Jupiter Life Line Hospitals Limited

May 17, 2024

To,	To,
National Stock Exchange of India Ltd.	BSE Limited
Exchange Plaza,	P.J. Towers,
Bandra-Kurla Complex,	25th Floor, Dalal Street, Fort
Bandra (East), Mumbai-400 051	Mumbai 400 001
Symbol: JLHL	**Code: 543980**

Subject: - Q4 & FY24 Earning Conference Call- Transcript

Reference: - Intimation of Earnings Conference Call dated May 06, 2024 and Audio Link of Analyst/ Investor Conference Call dated May 13, 2024

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Q4 & FY24 Results Conference Call held on Monday, May 13, 2024 at 10:00 AM (IST) for the quarter and financial year ended on March 31, 2024.

The same will be available on the website of the Company at www.jupiterhospital.com.

You are requested to kindly take the afore-mentioned on record and oblige.

Thanking You,

For JUPITER LIFE LINE HOSPITALS LIMITED

SUMA VINAYAK UPPARATTI
Digitally signed by SUMA VINAYAK UPPARATTI
Date: 2024.05.17 10:56:24 +05'30'

Suma Upparatti
Company Secretary & Compliance Officer

"Jupiter Life Line Hospitals Limited Q4FY24 Earnings Conference Call of"

May 13, 2024

Disclaimer: E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchanges — BSE Limited and National Stock Exchange of India Limited and the Company website on 13th May 2024 will prevail.

MANAGEMENT:	**DR. ANKIT THAKKER – EXECUTIVE DIRECTOR & CHIEF EXECUTIVE OFFICER, JUPITER LIFE LINE HOSPITALS LIMITED** **MR. ANAND APTE – CHIEF STRATEGY OFFICER, JUPITER LIFE LINE HOSPITALS LIMITED** **MR. NITIN PATODI – HEAD OF FINANCE, JUPITER LIFE LINE HOSPITALS LIMITED** **MS. SUMA UPPARATTI – COMPLIANCE OFFICER & COMPANY SECRETARY, JUPITER LIFE LINE HOSPITALS LIMITED** **MS. FALGUNI SHAH – BUSINESS CONTROLLER, JUPITER LIFE LINE HOSPITALS LIMITED** **SGA – INVESTOR RELATIONS ADVISORS**
MODERATOR:	**MR. PARAM DESAI – PRABHUDAS LILLADHER**

Moderator: Ladies and gentlemen, good day and welcome to Q4 FY24 Earnings Conference Call of Jupiter Life Line Hospitals Limited Hosted by Prabhudas Lilladher Private Limited.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing * then 0 on your touchtone phone. Please note that this conference is being recorded. I will now hand over the conference to Mr. Param Desai from Prabhudas Lilladher. Thank you, and over to you, sir.

Param Desai: Thanks, Muskan. Good morning, everyone.

On behalf of Prabhudas Lilladher, we welcome you all to Jupiter Life Line Hospitals Limited's Q4 and FY24 earnings conference call. Today, we have Dr. Ankit Thakker, the executive director and CEO; Mr. Anand Apte, the chief strategy officer; and other members of the senior management team on the call.

I will hand over the call to Dr. Ankit for his "Opening Remarks," and post that we will have the Q&A session. Over to you, Dr. Ankit.

Dr. Ankit Thakker: Thank you, Param. Good morning, everyone. I thank you for joining us on our earnings call to discuss the Business and Financial Performance of Q4 and the Financial Year '24. I hope everyone had a chance to view our financial results and the presentation that was posted on the website and on the stock exchanges. I am accompanied by our Head of Finance, Mr. Nitin Patodi, our Company Secretary and Compliance Officer, Ms. Suma Upparatti and Ms. Falguni Shah, our Business Controller, and SGA, our Investor Relations Advisors, on this call.

