

**Date:** 15<sup>th</sup> November 2024

To,  
Listing Compliance Department,  
**National Stock Exchange of India Limited,**  
Exchange Plaza, Bandra Kurla Complex,  
Bandra East, Mumbai-400051

**NSE Symbol: Madhavbaug**

**Sub: Intimation of Transcript of the Earnings Conference Call for the quarter and half year ended 30<sup>th</sup> September 2024 held on Tuesday, 12<sup>th</sup> November 2024.**

**Ref: Intimation of Earnings Conference Call Invite to discuss operational and financial performance of the Company for the quarter and half year ended 30<sup>th</sup> September 2024.**

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Pursuant to Regulation 30 of the Listing Regulations, kindly find enclosed the copy of the transcript of the Earnings Conference Call held on Tuesday, 12<sup>th</sup> November 2024 at 12:00 pm (IST) on the unaudited financial results for the quarter and half year ended 30<sup>th</sup> September 2024.

The aforesaid information shall also be disclosed on the website of the company.

We would request you to take the above intimation on records.

For, **Vaidya Sane Ayurved Laboratories Limited**

**Sapna Vaishnav**  
Company Secretary and Compliance Officer

Encl: As above

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**VAIDYA SANE AYURVED LABORATORIES LIMITED**

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CIN No : U73100PN1999PLC013509

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**Vaidya Sane Ayurved Laboratories Limited**  
**H1 FY25 Earnings Conference Call**  
**November 12, 2024**

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**Moderator:** Ladies and gentlemen, good day and welcome to H1 FY25 Earnings Conference Call of Vaidya Sane Ayurved Laboratories Limited.

As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing \* then 0 on your touchtone phone. Please note that this conference is being recorded. This conference call may contain forward-looking statements about the company which are based on the beliefs, opinions and expectations of the company as on date of this call. The statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

I now hand the conference over to Dr. Rohit Madhav Sane - Chairman and Managing Director from Vaidya Sane Ayurved Laboratories Limited. Thank you and over to you, sir.

**Dr. Rohit Madhav Sane:** Good afternoon everyone and welcome to Vaidya Sane Ayurved Laboratories Earnings Call for the Financial year ended September 30<sup>th</sup> 2024.

I would like to begin by expressing my gratitude to all of you taking the time to join us today. I have with me on call today Dr. Vidyut Bipin Ghag the Whole-time Director, Mr. Shripad Upasani the Chief Executive Officer, Mr. Yogesh Walawalkar our Senior Vice President; Marketing and Corporate Relationships, Mr. Narendra Pawar our Chief Financial Officer and Adfactors PR and our Investor Relations team.

We have shared our results update presentation and I hope you all must have received it. Talking about Vaidya Sane Laboratories, Vaidya Sane Laboratories works under the brand name Madhavbaug. Madhavbaug is a unique medical service institution which blends traditional medicine system with modern diagnostic techniques. We have more than a decade of expertise in disease reversal treatments for diabetes, blood pressure, heart disease, post-angioplasty, post-bypass surgery as well as pre-angioplasty, pre-bypass surgery and obesity. Such kind of non-communicable chronic disorders treat with the help of Ayurveda and lifestyle modification treatments.

Founded in 2006 with a vision to reduce the mortality and morbidity due to the heart diseases and lifestyle disorders. Our approach to treatment using non-invasive, multidisciplinary and

innovative therapies has helped establish Vaidya Sane as a dependable option for treating the chronic ailments. We provide healthcare services through Ayurvedic Cardiac Rehabilitation Centers.

As on September 30<sup>th</sup> 2024, the company operates about 350 clinics across Jammu Kashmir, Punjab, Haryana, Uttarakhand, Delhi NCR, Uttar Pradesh, Madhya Pradesh, Rajasthan, Maharashtra, Gujarat, West Bengal, Odisha, Goa Karnataka and Chhattisgarh. Out of these 33 are company owned, 63 are OPD Centers and mini clinics and 254 are franchise clinics. We also operate 3 Cardiac Prevention and Rehabilitation hospitals in Khopoli, Nagpur and Vishakhapatnam respectively. We empanelled with more than about 5 TPA and 5 Insurance companies to offer cashless facilities at our Khopoli hospital.

