May 31, 2022

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

Dear Sir/Madam,

Sub: Transcript of Earnings Call for the quarter and year ended March 31, 2022
Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

This is further to our earlier letter dated May 25, 2022, regarding audio recordings of Earnings call of the Company for the quarter and year ended March 31, 2022, held on May 25, 2022 please find enclosed herewith the transcript of the said Earnings call.

The same is also made available on the website of the Company at https://www.asterdmhealthcare.com/investors.

Kindly take the above said information on record as per the requirement of SEBI Listing Regulations.

Thank you

For **Aster DM Healthcare Limited**

HEMISH PURUSHOTTAM
Digitally signed by HEMISH PURUSHOTTAM
Date: 2022.05.31 13:01:50 +05'30'

Hemish Purushottam
Company Secretary and Compliance Officer

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Aster DM Healthcare Limited
Q4 FY22 Results Earnings Conference Call

May 25, 2022

Management:	**Dr. Azad Moopen – Chairman & Managing Director**
	Ms. Alisha Moopen – Deputy Managing Director
	Mr. T J Wilson – Non-Executive Director
	Mr. Sreenath Reddy – Group Chief Financial Officer
	Mr. Amitabh Johri – Chief Financial Officer, GCC
	Mr. Sunil Kumar M R – Head of Finance, India
Moderator:	**Mr. Saurabh Paliwal – Head, Investor Relations**

Saurabh Paliwal: Good morning, everyone. My name is Saurabh Paliwal, and I would like to welcome you to Aster DM Healthcare's earnings conference call for the fourth quarter and full year of fiscal year 22. The company declared the Q4 results last night. Hope you had a chance to review them. They were uploaded on the stock exchange and on the company website.

To discuss the results and the future business outlook, we have with us the senior management at Aster DM Healthcare. It includes Dr. Azad Moopen, Chairman and Managing Director; Ms. Alisha Moopen, Deputy Managing Director; Mr. T.J. Wilson, Executive Director and Group Head of Governance and Corporate Affairs; Mr. Sreenath Reddy, Group Chief Financial Officer; Mr. Amitabh Johri, Chief Financial Officer for GCC and Mr. Sunil Kumar, Head of Finance for India.

I would like to take this opportunity to remind everyone on how we will conduct this call. All external attendees will be in the listen-only mode for the duration of the call. We will start the call with opening remarks by management, followed by an interactive Q&A session. During the Q&A session, you will get a chance to ask a question by raising your hand by clicking on the 'raise hand' icon in the Zoom application at the bottom of the window. We will call out your name, after which your line will be unmuted, and you will be able to ask your questions. We request you to please limit your questions to 2 per participant at a time. Post the completion of your query being answered, we will lower your raised hand.

Finally, the safe harbor related to the earnings conference call. Certain statements that may be discussed on this call are not historical facts and might be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local, political, or economic developments, technological risks and many other factors that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. Aster DM Healthcare will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

With that, I will ask Dr. Azad Moopen to start with the opening remarks. Over to you, Doctor.

Dr. Azad Moopen: Thank you, Saurabh. Good morning, everyone. Thank you all for joining our earnings call for quarter 4 of FY22.

The world is slowly getting into a stage of normalcy with COVID being subdued and business limping back to normal. In UAE, the number of COVID cases are almost nil and in India also, the cases are low with very few being hospitalized and with minimal mortality. At this stage of nascent recovery across the world, unfortunately, the war in Ukraine along with inflation has put spokes into the wheels of recovery of the global economy. The increase in interest rates across the world, fueled by the actions of the U.S. Federal Reserve is producing reverberations across the world. I sincerely hope that the negative clouds shall disappear, and we shall be on a stronger wicket regarding the growth in all sectors soon.

Before delving into the quarter 4 performance of Aster DM Healthcare, I would like to bring to your notice on our major focus on ESG. All the pillars including environment, sustainability and governance are being kept at the highest level with millions of lives being touched by Aster Volunteers every year. I am glad to inform you that in the CRISIL Sustainability Yearbook released in May 22, Aster is in the strong category with a score of 64 and is highest among the listed healthcare players in the overall score. I'm extremely happy about that. We also received many other awards, but CRISIL being the one based in India. I thought that I will highlight this.

I would also like to share with you a brief on the recently conducted first edition of Aster Guardians Global Nursing Award to honour and express our gratitude to the nursing community. The nurses are the backbone of any health care system, and they were at the front line in the war against COVID. We felt that they are under recognized and under compensated and had to be celebrated and noted. An esteemed international jury selected Nurse Anna Qabale Duba from Kenya as the winner from among 24,000 applicants across the world. The winner was awarded a trophy and a prize money of USD 250,000 in a function held in Dubai on May 12 this year. Nine finalists from different continents were also honoured in the function. We hope that this will help to increase awareness about the noble profession of nursing and attract many youngsters as the demand for nurses across the world is increasing, and it is estimated to be 6.5 million at present.

Now coming to the financial performance for the full year of FY 2022:

- It is a proud moment for us at Aster having crossed the landmark of Rs. 10,000 crores in consolidated revenue in a financial year. For the full year FY22, revenues were at Rs. 10,253 crores, reflecting a strong growth of 19% over FY21.
- EBITDA at Rs. 1,483 crores increased Rs. 420 crores over FY21.
- This growth in top line and EBITDA, combined with the reduction in debt by Rs. 198 crores and low borrowing costs saw our PAT (post NCI) increase from Rs. 148 crores in FY21 to Rs. 526 crores in FY22.
- The ROCE (post IndAS 116) for the group and India which was low earlier have now started growing well and during the period reached 9.7% and 7.2%, respectively, due to the better ramping up of and sweating of the existing assets.
- India contribution to revenue is now 23% of total business as compared to 19% last year with EBITDA contribution of Rs. 353 crores for FY22.

While the focus was on better utilization of existing facilities, we have also increased our bed capacity to 5,065 by adding 158 beds in FY22. Our staff count has increased from approximately 22,000 last year to almost 26,000 at the end of FY22. The major increase in strength is due to the labs and the hospitals which we started during this year.

I'm happy to inform you that the Digital Transformation of Aster is moving in the right direction, and we expect it to start making a huge impact in our operations and revenues from this financial year onwards. Deputy Managing Director, Alisha Moopen, shall speak more about this soon.

I shall now briefly touch upon the financial and operational highlights for the quarter 4 of FY22.