As we end Financial Year '24 and begin a new one, one thing we can all agree upon is the fact that India is growing. India is growing in all spheres and has attained the mass and momentum that will be hard to stop. All segments of the society are moving higher up on the socio-economic ladder. Millions are pulled out of poverty, and a large new middle class has emerged in the country. The aspiration of an average Indian is increasing every year. With the democratization of mobile phones, data, and social media, pretty much each and every Indian today has visibility of what can be from the palm of their hands. A smartphone, air conditioner, and even air travel are not just for the elites anymore. An average Indian today aspires to better experiences and more comfort in life. The same is true for health care. Rural and Tier 3 India today is struggling for access. It aspires to healthcare facilities closer to their homes. However, urban India does have access. Their aspiration is for higher quality and a better experience of care. Jupiter is addressing the urban aspiration. We are committed to building and operating world-class hospitals and bringing care back into healthcare. We are focused on large, prominent urban centers in Western India and want to provide all health care services in each of our facilities to the dense residential micro markets where we are located. We approach the business with a relationship lens and have established strong ties with the community and doctors a like.. We don't distinguish between high and low margin specialties, rather we endeavor to cater to all the needs of our patients. Each of our hospitals will provide all services, from community and primary care up to quaternary care, such as transplants and cancer treatments.

We also consider insurance providers as our partners in growth and have associations and tie-ups with virtually all of them. We realize that quality healthcare can only be affordable for most Indians with the help of insurance. The growth and penetration of corporate hospitals have increased the demand for insurance; similarly, higher insurance penetration improves demand for high quality corporate hospitals. We believe that this mutually reinforcing growth has also reached a critical mark and going forward, both the sectors will see healthy growth in tandem. Therefore, we affirm our optimism for the tremendous opportunity for quality healthcare providers in India for the foreseeable future.

Let me give you some key highlights:

We had decided to take the company public to accelerate its growth trajectory. We stated an objective to double our size to 2500 beds in the next five years. In pursuing this milestone, I am pleased to inform you that we have signed the new land for a second hospital in Pune. This is in South Pune and is about a one hour drive from our current hospital in the west of the city. We will build 500 beds at this location. It is almost 3 acres of land currently structured as a 10-year flat non-escalating lease, and we have a right to buy the land any time after 3 years. This enables us to defer the CAPEX for a few years, protect the cash flows, and secure the certainty of ownership for the company soon. In Indore, our occupancy is nearing 60% of the installed capacity, and we think this is a good time to plan for capacity enhancement. We have secured permission to build two additional floors in Indore. We will be able to build about 75 beds or so in the new floors, taking our capacity north of 300 beds. This should cost around Rs 20 lakhs a bed, that is approximately Rs. 15 crores. In Pune, we will also commission 22 new suite rooms to enhance our operational capacity. Here, the cost will be less, about Rs 10 lakhs per bed, as the physical structure is ready, and we only need to finish some small interior-related activities.

In Dombivli, the construction is progressing as per expectations, and the project is slated to be completed by Q4 FY26. In past calls, I informed you that we have become a debt-free company post IPO. This year, we have realized annualized cost savings of about Rs. 40 crores on that account. In Indore, all insurance empanelments are done now. The contracts have been renegotiated with insurance companies in Thane and Pune this year. And in February, March, we also took a small price hike for self-payers, which has partially contributed to improved ARBOPs in the last quarter.

Regarding financial performance, Q4 highlights that the total operational income for Q4 stood at Rs. 291.4 crores, representing an increase of 20.3% year-on-year. The EBITDA was Rs. 63.2 crores, an increase of 22.7% year-on-year, with margins of 21.7%. PAT for the quarter was 45.3%, representing a margin of 15.5%. The total operating income for the entire financial year was Rs. 1,073.4 crores, an increase of 19.9% year-on-year. EBITDA for the whole year was Rs. 242.1 crore, an increase of 18.9% year-on-year. The annual EBITDA margin is 22.6%. PAT was

Rs. 176.6 crores representing a margin of 16.5%. The average occupancy for the financial year was 63.8% compared to 62.6% last year. The ARBOP is Rs 54,871 on a blended basis for all the units and the ALOS is 3.93 days. So these are some highlights, and I am happy to take questions and talk to all of you. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. First question is from the line of Amey from JM Financial. Please go ahead.

Amey Chalke: I have first question on the quarter. I don't know whether this was explained in the opening remarks, but there is an absolute jump quarter-on-quarter in employee costs and other costs. Can you provide the reason for the same and are there any one-offs?

