall year basis it should be higher.

Pooja Bhatia: With robust expansion plans underway would this dilute your margins in the longer term over a three-year period?

Ameera Shah: When we actually looked at the network expansion this dilutes EBITDA in the short term in the first two to three years by 0.75% to 1% and what we have done is that to compensate for that dilution we have started cost efficiency projects at the back end and to neutralize the impact of the dilution because of expansion and therefore we are saying that keeping the cost efficiency benefit and the expansion, overall we believe that we should still be higher than whole of last year.

Pooja Bhatia: Understood, two decades ago when the company was in the initial stage the idea was to grow in core markets focused cities now that we have a sizeable presence here, you are wanting to expand in more geographies I guess pretty much similar to what other regional players are doing I believe there will be a considerable overlap in certain markets so how is your value proposition be different versus the other, the reason why I ask is all companies are following the digital route, I guess this is the need of the hour building own online app, investing in logistics, etc., so how the patients really choose between two service providers which stand to have a strong brand presence in the same vicinity?

Ameera Shah: I think you have to take a step back, when we talk about the industry we still talk about 90% unorganized and unorganized industry is not even fully using computers today, forget about having apps and building digital platform, so really we have always maintained that the larger story here is the move from unorganized to organized and not really the competition between the organized players that is not really the story here, but to answer your question on how patients would make a decision we have to remember that ours is not a simple consumer service it is the medical healthcare consumer service, which means while your technology may be great, your features maybe great, your service may be great, finally what people are buying from you is an accurate test report and your brand and credibility of being able to deliver that is the most critical thing that you actually bring to the table. Today also the way patients make decision is along with their doctors in choosing the right diagnostic brand, which is based on quality and then service and experience and other factors and we do not believe that that is going to change because as much as technology comes into play you still need an accurate diagnostic report, so that will continue being the most important thing, I think frankly what we are hearing in the industry is very, very limited number of players maybe two, three, four players are talking about even building a digital engagement with their consumers, so it is a very limited number actually that we are actually seeing, majority of the industry is still very much in the more traditional mode of Brick and Mortar.

Pooja Bhatia: There has been a lot of interest was created in the sector, we are seeing new regional companies tapping the capital markets, online aggregators are scaling up, hospitals expanding their presence, how is this impact the pricing with the pressure on pricing in the near term?

Ameera Shah: Again I think we have to separate the kinds of diagnostics that we are talking about, the companies that you are talking about that are looking at a public issue I do not think they are looking at a public issue to raise money and then bring the prices down, that has been done even without raising money from the public market, so I think they had to create competitive intensity that happened already in fact both going public I think there will be probably more pressure on profitability and margin, so I do not necessarily see that happening. As far as hospitals and other people coming to the sector again this is a very old story and many people have already come into the sector over many years and already brought that competitive intensity in, overall I think if you break up the basket you will see there is wellness; there is chronic and acute testing. Acute testing is when the patient gets sick you have a fever you go to a doctor and doctor says you need to get some tests done for me to find out what is causing the fever and the doctor needs an accurate report and therefore guides you to a lab that maybe Metropolis, it maybe somebody else in a different core geography, and the patient is the only decision maker with the doctor, so we believe that decision making will continue the same way as it is happening today. You then have the second bucket which is chronic bucket where you have patients who are diabetic and who today are mostly above a certain age of 50 to 55 there will be a percentage of those who are tech friendly and who may want to experiment with new bundling of services and opportunities they get, but there will be also a large number of that bucket who will prefer to continue with that lab that they have been going through because the data will be standardized, the data records will be with the lab, they are comfortable with the phlebotomist, etc., etc., they are not tech evangelists the older age group, so we do not expect that the entire chronic base is just going to shift over on to digital platform and then you have wellness and again you have multiple categories of customers and there are customers who are saying look I want to buy a wellness for Rs.3000 or Rs.5000, which is premium wellness and I want to do it from a credible brand and then there is value wellness, which is probably less than Rs.1000 where they are looking at promos and discounts and commercial benefits and that is now a growing market and obviously in that area I think you would probably see more price competition because price will be one of the key factors in which consumers may call, but in chronic and in acute I do not think price will be the most important factor.

Pooja Bhatia: Understood and thank you for this and I will get back in the queue.

Moderator: Thank you. We have the next question from the line of Anubhav Agarwal from Credit Suisse. Please go ahead.

Anubhav Agarwal: One question was when you talk about increase in the home collection network for you as well as increase in the patient service center I just wanted to understand how do you decide to take a call let us say in certain area whether to increase the home collection versus increasing more number of patient service centers, the context of the question which I am asking this is in my view it is more profitable for you to go further home collection so why such a strong target that you have for the patient service center versus home collection?

