Aster
We'll Treat You Well

November 14, 2025

To The Secretary, Listing Department, BSE Limited, 1st Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001. **Scrip Code: 540975**	To The Manager, Listing Department, The National Stock Exchange of India Ltd, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400051. **Scrip Symbol: ASTERDM**

Dear Sir/ Madam,

Sub: Transcript of Earnings Conference Call for the quarter and half year ended September 30, 2025
Reg: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is in furtherance of our letter dated November 07, 2025, wherein the Company submitted the link to the audio recording of the Earnings Call held for the quarter and half year ended September 30, 2025, please find enclosed herewith the transcript of the said earnings conference call.

The same is also made available on the website of the Company at
https://www.asterdmhealthcare.in/investors/financial-information/earning-call-transcripts

Kindly take the above said information on record.

Thanking you,

For **Aster DM Healthcare Limited**

HEMISH PURUSHOTTAM
Digitally signed by HEMISH PURUSHOTTAM
Date: 2025.11.14 14:08:34 +05'30'

Hemish Purushottam
Company Secretary and Compliance Officer
M. No. A24331

Aster DM Healthcare Limited

Q2 FY'26 Earnings Conference Call

November 7, 2025

Management:	**Ms. Alisha Moopen – Deputy Managing Director**
	Mr. T J Wilson – Non-Executive Director
	Mr. Ramesh Kumar – Chief Operating Officer
	Mr. Sunil Kumar M R – Chief Financial Officer
	Mr. Hitesh Dhaddha – Chief Investor Relations & M&A Officer
QCIL Management:	**Mr. Varun Khanna – Group MD & CEO, QCIL**
Moderator:	**Mr. Puneet Maheshwari – Lead - Investor Relations**

Puneet Maheshwari: Good afternoon, everyone. I welcome you to Aster DM Healthcare Earnings Conference call for the Q2 FY26. Today with us we have the senior management of Aster DM Healthcare, namely Ms. Alisha Moopen, Deputy Managing Director; Mr. T.J. Wilson, Non-Executive Director; Mr. Ramesh Kumar, Chief Operating Officer; Mr. Sunil Kumar, Chief Financial Officer; and Mr. Hitesh Dhaddha, Chief Investor Relations and M&A Officer. We are also delighted to have Mr. Varun Khanna, Group MD of Quality Care. Mr. Khanna is here solely in the capacity of a representative of Quality Care, to give insights into the business and future plans of Quality Care, the entity which is in process to get merged with Aster DM Healthcare.

It is to be noted that the merger is subject to further regulatory approvals. All external attendees will be in listen mode only for the duration of the entire call. We will start the call with the opening remarks by the management, followed by an interactive Q&A session. Certain forward-looking statements in this meeting involve risk and uncertainties.

Aster DM Healthcare assumes no responsibility for actions based on these statements and undertakes no obligation to update them for future events. With this, I will now request Ms. Alisha Moopen to start with the opening remarks. Over to you, Ms. Alisha.

Alisha Moopen: Thank you, Puneet. Good afternoon, everyone, and thank you for joining us today. Let me begin with a brief look at the broader environment. The Indian economy continues to show remarkable resilience amid global uncertainties, underpinned by strong domestic demand and prudent fiscal management. Within this macro environment, the hospital sector stands out as a key beneficiary. The Indian hospital services market is poised for healthy growth, driven by higher insurance penetration, expanding medical infrastructure, and growing demand for specialty and acute care services. The government's recent GST rate reduction on select healthcare consumables and diagnostics is a constructive step towards making quality healthcare more affordable, while simultaneously improving cost efficiency for providers. This environment creates strong tailwinds for organized private hospital networks such as Aster. With a well-balanced presence across Tier 1 metros and Tier 2 growth markets, we are uniquely positioned to serve both mature urban centers — where demand is shifting towards high-acuity and complex care and emerging regional cities, which are witnessing faster volume growth and expanding catchment potential. This dual-market footprint provides stability, scalability, and a long runway for sustainable expansion. Amid this backdrop, Q2 FY26 has been a period of meaningful progress for Aster, marked by steady financial performance, recovery in a key market i.e. Kerala, and continued advancement of our long-term strategic priorities. Taking a step back, our performance this quarter builds on a solid multi-year trajectory. For the last 20 consecutive quarters, Aster has delivered year-on-year revenue growth — a reflection of our strategic foresight, disciplined execution, and enduring resilience through varying market conditions. This consistent upward trend has translated into a 20% revenue CAGR and a 38% CAGR in Operating EBITDA over the past 5 years, demonstrating our ability to grow both scale and profitability in tandem. As we are making progress towards the completion of merger, both Aster and QCIL have demonstrated consistent and complementary growth across clusters, driven by efficient cost management, improved case mix, and continued focus on clinical excellence. The combined platform, on a proforma basis, delivered a healthy performance this quarter, with proforma revenues organically growing 13% YoY to INR 2,390 Crore on back of 8% growth in total patient volumes and 10% growth in ARPP (IP), with operating EBITDA growing 17% to INR 550 Crore and Normalised PAT growing 22% to INR 258 Crore, translating into a robust 23% operating EBITDA margin and a ROCE exceeding 22%. This consistent strong performance reflects the underlying strength and scalability of the combined entity. As we move forward, our focus will be on unlocking the full synergy potential of this integration through clinical collaboration, shared technology platforms, optimised procurement, network rationalisation, and talent mobility. These efforts will further enhance profitability and capital efficiency while enabling us to deliver consistent, high-quality, and affordable care at scale across India.

Coming to the Kerala cluster which is really a story of recovery and momentum — The Kerala cluster's journey over the past year has been one of transformation and resilience. After a phase of softness in Q3 and Q4 FY25 —resulting from leadership transitions, seasonal factors like Ramadan and a dip in international patient inflows — we entered FY26 with a clear focus on rebuilding momentum. The team responded decisively, strengthening leadership, tightening operational processes, and re-engaging with key MVT partners and referral networks. These interventions began to bear fruit in Q1 FY26, with sequential growth in inpatient volumes in Q2 FY26 and confidence gradually returning across hospitals. The true inflection came in Q2 FY26, when Kerala delivered its highest-ever quarterly revenue of INR 620 Crore, growing 24% increase over INR 499 Crore in Q4 FY25. This was supported by a 13% sequential increase in inpatient volumes and a strong rebound in MVT, which grew 67% QoQ and 49% YoY. Occupancy improved to 69% in Q2 FY26 from 64% last quarter, reflecting sustained recovery in electives and high-acuity admissions. ARPP (IP) grew 5% YoY, supported by a stronger specialty mix, increased share of complex procedures, and disciplined pricing. Profitability improved sharply, with Operating EBITDA margins expanding to 26.8% from 22.3% in Q4 FY25, supported by a stronger specialty mix as well as cost discipline. Overall, Kerala has not only recovered from last year's softness but has re-established itself as a key growth engine for the India business — combining scale, profitability, and operational excellence with renewed momentum.