- At a consolidated level, we posted revenue of Rs. 2,728 crores, which is an increase of 14% when compared with the same period last financial year.
- EBITDA is at Rs. 463 crores, an increase of 44%.
- The profit after tax (post-NCI) is Rs. 226 crores, an increase of 115% when compared with quarter 4 of FY21.
- With respect to GCC business, quarter 4 was a good quarter overall delivering growth over last year as well as over quarter 3. Revenue has grown 11% year-on-year to Rs. 2,121 crores. EBITDA increased to Rs. 384 crores as compared to Rs. 289 crores in the same period last financial year.
- The Aster India business has grown significantly in quarter 4, with revenue growth of 26% year-on-year to Rs. 607 crores and EBITDA increasing by 147% to Rs. 79 crores as compared to the same period last financial year. EBITDA margins improved from 7% in quarter 4 of FY21 to 13% in quarter 4 of FY22.

Let me now move on to some of the operational updates.

In India, we have started operations of the 140-bed Aster Mother Hospital in Areekode, in Kerala, fulfilling our promise to kickstart brownfield low capex initiatives. This takes the total bed count in India to 4,045 capacity beds. We are looking at such opportunities in various parts of India, which gives a much better return on investment and improve our efficiencies.

Aster Labs, which has its presence in both Karnataka and Kerala has now entered 4 other states: Maharashtra, Tamil Nadu, Andhra Pradesh, and Telangana. As of 31st March 2022, there are 2 reference labs, 12 satellite labs and 100 patient experience centers. By the end of FY23, we are planning to have 38 labs and over 400 patient experience centers overall.

With respect to the Aster Pharmacy branded retail stores operated by Alfaone Retail Pharmacies Private Limited under the license from Aster, we celebrated the milestone of 100th store launch in Kochi, Kerala. As on 31st March 2022, there are 131 pharmacies: 82 in Karnataka, 27 in Kerala and 22 in Telangana. The plan to reach around 300 pharmacies by the end of FY23 is on track.

We signed a Memorandum of Understanding with The Government of Tamil Nadu proposing an investment of Rs. 500 crores in hospitals, pharmacies, and laboratories in the state over a period of 3 years - we are looking at an asset-light model with someone doing the hospital building for us. We have started rolling out the low-cost labs and pharmacies in Tamil Nadu, which is something which will be there even before we start the hospital.

Aster CMI Hospital in Bangalore in association with the Indian Institute of Science launched an artificial intelligence lab. The lab aims to build cutting-edge health care products and bridge the gap between clinical medicine and technology by training health care professionals in artificial intelligence.

In GCC, the 101-bed Aster Hospital Sharjah commenced operations during the month of April. We also expect to commission Aster Hospital in Muscat, Oman in the next 1-2 months. These 2 hospitals will increase our total capacity bed in GCC to 1,406.

GCC, especially UAE, is an insurance-driven market. We are focusing on efficiency improvement measures, especially strengthening the revenue cycle management function. For this, we are making active investments in talent for the RCM function and expanding the role of Shared Service Center based out of India to bring down the cost.

We continue to be recognized for the quality work we do and external recognitions we received is testament to the Aster's all-round excellence.

- Aster Hospital Mankhool achieved the prestigious HIMSS Stage 6 certification. This multi-specialty hospital is the first private hospital in Dubai to win this recognition. The achievement reaffirms our Aster

Hospitals commitment to integrate technology into its services to ensure advanced patient safety and error free treatment.

- LinkedIn ranked Aster among the top 5 preferred employers in UAE. The ranking was based on our ability to attract and retain talent, including the career advancement opportunities we provide for employees of all backgrounds.

I would like to give an update on the disinvestment of noncore assets -

The Saudi asset divesture is moving forward, though at a slow pace. While we are at an advanced stage of conversation with one prospect, the recent improvement in performance of the hospital has led to interest by a few others. As you may be aware, Saudi has most potential in GCC with a population of over 30 million with huge demand supply gap in healthcare. We are exploring the opportunity for getting a Saudi partner to roll out low capex model of pharmacies and clinics and labs with a partial sell-off from the hospital asset to fund this. We shall keep you informed of the developments in the coming quarters.

Status of the corporate restructuring –

The subcommittee of independent directors formed to look into the corporate restructuring is actively exploring the various options. We hope to give an update on the status during the next quarter earnings call.

I now request the Deputy Managing Director, Alisha Moopen to elaborate on the GCC business, the Digital Transformation and other strategic initiatives undertaken by Aster. Thank you very much.

Alisha Moopen: Thank you, Chairman. Good morning, everyone. As Chairman mentioned, the world has started opening up and easing all the travel restrictions. This has a significant impact in the GCC for us because a large part of the population here is the expat population other than in Saudi. When you look at the country, the UAE has managed the pandemic very well, and Dubai in particular, has pushed ahead with major reforms to attract more people to establish a base there and live there. Part of the expat population, which had left during the COVID has also started coming back. We are seeing a rise in tourism, which is a big driver of commercial activity in this area.

Our resolve to get on with our lives in a normal fashion, like it was before COVID is strong and our own experience dealing with a pandemic like situation, plus the continuous scientific innovation and research, should keep us in good stead.

Going a little bit more detail on the GCC trends, we have seen a good year-on-year growth of approximately 13% growth in revenue over FY21 and I'm pleased to state that this is also a growth of 12% over the FY20 revenues since we wanted to compare it with a pre-COVID era. The EBITDA at Rs. 1,130 crores witnessed an increase of 23% over FY21.

For Q4, the revenues for GCC saw an increase of 11% over last year and grew 4% over quarter 3 of FY22. This has primarily been led by growth in our hospital business. The clinic revenue grew by 13% and EBITDA increased by 6% over quarter 4 of last year. The pharmacy segment is showing signs of improvement with a marginal increase in revenue sequentially and EBITDA has moved from Rs. 76 crores in Q3 to Rs. 112 crores in Q4 of this year.

We continue to face some pressures from the insurance companies, and we are seeing some margin pressure both on our OP and IP business. Recently, we have had the DRG2 implementation and the tariffs that's been finalized; we expect the IP related rejections to stabilize. Like in any evolved market, there is stiff competition in this market as well.

The positive news is that we believe that the next financial year shall see a near normalcy being returned across GCC, especially in our largest market, Dubai.

Just going on to some of the new business initiatives. We know that we need to innovate and explore new business models, which involve sharing risk and rewards that will help make our business more sustainable and more resilient.

We are working on few such models with our insurance payors in the GCC. We recently launched a joint product with Insurance Company for the lower income group. While these are still at nascent stage, they would be critical for us to remain relevant in the coming years.