Vijender Singh: Largely I think home collection is more of a behavioral change which has come due to COVID, so largely in almost all the cities if you take any cities especially in India people preference would be more towards home visit, so hence we said in our speech also that we want to expand our homes visit services from current 64 to 100 cities and then from there so and so forth, but definitely there is an opportunity in many of the cities where we do not have a lab or home collection facility so in those markets we are looking at opening collection centers first. The first level of entry point in certain markets would be through collection centers and there will be certain markets, which are strong in markets in our geography in the ecosystem of West India, South India and a couple of North India also there we want to start a lab also coupled with collection center, so I think it is a mixed strategy, but largely I think the entry point in any new city would be through collection center.

Anubhav Agarwal: In established market you would ideally want to have a more number of home collection points incrementally right because this is a chance of converting the B2B business into B2C right?

Vijender Singh: There is no end to building capacity on home visit so you have to have a hybrid model where you give both choices to the patients because we have seen in last about three quarters there has been a good traction on home visit and of course the traction on footfalls has also started going up because with the expansion of collection center you are going much closer to the patients.

Anubhav Agarwal: Sir, just for my clarity on this and this is my last question on this home collections from customers perspective what have you seen, yes the last two quarters have been different, but what is your sense, let us say if you were not to charge anything on the home collection and then it is the same price whether he walks into lab or you come to the home and collect the samples what do you think is the customers first preference?

Vijender Singh: Customers first preference of course would be home services, but there are set of customers who prefer going to a nearest collection center, earlier what used to happen is that the patient used to travel to farther distance in order to give their samples now he has got a two choice one is home visit and second is a collection center, which is close to his place and that is what we mean by expansion going closer to patient.

Anubhav Agarwal: Thank you.

Moderator: Thank you. We have the next question from the line of Neha Manpuriya from JP Morgan. Please go ahead.

Neha Manpuriya: Thanks for taking my question. My question on the non-COVID trend in the quarter, first if I look at the volumes the revenue through the month even though there was not that much of a disruption we have not really seen the pickup that we would see as you know unlocking happened let us say in May-June, so have we normalized fully or do you think there is further normalization in the non-COVID business and second on the ASP trend of the non-COVID business the quarter-on quarter improvement due to the speciality test is that related to the COVID or do you think it is more sustainable given our focus on increasing the speciality, I am just trying to understand that this is the one off and we should see that ASP normalized again going forward?

Ameera Shah: I think on the first part of non-COVID, we have to remember that the government unlocking in June is not necessarily and it is not a consumer service where suddenly you unlock and everybody goes to market and provide testing right unlike a consumer goes it depends a lot of mindset and I think how badly people were tormented with health in April and May I think there continued to be a hangover of being afraid of necessarily going out and interacting especially with healthcare if it was not needed, so I think usually I have seen the gap between wave and normalization of non-COVID will take a few months and not happen instantly and I think that will get reflected in my mind in July, August, September more likely than it will immediately in June. The second question about specialized tests, as we have always maintained our focus on specialized tests and generating it and going to doctors and making sure that we are building sticky business continue and we are seeing a nice uptake in that business and that is what is being reflected in the revenue per patient which we have given to you with COVID and without COVID and you will see an uptake in both and especially in the one without COVID that is the reflection of these efforts.

Neha Manpuriya: So, there is a fair bit of stickiness in the speciality contribution with the comorbidities issue arising out of the pandemic or the surge in COVID cases?

Ameera Shah: No, because some of the tests which are what you call as COVID rub-off or COVID allied test are not necessarily what you consider as the specialized test, lot of them will actually fall in the semi-specialized bucket.

Neha Manpuriya: That helps. The variable pay to third party and I understand the impact from an expansion of network point of view, but this variable pay to third party is that because of the higher

COVID volumes that we saw in the quarter because even the percentage of revenue does seem high in this quarter?

Vijender Singh: Yes, there is a combination of both things, one is that this quarter we have seen the revenue going up and particularly on this third party centers so because of the COVID scenario lot of testing is also happening, so there is one reason why this revenue share has gone up a bit and secondly because we are expanding our network on third party network very aggressively so this is something which is going to happen a bit, but that is something part of our strategy, so it is not that this is something which has come out of the blue moon, so we understood that once we go aggressive in our third party network there will be some revenue share which will go up on this and that is what has been factored in and that is something which we are already aware of, so that is the reason why there is a bit of a decrease in EBITDA margin, that is the only thing which we have mentioned, otherwise this is a part of our strategy to really go aggressive in third party and increase revenue on B2C share.

Neha Manpuriya: Understood. Thank you so much.

Moderator: Thank you. We have the next question from the line of Shyam Srinivasan from Goldman Sachs. Please go ahead.