Now coming to the consolidated performance for the quarter. In Q2 FY26, we continued to build on the strong foundation laid in the first quarter, reinforcing both growth and efficiency across our core performance metrics. Despite softer seasonal infections this year, the business delivered resilient growth across clusters and sustained improvement in profitability drivers.

Revenue grew by 10% YoY to INR 1,197 Crore. Adjusting for the temporary seasonal effect, our underlying revenue growth stood at a healthy mid-teen i.e. 13% — demonstrating the strength of our underlying business momentum.

The ARPP IP increased by 10% YoY driven by a richer specialty mix with stronger contributions from Oncology and also the discontinuation of low-yield schemes.

Our focus on complex, high-value care continued to deliver results — with Oncology revenue growing 26% YoY, and its share of total revenue rising to 11%, compared to 9% just a year ago.

Given that we are in a phase of recovery post certain key leadership changes, it is important to also focus on the quarter-on-quarter changes in the performance for this quarter. On a sequential basis, total patient volume grew by 15% QoQ with Inpatient volume growing by 12% QoQ and Outpatient volume growing by 15% QoQ in Q2 FY26. Kerala's total patient volume increased by 17% QoQ with Inpatient by 13% QoQ and Outpatient by 17% QoQ. Andhra & Telangana had 16% QoQ increase in both Inpatient and Outpatient volume. Occupancy grew to 64% in Q2 FY26 from 59% in Q1 FY26 with Kerala at 69% in Q2 vs. 64% in Q1 FY26. K&M at 62% in Q2 vs. 56% in Q1 FY26 and A&T at 55% in Q2 vs. 50% in Q1 FY26.
The MVT segment shown strong momentum, growing 60% QoQ and 26% YoY led by higher international patient footfall in Kerala with its MVT business growing by 67%, particularly from Maldives, Middle East and North African countries.

Now moving onto the bottom-line performance - Operating EBITDA margin expanded 200 basis points to 22% in Q2 FY26, compared with 20% in Q1 FY26, reflecting the combined impact of Kerala's recovery, enhanced cost control, better specialty mix, clinical efficiency across the network and the steady improvement in the Labs and Pharmacy business.
Kerala Cluster Operating EBITDA grew 19% YoY with margins expanding to 26.8% in Q2 from 25.3% in Q1 FY26. Andhra & Telangana Operating EBITDA nearly doubled QoQ with margins expanding significantly to 13.2% in Q2 FY26 from 7.9% in Q1 FY26. Labs' operating margins significantly improved to 17.8% in Q2 FY26 as compared to 7.6% in Q1 FY26. On a Normalised basis (i.e. excluding one-time merger related costs), PAT rose 23% sequentially to INR 110 Crore.
Collectively, these trends reflect the tangible impact of the strategic and operational measures implemented earlier in the year — reinforcing our focus on sustainable, high-quality growth while enhancing efficiency across the network.
Moving on to our capex - Our growth story isn't just about performance — it's also about preparing for the future. Over the past year, we have added more than 200 beds, bringing our total capacity to 5,199 beds as of September 30, 2025.

The Kerala cluster is also set for expanding its footprint in Q3 FY26 with the commissioning of our new 264-bed hospital in Kasaragod on October 2, 2025, taking our network to 20 hospitals across India, including over 2,900 beds in Kerala. This addition enhances access to quality care in northern Kerala and reinforces our focus on deepening regional presence and patient reach. The hospital has made a promising start, with average daily OPD footfall exceeding 150 and a steady rise in inpatient admissions. We have also ensured a strong clinical backbone from day one with 50+ doctors are already onboard.
Apart from Kasargod, in the coming years, we plan to add another 2,300+ beds, through both greenfield and brownfield projects, taking our capacity beyond 7,800 beds.

During the quarter, we further strengthened our presence in Andhra Pradesh by acquiring an additional 13% stake in Aster Ramesh Hospitals bringing Aster's stake to over 70%. This strategic move consolidates our regional network and deepens our footprint in Southern India.
Now moving over to the merger - A notable development in the quarter was the continued progress on our merger process with Quality Care India Limited. The merger has now received no-objection letters with no

adverse observations from both BSE and NSE, following earlier approvals.

Over the past few months, the transaction has advanced smoothly through key regulatory milestones. A quick snapshot of the progress on merger process includes:
Shareholders have approved the preferential share issuance. The Competition Commission of India has granted its approval.
We completed a strategic share swap, acquiring a 5% stake in QCIL in exchange for a 3.6% preferential allotment in Aster. These shares are now listed on the stock exchanges. Most recently, BSE and NSE 'no-objection' have further advanced the merger process, paving the way for the next phase of integration.

The Company will now approach the NCLT to initiate the final approval phase. Post-application, a shareholders' meeting will be held to approve the merger, following which the NCLT's sanction will make the merger effective, leading to the issuance of new shares. Upon completion, the merged platform will have 38 hospitals across 27 cities, with a combined capacity of over 10,360 beds, positioning us among the leading healthcare providers in the country.

Q2 FY26 has been a quarter of notable recognitions for both our leadership and institutions. Our Founder Chairman and Managing Director, Dr. Azad Moopen, was honoured across multiple national platforms — being named 'Healthcare Icon of the Year' at The Economic Times Healthcare Awards 2025, 'Legend in the Healthcare Industry' at FICCI Heal 2025 and receiving the 'Lifetime Achievement Award' from Entrepreneur India, celebrating his visionary leadership and lifelong contribution to healthcare. He was also featured among 'Forbes Middle East's Top 5 Healthcare Leaders 2025' and recognised as one of 'Forbes Middle East's Sustainability Leaders 2025', for championing Aster's journey towards an equitable and sustainable healthcare future.
At the institutional level, many of our hospitals were recognized at ET Healthcare Awards 2025 for their leadership positioning across complex specialties and procedures.