Dr. Ankit Thakker: Yes, so in this quarter, we have, on the employee benefits side, gratuity and leave encashment provisions, which we do with actuarial valuations at the end of the year. So the entire year's impact is in this quarter. And on the other expenses also, we have the annual whatever provisions and write-offs done in this quarter. For the annualized level, our provisions and write-offs stand about a quarter to 0.3% of annual revenue, that has an effect in this quarter. In this quarter, we also had a large marathon event to promote awareness of children's congenital heart diseases. So, there are some one-time expenses this quarter that have an impact.

Amey Chalke: So, Ankit, should we assume that, if not all but some of the items are a bit seasonal in nature, that will continue next year as well like the gratuity or the kind of marketing spend which we account for during the last quarter?

Dr. Ankit Thakker: Yes, it could be.

Amey Chalke: The second question I have is post Pune and Dombivli over the next two years, we will still have a good amount of FCF generation. Any plans for FCF, free cash generation after spending for Pune and Dombivli? So how do you plan to spend that free cash over the next two years? Any thoughts on the same?

Dr. Ankit Thakker: Yes, so like I said, our current short-term target is to get to 2500 beds. With Dombivli and Pune, we have a thousand bed visibility that takes us from 1200 to 2200 ballpark, which means that we want to get one more hospital on our horizon. Sometime this year we hope to secure one more land on which we can build another hospital, which will take care of deploying the cash that we generate.

Amey Chalke: Sure, and I assume that this would be in the nearby region, the Western region, which is the kind of strategy we have been employing so far.

Dr. Ankit Thakker: Definitely Western India.

Amey Chalke: The last question if I can squeeze in. In Pune, the bed-per population is generally on the higher side if you compare across cities, but it seems that private chains may be on the lower side in terms of presence. So what metrics do you see when you choose the city to enter?

Dr. Ankit Thakker: So Pune, what is on the higher side? Your voice was slightly...

Amey Chalke: The bed per population is on the higher side.

Dr. Ankit Thakker: So two things need to be accounted for. One is, and I briefly referenced that in the opening remarks. One is that, the micro market. Pune today has a population of close to between 6 and 7 million, which is large, right? Travelling from one part to the other in Pune is becoming as difficult as travelling between Eastern Suburbs and Western Suburbs or Bombay, for example. So you will need healthcare solutions in all micro markets. You will not be able to centralize healthcare in large cities, and you expect that the whole city will gravitate toward one point to get its healthcare. So where the beds are located is an analysis which needs to be done on a granular level. The other thing which needs to be done is analyze the quality of beds. Urban India as I was saying today is not satisfied with any bed. More and more patients today are moving away from unorganized and poorly built hospitals to the organized health providers. So simple count of beds does not tell the whole story. You need to analyze the quality of beds and you need to analyze where they are located. So when we look at both these criteria, we realize that there are significant white spaces in Pune where the aspiration for good quality healthcare is not being met.

Moderator: Thank you. The next question is from the line of Jainil Shah from JM Financial. Please go ahead.

Jainil Shah: My first question is about the quantum of price that we've taken in the self-care category.

Dr. Ankit Thakker: About 5%.

Jainil Shah: And the insurance renegotiation in Thane has been done again in 4th quarter or was it done in 3rd quarter?

Dr. Ankit Thakker: Thane and Pune third quarter.

Jainil Shah: Both of them were done in the third quarter. What's the overall CAPEX spending that we have planned for FY25 and FY26?

Dr. Ankit Thakker: So in FY25 and 26, Dombivli should be fully over. So we would be spending about Rs 300 odd crores for Dombivli and we would be spending maybe around Rs. 200-250 crores for the new Pune hospital. So that gives you to Rs. 550 crores and maybe as a maintenance or upgradation CAPEX of Rs. 40-50 crores in the current three hospitals, so around Rs. 600 crores CAPEX in the next year is on the cards.

Jainil Shah: So when do we expect the Pune Hospital to start the operations?

Dr. Ankit Thakker: So we just secured the land a month or so back. We are in the process of drawing up plans and getting environmental clearances, municipal approvals, etc. So once all those are ready, we'll announce the commencement of construction date.