Shyam Srinivasan: Good evening and thank you for taking my question. Just first one on the non-COVID revenues, if I just look at it on a two-year CAGR basis so 1Q 2022 versus 1Q 2020 just to try and understand how that split, it is about 13% CAGR on the non-COVID revenues and it splits sort of 9% on realization and 3% on volume, so just trying up to some of the previous questions looks like 3% and when I look at your historical run rate, but volume growth typically has been higher, it has been 8%, so it is part of the solution to get volumes up is that network expansion led you think or given where we are in terms of our core market is that how we should read it or you think the 3% in the function of the lockdowns and the point that you just made and 3% ideally go back to 6% to 7%?

Ameera Shah: I think 3% is very much outcome of the lockdowns and the fact that COVID has overwhelmed everybody's life right I think we have to realize that this is happening to patients right so it is about what makes them sick now and everybody is not traveling, everybody is at home, nobody is meeting out, automatically the wellness and health piece actually goes higher because people are taking extra care of themselves so they avoid getting COVID and which also means they avoid getting other diseases, so it is a very natural that less people are falling sick, less people are going to doctors, less people are getting test, and which is why the main infection that spreading is COVID, now if we choose to separate the main infection which is COVID from all the others it may not necessarily give us a fair picture because the patient is the same, they happen to have COVID today and they may or may not have some other infections in the future, so I think the way we are looking at it is when you are looking at volumes of patients you have to look at them combined because this is another illness or a sickness happening to a patient and the patient like I said today may come to us for testing for COVID and tomorrow's experience would come for some other infection or disease, so to us is an outcome of that and nothing else has really changed in the equation to change the historical volume growth rates at all.

Shyam Srinivasan: Got it, that is very helpful. So, if I now look ahead and just look at the expansion that you are talking about the numbers that you have put out, are these new numbers relative to the previous or we just articulated what some of the specific numbers are the 90 odd labs that we are adding and just one trying to add is there a larger goal in terms of where we want to be from a longer term revenue target perspective, is that something that is driving these network expansion parameters?

Ameera Shah: I think the revenue target is the outcome of the effort we put in right, so the network expansion is one of the key growth drivers that will help us reach those outcomes and there are basically four sort of main levers one is obviously geographical expansion, which is to go closer to the patient in the cities we are already present in and second to go closer to the patient in new cities where we never had labs before and that is the geographical expansion that we are doing. The second one is to take existing products and steps to the geographies or to the doctor or to the patient which earlier were not using them, so how do you really get more tests prescribed to patients where they needed and how do you get patients to move up the value chain to more specialized test that is part of the second sort of key strategy. The third one is about channel movement that which now patient is also wanting to use home services or digitally coming and becoming aware how can you use these new channels of awareness brand building and acquisition to further your growth and obviously the fourth one is inorganic, so I think we would continue using all four key growth drivers and the network expansion is only one of them and hopefully obviously all these combined together would lead to the kind of revenue growth that we hope to achieve.

Shyam Srinivasan: Got it and last question just on an update, we have put a release on Hitech that we are probably not able to reach out to the group so what are the next steps what could likely happens and the related question is we have 450 Crores of cash and cash equivalent so how should we look at inorganic play and the policy made at the start about valuation being a hurdle, so just your qualitative colour there?

Ameera Shah: I think on the first question is there anything material we will obviously come back and update shareholders, we are exploring all options at this point to bring that deal to some sort of a closure one way or the other, and of course if there is anything material we will come back and inform shareholders as soon as possible. On the second side which is on the cash on book and what is the thought, we continue to be very optimistic and excited about all the opportunities in the market and as we said we are continuously watching and looking out for inorganic opportunities, we are also looking in exploring a digital health tech avenues, there are bunch of things that we are exploring at this point and therefore we do believe that over the next year or two there will be significant opportunity to potentially invest in, while things are getting more expensive we would like to continue to remain prudent and disciplined about the kind of investments we make, but at the same time we always want to be ready to make sure that we are able to jump on any opportunity that we think is strategically good fit for us.

Shyam Srinivasan: Thank you and all the best.

Moderator: Thank you. We have the next question from the line of Krishnendu Saha from Quantum Asset Management. Please go ahead.

Krishnendu Saha: Could you call out the number of patients for COVID and non-COVID separately for this quarter and for the full year 2021?

Vijender Singh: This year we have a total of 35 lakhs customers visiting us in this quarter out of which 10 lakhs customer visited for COVID and 26 lakhs customer visited for non-COVID and for FY2021 we have 98 lakhs customers visiting us out of which 14 lakhs were COVID and 85 lakhs were non-COVID.

Krishnendu Saha: Thank you very much.

Moderator: Thank you. We have the next question from the line of Rajesh Kothari from Alpha Accurate. Please go ahead.

Rajesh Kothari: Good evening, madam. Thanks for the opportunity. My first question is with reference to this resolution of raising money can you give a little bit more color on that?