Also, Aster Whitefield Hospital received the 'Technology Transformation Initiative of the Year' award at FICCI Heal 2025 for its pioneering Walk-in FAPI PET/CT Imaging Services, reaffirming our commitment to advancing patient outcomes through technology and innovation.
As we close the quarter, our performance underscores the strength of Aster's diversified healthcare model and disciplined execution across markets. Despite softer seasonal trends, we delivered healthy growth across clusters and expanded margins through operational efficiency and a sharper focus on high-value care.
Our continued investments in capacity expansion, digital transformation, and clinical talent are building a future-ready platform designed for scale and sustainability.
The upcoming merger with QCIL will further reinforce this foundation, creating one of India's most comprehensive and efficient healthcare networks.
This consistency, agility to bounce back, and strategic foresight reflect a resilient growth trajectory, marked by steady earnings expansion, improving returns, and long-term value creation. With strong fundamentals, an expanding footprint, and a clear pathway to integration and innovation, Aster is well positioned to deliver sustainable and

profitable growth in the quarters ahead.
Together, these developments mark an inflection point in Aster's journey. We are poised to deepen clinical excellence and deliver greater value to patients, partners, and shareholders in the years ahead.

I now invite our COO, Mr. Ramesh Kumar, to take you through the detailed cluster-wise performance.

Ramesh Kumar: Thank you, Alisha, and good afternoon, everyone.

I'll take a few minutes to share how each of our clusters performed during the quarter and how our operational and expansion priorities are shaping up.

This quarter's results once again highlight the strength of our cluster model and disciplined execution across markets.

Let me begin with Kerala. The cluster delivered a solid year-on-year performance, with revenue increasing 11% YoY to INR 620 Crore. The improvement was driven primarily by a richer specialty mix, and an 5% YoY increase in ARPP (IP), supported by higher contribution from complex procedures and MVT business growth.

With a lower incidence of seasonal illness this year, which kept absolute volume growth moderated, the cluster maintained strong throughput in elective and specialty-led admissions. Operating EBITDA increased 19% YoY to INR 166 Crore, with margins improving to 26.8% from 25.0% last year. The improvement in profitability was driven by disciplined cost control, stabilization of leadership team, and a more balanced payor and case mix. This reflects a meaningful recovery from the softness seen in the second half of FY25.

In Karnataka and Maharashtra, the cluster reported 10% YoY revenue growth, supported by continued ramp-up in Aster Whitefield and strong ARPP (IP) improvement led by high-value programs, including oncology, neurosciences, and other complex surgical care. However, it is important to note that the shift towards medical oncology has also led to higher material cost, driven by Immunotherapy and targeted therapy services. As a result, Operating EBITDA grew 6% YoY during the quarter.

In Andhra Pradesh and Telangana, revenue grew 8% YoY, supported by 4% growth in inpatient flow and 4% growth in ARPP (IP) driven by better case mix. Year-on-year Operating EBITDA growth also reflected higher replacement cost of clinical talent. However, quarter-on-quarter basis Operating EBITDA has almost doubled. These investments were necessary to enhance long-term clinical capability for the cluster.

In summary, this has been a strong quarter of execution and growth across clusters. Kerala delivered a record-high performance, Karnataka and Maharashtra maintained steady double-digit growth, and Andhra and Telangana continued its upward trajectory, despite the impact of lower seasonal incidence. With approximately 2,300 additional beds planned across these regions over the years, we are entering a phase of accelerated scale, deeper penetration, and stronger operating leverage.

Thank you. I'll now hand it over to Sunil for a detailed review of the financial performance.

Sunil Kumar: Thank you, Mr. Ramesh. Good afternoon, everyone. I am pleased to share Aster DM Healthcare's financial performance for Q2 FY26:

For the quarter ended 30th Sep 25, revenues have increased to INR 1,197 Cr, up by 10% from INR 1,086 Cr in Q2 FY25 and Operating EBITDA has increased to INR 263 Cr with a margin of 22.0% compared to INR 233 Cr in Q2 FY25 with a growth of 13%. Normalised PAT (Post NCI) for Q2 FY26 is at INR 110 Cr compared to INR 97 Cr in Q2 FY25 with growth of 14 % YoY.

For the half year ended 30th September 2025, India revenues have increased to INR 2,275 Cr, up by 9% from INR 2,088 Cr in H1 FY25 and Operating EBITDA has increased to INR 478 Cr with the margin of 21.0% compared to INR 410 Cr in H1 FY25 with a growth of 17%. PAT (Post NCI) for H1 FY26 is at INR 200 Cr compared to INR 171 Cr in H1 FY25 with growth of 17 % YoY.

Despite lower incidence of vector-borne diseases - which typically carry higher margins - I'm pleased to share that our Operating EBITDA improved by 13% YoY. It's important to note that Q2 FY25 had an unusually high base, driven by elevated seasonal medical admissions. In contrast, Q2 FY26 saw a softer medical case mix. Yet, even against this backdrop, we achieved an EBITDA margin improvement of 53 basis points.

This margin expansion was driven by multiple strategic levers.

In line with our focus on driving sustainable profitability, we have continued to execute on our cost optimization and operational efficiencies. During the quarter, we made meaningful progress through initiatives such as centralized procurement of services and non-medical consumables, as well as the adoption of renewable energy across our hospitals. These actions, supported by the benefits of operating leverage, delivered nearly a 100 basis-point reduction in overhead costs.

Our renewable energy program is already delivering tangible results - we have commissioned 13 MW of projects across 3 hospitals in Kerala and Karnataka, with visible savings flowing through to our overhead costs. We are on track to go live with an additional 21 MW across 7 more hospitals during the second half of this year and early next year.

We also achieved ~30 basis point efficiencies in manpower cost. These gains were partially offset by an ~80 basis point increase in material costs, primarily due to the strong growth in CONGO specialties - particularly Oncology, which grew by 26% YoY - and the lower incidence of vector-borne diseases.

Turning to our diagnostics business, I am pleased to share that Aster Labs has successfully delivered a turnaround since the start of FY25. EBITDA margins have expanded sharply from 11.0% in Q2 FY25 to 17.8% in Q2 FY26, driven by a robust 31% YoY growth in external business, enhanced operating leverage, and improved material cost efficiencies. This turnaround has translated into a healthy ROCE of 23%, a remarkable recovery from the negative levels a year ago.

As of H1 FY26, our total capital expenditure stood at INR 302 Cr, with nearly 50% allocated towards expansion projects. We continue to maintain a robust liquidity position, with cash and cash equivalents of INR 1,276 Cr, while our gross debt remains moderate at INR 639 Cr. Additionally, we have seen a significant improvement in ROCE, which has increased by over 290 basis points - from 18.0% to 20.9%.

With this, we have laid a solid foundation for future growth. As we move into future, we are confident of building on this momentum with the same discipline and focus.

On that note, I conclude my remarks.

Now, I request Mr. Varun Khanna to take you through performance of Quality Care India Limited.