We have also increased our focus on medical tourism as part of the GCC growth strategy. This is in line with the UAE vision to increase tourism for health care as well. In the last quarter, we have been able to attract and treat multiple cases from close by countries for gene therapy, especially from Turkey. We have been able to provide vaccination and cure to children suffering from SMA, which is quite a niche and advanced therapy.

In order to further our growth in the pharmacy business in GCC, we are exploring the franchise model for the pharmacies as well as looking at expansion feasibility in Jordan and Bahrain. We are working actively towards going to adjacent geographies, which has been able to see a turnaround post COVID. We have also reset our cost base during COVID, and the business is doing much better in terms of revenue and EBITDA.

Specific to UAE, we are actively investing into widening our range of offerings. We are setting up clinics, which are focused on wellness, where we shall provide a wide range of services, including functional medicine, cosmetics, aesthetics, IV drip therapy. There is also going to be increased focus on growing other cash-related business like dental and mental health.

Further, as Chairman mentioned, the market in GCC, especially Dubai remains competitive. We, at Aster, are exploring innovative business model in partnership with payors and leverage our scale in the region. This, we believe, will help us compete more effectively and service certain demographic segments in the coming times.

Of course, our major focus for the last year has been building the whole digital muscle for Aster. As stated, a few quarters ago, we continue our pursuit to make Aster more future-ready and create a better experience for our patient care. We do recognize the fact that digital is really the way to further our mission of healthcare as well as wellness. We have been making some very strategic investments and building on some strategic partnerships on bolstering our digital backbone.

I would like to summarize some of the progress that has been made during FY22 and what's planned for FY23. We have been building our core digital team with the CEO that was hired last year. And as Chairman mentioned, we continue to make investments in talent in this area and continue to strengthen our engineering as well as the product team.

Our app, which is One Aster shall be the primary omnichannel mode of engagement and which will allow us to have a unique integrated view of patient care across all healthcare touch points. This will house appointment booking, tele-consult, e-pharmacy, home health, e-diagnostics, chronic disease management and creating various streams to support patient wellness. The app is on the App Store and Google Playstore. We did a very controlled launch of the latest version in April '22 to a select few and we saw more than 10,000 users and 2,000-plus registrations. This is only virtual consult being launched at this point as we are yet to launch the e-pharmacy, which will be launched in a few days from now. Post the successful launch in the UAE, we plan to replicate this omnichannel care model in our top core markets in India in a phased approach. It is expected to start piloting within our Kerala cluster in the second half of FY23.

There's also a big focus on personalized and guided care to patients through the digital CRM, which we have launched in obstetrics and gynecology as well as orthopedics across all our brands of hospitals and we have seen success with these pilots. We will be now making this a mainstream revenue initiative.

We have also launched a data lake digital initiative across Aster. This cross verticals data lake is to leverage native data across our verticals and shall help in unlocking cross-vertical opportunities as well as engagement for our patients and customers. This shall have use cases across marketing, finance, clinical and operations. We are working with some technology partners, and we have started work on this already this year.

We have a total planned cash outflow of Rs. 175 crores towards digital investment, out of which we have spent over Rs. 56 crores as of March 31, 2022. Cash outflow for the balance is expected over the next two years.

Riding on the back of digitization, we have also set up our Aster Global Delivery Center in India mapped to our Centers of Excellence in UAE. This center is now one year old. Numerous process improvement plans have been implemented thereby making processes more agile across all functions like F&A, procurement, HR, IT, RCM, to name a few. We have over 350 people operating out of 3 locations in India - in Bengaluru, Calicut, and Gurgaon. The Aster Global Center is poised to become the center of innovation in the coming years, piloting some of the most critical and important processes and products.

I will now request our Group CFO, Sreenath Reddy, to take you through the details of the financial and segmental performance of the quarter. Thank you.

Sreenath Reddy: Thank you, Alisha. Good morning, everyone. On a consolidated basis, our revenue from operations for the quarter has increased by 14% to Rs. 2,728 crores year-on-year. India revenues have increased to Rs. 607 crores, up 26% year-on-year from Rs. 481 crores. Revenue from our GCC operations is Rs. 2,121 crores, an increase of 11% year-on-year.

Consolidated EBITDA for the quarter is Rs. 463 crores, an increase of 44% year-on-year. EBITDA from India operations has more than doubled year-on-year to Rs. 79 crores and EBITDA from GCC operations is Rs. 384 crores, an increase of 33% compared with the same period in the previous financial year. EBITDA margin is 17% as against 13.4% in the same quarter of the previous year, an increase of 360 basis points. PAT (post NCI) increased by around 115% from Rs. 105 crores in Q4 FY21 to Rs. 226 crores in the current quarter.

In terms of performance for the year, consolidated revenue from operations increased by 19% year-on-year from Rs. 8,608 crores to Rs. 10,253 crores. The EBITDA for the year has increased from Rs. 1,063 crores to Rs. 1,483 crores, up 40% year-on-year. India revenue for FY22 is Rs. 2,384 crores, up from Rs.

1,654 crores in the previous year and EBITDA now is Rs. 353 crores, up from Rs. 144 crores in the previous year with a margin of 15%. India's contribution to the group EBITDA has increased to 24% compared to 15% in the previous year. PAT for the group (post NCI) is Rs. 526 crores compared to Rs. 148 crores for the previous year.

Coming to the segmental performance for the quarter. GCC Hospital revenue is Rs. 944 crores, an increase of 14% year-on-year, primarily driven by better performance of our hospitals, including Saudi.

GCC Clinics revenue was Rs. 661 crores, an increase of 13% year-on-year and 4% sequentially. EBITDA increased by 6% year-on-year to Rs. 122 crore and EBITDA margin is 18.5%. With COVID cases seemingly under control, drop in RT-PCR revenues and uptick in normal business has resulted in lower EBITDA margins in comparison to the previous year.

GCC Pharmacies revenue increased 9% year-on-year from Rs. 559 crores to Rs. 609 crores. EBITDA increased from Rs. 67 crores to Rs. 112 crores, an increase of 68%. EBITDA margin for this segment also increased to 18.5% as compared to 11.9% for the same period last year. The increase in margins for the quarter is primarily on account of purchase benefits earned due to ramp-up of sales post COVID.

Consolidated net debt as at 31st March 2022 stands at Rs. 1,806 crores compared to Rs. 2,004 crores as at 31st March 2021, a reduction of Rs. 198 crores. India net debt stands at Rs. 319 crores compared to Rs. 306 crores as at 31st March 2021. And GCC net debt has reduced to USD 197 million from USD 231 million as at 31st March 2021. The reduction in the consolidated net debt combined with an improvement in our EBITDA reflects in better net debt to EBITDA ratio of 1.6 for FY22 as compared to 2.7 for FY21.