Jainil Shah: I missed on this last one on tax rate. What's the tax rate guidance?

Dr. Ankit Thakker: 25% I think is the tax rate we are working with now.

Moderator: Thank you. The next question is from the line of Anjana Shah from Shah Investments. Please go ahead.

Anjana Shah: As you mentioned in your opening remark, we signed up for a new location in Pune. So would you just be able to help me understand what the CAPEX that we intend to spend and also in the first phase, how many beds would be included?

Dr. Ankit Thakker: So CAPEX should be Rs. 500 crores for the project and in phase one, we should commission something like 250 out of 500 beds.

Anjana Shah: Okay. Sir, also, could you explain the reason behind the lease and purchase options for land?

Dr. Ankit Thakker: Yes, to elaborate a little more on this structure, we have a definitive right to buy this land anytime after three years in our lease document. So the challenge we generally have with leased options is the uncertainty associated with it and permanently inflating lease expenditure. In our case, we have a flat lease which will not escalate for 10 years. And at any point after three years, we have a definitive right to buy. So this takes care of two of our concerns. Along with that, we get an opportunity to defer the CAPEX by 3 years at least and achieve some cash flow efficiency. So for that reason, we have negotiated this deal with the sellers.

Anjana Shah: That was helpful, sir. So just another question with regards to the Pune Hospital. So would this affect the performance of the existing hospital? And also by when do we expect to start the construction and commencement of the Pune Hospital?

Dr. Ankit Thakker: Yes, so as again to reiterate, our current Pune Hospital is in Baner, which is west of Pune. The new one we have is in the Ganga Dham area of Bibwewadi which is in the south of Pune. If you want to drive between the two facilities on a regular day, it would take about an hour. Pretty much both the hospitals have an entirely non-overlapping catchment. So we think it will only complement each other rather than competing with each other or cannibalizing each other's performance because they are quite far from each other. As far as commencement goes, as I just told Jainil that we are in the process of regulatory approvals, as soon as those get over, we will be in a position of greater certainty to announce commencement of construction and from then on commencement of operations.

Moderator: Thank you. The next question is from the line of Nishi Shah from RH Investment Management. Please go ahead.

Nishi Shah: So Pune is currently at 62% occupancy with an ARBOP of Rs. 53,878 with peak or maximum occupancy? How much ARBOP can we generate?

Dr. Ankit Thakker: So. I wouldn't think that occupancy should have a bearing on ARPOB because ARPOB essentially takes occupancy out of the equation, however, I will answer both the questions independently. I think on occupancy front, Pune, the current unit from 62 can easily grow 10 percentage points and go to mid-70% in terms of occupancy and ARPOB, we think that for the given time, it is at a good level and going forward it should see inflation-linked growth in the ARPOB.

Nishi Shah: And I have one more question. We plan to add 75 beds to Indore Hospital. So, how many more can we add?

Dr. Ankit Thakker: So, we are currently at 231, we can add 200 more. We have excess land, also in Indore we have 5 acres of land. Currently we are adding 75. Once these get occupied to a reasonable level, we'll plan the next phase of work.

Moderator: Thank you. The next question is from the line of Kunal Shah from Anova Capital. Please go ahead.

Kunal Shah: Sir, I have two questions; one pertains to our Pune hospital's CAPEX plans. Just to continuing with the previous-to-previous participant. Just wanted to check that have we incurred any CAPEX in FY24 with respect to Pune Hospital?

Dr. Ankit Thakker: No, we have not incurred CAPEX. We have paid some deposits for the lease, but we have not incurred any CAPEX yet. The CAPEX will only start after the approvals are in place.

Kunal Shah: And any anticipated ballpark number, would you like to give for FY25 CAPEX in the Pune hospital and how is the construction progressing?

Dr. Ankit Thakker: No. So, Pune is just at the approval stage, so construction has not commenced. Once the approvals are in place, depending on how many months they take,, we will be able to say how much of the year remains and how much money we can spend in the year. But typically, in the first maybe. 3-4 months it's excavation and site mobilization. You don't spend a lot of Money. So, I don't expect very heavy CAPEX on the Pune hospital in the current financial year.