Varun Khanna: Thank you, Sunil. Good afternoon and Thank You for joining us today. This quarter reaffirmed our unwavering commitment to our patients and excellence in care. Our focus on the fundamentals has enabled us to deliver strong clinical & financial outcomes in Q2, demonstrating our resilience and reduced dependence on seasonality.

During the quarter, we witnessed several of our key initiatives not only delivering strong outcomes but also becoming institutionalized within our operations. These initiatives are now gearing up for scale, reflecting the strength of our strategic direction and execution capabilities. This progress gives us added confidence in sustaining growth and driving long term value creation as we look ahead to the upcoming quarters.

Overall performance in Q2 has been strong, with revenue growing by 15.1% YoY to INR 1,193 Crore, while post-Ind AS EBITDA rose by 21.6% YoY to INR 287 Crore. The EBITDA margin (post-Ind AS) improved by 130 basis points YoY to reach 24.1% in Q2 FY26.

This strong revenue performance was primarily driven by growth in ARPP and volume expansion. ARPP grew by 10% YoY to approximately INR 125k in Q2 FY26 (from INR 161k in Q2 FY25), supported by an improved specialty mix — with CONGO-T share increasing by 80 basis points to 58.5% — and a favorable shift in payor mix, as the share of cash and insurance business rose by 240 basis points to 81%.

The EBITDA growth further reflects the early success of key synergy initiatives across procurement centralization and F&B in-sourcing implemented in H2 FY25. Our efforts on clinical talent recruitment/management, and the strong ramp of the Nagercoil unit launched In Oct 2024, also contributed meaningfully to our EBITDA growth.

Our mature units (accounting for ~60% of revenue) delivered a 14.4% YoY revenue growth and 27.4% YoY EBITDA growth, achieving a 33.2% margin. Meanwhile, our emerging units which is ~6% of revenue continued to scale effectively, reporting 16.3% QoQ revenue growth and 90.1% QoQ EBITDA growth.

Our focus units which is ~29% of revenue also recorded a robust 30.4% QoQ EBITDA growth, reflecting our continued emphasis on operational excellence and disciplined execution across all facets of the business.

Another important aspect is leadership. We continue to attract exceptional talent from across the healthcare industry. Dr. Pawan Kumar recently joined our leadership team as CEO of CARE Hospitals. A graduate of JIPMER and PGIMER (Chandigarh) with an MBA from ISB, Dr. Pawan brings extensive leadership experience from his previous roles at Max, Cloudnine, and LIVASA Hospitals.

With this, we have onboarded over 10 – CXO level leaders to our team over the last few months, each bringing unique and complementary expertise, enabling us as we drive our next phase of growth and excellence in care.

We have been continuously advancing our doctor hiring models in a structured manner and have onboard over 100 clinicians across the network during the quarter. While these initiatives were launched a few quarters ago, this quarter has shown significant progress — with the Monthly Recurring Revenue Run Rate (MRR) from the newly hired cohort of clinicians reaching INR 20 Crore.

Moreover, these new hires have been instrumental in driving a shift toward higher-acuity care, with our CONGO-T share increasing by 80 basis points to 58.5%, further reinforcing our commitment to clinical excellence and superior patient outcomes.

Our drive to advance clinical excellence has led to several milestones: the first robotic-assisted CABG in Andhra Pradesh, the first TAVI with real-time CT integration at KIMS, the first buccal cell culture urethral re-implantation in Central India, and an awake, beating-heart CABG on a high-risk 71-year-old patient with triple vessel disease and chronic total occlusions. We continue to place unwavering focus on improve our ability to manage clinical complexity so we can create the best outcomes for our patients.

Our continued focus on clinical protocols has also enabled us to reduce our ALOS by 6% YoY, decreasing from 4.08 to 3.85 days.

With the launch of new clinical programs, we have also invested in advanced technologies, including one LINAC to support the Oncology ramp-up in Nagercoil, as well as the commissioning of 2 Cath labs, 2 OCT units (in Bhubaneswar and Trivandrum), and 2 MRI units to enhance our presence in key micro-markets. Additionally, we continue to strengthen our Robotics Program with the installation of a new robot in Hyderabad.

Expansion continues to be a key strategic priority. We remain committed to strengthening our presence in existing markets and entering new ones through greenfield developments, brownfield expansions, and strategic M&A. Our enhanced near- to medium-term growth plan includes an investment of around INR 2,000 Crore to add over 1,700 beds in the next 3-4 years. In line with our mission to improve accessibility to high quality care, ~1,300 of the 1,700+ beds will be added in non-Metro / Tier-2 markets.

We also remain steadfast in our focus on improving access to state-of-the-art clinical infrastructure, this is reinforced by our investments in setting up 5-7 LINAC systems across Tier-2 markets, strengthening our oncology capabilities in these regions. To enhance outcomes and support ALOS reduction, we are also expanding our robotic programs.

In the last quarter, we had rolled out a series of operational initiatives driving growth — including the first phase of call centre modernization in partnership with Tech Mahindra, and the beta launch of a CRM-based patient enrolment system to enhance engagement and service efficiency. I’m actually very pleased to share that we are already 100% on track to achieve this target, ensuring the project’s trajectory is well-positioned for scale. For the group, we plan to extend this initiative to the entire KIMS network in the coming quarter.

While we continue to receive numerous accolades across our hospital network, a few highlight the strength of our unified platform and brand: Quality CARE India Limited received the ‘Visionary Healthcare Leadership Award’ from the Hon’ble Governor of Telangana at the AHPI Annual Conference. India Health Summit & Awards recognized us as the ‘Best

Hospital Network' by the TIMES Group. KIMS Health, Trivandrum earned 'Platinum Green OT Certification' for all operation theatres, meeting global standards in energy efficiency, patient safety, and sustainability. Thank you so much for joining us this afternoon.

Puneet Maheshwari: Thank you, Varun. Dear participants, during the Q&A session, you will get a chance to ask a question by raising your hands through the raise hand icon in the Zoom application at the bottom of your window. We will call out your name after which your line will be un-muted, and you will be able to ask your questions. I would also like to request to all the participants, if you can introduce yourself with your name and the company that you are associated with before asking the question.

If you are not associated with any company, if you are an individual investor, you can highlight that as well.

Moving on to the Q&A session, the first question is from Mr. Tausif.

Tausif Shaikh: This is Tausif from BNP Paribas. Thanks for the opportunity and congrats on a good set of numbers. My first question is to Ramesh.

Can you give us some qualitative update on the Kerala business, especially when Aster DM has focused at last 1 year in the clinical program and also this quarter where the growth which you have seen in Kerala business, whether it pertains to your flagship hospital Medcity or the growth was a broad based?