Capital expenditure during the year was Rs. 544 crores. In addition, another Rs. 43 crores was incurred towards acquisition of wholesale pharmacy business and additional stake acquisition from minority shareholders, both in India.

On that note, I conclude my remarks. We would be happy to answer any questions that you may have. I now request Saurabh to open the question-and-answer session. Thank you.

Saurabh Paliwal: Thank you Sreenath. Ladies and gentlemen, to ask a question, please click on the 'raise hand' icon at the bottom of the Zoom application. Reminder again, please limit your questions to 2 per participant. The first question is from Shyam Srinivasan from Goldman Sachs.

Shyam Srinivasan: ***Congratulations on the good set of numbers. The question is more on when I look at how are we thinking about fiscal 23 at this point of time in terms of either outlook for revenue or how you're looking at margins? That's first question. And question number 2 is on the hospitals business. It's done well. Specifically, a combination of both volume growth and price in terms of ARPOB increase. If you can help us understand how the hospital business will likely grow? What are some of the drivers of growth? I'm more keen on how the ARPOB dynamics are. These are my 2 questions.***

Dr. Azad Moopen: Sreenath, you would like to answer?

Sreenath Reddy: Yes. Shyam, in terms of going forward, it's a little bit early to give any kind of a guidance. Maybe another one quarter is something we would like to observe, and by second quarter, we'll have a bit of clarity. But at least, what we are seeing is that the current year looks more normalized. If you look at in the previous years, in the GCC region, quarter 1 and quarter 2 used to always be low, and quarter 3 and quarter 4 performance would always be better.

So that is what we are likely to see in the current year. The RT-PCR tests have gone down and therefore, the margins in the clinics will see a drop for quarter 1 and as well as quarter 2. And in terms of the hospital business, answering the question, one hospital has already launched in Sharjah and the Oman hospital sometime during this quarter would likely to be launched. In terms of the existing hospitals, we will continue to see the same margins. Maybe in quarter 1, quarter 2, we could see some small drop, maybe 50 basis points.

But we feel that in terms of hospitals, we should continue the margins what we have got at this point of time.

We could see a drop in the clinics, mainly because of the RT-PCR. Pharmacies is something where the volumes are seeing an uptick. In fact, during the last quarter, even the footfalls have started going up and therefore, we are positive and with all the e-commerce and other initiatives being taken. Pharmacies, which was flat for some time; we feel that it should have an uptick in terms of revenues.

Dr. Azad Moopen: Just to add to that, Shyam. I just wanted to tell that one of the initiatives which we started and which we mentioned earlier was about the brownfield opportunities, operations management of hospitals with almost nil capital. We hope that we'll be able to have significant number of hospitals in India, in the geographies that we operate, and this can add to our number of beds to a great extent without capex being brought in. That is something where we are focusing and if that model works, that will be a way in which we can increase our number of beds. We see that there is an opportunity for good margins without investment, where the ROCE goes up significantly.

Sreenath Reddy: And Shyam, in terms of India hospitals, we continue to see growth. It could be something similar to what we had in quarter 4 at least for quarter 1. That is something hospitals in India continue to do.

Shyam Srinivasan: ***Yes. My question is specific. Regarding the second part of my question, you talked about growth, but how are we seeing the ARPOB dynamics, either in terms of in an inflationary environment, are you able to take medical inflation linked price increases? How should we look at the mix change from a hospital perspective? Medical tourism, I think you touched upon in the opening remarks. So just those dynamics around how we should think about the growth coming from price and volume?***

Dr. Azad Moopen: Yes. One thing which I just wanted to mention is that we know that there's a requirement for price increase and to see the inflation, how it is being covered. In India, some of the hospitals already have taken the price increase. And Sunil, if you can just give what is being done already, in India.

Sunil Kumar M R: Thank you, Chairman. Yes, in India, already majority of our hospitals, specifically in the Kerala and the Karnataka cluster have already taken the price increase in the quarter 1 itself and some of them took in the last quarter; in the end of the quarter 4. These price increases range somewhere between 5 to 10 percentage, and it's not across the board. We have gone through some of the services wherever we feel it is underpriced and looking at the competition also, we have done the price increases. But I think this will be enough to ensure that whatever the ARPOB increase we have seen from FY21 to FY22, the similar uptick can be looked at least in going forward also.

Sreenath Reddy: Shyam, that is in India, what Sunil gave. In GCC, we expect similar ARPOBs to continue. We don't see significant increase because like in our opening statement what we said, there has been some pressure from the insurance companies. So therefore, the ARPOB levels will continue to be almost similar. There may not be a price increase as such, but we are looking at bringing in efficiencies and increasing the wallets.

Alisha Moopen: Just to add to that, Shyam, I think you will remember the point on the MVT. That's one area that we're focusing on for increasing the occupancy levels. But another one is, we are fully shifting the mix of cases within our hospitals as well. When you look at Aster Hospitals, for example, we have added neurosurgery, we have added oncology. There is an increase, a slight increase in ARPOB that you're seeing in the GCC hospital on account of this case mix. We believe that while inflationary linked tariff increases are a little bit more of a challenge in insurance-led businesses. What we have in our control is we have an occupancy that we still need to work on, which between MVT and service level changes where we are moving much more into tertiary care services and procedures here. I think that's where we will see the uplift on ARPOBs coming in.

Shyam Srinivasan: ***Thank you and all the best.***

Saurabh Paliwal: The next question is from Amrish Kacker.

Amrish Kacker: ***Thank you for the opportunity. Congratulations on a fantastic quarter and a fantastic year to everyone in your team. The 2 questions I had were on the new initiatives. First, in the digital and then the clinics and labs in India. For the Indian operation, is there some color you can provide? We've now got some very good numbers in terms of pharmacies, in terms of labs and PECs. Is there something qualitatively you could share on good and bad and how this fits into our strategy and thinking of having these in reasonable proximity to our hospitals and having some sort of an ecosystem around this. Is there any visibility you can share on a qualitative basis at the moment?***

Dr. Azad Moopen: From the qualitative side, as has been mentioned by Alisha; she will mention more about what is happening in the digital and Amitabh also will mention about that. See, we would like to create an ecosystem where the hospitals are connected with the clinics, with the pharmacies, with the home care and all these are tied up through the One Aster where virtual consultation also will be available. We have been talking about this omnichannel where we want to provide this to our patients, and this is going to be a reality within the next 6 months once the app is rolled out in different parts of the GCC as well as in India.