Ameera Shah: I think the idea of the resolution is only enabling resolution as a public company obviously one of the privileges and benefits is to be able to go to public shareholders and be able to raise that money as you know as and when required, as we mentioned in the last call we are exploring several opportunities on all sides and we just wanted to make sure that we are ready from a regulatory perspective in terms of getting a board resolution that as and when if any such opportunities arise we are able to receive the opportunity and come to our shareholders, so at this point nothing specific to it, it is just an enabling resolution.

Rajesh Kothari: So when you are writing your preference shares and/or public issue this does not include QIP or that close also include QIP?

Ameera Shah: It is actually a very general resolution like just enabling, it just includes all the opportunities, and there is no specific thought at this point of time.

Rajesh Kothari: My second question is as you rightly mentioned that in last probably six to seven months the kind of valuation which has gone up making it a little bit difficult to acquire the companies, but so in terms of your capital allocation policy and the decision making process which was there about seven months back should we assume to remain the same or you are changing your internal targets also in terms of the payback period of such acquisitions considering that recent valuations you inched up?

Ameera Shah: I think we would like to continue to be or would be prudent and looking at things from a sustainability perspective and while there has been a recent jump up in valuations I think if we look at it from a sustainability basis I think we just want to make disciplined calls. At this point of time I do not think our policy has changed radically as far as capital allocation or any of that, but of course we are like I said exploring opportunities to really see a befit, sometimes it might be possible obviously that we look at an opportunity which may or may not payoff handsomely in the short term, but strategically is good for us in the long term and there might be different lens to look at that through and of course if such an opportunity does arise then we would be happy to share sort of thought and strategy behind it but at this point of time obviously there is nothing on the anvil to share.

Rajesh Kothari: My only limited concern was I hope that you continue to maintain your prudent capital efficiency policy which has been there throughout lot so many years because recent euphoria of such kind of IPOs in equity market is making at times, this is a little bit more what I would say instead of three to four years buyback it becomes eight, nine, ten years buyback and then ultimately basically it depletes the balance sheet, so my suggestion was always that kindly be remain prudent in capital allocation, in terms of the digital initiatives what you are taking, are you putting anything into a separate subsidiary and then suppose you get a opportunity which is a more like digital link opportunity are you exploring such option whereby you can get the right technology partner so your pharmacy domain and the technology domain and that can grow on its own in a bigger way?

Ameera Shah: Obviously lots of ideas and exploratory thoughts at this point and I think it is too early to be able to sort of have any specific comment, but in short I think we are exploring all opportunities to see really what makes sense for us. I think we should be in a better position to be able to give more specific comments I think hopefully sooner than later.

Rajesh Kothari: Great. Thank you and wish you all the best.

Moderator: Thank you. We have the next question from the line of Surjit Pal from Prabhudas Lilladher. Please go ahead.

Surjit Pal: Good evening. I have two questions, in terms of capex or in terms of mixed set of investments are you guys going for any kind of setup or acquisition of any kind of digital marketing going forward?

Ameera Shah: Nothing specific that we have identified at this point of time, you know that we can comment on, of course if anything something specific that come up we will obviously come back to shareholders, but we are exploring like I said all opportunities to see if there is anything that really fits with us and finally whether you do anything on the digital or the offline side there has to be synergy creation whether it is on the cost side or the revenue side we do believe that the way healthcare is moving there is a place for an offline and online model and to become omni channel and if there are partners who could create synergy with us we would explore, I think little bit early to comment on any specific opportunity.

Surjit Pal: The second question is that you might have seen that some of the activities going on by hospitals by integrated service providing opportunity so this is the kind of a new trend has come where people are getting more and more into integrated service providing market space where both OPD as well as dispensing of medicine as well as diagnostic spaces are there so being a dominant player in diagnostic space with so much of cash is there any possibility going forward with backing of PE taking into that mode where you will be leading and getting into offering integrated service from this existing conventional model of diagnostic business?

Ameera Shah: I think it is definitely worth exploring to really see whether there is merit in really looking at an expanded integrated health offering, there are obviously some significant strengths that we have, we do have a large number of consumers and customers who trust us and believe in us, we obviously have data and we obviously have relationship not only on the consumer side but also on the providers side, so there are some strengths and I think the goal is to figure out whether these enable for an integrated health ecosystem expansion and those are all some of the conversations and explorations that we would do.

Surjit Pal: Thank you. I think that is going to be a change for the next two years in the sector and we could be seeing many deals into that space. Thank you and all the best.

Moderator: Thank you. We have the next question from the line of Rahul Agarwal from Incred Capital. Please go ahead.

Rahul Agarwal: Good evening and thank you for the opportunity. So, Ameera, related question what generally the discussion has been around M&A but very specific to what has recently happened with the PharmEasy Thyrocare deal and more so for the metro and the Tier-I markets what change would you expect once they are settled down and absorbed Thyrocare fully as I said especially for metro and Tier-I markets do you think this combined services impact on the chronic side, you explained that you are not expecting lot of shifts there but my sense is given next 12 to 24 months there might be some kind of chronic illness pricing pressure here, any sense on this specifically?