I am excited to share with you several significant achievements and developments from the past year that demonstrate our continued growth, innovation and commitment to providing effective healthcare solutions.

I am pleased to announce the appointment of Ms. Sapna Vaishnav as the Company Secretary and Compliance Officer the key managerial person of Madhavbaug effective 17<sup>th</sup> August 2024. Ms. Sapna Vaishnav brings with her a wealth of experience in corporate governance, compliance and legal affairs and we are confident that her expertise will be instrumental in strengthening our internal controls enhancing regulatory compliance and supporting the continued growth of the organization.

I am also proud to highlight the success of our nationwide campaign that is “Azadi Diabetes Se” which was launched in August recognized as the month of Azadi from Diabetes. The campaign aimed to raise awareness about the potential to reverse Type 2 Diabetes through holistic Ayurvedic treatments. The key feature of this initiative was the Mega Glucose Tolerance Test event which took place across more than 90 Madhavbaug clinics in states including Maharashtra, Karnataka, Uttar Pradesh, Madhya Pradesh, Gujarat, Delhi, Belgaum and so on. Over 200 Type 2 Diabetes patients who have successfully achieved normal blood glucose levels without relying on allopathic medications, participated in this event and undergoing our Chronic Disease Care therapy.

In addition to the GTT event our clinics nationwide conducted a series of informational session free health assessments and consultation with diabetes experts further reinforcing our commitment to providing sustainable Ayurvedic solutions to those affected by diabetes. This campaign has been a significant milestone in our mission to transfer diabetes care and empower patients to take control of their health.

We recently participated in the Ayush Medical Value Travel Summit where I had the honor of being part of an esteemed panel discussion on expanding frontiers opportunities in Ayush an integrated medical value travel. This summit brought together thought leaders and experts

from the wellness and Ayush sectors to explore the future of integrated healthcare. During the session, I had the opportunity to highlight Madhavbaug's unique approach which blends traditional Ayurvedic practices with modern medical technology to offer effective sustainable solutions especially in non-invasive cardiology and lifestyle related disorders. Our participation to this summit reaffirms our commitment to providing world class holistic healthcare to both domestic and international patients and underscores the growing role of Ayurveda in Global Medical Value Travel landscape.

Looking ahead, we are planning to expand our hospital network is the key focus of several reasons firstly our hospitals are now NABH approved and backed by insurance allowing us to offer cashless treatment options to our patients. With full NABH accreditation, we are also preparing to become empanel with the CGHS enabling central government employees to receive treatment covered by the government. This makes our hospital model even more attractive. As we look to expand, we plan to increase capacities at our Khopoli hospital adding 100 more beds over the next 12 months to 18 months in phases.

Similarly, our Nagpur hospital which currently has about 20 beds will see an addition of 20 beds in the next 12 months to 18 months. Our long-term vision includes adding more 10 hospitals. However, instead of investing in new infrastructure we plan to acquire existing hospitals or resorts and convert them into Madhavbaug facilities thus adopting a franchise like model for growth looking for future hospitals in North India, Gujarat and few in the South of India also.

By 2030, we aim to establish about 1,000 clinics, 10 hospitals and 5,000 outpatient departments particularly focusing on rural areas throughout India additionally through our Institute of Preventive Cardiology we are committed to train about 10,000 Ayurvedic physicians who will contribute to our growing network and help us continue to lead in the field of preventive healthcare. Together we are on the path of transformation and I look forward to the continued success and growth of Madhavbaug in the years to come.

In conclusion this has been a year of remarkable growth and expansion for our Vaidya Sane Ayurved Laboratories. Our dedication to integrating time on Ayurvedic principles with modern research and technologies delivering meaningful results and unlocking new avenues of progress. We remain steadfast in our mission to provide effective, holistic healthcare solutions that positively impacts the lives of our patients. We deeply appreciate our continued support and confidence in our vision. As we move forward, we look forward to sharing more updates on our continued growth and success.