We think that it will be a force multiplier, which will have a significant impact on our revenues as well as our patient comfort. That is what we are looking forward; the digital driving along with the physical, which is getting ready in India, so that we are now closer to the people. We always say that we have to take healthcare closer to people. That's what is happening through the physical ways. Just by online, we don't think that we'll be able to do. Even if it is a pharmacy, if a medicine has to be supplied, we think that if we are closer to a location, it will be easy for us to provide. Even an online order coming in, for fulfilment, it will be easier for us rather than many others who will have to bring it from faraway places. In all these ways, the saturating of the market with our pharmacies, our clinics as well as with our hospitals as the backbone;

I think we'll be able to provide a bouquet of services, which are connected with each other. Alisha, you wanted to say about the digital part.

Alisha Moopen: Yes. So Amrish, I think just echoing what Chairman said. For us, in India, as the clusters are there with the hospitals, we do really think that still the funnel comes from the primary care. And primary care, whilst digital is a major unlock, you still would need the physical presence as well. We've got 4,000 doctors; how do we really give them access to a wider population? Digital will enable that.

But when you're looking at combining that with the pharmacy and the medicine delivery, having these units; it really fits in to making sure it's a tight ecosystem where people do think about Aster not just for tertiary and quaternary care because that's what we have built over the last 15 years in India but we also want to make sure that anything which is for primary care as well as post-op care, we are able to have that connect across from the primary care all the way to quaternary care and the post-op care, which requires both this digital as well as the physical infrastructure and network to be created.

I think qualitatively, from a patient's journey and experience, it gives them multiple options and that's really what we wanted to kind of enable; the convenience, whether if you want it at home, you have that option to have it at home, whether you want to go to the store that's next to you, that's also available. We do think the whole idea is how do you empower the patients to have more choices and more access and more convenience. We really believe that these needs to go hand in hand. It cannot be only a physical plan, or it cannot be only a digital plan, which is where these have been for us. We've been trying to run these in parallel to give that dual choice for our customers and patients.

Amitabh Johri: Just to add to what Alisha was saying, if you look back at the last year, where we haven't launched our e-pharmacy as an app. Just by WhatsApp orders that have been received by us, we've been able to generate almost Rs. 50 crores of revenue. These are the places where we see that there's a great opportunity because these are orders that are coming on WhatsApp. The moment you launch an app where your captive patient base is automatically given the option of getting the medicine delivered to home and we're also launching a lab business in UAE, so the phlebotomist can reach your home to do the tests. All this ecosystem of a patient care integrated at One app is expected to give us significant revenue potential in the UAE.

Amrish Kacker: ***Thank you all. We look forward to this over the next 12 months, I suppose, as we start rolling it out, it looks very, very interesting. Just as a follow-on and the second question, effectively to this. So, on the app itself, we've earmarked Rs. 175 crores. We've spent a little less than one-third of that and we'll spend the remaining next 2 years. I think you talked also about monetization. I'm just trying to understand beyond, of course, the customer experience and the stickiness that will create. And I guess we already have a use case in e-pharmacy kind of sales. Are there any other monetization pillars that we can see? And sort of what metrics should we be thinking about for this digital business?***

Dr Azad Moopen: Sure. I'll ask Alisha or Amitabh to give the details. We have launched programs, chronic disease management as well as the ways in which we can avoid dropout of patients as well as fulfilment of patients who come to us and go back and then don't come back for medicines or for treatment. If you can give some details on that, Alisha or Amitabh?

Alisha Moopen: Amitabh, you want to give the numbers?

Amitabh Johri: Sure, Thank you, Alisha. Thank you, Chairman. If you look at, Amrish, last year, we also launched two more initiatives. One was what we internally call it as revenue augmentation. It's an initiative which allows us to ensure that a visit to a GP is referenced to a hospital. There's no handoff and it's more towards the patient care where a patient clinical walk between a clinic and a hospital is managed and we've seen that there's a significant acceptance to that. If you look back last financial year, even in last 2.5 quarters, we generated almost Rs. 18 crores of revenue.

And again, as Alisha mentioned in her speech, it is very limited. We just launched it at a few clinics for orthopedics and obstetrics and gynecology. Similarly, when we call it as a DCRM, we've been able to create a platform which pulls the information from our HIS system and for chronic cases, where there is a need for a medicine or a regular checkup, a reach out is made to the patient to further the patient care.

And we've seen that it has helped us get the patient back into clinical consultation, like e-pharmacy, things of multivitamins and other places we have seen that this has led to, in the last 1.5 quarter gave us revenue of almost Rs. 10 crores. Amrish, the reason I'm bringing on the numbers is because on a limited pilot launch, we've been able to see significant growth potential on this and that's why we believe that for this geography, this can be a strong growth propeller for us.

Amrish Kacker: ***I think that's very helpful. And hopefully, as we go forward, we'll find a metric. Also, some way to measure this because I suppose the revenue will get captured in one or the other division but it would be really interesting to track this. Thank you very much.***

Alisha Moopen: What we are hoping for is, over time, as the app is launched, like you said, we would be able to say about our unique number of customers which are there on the app and how much is the sort of realization per patient. We have kind of the data on how much that is right now; are the pharmacy orders changing, are the visits changing. So, those are the kind of metrics we are working towards developing.

Amrish Kacker: ***Thank you for your detailed replies and all the best for next year.***

Saurabh Paliwal: The next question is from Ramvir Singh.

Ramvir Singh: ***Thanks for taking my question. My question was related on balance sheet side, the current net debt of Rs. 1,800 crores. Can you give year-wise repayment plan, how we are going to pay? And if you could give it capex year-wise related to expansion?***

Sreenath Reddy: Yes. I can just provide the summary, but anything in detail Saurabh can always provide. The debt repayment, most of this debt is in GCC, and this debt is going to be repaid in the next 6 years. It's a step-up, which gets repaid in the next 6 years. In India, the debt whatever we have got, that is the long-term debt in terms of close to around 12 to 13 years. That is on the repayment schedule. Sorry I didn't get your second question.

Ramvir Singh: ***Capex related.***

Sreenath Reddy: Yes, capex is something which we had guided earlier itself. Every year for the next 3 years, including the current year, we have said that we'll be around Rs. 580 crores and that is the Capex number, which we look also going forward for the next 2-3 years. Every year, we'll have a spend of around Rs. 580 crores. We need to create newer facilities for the growth and a major part of this, almost Rs. 300 crores we are earmarking it to India.