Ramesh Kumar: Thank you, Tausif, for that very good question. I mean, in fact, this, as I mentioned about the Kerala has been performing very well. And in fact, it is not only Medcity alone, but also across the board. Just to give a highlight, I'll throw some highlights, as far as the overall business has been very good, as far as the case mix is concerned, you'll find that it is all high-end and CONGO-T mix is really doing very well. And you see the MVT business grown by 49%. So, we have all high-end procedures happening, especially in Medcity, you will find that robotic procedures, which has been doing exceedingly well, and in fact, some months we have crossed even 80 numbers per month. So that is a kind of high-end procedures what we have started doing. Oncology has been doing exceedingly well across the board, and especially in Medcity. The leadership you'll see whom we have hired, especially in MVT, and the unit-wise leadership is stabilized, you'll find efficiency is settled, especially when it comes to manpower optimization or cost optimization as far as the material consumption is concerned. I think overall Kerala has been steadily doing exceedingly well. And it will continue to do well. Unlike FY25, we had some vector-borne disease at that time. The volumes were very high as far as pulmonology, internal medicine, and pediatric is concerned. But Q2 FY26, you'll find that quality electives, surgical numbers have really gone up. So, that's where the specialty mix have changed and the performance is really good.

Tausif Shaikh: Ramesh, anything on the MVT patient footfall means the growth of 26% which you have seen YoY.

Ramesh Kumar: Yeah. So, especially there are 2, as we said, Middle East, especially from Oman, we had a significant growth. So, that is one area. Maldives, have also refocused on Maldives, have brought in a lot of attraction of patients. So overall, we have a pan India, we have taken a leadership for MVT now, more focus on each of these cluster wise focus has been happening. So thereby, even African countries have been one of the good number of patients have been coming from the African belt as well. So, overall MVT business, you'll find a good growth of 23% across the board across India.

Tausif Shaikh: Thanks Ramesh. My second question is to Varun. Just wanted to understand your expansion plan beyond FY28 for the merged entity. Whether you plan to pursue aggressive M&A in areas like Western India and Northern India, where we don't have much presence?

Varun Khanna: Tausif, good afternoon and thanks for the question. Tausif, I just reiterated that we are very clear in terms of brownfield and greenfield expansion. I think that's been laid out very clearly. Strategic M&A, you know, you can't really make plans, but we'll always be open for it.

Tausif Shaikh: Thanks. I think I'll get back in the queue.

Puneet Maheshwari: Thank you, Tausif. The next question is coming from Mr. Amey. Can you please unmute your line and ask the question?

Amey Chalke: Thank you for giving opportunity and congrats on good set of numbers. So, first question I have on the Karnataka and Maharashtra cluster, which is showing around 10% growth. I believe the Whitefield you have written in the PPT that is doing well, delivering 25%+ growth during the quarter. So, which is the hospital which is overall affecting the performance here and the reason for the same?

Alisha Moopen: Thank you for the question, Amey. So, I think the main unit which is giving us the growth in Karnataka right now is still Whitefield, because it's obviously a newer unit. So, when you look at the growth on Whitefield, there's a significant, I think it's almost 27% growth that we're seeing. Ramesh, do you want to expand more on.

Ramesh Kumar: Yeah, rightly said. So, there is a good growth as far as Whitefield is concerned with 27% growth happening there, especially oncology has grown very well. The contribution from oncology is almost 17% towards the total revenue of Karnataka. So, you find that overall performance has done very good as far as Whitefield and Aster RV is concerned. Aster CMI, it's slightly we are having a single digit growth, but definitely it is also growing as for the market, the traction has been very good in and around north part of Bangalore. So, we can see a better growth, definitely there should be a better growth with the Aster CMI as well. But if you compare it to FY25, again, I did mention about the vector-borne disease, we had a higher volume there in last year, FY25 second quarter.

So that is a reason, and you will find a moderate growth happening this year over FY25, in FY26.

Sunil Kumar: Just to add to that, to give you a number so that can be sort, basically you club in seasonal impact. Overall, India, the internal medicine, Pulmonology and Pediatrician, right, so there we have got a 12% de-growth across India and Kerala impact is little lower than compared to Karnataka. Kerala impact is only 6% but Karnataka very specifically the Bangalore impact is almost 26% right so that's a huge impact that's where on the year-on-year we used to go to the mid-teens or higher teen growth that is not visible because of that just giving the numbers on that.

Amey Chalke: Got it, got it. Thank you so much. And the second question I have is on the FY27 guidance on the expansion side. We have 3 greenfield units coming up. Obviously, on a long-term basis, it's quite positive, but specifically for FY27 modeling on the margin side, what EBITDA impact should we take into account? And is there a possibility of QCIL brownfield expansion helping these margins to have a lower impact? If you can give some clarity on FY27.

Sunil Kumar: So, yeah, if I can take up this question, Amey, see, I think we have, we're not giving a guidance just for 1 year, right. So, I think even in the last call, or even the previous meetings, we have always told that, as a combined entity, we are now at 23% for the quarter, on a YTD basis we are somewhere around 21.5%, and going post-merger, right. So, we are looking at in 2-3 years to be near 24-25%. Now, very specifically with respect to the greenfield, you see that both the greenfield, the major greenfield, Hyderabad is anyway one which is coming, which is more of women and children. But the important one is our Sarjapur, which is coming quite in the end of the year, because the brownfield just commenced the work there. So, it'll take at least somewhere in the end of the H2. And the capital should come around middle of the year. That's what we put across as H2 FY27. And we've seen that wherever we have a strong cluster, we tend to do well. So, we expect not to have a too much drag on the EBITDA margin. And it's very, very important by then, I think, with merger on the way, we should also have synergies also coming into the picture. That should also help in a very big way in addressing any losses, initial losses there.

Amey Chalke: Sure. So, should we assume that combined entity margin should be well maintained with accounting for the synergies during that year?

Sunil Kumar: Yeah, as I said, I don't want to give a guidance exactly on the particular year.

Alisha Moopen: I think Amey, maybe we haven't, we might not be able to say exactly how much the margin will be maintained or if there's any dilution, but I think what's really helpful to note is how complimentary this is, right? The Trivandrum asset, which is coming 500 beds, it's almost going to be now with the presence that KIMS has in Trivandrum. It's going to really help us kind of expand that capacity and create that cluster in Trivandrum. Again, building on the leadership that KIMS has, building on the brand that Aster has. I think that's a powerful story for us to kind of double down on. And even in Hyderabad, now with Women & Child, again, with the network that CARE has in Hyderabad, once the merger is complete, you will be able to see that network effect coming through. So, we do see that both of these are positives from a merger standpoint. So, to the point you're making, we see this shift should help us accelerate the performance of both these units on account of the merger as well.