Kumal Shah: And my second question is pertaining to our Dombivli Hospital. So just wanted to broadly understand the demographic there and what is the competitive landscape?

Dr. Ankit Thakker: So, Dombivli is still part of Mumbai Metropolitan Region. It is on the real estate side, especially residents, but even commercial to a great extent, one of the fastest growing markets in real estate development in the MMR region. So, it has a huge new population coming up there. Besides the new population, which is coming, it already has an old residential population of about more than 2 million people in a 30 minutes driving distance in neighboring suburbs of Dombivli, Kalyan, Ulhas Nagar, Ambarnath, Badlapur, etc. and between this population, old and new which is coming, there is no organized corporate health provider. So, we think significant latent demand is not being addressed currently.

Moderator: The next question is from the line of Prolin from Edelweiss Alternatives Public Equity.

Prolin: The first question is, in terms of this negotiations with insurance companies. Can you help us understand what kind of hike you have in both hospitals on average?

Dr. Ankit Thakker: It is in the high single digits between 8% and 10% in Q three we did it. But yes, it is in the between 8% and 10%.

Prolin: For both the hospitals and Thane.

Dr. Ankit Thakker: Yes.

Prolin: And I mean in terms of ARPOB, you answered that in Pune and Thane, we will see an inflation led ARPOB kind of a growth. Also, in your starting comment, you mentioned that you don't differentiate between primary, secondary, and tertiary. But is there a mix change that will also help ARPOB going forward? What are the challenges for that to not happen because there ideally, we would assume that more secondary, tertiary will help in terms of ARPOB? But is that not the case, can you share some color there?

Dr. Ankit Thakker: Case mix optimization as a driver of ARPOB is a definite factor in our view first 3 to 5 years of a new hospital because that is a time where various departments are still getting set up and established. That is a time where the hospital is developing relationships and roots in the community. New doctors are joining, new departments are being started. So, year-on-year case mix optimization will have some goal in the first up to 5 years in our view. After 5 years, we believe that most of the services you want to offer are already on offer; most of the doctors you want on your panel are already on your panel. After that, you will have limited levers to drive the case mix. The way we do things we don't try to push one branch at the expense of the other. We say that we are large healthcare providers in the region where we operate for that micro market of 30-40-50 minutes driving distance and we will take care of everything that you need. We don't want to tell our patient that if you need a low-cost dialysis then you manage your problems. But if you need a transplant come to me or if traditionally people said Pediatrics was low margin kind of work, if your child is in trouble, go somewhere else but if you are in trouble, I will take care of you. So, those are not the body language or the communication we want to have with our community. We say that we will take care of anything that you need and provide.

So, it is a little bit of a relationship business, it is not a fully transactional business. So, I think it needs to be done in the right way.

Prolin: No, that's very clear, Dr. Ankit, thank you for that. And my one more question that I wanted to ask you was in terms of Dombivli right, you mentioned that that micro market has an existing base of 2 million people then there is 30-minute driving distance. So, is it fair to say that in terms of trajectory, occupancy, and ARPOB, this will be very much like what happened in your Thane hospital? Is there a fair assumption to make?

Dr. Ankit Thakker: Yes, that could be a fair assumption to make. We broke even Thane and were positive in the first year. Pune and Indore have achieved that milestone in the second year, but that is a fair assumption. But, however, to be conservative if you want to peg it in line of Pune and Indore and put it as tier 2 I wouldn't object to that.

Prolin: Sure. So, I mean more than break-even I wanted to understand the ARPOB and the occupancy trajectory.

Dr. Ankit Thakker: But occupancy and ARPOB will eventually determine the break-even metric you prefer.

Prolin: But in three years, it should be more nearer to Thane than Pune. Am I correct in that assumption?

Dr. Ankit Thakker: It should.

Prolin: And lastly on this new land for the new hospital in Pune, while you have a long term lease without any escalation, but there is no price which you have already agreed for the purchase, right? Am I correct there in my assumption?

Dr. Ankit Thakker: You are correct.

Moderator: Thank you. The next question is from the line of Harshal Patil from Mirae Asset Capital. Please go ahead.