Ramvir Singh: ***So that Rs. 580 crores would be related to that expansion planned in GCC and India, some 300 beds we are going to add in '23?***

Sreenath Reddy: This Capex is for everything that is, hospitals, clinics, pharmacies, and, we have got those digital activities happening. So, it's a combination of all that. Out of the Rs. 580 crores, Rs. 300 crores is for India, mainly for the hospitals and also, we are investing a certain amount in the rollout of the labs. So that is the plan. We have got labs and pharmacies; labs are one area, where we would like to scale it up further.

But mainly our focus is going to be on hospitals. Like what it was said, we would like to create the ecosystem in the places wherever we are present and that is the reason we are creating these labs because we want to go to the doorstep of our customer through labs and pharmacies. So that ecosystem is being created in the places where we are present. No doubt, as a pilot basis, we may get into other geographies where we are not present, but those numbers will be minimal at this stage.

Dr. Azad Moopen: Just adding to that. One, wherever possible, what we are doing now in India; earlier, we used to do this in GCC only, we make it asset-light. Even hospitals that we have to construct, which is greenfield, we have people who are ready to construct it for us and give it on a long-term lease. While it may come on to our balance sheet with the new standards, we will have the cash flow advantage and so we are looking at that with the very attractive rates at which people are ready to construct it for us. The equipments we bring in, but half of the cost, which is the land and the building, we don't take on our balance sheet as much as possible. The second thing, apart from these expenses, which Rs. 500 - 550 crores, some amount of replacement as well as maintenance capex, which comes into that because we have 5,000 beds. So naturally, there will be some replacement also which is required.

Ramvir Singh: ***Yes, understood. So just wanted to understand that debt because we have high intensity capex going forward for the next 3 years. And so, debt repayment may be calibrated. But still, I feel that on balance sheet side, do you think the debt equity ratio would significantly improve in the next 2 years or maybe by FY25?***

Dr. Azad Moopen: Sreenath, do you want to take that?

Sreenath Reddy: Yes, definitely. If you look at it, because of performance year-on-year will keep improving, in fact, we'll have free cash flows, if we look at in the current year as well, we do have free cash flows. So going forward, because when the capex is restricted and we don't have any significant borrowings to make because internal cash, what we are generating is sufficient mostly for our capex. And therefore, the repayment of the debt will happen at a faster pace. In fact, last year, during the COVID times, based on the collections that we made, we preclosed one of the loans as well. So, there is every possibility that in the next 2-3 years, we should have sufficient cash to reduce the debt from the present levels.

Ramvir Singh: ***Okay, thank you. And just on Q4 performance, do you feel part of performance is related to pent up demand because we came out of COVID scenario? And so obviously, there would be some from out-patient side and***

in-patient side and that 66% occupancy may have some related to pent-up demand. So, do you feel any element is there in Q4?

Dr. Azad Moopen: In fact, not because what we have seen during this quarter also is that there is that business continuing. As well as, during COVID, you had all the revenues coming through COVID testing, PCR and all which has gone away. In spite of that, we were able to have a fairly good quarter. Now when we look into this quarter also, the performance is showing which has happened even in the post-COVID period, even without that pent-up demand.

Ramvir Singh: ***So going forward, because now bed capacity is also being increased. So, can we assume that 60% plus occupancy will continue in FY23 and FY24?***

Dr. Azad Moopen: We hope so. See it's unpredictable, but we hope so. We have been having better occupancies since some of our hospitals, especially the new hospitals, have started ramping up quite fast. We want to go up, and we are seeing that trend where we will have better occupancy as we go forward. Like what has been told earlier, this whole idea of this ecosystem being created, where there is a primary care, where there are these labs, the pharmacies, everything becomes a funnel, which brings patients into the hospital. So that is the whole idea of increasing the occupancy. It is Aster being seen everywhere and having points of contact in all the areas where we are. We hope that more and more doctors as well as patients directly will come into our system and our occupancy can go up.

Ramvir Singh: ***Okay, nice and all the best.***

Saurabh Paliwal: The next question is from Sreesankar.

Sreesankar R: ***Three quick questions. Just wanted to know what is the breakup of your capital employed between GCC and India?***

Sreenath Reddy: Yes. I'm just taking those numbers. Can we move to the next question? I will get back on that quickly

Sreesankar R: ***Okay. The next one is the capex between GCC and India over the next 3 years. You mentioned Rs. 580 crores. I heard you say that it is Rs. 300 crores for India over the next 3 years or so. And the third one is receivable levels. What is also the receivable difference between GCC and India?***

Sreenath Reddy: Yes. For your second question, in terms of the capex, Rs. 300 crores is what we are looking every year in India for the next 3 years. Have I answered that?

Sreesankar R: ***Yes, that I got it. You answered that to an earlier question.***

Sreenath Reddy: Yes. And your third question was?

Sreesankar R: ***What's the receivables difference between the 2 geographies?***

Sreenath Reddy: Yes. Receivables, if you look at the geography, there is a big difference between how business happens in India and GCC. GCC mainly, it's an insured market. And India is a cash market, no doubt, insurance during the last few years has been steadily increasing, more so in the bigger cities. Normally speaking, in the GCC, the credit period is anywhere around 90 days. You will almost have 90 days receivables showing in the books of sales. So that is on the GCC side.

India side, because in terms of the total credit business, what we do is around 20% as some of the geographies have got 15% insurance; some bigger cities like Bangalore has got 40% insurance. So, the credit business, what we do is around 20% of the total sales. And even there, we will have 90 days of receivables on the credit sales. And in terms of your first question capital employed, in GCC it's Rs. 6,500 crores and in India, it is Rs. 2,500 crores.

Sreesankar R: ***Okay. So in receivables, in absolute numbers, can you give me for GCC and India?***

Sreenath Reddy: Yes, we can give you that. Just give me a minute. I'll come back with that.

Amitabh Johri: The blended receivable days, Sreesankar is 72 as we have reported in our consolidated financials.

Sreesankar R: ***Right, I got it.***

Sreenath Reddy: Sreesankar, just give us a couple of minutes. We can give you the exact numbers in terms of receivables in the GCC and India. So we will come back to it, post the next question.

Amitabh Johri: Sreesankar, before you go off, the GCC is 88 days and the blended is 72, if that helps.

Sreenath Reddy: The absolute number in terms of GCC is Rs. 1,880 crores and India is Rs. 140 crores.

Sreesankar R: ***Thank you.***

Saurabh Paliwal: The next question is from Deepak Poddar.