Speaking about the overall industry the Ayush sector in India has witnessed significant growth in recent years emerging as a prominent domain in terms of revenue and employment. Ayush encompasses traditional symptoms of medicines such as Ayurveda, Yoga, Unani, Siddha and Homeopathy. The sector includes clinics, wellness centers, research, herbal products, education and holistic health practices. India's Ayush sector is rapidly expanding supported by

increasing awareness, demand for natural therapies and government initiatives to promote traditional medicine systems. Ayush sector has experienced a significant growth and is on track to achieve the valuation of US \$70 billion for the Ayush based healthcare and wellness sector by the year 2025. In March 2024 Union Minister of Health and Family Welfare Dr. Mansukh Mandaviya launched the Ayush ICMR Advance Center for Integrative Health Research at the AIIMS emphasizing the importance of collaborative research in bridging traditional Ayush knowledge with modern scientific practices. The initiative aims to advance integrative health research integrating Ayush practices with modern medicine. Innovative formulation such as AYUSH-64 has exhibited promising prospects in the management of various health conditions heralding a new era of potential breakthroughs in healthcare. From a modest count of 334 colleges in 2014 the number has substantially now increased to an impressive total of 1,137 colleges as on the current year. This exponential growth underscores the increasing interest and recognition according to Ayush disciplines reflecting a robust expansion and diversification within the education infrastructure supporting Ayush studies.

Now coming to our financial performance half year H1 FY25 - revenue from operations for H1 FY25 is Rs. 41.80 crores as against Rs. 51.10 crores in H1 FY24 year-on-year decrease of 18.20%. While the EBITDA excluding other income was Rs. 5.76 crores in H1 FY25 as against Rs. 2.68 crores in the year FY24 H1, increase of 115% on account of decrease in employee cost and other expenses.

Profit after tax was Rs. 3.26 crores in this H1 FY25 as against Rs. 1.18 crores in H1 FY24. The basic EPS stood at Rs. 3.59 in H1 FY25. This is all from our side and we can now take questions.

**Moderator:** Thank you very much. We will now begin the question and answer session. The first question is from the line of Utkarsh Jain from Sequent Investment. Please go ahead.

**Pushkar Jain:** I am Pushkar Jain from Sequent Investment, so my question was regarding the marketing campaign that you have started last half year, so beside the marketing campaign why have we not seeing an increase in sales or purchase?

**Dr. Rohit Madhav Sane:** Pushkar, I am sure about why are you asking this question. Now what have we tried to do is we have tried to optimize the marketing campaign with various different ideas. We haven't still figured out the complete option, but in next about a month or so we will be able to figure out the actual campaign and then we will be starting with the actual campaign that we are looking out for. I wanted to keep the complete communication very clear, hence the marketing campaign that we have started is just for the new fold to preserve whatever we had, but the actual plans that we are on will be actually seen in next coming say about 10 days – 15 days itself.

**Pushkar Jain:** What is the revenue guidance that we are looking at for full year?

**Dr. Rohit Madhav Sane:** I will be looking at a conservative figure whatever we were in the last year we will be looking out for the same revenue with better EBITDA as compared to the last year.

**Pushkar Jain:** Can you update on the CAPEX plan that we are planning on hospitals like in Khopoli we are planning an addition to beds, so any update on that?

**Dr. Rohit Madhav Sane:** So as of now the permissions from the government authority is still pending may be about a month or so would be required for that, but till then what have we seen is the basic plan that we have looked out is the land besides the Khopoli hospital we are trying to get that permission on this land and we will be building about 80 more beds on this land in which we will not be building it at a stroke directly, but will be going with about 20 beds to 40 beds at a time and this would cost us somewhere about say Rs. 8 crores to Rs. 10 crores as we go ahead, but majorly I think the acquisition would be internally accessed.

**Pushkar Jain:** So the acquisition will be funded by the preferential allotment that we have done?

**Dr. Rohit Madhav Sane:** Most probably yes.

**Moderator:** Thank you. The next question is from the lines of Keshav from BHFC Securities. Please go ahead.

**Keshav:** So you have very broadly mentioned that it is employee cost coming down which has led to a rise in profitability, so what are the other measures we are undertaken so that the profits have gone up? And the sales for this half year was around Rs. 41 crores, so what are you projecting as sales for the full year? And what can we look at in terms of numbers for the full year? Are we looking at a 15% EBITDA margin which will sustain going forward? This is question number one. Give us some projection of sales for the full year and what are the steps, how has the profitability gone up besides the decrease in the employee cost? Question number two is hospital business is a cash cow, what steps are we taking so give us some clarity on what is the way for the hospital business going forward? How are we growing? And the third question is on the FMCG business, can you give us some clue on what is happening in Madhavprash? Madhavprash is like becoming a household name, what is happening in the FMCG business? What are you doing about it? Can you give us some clue on these 3 questions I have?