Harshal Patil: I just need one clarification. So, this was again relatively capital expansion plans especially with the Indore facility where we said that we will be adding 75 beds and for the Pune thing will be putting up about 22 beds so. You just alluded to about Rs 10 lakhs per bed for Pune hospital. So, So, what would it be for Indore like for the 75 beds expansion plan?

Dr. Ankit Thakker: **Rs** 20 lakhs for Indore so around Rs 15 crores for Indore and Pune Rs 2-3 crores.

Harshal Patil: This pretty much is part of our Rs 600 crore CAPEX plan, right?

Dr. Ankit Thakker: Yes.

Harshal Patil: Any ballpark number, when we look at the balance capacity at Indore to be put up, let's say once these 75 beds are operationalized maybe two years down the line or something like that.

Dr. Ankit Thakker: Hopefully, these beds should be ready by the end of this year. So, next year we'll get to operate them. So, the general thought process remains the same: you should think of enhancement between 60% and 65% occupancy when you reach. So, when we reach that milestone, we'll think about capacity enhancement.

Harshal Patil: Just one last on Indore. In Indore, how is the overall competitive landscape panning up considering thing like we got some big names out there Medanta and all. I just wanted to have some qualitative inputs from you on Indore especially and the way you see the city panning up, especially with respect to the healthcare that will be my last question Sir. Thank you.

Dr. Ankit Thakker: So, Indore again is a huge city and probably the most prominent city in Madhya Pradesh and the neighboring areas. The city itself has a population of about 4 million and very, very large drainage for healthcare. So, in terms of demand, there is a huge demand for healthcare and quality healthcare again. I think in terms of quality bed to population ratio it is not nearing saturation yet. Also, as I was saying for Pune, you need to also look at the micro market so in the part of the city where we are located in that half of the city, we are probably the only high-quality health provider. So, I think Indore looks very promising, combining the micro market of where we are located and the overall size of the larger market.

Moderator: Thank you. The next question is from the line of Amey from JM Financial. Please go ahead.

Amey Chalke: I just had one or two questions related to the ARPOB and ALOS. So, in Indore Hospital particularly is there any absence of Power Specialty which you would like to add or something which could improve the ARPOB or do you think these ARPOB are by nature representing the market and they are largely saturated. And second question is, is there any way to increase ALOS going ahead which are closer to 4 currently some of the hospitals are operating it at peak. So, how do you see that improving in the future.

Dr. Ankit Thakker: So, Indore has both the drivers. It has not reached that full maturity in terms of specialties. So, Specialty mix as a driver we still have probably some more time to reach that maturity. So, I think within the next year or two, we should see a little bit of ARPOB improvement even on the account of include Specialty. But it has made significant progress in the last couple of years; for example, we are now doing complex cancer work. We recently did a skin cancer radiation. We did a single patient liver and kidney transplant in the same patient. So, on the case mix side, it is heading in the right direction, and we expect a little improvement there in the times to come. And what was your second question Amey?

Amey Chalke: It's related to a ALOS, we are at around 4.

Dr. Ankit Thakker: ALOS, we don't look at it as an organizational target. ALOS is a function of what treatment you are doing in your specialty mixes. So, and I just spoke about these transplants and liver and kidney and this patient what you do is going to stay for 15 days or more. So, if you do more and more of this, your ALOS will be higher, so you do more of medical critical work the ALOS is higher. You do more of routine surgical work the ALOS is shorter. So, ALOS cannot be compared on a hospital-to-hospital level, even within our group, leaving us alone to some other hospital chain. So, that is not a number which we look at.

Amey Chalke: From our point of view, like when we see the ALOS reducing, we get to know that the hospital can now occupy more patients basically and have the same capacity and generate more revenue. So, that's why I was asking directionally is there a way to gauge whether it will go down or you think it would remain same kind of work you are doing or kind of specialties you're adding or kind of transplants or the way they are ramping up basically?

Dr. Ankit Thakker: So, I'm sorry, but I disagree with that analysis. The conclusion is that reducing ALOS may not improve your financial performance or efficiencies because the inputs are different, but that might be a longish discussion. I don't know if this is the right platform for that.