Deepak Poddar: ***Thank you very much for the opportunity. Sir, I just wanted to understand, firstly, the sustainability of the better margins that we have seen in this quarter at 17%. And my second query is, I think we currently are at about 5,000 plus kind of operational bed capacity - at 5,065. So, what was the capacity we are looking at by FY23 end? Those are my questions.***

Dr. Azad Moopen: Yes. Regarding the sustainability from GCC, you want to take it up, Amitabh? And from India, I think Sunil can take that.

Amitabh Johri: See, Deepak on the sustainability of margin, we do believe that given the fact, on the hospital side, we are seeing better utilization and the ALOS has been coming down. We do believe that the margins are sustainable. However, in the immediate future, when we talk of Q1 of FY23, we do believe that GCC will have some impact of the Eid and Ramadan holidays that pretty much impacted most of April and part of May also. However, on the overall year, if you look at it from the perspective of clinics, as well as pharmacies, we do believe that there will be some impact of PCR on clinics. On pharmacies, we have been seeing the footfall increasing and with all the new initiatives we are launching, the margins over on a blended basis would be sustainable.

Deepak Poddar: ***Blended margin in GCC, right?***

Amitabh Johri: Yes.

Dr. Azad Moopen: Sunil, you want to talk about India?

Sunil Kumar M R: Yes. In India, Deepak, as you know, current year, we are at 15% consolidation rate at the India level for the full year. Next year, we're looking at the higher teens rate, talking about upwards of 19% at least in the hospitals that is excluding the new hospitals, which is coming up. In terms of bed capacity, you know that we are already 3,900, and by FY23 end, I think we'll be adding another 400 beds. With that, we should be around 4,300-4,400 beds for FY23 end. And again, this is something which we already started off. This is excluding what Chairman called out about the brownfield projects with the less capex. If that also come to a picture, the number of beds will be more then.

Deepak Poddar: ***The 3,900 going up to 4,400, right? And this is on an overall basis?***

Sunil Kumar M R: Yes. I'm talking about only India.

Deepak Poddar: ***Okay. And then on overall basis?***

Dr. Azad Moopen: So that is 1,400 from GCC.

Deepak Poddar: ***Okay. Understood. And regarding your comment on margins. So basically, India segment can see improvement in margins while the GCC segment, we expect the margin to be sustainable. So overall, on an annual basis, you are expecting margin to improve on a consol basis?***

Sreenath Reddy: Yes. I'd like to come in there. The GCC, like what we said, the clinic margins will likely go down because mainly because of the RT-PCR tests, which we will not have. So that is something which will bring down the clinics margins. On a consolidated basis; India, definitely, the margins will continue to improve. Hospital segment and pharmacy segment will maintain the margins. So, we should continue to improve our margins from the present levels.

Deepak Poddar: ***From present level, we are talking on an annual base or fourth quarter base?***

Sreenath Reddy: Annual.

Deepak Poddar: ***That is it from my side. All the very best.***

Saurabh Paliwal: The next question is from Mehul Sheth.

Mehul Sheth: ***Thank you, sir. First question on the India business side. When we say we are seeing improvement in the margins but considering that you will be adding new beds as well as there will be spending towards your digital initiative, combined with your expansion planning lab as well as in the pharmacy side. So do you feel that this will have some breakdown impact at least in near term. Can I have your view on this?***

Dr. Azad Moopen: Are you talking about the return on capital or on the.. ?

Mehul Sheth: **EBITDA margins, operating margins.**

Dr. Azad Moopen: Yes. The margins in the hospital is likely to go up because of the improved efficiency. The labs, pharmacies and all, which are being rolled out and new being added; the margins in those will be less definitely, but that's only a minor part of the overall business. So overall margin impact will be much less. Sunil, you wanted to add?

Sunil Kumar M R: Yes, Chairman, thank you. Mehul, even though we are adding the number of beds, you can see that the major projects are going to come in FY25 and FY26. At least next year, that is FY23, we're only looking at Whitefield coming through and the majority of other assets, whether it's in Karnataka and Kerala cluster are above 3 years. So, they can sustain the new losses, which is going to come up from the new units and the drag will be very less at the consol level and India margins would not be more than 100 basis points. So that is why we said that we should be able to have a higher teens EBITDA margin and consistent growth, which we can achieve.

Mehul Sheth: ***Okay. And sir, one question on your 1,000-bed addition through your O&M model, basically asset-light model. Can you provide some timeline of this addition as well as your focus region of this for your O&M led model?***

Dr. Azad Moopen: Yes. We already have added 140 beds in Kerala, which is the Aster Areekode Mother Hospital. We hope that we'll be able to add between 500 to 1,000 beds in this financial year. Our target is 1,000, but we could be anywhere between 500 to 1,000 and the larger part of this is likely to be in Kerala, but we also will have in Karnataka as well as in Andhra Pradesh and Telangana. We are perfecting that model, but it's already become operational, and we hope that we'll be able to have at least 500 beds, if not 1,000 beds during this financial year.

Mehul Sheth: ***Okay, sir. And moving to your GCC pharmacy business, when we said there is some benefit of purchasing and all in, which has led to EBITDA improvement. So can you break it down like, as I see the sales growth is something like 9%, but against with the EBITDA has grown more than 65%. Can you quantify some or can you break it down this or can you basically bridge the margin expansion?***

Dr. Azad Moopen: Amitabh?

Amitabh Johri: Mehul, what typically happens is when we have a full year of a purchase, there are certain purchase benefits that get passed on by the OEMs to us through a volume commitment. In this particular quarter that has gone by, we have had almost Rs. 40-odd crores of purchase benefit, which has come in, which is mainly towards the purchases that we have made during the year because of post-COVID. If you look at the last financial year of the same period, it was not Rs. 40 crores, it was a little less at that point of time. But as you look at a year-on-year comparison, this benefit will come to us in the year FY23 also because it is a part of an annual benefit and thus a part of a sustainable margin on the year-on-year basis.

Alisha Moopen: Mehul, just to add one more point. Like what Amitabh, there's obviously been a restoration of sales. But again, as far as the breakup is concerned that we have. I think we had mentioned before also that we were trying to increase the ratio of non-pharma business in pharmacy. We used to do 75% of medicines and 25% non-pharma which by the year end, has shifted to 70% of medicines and 30% of non-pharma. The margins that you get in the non-pharma is also higher. It's our own products; white label products. So that's also one part, which is where we are thinking about sustainably increasing our margins and helping us have that margin expansion coming in.

Sreenath Reddy: Yes, I would like to add on to what Alisha said. I would request you not to go just with quarter 4 margin numbers. It is better to look at the full year margin numbers because in the coming years, this could get spread out and as much as possible, we are trying to get those benefits as and when it accrues. So, we don't want it to go into quarter 4. But generally, what happens because the target numbers to come up somewhere in quarter 4. So, quarter 4, the benefits, what we get will be significantly higher compared to the other quarters. But on the segmental I would request you to look at the full year margin numbers for the pharmacies.