Amey Chalke: Sure. Thank you so much. I just have last question to Varun ji. He mentioned that there is a 700-bed expansion for the QCIL asset. 300 beds are in Tier 2. So just wanted to understand the thought process here when we have to choose the expansion between metros and Tier 2, What is generally the thought process? Because I believe the metros typically, although it has competition, it has quicker turnaround timelines as well as higher EBITDA per bed. But Tier 2 typically have a longer timelines as well as lower EBITDA per bed. So, ROCE might be better, but it takes time for you to achieve those ROCE. How should we one think about it when it comes to expansion? How should we balance it going ahead? What's our thought process there?

Varun Khanna: Thanks for the question again. I think there are 2, 3 ways to see this. One, the numbers are 1,700, 1,300. So, we're looking at those many beds add over the next 3-4 years. I think on the point that Tier 2 markets take longer, I want to quote an example. We opened Nagercoil, our hospital in Tamil Nadu in October 2024. We were profitable from an EBITDA standpoint in the 3rd month. And I think, 1 year into the hospital, our current margins are in excess of 20%. So, Tier 2 markets, if done right, the opportunity to scale them up fast is, in my opinion, better than many Tier 1 markets. But again, it depends on how you roll out a hospital. If you are able to bring the clinical team, the infrastructure, open it right, and the market is something that knows the brand, like Alisha mentioned on Trivandrum, the scale-up will be significantly faster. So, that's one way to look at it. When it comes to expansion also, I think one of the good things about expansion is that we are expanding where we are already present. If you see, we are adding Indore, we are adding beds in Bhubaneswar, which is where we are constrained for capacity. So, any bed addition will get occupied sooner than later. Then we are adding Oncology capabilities across Raipur, in Indore, in Bhubaneswar. And I just told you about Nagercoil. So, we had initially planned that we will expand beds in Nagercoil probably in FY28, but the way we've grown in Nagercoil, the sense is that we will be adding beds in FY27. So, I think all of that will play well for our expansion as well as margin story.

Amey Chalke: Sure, Thank you so much. I will join back.

Puneet Maheshwari: Thanks, Amey. The next question is from Mr. Harith.

Harith Ahmad: Hi, I hope I'm audible. So firstly, on QCIL, the margin profile that we're at currently around 20-23%, if I look at on H1 basis. So, Varun if you could talk about some of the additional levers that we have to take this further up keeping the synergies aside. And what were the levels before you took over at the beginning of FY25 or towards the end of FY24, what was the margin level that we were operating at on a pro-forma basis for all the 3 platforms within QCIL put together?

Varun Khanna: Margin has been a good story, Harith. We've done a lot of work on this. I just announced that we were at 24.1 % for the last quarter. At some point in time, we had given that as guidance as well a few quarters back. So, what's impacting? I told you that we have a synergy wheel. Of course, we don't talk about the entire wheel, but there are 10 initiatives that we focus on. And I can't put synergy outside because this is a constant endeavor that will continue to happen. Synergy is generally not when you only merge companies, it is a synergy that you continue to play from one hospital to the other. But from a margin expansion standpoint, there are 3-4 things that have really helped us. One is the procurement side of it. We've been able to create efficiency and that efficiency is outside of what the planned efficiencies are post the merger as well. We've also done things that, KIMS as a network had F&B insourced. And we knew that that was the right thing to do because there are 2 elements around it. Patient complaints around food in Indian healthcare sector are number one. And if you're able to enhance that quality, it all goes very well for the patient experience. And it also does good to the P&L. So that's another piece that we've rolled out in QCIL across the network. So, we've started to insource F&B. Outside of that, there are multiple things. We are working on Capex procurement, on enhancing, working on group strength, on the AMCs, etc. One of the other things the second part outside of procurement and the synergy wheel is really the payor mix. That is one thing that is, I mentioned in my commentary as well, it's easier said than done. But the fact that we've been able to move the payor mix by 280 basis points is phenomenal. I think there is business focus and operating focus, and when you do things right, you're able to grow the right payor pretty well. So, our cash and insurance payor is doing extremely well, which is a very healthy sign for the business from a long-term standpoint as well. And needless to say, that is margin accretive. And we are today at about 81%. Do I see this continue to grow? Absolutely. I think the 3rd part is that we've always broken our business into the 4 categories that we spoke about, and we've been very focused on that. We know that there is a mature part of our network, which is about 60% of our business. There, what we try and do is we try and enhance the performance metrics there. So, there should be growth, and that part of our network is growing about 15% currently from a top standpoint, with a very significant EBITDA upside. We've started to see turnaround in most of our focus units as well. And that's a large component, 25-27% of our business comes in from there. We've seen significant upside there. So, our Hyderabad assets are now performing much better. And then matured units, which are underperforming, start to do better. The translation to EBITDA is quite significant. So, I think all of that is giving us the traction and will continue to in the foreseeable future. Also, the fact that we've been able to launch our new hospitals well and we're able to get to 25% profitability in the third or fourth quarter, the question that was asked to Sunil earlier, I think we know how to scale up fast. And that will keep us in good strand, even when we add capacity going forward.

Harith Ahmad: Got it. By keeping synergies aside, I meant the synergies with Aster. That's very helpful Varun. Yeah. On Aster standalone, Sunil, I understand this question has come up in the previous quarters, but looking at the ARPOB growth, it's quite strong. And when I think of FY27, some of the drivers like, you know, the Whitefield ramp up or the ALOS reduction, the payor mix optimisation, these might not be as relevant or significant as we have seen in FY26. So, you know, is there guidance or some indication directionally that you can give for FY27 for our ARPOB growth?