Moderator: Thank you. The next question is from the line of Riya Jain from NM Capital Limited. Please go ahead.

Riya Jain: I have two questions. The 1st is how much price increase advantage can we expect from ARPOB in Q1 FY25 and also which hospitals have seen pricing increases?

Dr. Ankit Thakker: So, annually, as I was saying, except for Indore, which has a little bit of case mix component still left to be achieved. Inflation-linked ARPOB growth is all that we are hoping for and guiding for whatever is the inflation number you want to plug in so that is the ARPOB growth.

Riya Jain: My second question is like in terms of hiring, so generally at what stage of construction you start hiring in terms of support staff, nursing staff and doctors for any new hospital?

Dr. Ankit Thakker: Last quarter.

Riya Jain: And will the cost of this new hires be similar to Thane Hospital or materially different?

Dr. Ankit Thakker: No, it should be similar.

Moderator: Thank you. The next question is from Sanketa's line from Prabhudas Lilladher. Please go ahead.

Sanketa Save Kohale: As you mentioned, the price hike has been taken across the self-care category. So, if you can quantify this number across unit wise, Thane, Pune Indore and typically, how should one see this number going forward?

Dr. Ankit Thakker: So, around 5% is the price rise for self-payers. This could happen on an annual basis, depending on local market conditions, but that is the thought.

Sanketa Save Kohale: Regarding 75 bed expansion in Indore and 22 bed expansion planning in Pune, do we need to hire more technical talent for this, and will we also be catering to specific therapies?

Dr. Ankit Thakker: They will be the general beds, they will cater to all the therapies, the new hires which we will need will only be the local operational in nature. So, for example floor doctors, nurses, housekeeping, etc., but no senior or major hires for this new facility.

Sanketa Save Kohale: I have another question regarding the margins for the FY24, which is currently at 22.9% which is flat approximately. So, how should we see this number taking into account new additions across Pune and Indore?

Dr. Ankit Thakker: So, Pune, it is not a huge capacity addition. I don't think the margins can get impacted significantly for Pune. But Indore, in the first maybe three to six months of the new facility, you might see a higher fixed cost and not fully utilized so there could be a small impact on the Indore margins for one or two quarters, but then they should stabilize and then start improving going forward on account of operating leverages.

Moderator: Thank you. The next question is from the line of Harsh Bhatia from Bandhan AMC. Please go ahead.

Harsh Bhatia: Just one quick question. I joined the call late, but in terms of that, Dombivli asset the last time we spoke is that at your end, any Greenfield asset might take up to around 2 years to break even, which might be at a point of 40% to 45% occupancy. Please correct me if I'm wrong, but just for the first 12 months just for the Dombivli project, is there any understanding that what could be the incremental losses stemming from the project? I'm not sure whether we have disclosed that information or that level of detail, but anything would help.

Dr. Ankit Thakker: No, we have not gone into that level of detail, but maybe if you want to model, we can say about Rs 2 crores a month or something of that sort Rs 25 crores could be…..

Harsh Bhatia: That would be assuming a 20% to 30% occupancy level. So, a Rs 2 crores to Rs 3 crores per month loss is what we should be expecting for the first 12 months?

Dr. Ankit Thakker: You could do that.

Harsh Bhatia: Sure. And at that point of time if I may ask what would be the number of beds that would have been operationalized, I think the overall project is 400-500 beds capacity.

Dr. Ankit Thakker: 500 beds we plan to start around 250 in Phase-1.

Harsh Bhatia: So, that base you would be expecting a Rs 2 crores to Rs 3 crores per month EBITDA loss, you would say?

Dr. Ankit Thakker: You could factor in whatever you feel like around Rs 2 crores.

Moderator: Thank you. That was the last question for the day. I now hand the conference over to Dr. Ankit for from Jupiter Life Line for closing comments. Over to you Sir.

Dr. Ankit Thakker: So, thank you everyone for joining us this Monday morning. I hope that the questions were answered satisfactorily. If there is anything further you could definitely reach out to the SGA Team and they will put you in touch with us to address some follow on. All the best and have a good week ahead.

Moderator: Thank you. On behalf of Prabhudas Lilladher Private Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.