**Dr. Rohit Madhav Sane:** Thank you Keshav for asking this question about the turnover as I just spoke this whole year I will be looking at a conservative figure of the same turnover that was there in the last year, so that is our conservative proposition as of now. While the EBITDA margin that you asked about yes, we will be planning to keep it to where we are right now and I am sure that keeping that EBITDA margin towards that level should not be so difficult. Now how I have reached over here is obviously the reduction in HR cost has help us as well as last year the online sales that we had done which had resulted into higher COGS. Now in this year we haven't gone for those kinds of online sales through Vaidya Sane and hence the COGS has also seen a good optimization in over here. As well the other expenses that we had were in the professional fees

which were about more than 9% in the last year that has reduced down to 7% and with the growth in the revenue the professional fees will still drop down below 7%, so that is how the total expenditure control has helped to improve the EBITDA and the profit margins. Talking about the question about hospital business, yes, we are looking out to expand the hospital business as just what I explained now we are full NABH for our hospital and in that case we will be going for CGHS empanelment wherein we will be having direct correlation for the Central Government of Health team and due to which we will be having much more number of patients acquired for the hospital itself. Hence we will be increasing the hospital infrastructure as we go ahead in next 12 months to 18 months and this increase in the total infrastructure for the hospital we will be able to accommodate the CGHS patients also. So as well for the Kondhali hospital we are also planning to increase more 20 beds in the Kondhali Nagpur hospital in next 12 months to 18 months that will also help us to get in because that is also NABH approved now and the insurance companies the tie up has also begun for that hospital also. So going ahead we will be also looking out for various other hospitals and various different geographies and majorly we will be looking out for ready infrastructure where it will be directly a plug and play model and that will give us a good hospital bed acquisition which will help us to increase our revenues in the future.

**Keshav:** So my follow up on the first question is, so can we assume our sales figure of around turnover of around Rs. 100 crores for the current year and 15% EBITDA margin which would work out to Rs. 15 crores EBITDA and around Rs. 7 crores to Rs. 8 crores of PAT for the full year, is that a fair assumption to make, sir?

**Dr. Rohit Madhav Sane:** Yes, Rs. 97 crores to Rs. 100 crores is what we are looking out for with the same EBITDA margins that we have achieved.

**Keshav:** So we can assume that the PAT of Rs. 2.3 crores that can easily go to Rs. 7 crores to Rs. 8 crores for the full year?

**Dr. Rohit Madhav Sane:** Seems so.

**Keshav:** Can you give us some clarity on the FMCG businesses? What are we looking at over here?

**Dr. Rohit Madhav Sane:** So in last say about 6 months we have achieved to sell about 13,000 Madhavprash online and that is through our subsidiary that is Dynamic the company that we have, the manufacturing company, so that manufacturing company has its own online marketing division which is trying to market Madhavprash online and in last say about 6 months we have sold somewhere more than about 13,000 units and we are going conservative over there because the COGS should not increase over there itself, so that is what the plan is about. So the marketing cost keeping in control we are trying to flare up the marketing and in the coming 6 months we aim to have double number of Madhavprash being sold in this and due to which we are getting good amount of enquiries from the actual retail units also who want to have that Madhavprash with

their units. So gradually the FMCG kind of retail availability will also increase, but as usual we are concentrating on our online division as of now because we are available on Tata 1mg, we are available on all the online shops Flipkart as well as Amazon. Now the online availability of Madhavprash is quite good as compared to the earlier condition and that will help us to boost up the sales as we go ahead.

**Keshav:** I just want to add as a note that it is basically a 700% jump in profit is what we are looking at for the full year. Last year we did a profit of Rs. 96 lakhs – Rs. 99 lakhs and this year if you are looking at Rs. 7 crores plus it is a 700% jump 7x jump. Thank you, sir.

**Moderator:** Thank you. The next question is from the line of Chirag Shah from White Pine Investment Management. Please go ahead.