Ameera Shah: No, like I said and I think if you can look at the bucket separately and I think while on the wellness side I do believe that there will be some price competition, we have been actually quite aware of and conscious of this and therefore you will see the wellness business that Metropolis does is actually not a value wellness which is based on price thing but is a wellness which is more based on quality and service and the customer that comes to us is more premium in segment and therefore I do not see too much overlap at least in that path for us in the short term. On the chronic side look there will be an attempt obviously to try to bundle many things together and like in every category and every industry there will be some consumers who find value in that but I think it would be incorrect to assume that every customer will for pricing especially in healthcare take a call to move away from their comfort zone, it is a simple point I think to myself that if I am going to a particular doctor in a particular lab and I am comfortable with results, I am comfortable with the blood collection, I am comfortable it is close to my house, etc., and if somebody gave me Rs.50 cheaper would I shift most logically I think the answer would be unlikely to be yes so it would be no, so I think the average consumer what we have seen from market research that when it comes to health pricing is not their topmost concern, their top most concern is acceptance of the brand by the doctor and number two their own service experience and comfort.

Rahul Agarwal: Got it, related question to the fundraising question the earlier participant asked, so obviously at this point we do not have anything specific to share, but going forward given the promoter holding right now in the company is about 50% around that if any fundraising really happens over next 12 months this will actually dilute down so any thoughts in terms of owning majority control in the company?

Ameera Shah: See, I think majority is more a state of mind than anything else, I think we are already the largest shareholder in the company and driving the management, I think dilution of a few percentage points if it is helping the company move forward in a significant way and leaping forwards then to us it make sense to do and obviously this is like I said at this point just an enabling resolution we are not looking to raise funds immediately, so I think the idea will be just to be ready if opportunities do come up they are exciting that our mind is clear and we are able to seize the opportunity quickly.

Rahul Agarwal: Lastly just a short one on the profitability for non-COVID versus COVID, so it seems like earlier there were differences, but right now it looks like given the numbers there is no difference between what we are making on COVID and non-COVID any thoughts on gross margin or EBITDA, that is my last question? Thank you so much.

Ameera Shah: We are not really monitoring profitability separately for both at this time because the infrastructure at the backend is common, so it is quite difficult to actually separate the two. As we were maintaining COVID has definitely been adding to the group profit and that continues to be the case of course if pricing move down further then of course there is a chance the margins may change, but so far we have managed to manage our costs well even when prices have come down and let us hope that continues to be the case.

Rahul Agarwal: Thank you so much and all the best. Thank you for answering.

Moderator: Thank you. We have the next question from the line of Kumar Gaurav from Kotak. Please go ahead.

Kumar Gaurav: Thanks for taking my question. I have only one, so on the digital online front we have been investing a lot to improve our offerings and you have also highlighted the importance of having an app and spoken about the digital ambitions; however, when I see the Google Play Store for example the app has a rating of 1.5, which is significantly lower than all other diagnostic as well as E-Health players, the reviews are also super poor, is there any reason why we are lacking on this front and are we taking any steps to improve user experience?

Ameera Shah: In fact the current app is not one that we believe that we want to push which is why we are not promoting it heavily we believe that we come up with a much better experience than app than we currently have, which is actually underdevelopment as we speak, our corporate portal actually offers now a digital experience which where you can make a booking, where you can schedule, you can pay, we are almost ready on the portal side of it and I think the app will come sooner. I think it is a matter of one more quarter where we should be able to be in a much better place as far as the digital experience goes from a start to finish, pieces of that will already come into play this month, so I think we are very cognizant of it and very much working towards this, so it is not far away the matter of a few months.

Kumar Gaurav: Thanks and all the best.

Moderator: Thank you. We have the next question from the line of Bhavya Doshi from Kriis Portfolio. Please go ahead.

Bhavya Doshi: Thank you for the opportunity. I had just one question, pardon me if it is a repeat because I missed the initial commentary, on the COVID part that is 63 Crores just wanted to understand that includes only RT-PCR, right?

Rakesh Agarwal: Yes.

Bhavya Doshi: So, there can be some of the tests like LDH, ferritin which like due to the COVID we have included in the non-COVID revenues?

Rakesh Agarwal: That is how we are showing the numbers since beginning, so all the other tests, which are peripherals comes under non-COVID and COVID includes only RT-PCR.

Bhavya Doshi: Secondly we did mention that we wish to expand our network so what proportion going forward would be the owned and the third party, can you share some colour on that or we will it be more on basis of what we have been doing in the past?

Ameera Shah: So, 90 lakhs would be company owned and out of 1800 collection centers 90% to 95% would be third party.