Sunil Kumar: Thanks, Harith. See, if you know, I've always never given a 1 year or 1 quarter growth, I always given on next 2-3 years where it could be. And also we want to see ARPOB also is very camouflaged with a lot of things, you know, making that particular KPI move, right, for example, our ALOS is being efficient I think this is our 3rd quarter where from 3.2-3.3 we have come down to 3.1 right so even in the 5% ALOS reduction and that 5% directly moves to the ARPOB. So, I think we should start moving out of ARPOB and move to the more of a ARPP (IP) also right ARPP for IP patients there also we've seen a movement even in the current, I would say quarter or the first H1 also there are important things, one is that specifically in Karnataka & Maharashtra cluster scheme is very important wherein our Aadhar, Kolhapur is there. We stopped the scheme because we already reached around 75% occupancy. We didn't have the space to occupy for our cash and TPA patients, right. So, on their 1,500 patients, for the quarter or 1,600 patients for the quarter was the reduction. And that has really moved the ARPP up. Second, Whitefield, see Whitefield just a 2nd year. Oncology is still driving the growth. Neuro is doing really, well. Cardiac is doing well there. So that is also driving the, ARPOB. And, specifically because Oncology is driving, our 60% of our Oncology comes from MedOnc. And today in MedOnc, 40%-50% of that revenue is derived by Immunotherapy and targeted therapies. And their material cost is quite high, and also ticket sizes are high. And that's where you're seeing that year ARPP (IP). Second, I would say third-fourth item is the season. I think I called it in another question, that even though overall season impact for specifically these 3 specialties is 12% degrowth, what you're seeing. In Karnataka, the impact is quite high year-on-year. It's 26%. We had too much on the last year, and that's where the whole growth has come, only from CONGO-T specialties. That is one of the reasons why it looks very, very high. So, I think these are the factors, which are Whitefield anyway, once it gets Normalised in just 1 more year. So other things, yeah, you'll always have. But my future thing will be is that look at ARPP (IP) growth somewhere between 7%-8% from a long-term point of view, like 2-3 years.

Harith Ahmad: Thanks, Sunil. I'll get back in queue.

Puneet Maheshwari: Thank you, Harith. I would request you to please raise your hand for any queries. The next question is from Mr. Bino. Mr. Bino, can you please ask your question?

Bino Pathiparampil: Good afternoon, all of you, and congratulations on a great set of numbers and the recovery in Kerala cluster. Just 1 question remaining was around GST, in your opening remarks, you mentioned that the production GST augurs well for the cost of service. Have you tried to quantify the benefit to margins that this can accrue?

Sunil Kumar: Bino, thanks for the question. If I'm trying to get that question right we are talking about the GST impact. See, GST impact there's no impact in the OP services because we always choose to take the input and pay output to the department. So there's no impact on whether it's on the top line or in the cost from the OP. Only in case of IP very specifically open cases where you have also seen the benefit also because with the MRP going down there GST is coming down in the both in sales and the cost, so the both-way impact is there. From Aster's point of view, the top-line impact, overall top-line impact on a monthly basis is around 1.1%. And out of that, 35-40 basis points impacts our EBITDA. But at the same time, it's very important to know that recently, I think sometime in October, we’ve also seen the CGHS price increase after more than a decade, more than 2,000 procedures pricing has happened. And there we usually do ESI, ECHS, where they follow the CGHS rates and other PSU corporates what we do. We do approximately INR 20 Crores of revenue every month. There we see a positive INR 2 Crore impact in the revenue. And EBITDA out of that impact in the incremental revenue, around 75%-80% should flow to EBITDA. So, with that, whatever the negative impact what we're seeing in the GST should get compensated by the CGHS EBITDA increase.

Bino Pathiparampil: Sorry, just a clarification. So why would there be a negative impact from the GST? I would assume that your cost will come down, and it will positively benefit the EBITDA.

Sunil Kumar: So Bino, I can always share the mathematics later. But what also happens is that if I want to give an example, say, specifically in the open billing, what is happening is that on the MRP is what we used to sell, right. So, the MRP, for example, all the medicines used to be approximate 12%, now it has come down to 5%. Right, so what is the on the MRP, the GST has come down by 12%. And we used to have a margin of approximately 50% in the medicines specifically. So there, it has come down by 50%. You got my point, right. So, whatever the revenue or loss what we are seeing on the MRP, only the 50% has come down. So, balance 50% is the one who's going to hit your P&L. It's very natural. And, also if you want, we can offline give you the mathematics to explain to you how it's impacting our data.

Bino Pathiparampil: Understood, understood. Thank you, that's fine. And one question about what is the thought behind shifting of the headquarters from Bangalore to Hyderabad?

Hitesh Dhaddha: So, thanks Bino, for the question. As part of the merger, we just felt it's better to have the NCLT application for approval going from one state so that the process timelines can be better. And that was the key reason why we just thought that then because the head offices currently are in two different states. We just felt it's better to have happening. So that's why process will be more efficient. That was the reason why we did this.

Bino Pathiparampil: Understood. Thank you.

Puneet Maheshwari: Thanks, Bino. We request you to please limit your question to two but not more than three at a time. Moving on to the next. The next question is from Damayanti. Damayanti, can you please ask your question?

Damayanti Kerai: Yeah, hi, thank you for the opportunity. Most of the questions have been answered. I have 2 questions. First, now you have majority stake in Dr. Ramesh hospital. So, with that, is there any change in the broader strategy for the Andhra and Telangana cluster? Because although it's a small cluster, but it's one of the least profitable in your network. So, any comment will be helpful.

Alisha Moopen: Hi, Damayanti. So, we are working with Dr. Ramesh to kind of build a strategy for Andhra. I think probably a bit too early to say it, but we are doing some of the market studies on the potential. So, there are a few proposals under review. So, we will see how, I mean, there is potential for the cluster. It's all about prioritizing where we want to put the capital, right? So, we will come back. Maybe in the next couple of quarters to you on that.

Damayanti Kerai: Sure, but it's I think it’s logical to assume that the margin profile could significantly improve from here because like other two clusters. It's in low double digit so maybe like there is more room to improve on this cluster.

Alisha Moopen: So, I think we've seen some growth recently, there has been investments made in the doctors as well. Of course, there is potential, we're trying to see there's also a lot of competition that's come in the market. So, we are making sure that we keep improving in each of the clusters as much as possible. So yeah, so let us come back to you. I think we are seeing improvements in the cluster anyways, I think over the last year.

Damayanti Kerai: Sure. My second question is, how do you see your medium-term EBITDA margin in view of you know very strong performance in your core clusters like Kerala and then having a great visibility on drivers like Oncology etc. So where do you see your margins say in next 3-5 years from now?

Sunil Kumar: So, again, we would like to resist on the cluster wise EBITDA margins, but we already given a broad guidance on a merged entity post-merger, we're looking at 24-25%, but still, you understand that margins are indirectly linked to the ARPP, for the IP patients, right? So, the higher the ARPP, because the material cost is going where we get the leverage. But at the same time, you've seen the Kerala cluster has done really well because of the capacity, which we added almost a brownfield expansions happened both in Aster Medcity and in Kannur. And we've seen that Kannur, which used to be in high teens, has gone beyond 20% of the margins. And our Medcity, where it was around 750 beds, we added another 100 beds. There, the margins have gone beyond 30%. And also it's a very big hospital, we're inching towards more than INR 90-100 Crores of revenue per month. With all this, I think it's all about the brownfield expansion and how we can bring the efficiency. But as I said, yes, I understand where we're coming from. With the Oncology happening, yes, with the material cost being higher, there could be some stress. But also, we're looking at not specifically trying to grow only one specialty. We are also interested to grow across the CONGO-T specialties. So, with that, I think we will be able to manage the EBITDA margins better.