**Chirag Shah:** Sir what is the extent of dilution that will happen on conversion of preferential? And when are the 18 months coming to an end?

**Dr. Rohit Madhav Sane:** About the preferential shares that I will be subscribing to, the total dilution, I am not completely sure with the typical figures, but I will be able to give you as soon as I get those typical with decimals.

**Chirag Shah:** Sir approximate is fine.

**Dr. Rohit Madhav Sane:** On a gross level if you see it should be lesser than 5%, so the status of that is I am still in a process of having the funds ready for my subscriptions, so may be in a month or so I should be finalizing the whole thing. I am looking positively towards it.

**Chirag Shah:** Because it is more than 12 months right, so it is closer to the 18 months?

**Dr. Rohit Madhav Sane:** Yes.

**Chirag Shah:** So it is less than 5% is the dilution.

**Dr. Rohit Madhav Sane:** Yes.

**Chirag Shah:** Second question is between hospital, clinic and FMCG models, which is the one you would be more keen to focus on given that size which is more keen where you want to focus on because focus on everything is probably not a right side?

**Dr. Rohit Madhav Sane:** Very true. So we will be majorly focusing on the hospitals because the EBITDA margin of hospitals is quite strong as compared to others. So hospital concentration would be the first priority, second would be the clinic and third is going to be the FMCG because FMCG is going to take its own time. It is not going to be overnight as such, so we will be having a gradual and



say about 10% to 15% - 20% of concentration on the FMCG, 50% to 60% of concentration would be on the hospitals and remaining would be on the clinics.

**Chirag Shah:** So if you could just help to understand how we are looking to add the number of beds? And what is the key challenge because some of the other Ayurveda companies are expanding at a much faster pace that is what and are you looking in which states, how are you looking at concentration of your hospitals in terms of location?

**Dr. Rohit Madhav Sane:** As of now if at all we see the major kind of expansion in this year is going to be with the Khopoli hospital and the existing Nagpur hospital where we already have still more space with us, that is the first thing. Second we will be planning to expand ourselves in Gujarat and North India because we already have our branding and marketing activities being done over there, so that will also help the hospitals to grow over there, so major expansion would be happening in the North India as well as in the Gujarat.

**Chirag Shah25:18:** In terms of number of beds that you have employed at aggregate level?

**Dr. Rohit Madhav Sane:** As of now in next 12months to 18 months we will be looking out for about 40 beds to 60 beds to be added in Khopoli hospital and the Kondhali hospital, but about other hospital expansion we are right now I am trying to consolidate and concentrate on the whole messaging and the total marketing strategies that we are looking out for. So about 6 months to 8 months I will be not looking out to open up a new hospital as of now, but the existing hospitals I would like to always have more beds into it and that is what we are going on with, but in the coming next year, I will be much more aggressive with the number of beds.

**Chirag Shah:** Sir if I can just ask what is per day per bed realization broadly at existing Khopoli, Kondhali location where we have the hospitals at the 3 locations?

**Dr. Rohit Madhav Sane:** Per day per bed realization is about Rs. 8,000 to Rs. 10,000 per day per bed.

**Chirag Shah:** You also indicated that booking at a franchise is model in hospital did I understand it correctly?

**Dr. Rohit Madhav Sane:** Yes.

**Chirag Shah:** Any specific reason for and franchise what do you mean if you can explain a typical franchise model or there is something else in your mind?

**Dr. Rohit Madhav Sane:** No, this will be called as a franchise model, but it would be a bit different as compared to the clinic franchise. We have both the options open in which there are few doctors who are in talking terms with us for Madhya Pradesh and all other sections where they use to work with Madhavbaug and they would like to start the hospital at their own places where they have their own infrastructure build. They wanted a brand of Madhavbaug along with them and that is where the conversation is going on, so that is one kind of franchise, but rest of the franchise

would be related to rental as well as the infrastructure renovation and the acquisition of the infrastructure that would be the franchise model that I am looking out for.

**Moderator:** Thank you. The next question is from the line of Sachin Sodhi from Loop Estate Private Limited. Please go ahead.