Bhavya Doshi: Thank you so much. That is it from my side and wish you all the best.

Moderator: Thank you. We have the next question from the line of Prakash Kapadia from Anived Portfolio Managers. Please go ahead.

Prakash Kapadia: Thanks for the support in these testing times. A couple of questions from my side, now post-COVID any changes in consumer behavior you think are happening, are they preferring more branded and larger players as compared to smaller players is that a trigger for higher and faster growth in the near term, why I am trying to understand that this is, Ameera you did mention about the fact that elevated valuations are there so M&A could be slightly difficult to do as a measure of progress and given that Hitech deal you announced where seems to be no communication or interest from there end so what is the game plan for South of India because apart from Chennai they had decent presence in Karnataka, Kerala, AP, so if you could give some colour on that also?

Ameera Shah: I will take your question about South India first and we will come to consumer behavior, so currently we are already leaders in many of the markets in South India without this acquisition so this was only consolidation acquisition it was not an entry acquisition, so at this point in Chennai we are the leading players, in Bengaluru we are number two and in many markets of South India including Kerala and including in Andhra we have a relevant role, Kerala I think also we are number two and in many markets of Andhra and rest of Tamil Nadu we have a good growing business, so South India is already a very major area for us and if you look at our presentation you will get some of the data on how South India contributes to our total revenue share as well. As far as the point on consumer behavior I will come back to the acquisition pieces then. I think firstly obviously COVID is not over yet, we are still in the middle of second wave in rural India and there is obviously an expectation of a third wave as well, so we believe that most of this year is probably going to have a large amount of COVID as a part of it for all our citizens and consumer behavior while it is changing there is so much of volatility in terms of opening lockdown, what can happen cannot happen it is quite difficult to gauge exactly where this is going to land up. While there is a lot of excitement around digital ecosystem we have to realize that today 100% of the profit pool comes from offline Brick and Mortar Healthcare and I would say 98% of the revenue pool comes from Brick and Mortar Healthcare. Digital is definitely going to play a very important role in the future, but as today at this point of time it does not play a huge role at least as far as diagnostics. What we are talking about is preparing ourselves for the future and making sure that we are being very proactive about it, the two things that we are definitely seeing from consumers, which we are quite sure about is that out of 1,00,000 to 1,50,000 labs in the industry about 2,000 have been approved for COVID testing, so during this past 18 months customers have largely for COVID testing had to go to the 2000 labs, which meant that there has been definitely a consolidation and concentration of patients in these 2000 labs out of the 1,00,000 to 1,50,000 so definitely the brand name and visibility of these 2000 labs have gone up, which makes you believe that there will be consumers potentially wanting to go back to the 2000 labs since they have experienced branded services maybe compared to what they had experienced in the unorganized center before. Now, we have to remember that while consumers may not have had this experience then they finally gets stick they will still go back to the doctor and the doctor and the patient together will make the decision as to where the patient goes, so you may not see a 100% conversion of a patient who came to your lab for COVID is now coming to you for everything else, but if you are able to work with the doctors and with patients and drive engagement then hopefully there should be a reasonable conversion, but that will not play out in 6 months, it will play out in the next few years because people will finally come to you when they need testing when they fall sick not just on their own, so that is definitely one change in consumer behavior. I think the second expectation that happened is that people with digital adoption in every other industry I think consumers are now saying that look I want to interact with you through the portal, through an app, through digital, etc., and they are saying that look why cannot I have Amazon Flash over experience in diagnostics, so I think the expectation of what kind of experience they want is now changing and I think over the next few years we will see that this will become an important part of at least very digitally ahead customers as far as all partner healthcare goes and that is where we are preparing ourselves for an opportunity and for that time to come and we would rather be a first mover rather than a lagger in that space. Just on the last piece of valuations and acquisitions yes acquisitions are becoming more expensive and we are seeing a public market reward even regional players probably quite disproportionately, we have to remember there are other reasons also why people exit businesses or they look at doing sales not every company wants to go public, so I think there will still be opportunities, I think the important thing will be likely said to be prudent, but more importantly do things that are strategically aligned to the focus of the company and to combine those two when deciding capital allocation.

Prakash Kapadia: Understood, that is very clear and just one data keeping point, over a period of time we have seen a debtor day improvement continue a bit, so over the next two years or so what should be in terms of number of days look like?

Rakesh Agarwal: You are right that in the last one-and-a-half years or two years we have been able to really reduce the number quite significantly and obviously the alignment and whatever automation visibility which we have bought in and the lever which we have bought in has helped us, so right now we are sitting at 36 days obviously the target is that we can bring it down to 30 days that is something which we are looking at, I think that gives us morale to sales sustainable for future, what can we do next I think we will check once we reach there.

Prakash Kapadia: Thank you and all the best.