Damayanti Kerai: Yeah, actually, I was wondering like if it could be higher because Oncology although there is high material cost but the realisation, I understand it is better than many specialties. So, I was just thinking like more than 24-25% if you can achieve.

Alisha Moopen: We give this statement, right? Like even if you look at just the last quarter with the GST change, with the CGHS price change, so many things keep happening in the sector, right? And rightfully so, I think our commitment is to always kind of like what Varun was saying earlier, looking at each lever constantly, dynamically, seeing what can be optimised, what are the options that we have. And of course, even with the merger, there'd be a lot of synergies that comes in. But we maintain this balance of which clinical programs to run, what makes sense for the different clusters for each unit, detailing out what clinical programs to kind of focus on, and then also making sure at the same time, we are able to improve the efficiency and the margins as well. So, I think it's really hard to then say specifically this will improve by 100 basis points or 200 basis points.

Damayanti Kerai: Sure, that's helpful. Thank you very much.

Puneet Maheshwari: Thanks, Damayanti. We request you to please limit your questions to 2, but not more than 3 per participant with this. The next question is from Sumit. Sumit, can you please ask a question?

Sumit Gupta: Hi, thank you for the opportunity. My question is to Varun. What is the ARPOB of QCIL?

Varun Khanna: Hey, Sumit. All right. So, again, I think sometimes ARPOB is a misnomer and Sunil mention about it. We've released the number, which is the ARPP number. The ARPP growth is 10% for this quarter. The ARPOB number would be about INR 44,000, if that's the number in specific you're looking at for Q2, for QCIL.

Puneet Maheshwari: Thanks. So, we have the next question. Again, joining back to the queue, Mr. Tausif. Tausif, can you please ask the question?

Tausif Shaikh: Hey, thanks for the follow-up. Ramesh, can you share some color on the recently commercialised Kasargod Hospital, how the early trends are, and does this hospital stop current patient in Kerala to travel to Karnataka for treatment?

Ramesh Kumar: On October 2nd, we have launched the hospital. It is a 264 bedded hospital and right now we have opened 100 beds. The other 2 would be shortly commissioned as well. And the OPD numbers are anywhere between 150-200 on any given day. So that's a head start what we had. If you look at Inpatient, we are talking around 35-40 inpatients. IP admissions, we are around 7 number, 7 to anywhere between 10 admissions are happening. Discharges are also on the same. We have the best of the clinicians onboarded. So, it's a higher tertiary care center. So Kasargod, I don't think so, in and around Kasargod, you have such a higher tertiary care center, which even Oncology where MedOnc and even Surgical Oncology, we have started there. Right now, all patients are accessing Kasargod Hospital. Once the awareness is pretty high, we have started a good amount of campaign, a good amount of public awareness programs. So, I'm sure patients have started flowing into the hospital. I don't think so they're cutting across Karnataka now. Because this is one of the state-of-the-art centre what we have come up.

Tausif Shaikh: Thanks Ramesh, that’s helpful.

Puneet Maheshwari: Thanks, Tausif. We have Sumit joining back to the queue. Sumit, now you can ask the question.

Sumit Gupta: Okay. My question is to Varun. So, what was the performance of the mature and the focus units in this quarter? And have you witnessed any margin improvement in the focus units?

Varun Khanna: So, Sumit, I gave some numbers earlier. So, our mature units, actually from a top standpoint, grew 14.5% YoY. Our emerging units grew 85% YoY, and our focus units grew 9% YoY.

Sumit Gupta: And how should we look at it, look at the units over the next 3-4 years? And is there any kind of margin improvement in the at least the focus units and the mature units?

Varun Khanna: Of course. In the emerging and the focus units, margin expansion is the reason why they are in that category. And that certainly will happen. And I don't see a question around it. As I mentioned earlier, a couple of units, or more in our focus group, have started to do extremely well. Our Hyderabad units were a bit challenged last year, if you recall. And that's where we've started to see. In fact, the last month of the 2nd quarter, our numbers were mid-double-digit growth rate for our Hyderabad assets. So, I think that's looking good. So, there's a significant turnaround underway in the focus units. And emerging, of course, the newer units will do well. Also, another hospital in Perinthalmanna, where we had challenges around it, was a part of the focus unit, is doing extremely well now. In fact, we are now looking at adding complexity there. One of the linear accelerators that I spoke about is getting into Perinthalmanna. We've just ordered a robot for Perinthalmanna. So, again, the strategy continues to be the same. Bring in more complexity, more modalities, ensure that, you know, anything and everything that the patients want are delivered in our centers. And with that said, you will continue to see patient retention in a significant way, and therefore, complexity, payor mix, etc., growing, leading to an evolved margin condition.

Sumit Gupta: Understood. Thank you

Puneet Maheshwari: Thanks, Sumit. I will request to attendees, please raise your hand for any question to the management. The next question is from Mr. Gaurav. Gaurav, can you please ask your question?

Gaurav: Yeah, thank you. My question is to Mr. Varun. So broadly, if I look at Aster and Quality Care, all the parameters are comparable. In fact, Quality Care is doing better. But if you look at the ALOS, Aster is at 3.2 and Quality Care is at 3.9. I just wanted to understand why this delta is there? Is it because of the case mix or something? How can this go and how will that help our capacity in the future?

Varun Khanna: If I start defining as to why the 3.9, I think it may not be fair. So, it's driven by multiple factors. It's driven by the specialty that you focus on. It's driven by what kind of surgical mix you have, etc. How much is the medical mix? If you're able to do, sometimes medicine can stay longer, etc. So, I think a lot of the way I'd look at it is not really compared to. The second part of your question, the way I read it is, is there scope to enhance it? Yes. Our focus will be to continue enhancing that. We've bettered over the last year by 6%. As I told you that we were in excess of 4, we've come down to about 3.85. Will this continue to improve? My sense is yes, if that answers your question.

Gaurav: Thank you.

Puneet Maheshwari: Thanks Varun. If anyone has any other attendees would like to ask a question, please raise your hand. Okay, that's been the last question. So, there is no more question to the management. Thank you all. This concludes the earnings call for this quarter for Aster DM Healthcare. I thank the management and all the attendees for joining us today. If you have any further questions and queries, please do get in touch with us. Thank you. Thanks, everyone.

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