**Sachin Sodhi:** Almost all questions have been answered. My point at least to see sir can you explain about how you see Ayushman covered this Ayurvedic in their scheme? And how well you prepared for this because I am sorry, but the number of beds you are stocking I think is it enough to grow along with the pace?

**Dr. Rohit Madhav Sane:** Yes, I will try to specify. Ayushman Bharat the scheme is supposed to be launched yet. It is about 50 to 70 different packages that the government is going to have in its own kitty related to Ayurvedic treatments and obviously yes, as soon as the Ayushman Bharat is done there would be a huge surge in the number of patients who can be treated actually, so that is one. Second if we talk about how are we equipping ourselves for Ayushman Bharat, Ayushman Bharat would need NABH accredited hospital that is what we are as of now. We have the land acquired with us. We have all the basic necessities that we need to grow up with and coming up with an infrastructure with the pre-fabricated thing is also not going to be a difficult job as well. The existing model that we have with our hospitals in which we usually accommodate in our hospital every individual room. There is only one patient accommodated every room, so even though the demand with Ayushman Bharat increases we will be able to accommodate 2 patients in that single room and the same occupancy can be increase 50% or 60% more than what we have as of now. As well as when we talk about the clinics we are as of now utilizing about 45% to 50% of the clinic slots that we have in the 350 clinics, so there is a huge amount of space where we can accommodate inside the clinic as well. The clinic timings are about 10 to 7 if required we can even expand the clinic timings. So as of now whatever infrastructure we have that is good enough to accommodate 3 times of more patients what we accommodate as of now as well along with that when we go ahead as of now if at all you see the clinic model as well as the hospital model is too strong, so that none of the franchise have been said to be leaving us and that is because of the model that has been formed with Ayurvedic doctor being the franchise owner that is too strong and that is how the growth will be happening in the future. So I am quite strong and confident about it that once the Ayushman Bharat is open for actual Ayurveda patients I think we are in a good position to accommodate those patients. And about the growth as I just explained with the number of beds that we will be increasing, but the occupancy and the capacity of the patients that can be accommodated will be increasing in the same proportion as I spoke about.

**Moderator:** Thank you. The next question is from the line of Manoj from Rajani Enterprises. Please go ahead.

**Manoj:** Congratulations on a good set of numbers, so basically just wanted to know like what is the exact impact of the marketing that we have been doing, so personal experience I saw an ad on Instagram, so social media is something I believe we are targeting as well right?

**Dr. Rohit Madhav Sane:** Yes. If at all we see, I think Mr. Yogesh our Chief Marketing Officer will be able to put some light onto it. Yogesh can you answer this?

**Yogesh Walawalkar:** Manoj, thanks for your question. Earlier we use to focus more on if you compare we had a product first strategy, but right now what we are doing through various platforms what we are using through digital media or other mediums is focusing more on the treatment, so that the treatment comes in the picture because we want to be known as a treatment first company. So right now the entire marketing still we are optimizing it, but our entire focus is on using social media as well as the other platforms like television and BTL campaigns around this particular treatment modalities.

**Manoj:** And also sir what is the number of the treatment that we have received or enquires compared to the last year or the same like H1 FY24?

**Yogesh Walawalkar:** If you see last time we had Madhavprash as our prime product and we use to give for every Madhavprash we had a checkup coupon we use to give it for free of cost. So the free checkup was the campaign, but this time we haven't promoted the Madhavprash or the free checkup campaign. We have focused on the treatment consultation as our first this thing, so enquires has not gone down. Enquires are same around, we have got around 1.5 lakhs, 1.6 lakhs enquires and we have received 33,000 patients who have visited our clinics.

**Manoj:** So I guess the impact has been visible. Sir one last thing I just guessed there were some event that happened on Sundays, if you would just give some details on that?

**Yogesh Walawalkar:** Yes, I think Dr. Sane is the founder and he has launched this event, so he will answer it because that got a very good success over PAN India, so I expect Dr. Sane to answer this question.