Moderator: Thank you. We have the next question from the line of Shanti Patel from Shanti Patel Investment Advisors. Please go ahead.

Shanti Patel: Congratulations for the dynamic leadership of Ameera Shah and the team for achieving good results year after year and second congratulations for getting the Mumbai Ratna awards to her. Now, let us come to the question, I had been told that government is considering to put a cap on the charges for various tests that we conduct what is your view in that and secondly the organized sector constitutes approximately I think 80% in our industry, so why the organized people represent the government to do something about that?

Ameera Shah: Thank you for your kind words firstly we are trying our best in these very challenging times. On your point about price capping or government initiating anything of this sort frankly we have not had any such action, dialogue, initiation from the government at all towards the lab players, while they have used the Essential Services Act and the Emergency Act to cap for COVID testing in different states this has not populated to a large number of other diagnostic tests, there is I think one state in which they have done something for some of the other COVID rub-off tests I think if I am not mistaken it is in MP, but I could be mistaken there I am not sure of the state, but we have not seen that proliferate across different states but on other non-COVID tests we have not seen any such initiative at all. I am currently the Secretary of NATHEALTH, which is the Premier Health Association, which works on policy advocacy with the government and we are continuously engaging with the central government on representing the industry so that is our continuous process.

Shanti Patel: Thank you very much, that is all.

Moderator: Thank you. We have the next question from the line of Pooja Bhatia from Morgan Stanley. Please go ahead.

Pooja Bhatia: Just one from my side, is it possible to quantify the value of COVID allied test this quarter?

Ameera Shah: At this point of time I think we have not taken out that part of data, we have not been providing it quarter-by-quarter so we would not be able to answer your question right away, but maybe we can come back to you.

Pooja Bhatia: Thank you.

Moderator: Thank you. We have the next question from the line of Praveen Sahay. Please go ahead.

Praveen Sahay: Thank you for detailed explanations and such a long call. One query related to the non-COVID business, as the monthly run rate we had provided for the last quarter of April, May and June, so there we had a feel of some decline from April is a peak of 99.6 and then decline and so as for the COVID as well, so how is the trend right now going for a non-COVID and why the non-COVID peaked out in April along with a COVID revenue?

Ameera Shah: So, as Rakesh was explaining earlier the COVID rub-off test is part of non-COVID in our categorization and therefore that also peaks usually when COVID PCR test peaks and then when COVID settles down the COVID rub-off test also settle down and that is the impact that you are seeing in April, May, June but as COVID came down the COVID rub-off test, which are part of non-COVID also came down in May and June. We believe that Q2 will be a stronger quarter in terms of non-COVID because obviously there would be more movement of people, unlocking happening so on the non-COVID side we believe that it should be higher than Q1.

Praveen Sahay: Is it possible to give the COVID test volume for the last quarter?

Ameera Shah: I do not think we have it as of now, maybe we can send it to you later.

Praveen Sahay: Sure, the last question is related to the NACO contract, how much is that contributing nowadays to our revenue and is there any plan for such type of government contracts for the future?

Ameera Shah: The government projects continue to contribute a small amount of the revenue in a single digit of revenue, so it is not a very large component of it, while we look at PPP we see it that usually and the state PPP, we do not find full comfort in terms of bidding for them because sometimes we find the practices to be quite challenging in terms of policy practices and operational practices, but sometimes the central government contracts like the one we have done for NACO can tend to be more fair and more based on quality parameters so if there are such opportunities that come about which we feel are giving fair value to our expertise we would be obviously happy and excited to bid for those.

Praveen Sahay: Great, thank you and thank you for your time for today.

Moderator: Thank you. We have the next question from the line of Ashish Kacholia from Lucky Investment. Please go ahead.

Ashish Kacholia: Good evening to the Metropolis team. Ameera I have a basic capital allocation question for you, when you have done all these acquisitions they look very, very expensive on the face of it, so can you share with us some financial target that you set out may not be immediately, but say three years out what is the kind of return on capital that you are seeing from our allocation on these kind of acquisitions?

Ameera Shah: See, I think if you look at all the acquisitions we have done in the past 20 odd years at the time when we did acquisitions in early 2000 and we paid seven times multiple, eight times multiple or even at the time those would have looked expensive, but as we have seen in the market finally these acquisitions are not just adding revenue these were entry points for us in those times new market where we would not have a brand and therefore we were able to really grow those acquisitions, integrate them and get great value from them over time. The strategy today obviously after already being a pan India player maybe slightly different we might still get into some markets from an entry point and therefore the brand value would be a significant and valuable, but there is also another strategy which is to consolidate market share in existing cities because in healthcare we do believe that having a large market share in a single city can contribute significantly to the bottomline and also from a strategic nature as well, so I think the way we are looking at capital allocation is really more from a strategic and a prudent point of view, but if you look at anything from a pure financial matrix at this point of time they may not always make sense only from a medical point of view, but you have to look at the combination of value creation that we are creating over a long period.