Mehul Sheth: ***Sure, sir. That explains. And sir, last question on your clinics side. It has grown around 21% in FY22. But can you give us a growth number? What will be the growth?***

Dr. Azad Moopen: Sorry, I didn't hear that question on what?

Mehul Sheth: ***Yes, GCC clinic business is up around 21% in FY22. But can you quantify the number, excluding your RT-PCR related revenue, what could be the GCC clinic growth will be?***

Sreenath Reddy: Okay. The thing is that I'll answer it slightly different. The RT-PCR revenues in the clinics in GCC for FY22 is around 33%. So that is the RT-PCR revenues that we had in the clinics. If you exclude that, in clinics, we are not looking at a significant growth. The growth is likely to come in hospitals. Clinics, we don't see much of a growth.

Amitabh Johri: Just to add to what Sreenath has said. When we look at the revenues of clinics, at least the PCR revenue, we don't expect that to be there in FY23. But we also believe that the secular traffic, what footfalls used to come in clinic, which were not happening in FY22 and partly for FY21 because of COVID is expected to resume and we expect this business to go back to the levels of FY20.

Sreenath Reddy: So, considering our core business will be coming back, at least on the clinic side, we will see lower-digit growth or maybe a flattish kind of a growth in the clinics.

Dr. Azad Moopen: Mehul, one of the things, which I just wanted to tell you. We found that during the COVID time, many of the respiratory infections, pediatric cases, ENT; all these were very low, which now has gone back to that level of a normal period. There are 2 impacts. One, this had an impact on the clinics because the numbers were less in all these areas.

Second, this also had an impact on the pharmacy revenue because the pharmacy usually gets a lot of its volumes and profits from acute care medications like antibiotics and all. This was also very low during this period. While there was income coming from RT-PCR and all, we were losing this on both sides, in pharmacy as well as on the clinic side. It's becoming normal, and like a normalized year like FY20 now.

Mehul Sheth: ***Sure, sir. And one last small data point. In start, you mentioned your budget for our digital spending for next 2-3 years, what was that number? Already you have spent around Rs. 56 crores and what is overall spending budget for you on a digital side?***

Alisha Moopen: Amitabh, would you take that?

Amitabh Johri: Yes. Mehul, we are looking at a total estimated spend across India and GCC of close to Rs. 175 crores, of which Rs. 56 crores has been spent and this also includes a bit of a marketing and on other expenses that we will be incurring. Because at the end of the day when you are launching a certain product, it is not only the development, but also the marketing, the organizational development and everything else that is there. It spreads across both development as well as marketing and the organizational setup. Overall, for this initiative, we expect around Rs. 175 crores to be spent.

Mehul Sheth: ***Thank you. That's it from my side. All the best.***

Saurabh Paliwal: The next question is from Alankar Garude from Kotak Securities.

Alankar Garude: ***Thank you for the opportunity. Firstly, can you help us understand what is causing this delay in monetization of Saudi hospital? Because if I remember correctly, we had mentioned about completing this deal in a couple of months in our Feb con call. So, can you just help us understand what exactly is causing the delay?***

Dr. Azad Moopen: Yes. Alisha, you would like to take or Amitabh?

Alisha Moopen: Yes. Alankar, 2 parts of it. One, April was Ramadan. So, it ended up being pretty much a very, very quiet month and then Eid holidays came in. In Saudi, pretty much a lot of things closed around Eid and Ramadan. So, things like Chairman mentioned, were going a little bit slow. Secondly, there has been quite a big turnaround in the Saudi business over the last 6 months. We had new business tenders that we have won as well as complete renegotiation with most of the insurance companies on 5-year contracts, which has happened, which restored the business, and now we have more than double-digit margins, which has been consistently seen for the last 5 months. We do have some more interest from other parties as well to associate.

Like Chairman mentioned, we had been anyways exploring options of extending the pharmacy in Saudi. There has been a lot of people who have approached us over the last one year to set up pharmacies and we've been looking at the right model between franchise or setting up our own. We have had discussions with various parties. So, we have been just sort of looking at what is the best option for us to conclude.

Like Chairman said, there has been the deal. The due diligence has pretty much almost concluded. But since there is a turnaround of the business; do we try and revisit the value, or do we try and do a part monetization and go on with a new partner to also expand the pharmacy? We do want to look at it quite strategically because Saudi is a big market for us. We have been there for a while, and we've been seeing that there is a very big difference post-COVID in that way the reforms have happened within health care, the kind of laws that have come in; very attractive towards health care investments, and we do not want to take a very rush step when we see a turnaround on the business as well. So, we're trying to kind of keep it more measured. We will have a stronger update for you by the next quarter.

Alankar Garude: ***Understood. My second question is on the GCC restructuring. I think we mentioned about giving an update in the next con call, but just wanted to check whether the internal Board committee have set any timelines for finalizing on this front?***

Dr. Azad Moopen: Yes. This is a priority item for the Board, and it's being taken up with the right earnest with the frequent meetings of the committee along with the people who are in the know of things. But they haven't given any timelines and we hope that this will be done at the earliest because this is a top priority for us to decide how to go forward. The members are aware about it. But we don't want to comment on that. We just want to tell that by next investor call, I think we'll have much more clarity on that.

Alankar Garude: ***Fair enough. So basically, to summarize this in terms of timelines between sale of Saudi Hospital or maybe not a sale, maybe not an entire sale, maybe a partial sale then excluding a partner for pharmacies and labs in Saudi and then the GCC restructuring. In your mind as of now, what would be the pecking order?***

Dr. Azad Moopen: No, I think, first, it should be the Saudi, which happens. But maybe both are simultaneous; both are there. But there is also this question of when we are doing a restructuring, then we have to decide, suppose the restructuring happens first and then the Saudi sales comes. Then this has to be in separate verticals or because if GCC is separate and India separate, this happens in the GCC area and so it has to be done by them. So even that is in our mind. And we are having this overall thing, the Board Committee, which is formed. Once that happens, this will become a little more clearer. Of course, we know that there is a value ascribed to that asset and that anyway has to be taken into consideration. So overall, without much delay, we hope that both this process will have more clarity.

Alankar Garude: ***Fair enough. Thank you and all the best.***

Saurabh Paliwal: Since there seem to be no further questions, I would like to thank everyone for joining us for the call today. If you have any further queries or questions, do feel free to reach to me. Thank you very much and have a great day ahead.

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