**Dr. Rohit Madhav Sane:** So Manoj, yes this event which was conducted on Sunday this was on the behalf of the World Diabetes Day that will be celebrated on 14<sup>th</sup> of November, so we conducted this event on 10<sup>th</sup> in which about all these 350 clinics had participated with their patients in which more than 1,300 diabetic patients who are now free from diabetes because of our treatment in last 90 days. These 1,300 patients had come up to their clinics for this test in which 75 grams of glucose, 75 grams of sugar these people were supposed to consume and after consuming 75 grams of glucose they were diabetic patient were supposed to get their blood-sugar test done once again after 2 hours of having the 75 grams of glucose and I am proud to say that about 75% of those patients have tested to be normal post their treatment of 90 days and about 10% to 15% patients have seen to be impaired which will still improve in next about a month or 2, so this we have tried to showcase the strength of Madhavbaug treatment that is within 90

days itself for diabetic patients we are so strong that we can reverse their diabetes to an extent where even the GTT test can be seen to be normal. So on the behalf of this World Diabetes Day we had done this event in which different modern physicians from various different institutes have also joined up for this event and they recognize our work and this will help us to showcase our confidence through our doctors as well as through our patients who had participated in this event and this will help us to boost the total brand value in the patients mind which will again help us to have more numbers of patients in the coming months.

- Manoj:** Thank you, sir that actually helps a lot in analysis.
- Moderator:** Thank you. The next follow-up question is from the line of Utkarsh Jain from Sequent Investments. Please go ahead.
- Pushkar Jain:** Pushkar Jain from Sequent Investments, I just wanted to ask you the average occupancy that we saw in H1 across hospitals.
- Dr. Rohit Madhav Sane:** As of now this H1 occupancy of Khopoli Hospital was about 80% - 85% while the Nagpur hospital the occupancy has increased from 60% to about 70% - 75% and in Vizag the Visakhapatnam the occupancy has now been about 20%, so that is the overall occupancy of the hospitals.
- Pushkar Jain:** Visakhapatnam also 80%, am I right?
- Dr. Rohit Madhav Sane:** No, 20%. It has just began, new hospital that is why.
- Moderator:** Thank you. The next follow-up question is from the line of Chirag Shah from white Pine Investment Management. Please go ahead.
- Chirag Shah:** I am repeating the question. On the hospital side wanted to understand the franchise part you indicated one is own doctor who want to start their own practice, then apart from this that is where I got disconnected if you can continue?
- Dr. Rohit Madhav Sane:** I will tell you once again, so you were right that there are few doctors who are practicing with us and now they want to have their own hospital that is one model. The second model is about having hospitals where the infrastructure is already ready with somebody and it could be a resort, it could be a typical building with good amount of free space with it where we can have the actual concept of Madhavbaug in over there. Such infrastructure people are ready to have the renovation and all the set up as what is required by Madhavbaug and then we can have a revenue sharing model with them. We will be calling that as a franchise model itself, so there are 2 different kinds of franchise model that we are looking out for.
- Chirag Shah:** The management control, the treatment control will be with your right?
- Dr. Rohit Madhav Sane:** Will be ours.

**Chirag Shah:** And the franchise will be responsible for that?

**Dr. Rohit Madhav Sane:** No.

**Chirag Shah:** Thanks for clarifying this. Sir second, the house-keeping question if you can refresh or highlight on this professional fees which has come down what it was? Where it is today? Where it will be and why the price will come down further?

**Dr. Rohit Madhav Sane:** The professional fees you mean to say?

**Chirag Shah:** Yes.

**Dr. Rohit Madhav Sane:** Yes, I will tell you. Now there were several professional people like the MD Physician who used to report the stress test and the 2D Echo as well as there were several related to pathology testing whatever modern investigation we needed that was one. Now we have renegotiated with them we have tried to have newer partners who have offered us better rates than the earlier that is one of the reasons for this professional fee to reduce down in the total that is one. As well we had renewed few contracts with other professional which has helped us to reduce down the professional fees. And I see that if at all now whatever strategy we are going to put in, the revenue as soon as it increases to the expectation what we are looking out the professional fees percentage will be still more better in the numbers that I am looking out for.

**Chirag Shah:** Sir what is the number in H1? And how should we look at it in '26 and '27?

**Dr. Rohit Madhav Sane:** So as of now in H1 this year we are about professional fees were somewhat about Rs. 3 crores in the last 6 months while earlier year first half it was about Rs. 4 crores – Rs. 4.5 crores of professional fees in the earlier year.