Ashish Kacholia: I take your point about the strategic angle of these acquisitions, I am not denying that or questioning that, my thought is that ultimately companies are value based on the kind of return on capital that they generate and if we allocate large chunks of capital into these kind of acquisitions which are accretive to ROCE or they come up to the base level of company ROCE after 10 years then our stock price will suffer in the short term so like what we are seeing right now that there is very visible divergence that has happened between Dr. Lal's stock price and our stock price, so I am not saying that your strategy, I am not questioning your strategy, I am just trying to understand from investors point of view whether we are going to see significant ROCE dilution over the next three years, I am not saying one quarter, three quarter, I am saying next three years and at the end of three years are we going to see a substantial dilution in our ROCE because now we are going to raise for the capital and if this capital also get allocated into these kind of acquisitions which are strategic, but ROCE diluted so we are seeing generally that the PE multiple gets derated in a very substantial manner so just wanted your thoughts on this point?

Ameera Shah: Ashish, I think if you look at the ROCE today, ROCE we are talking about 35% kind of number, which is obviously exceptionally high in the industry, now if we want to maintain and if we use this as a benchmark going forward then frankly as shareholder we have to continue to be then happy with the pace of growth that we have been seeing and look at it more as a consistent cash flow business, but not so much as a growth business, one of the very high growth business of course even 16% to 17% that we have delivered is a very healthy growth even compared to most industry, but I am saying if we want to look at this as a higher growth business then somewhere we will also have to consciously take a call of saying that look let us not kill ROCE but is it worth diluting for a bit to be able to be move to a positive growth and I think these are not easy questions for sure, these are tough choices and today I do not think we have a simple clear answer for you, but I think we are very cognizant and conscious of making sure that we are not killing financial ratios in an attempt only for growth, but we will balance a lot of these thoughts in KPIs before we make whatever decision we do and I think it is difficult to give a guidance at this point of time because the industry is also moving and changing very quickly and if we continue to only look at ROCE as the main KPI we may land up losing many larger bigger exciting opportunities for the company from our strategic long term perspective so I think we will have to have more facets to that length than only one.

Ashish Kacholia: So, in that case what my thought would be that then you set out these kind of parameters then investors can expect know what to expect, you said that okay fine 35% is high then you said what am I going to target and then what corresponding growth am I going to target corresponding to that so that it is a very clear signal to the market because we always have options of growing organically as well, these kind of valuations that we are paying the latest acquisition was you have not given us the numbers or the payback or you have not given us an indication of that, so then we have seen in the market we have seen many, many companies which have misallocated capital because the capital was freely available and then the financial ratios of the company deteriorated over a period of time and so the stock price, so ultimately it is articulation of the strategy so then the investors know what to expect and suppose you say okay only 20% I am going to ROCE, but I am going to grow at 35% and then we know what to expect, as of now everything is on a very nebulous area so we have no idea on what the management is really kind of trying to achieve in the longer term?

Ameera Shah: I think it is a very fair point and I think we have been very transparent and communicative, I think about all parts of our strategy, we would be happy to give you the guidance on the capital allocation strategy in more detail, so I think we will come back to you on that with a very specific guidance that you are asking for.

Ashish Kacholia: Now your market cap is no longer and we are not playing in the baby leagues we are in a $2.5 billion kind of market cap range now right and we want to go into the bigger leagues as time goes by so then automatically the communication and the articulation of the strategy has to be very pinpointed, we cannot then kind of you know everything is hanging around in the cloud, now the cloud is very fashionable term, but as far as investors are concerned cloud become very, very cloudy and we want the sunlight just kind of thought process that maybe you can evaluate.

Ameera Shah: Sure.

Ashish Kacholia: Thank you very much.

Moderator: Thank you. Ladies and gentlemen that was the last question. We will now close the question queue. I would like to hand the floor back to Ms. Ameera. Please go ahead.

Ameera Shah: Thanks everyone for joining us today. I think as I mentioned earlier we are very much at inflection point and there are a lot of big questions coming up, as mentioned there are going to be lot of choices to be made. I think history has shown that we have been quite careful when we make our choices and conscious and we will continue to do the same as we move into the future. While things may not be apparently completely clear in short-term we believe that we will get there in the next two months and be able to share with you a lot more in detail our thoughts and plans, some of which we may or may not be able to share at this point, but we do believe that there is an exciting opportunity not only from an organic perspective and inorganic perspective and a digital perspective and we are continuing to evaluate all these opportunities as we look forward. So thanks to all of you.

Moderator: Thank you. Ladies and gentlemen on behalf of Edelweiss Financial that concludes this conference. Thank you for joining us. You may now disconnect your lines.