**Chirag Shah:** No, sir half year or half year?

**Dr. Rohit Madhav Sane:** Half year. So there is where the optimization has gone in and I am sure that as the turnover increases the percentage wise figures will improve still more better because it is almost going to be the same. Somewhere it is going to increase to a certain extent, but not to the level as what we had in the last year H1.

**Chirag Shah:** If you could help to understand when do you incur these professional fees? Is it a fixed cost kind of a thing?

**Dr. Rohit Madhav Sane:** I will tell you. Like for example we have 2D Echo kind of investigations, we have stress-test investigations, we have ECG reporting, we have PFT reporting, so these kinds of reporting where the modern investigations are supposed to be performed we need a signature and a reporting from the modern physicians. So due to this integrated model we are supposed to

have a kind of connectivity in between the modern physicians and our Ayurvedic physicians. So this kind of connectivity what we need this is where the professional fees comes in place.

**Chirag Shah:** This will be more of a variable cost per patient it could be?

**Dr. Rohit Madhav Sane:** Yes, you are absolutely right. It is per patient, but when we have re-negotiated the rates, the per patient cost has reduced down.

**Chirag Shah:** So in that kind it is per patient cost the re-negotiation has happened, so now it is more variable in nature?

**Dr. Rohit Madhav Sane:** Yes, it is variable. It is not a fixed cost.

**Chirag Shah:** This is done for patients coming by clinic or it is done for patients who get hospitalized?

**Dr. Rohit Madhav Sane:** Both.

**Chirag Shah:** One last question if I can ask is any thoughts on how are you looking to expand your hospitals in terms of location? Are you preferring to be closer to the existing locations or you are looking at completely newer location to expand? It will depend on the hospital location?

**Dr. Rohit Madhav Sane:** The first preference for hospital location is going to be a place which is very similar to what we have in our mind like our Khopoli and the Nagpur hospital. It could be something like resort which is not working to that extent which has a minimum 50 bed capacity that would be one that we will be looking out for. The locations, the geographies that we will be looking out major will be in the North India as well as in the states of Gujarat or Rajasthan. So this is where we are looking out to expand after Maharashtra for the hospitals.

**Chirag Shah:** Sir why I am asking is if I look at your clinic concentration is more in Maharashtra and apart from Maharashtra sir your branding is not well established outside Maharashtra for clinics also?

**Dr. Rohit Madhav Sane:** Very true. You are right.

**Chirag Shah:** That is why I was asking that how are you ensuring that branding will happen for you when you put this hospitals? As I see Madhya Pradesh, Gujarat and Uttar Pradesh are where you have maximum numbers of hospitals.

**Dr. Rohit Madhav Sane:** Yes, absolutely right. So as I said Madhya Pradesh we are already in talking terms with a doctor who has already approached us, so that is one. About Rajasthan and Gujarat, Gujarat is a very potential area for Ayurveda that is why we are looking out for as well as Rajasthan also is a very potential area because already the Rajasthan government has accredited Ayurveda for their

pensioners as well as for the government employees. So there is where we will be planning to set up ourselves that will give us a boost in our revenues with that kind of hospital.

**Chirag Shah:** Last thing is which all government agencies you are tied up already because VDA has a separate procedure of approvals, so even in Maharashtra even in Mumbai there are different agencies who work at a central level armed forces for example have their own accreditation process, so where are we? Which all entities are we approaching on a 12-month for accreditation in this CGHS type of scheme?

**Dr. Rohit Madhav Sane:** So we have now started approaching the CGHS that is one and in next 4 months to 6 months the application for all these government agencies will be done, so we are now hiring a person in next say about a month or so he will be joining who will be doing all these things for us.

**Moderator:** Thank you. The next question is from the line of Sonali Goel an Individual Investor. Please go ahead.

**Sonali Goel:** My question was regarding EBITDA and this time we can see there is a good improvement in EBITDA margin, may I know what led to this positive impact?

**Dr. Rohit Madhav Sane:** It has been a combination of 3, 4 things the first one was the HR cost earlier which was about 27.5% in the last year H1 now it is somewhere about 24.5% to 25% of the HR cost that is the first difference that we have been seeing, but this will still improve as we go ahead because once the topline increases the EBITDA will still improve because of this effect of HR. Second is going to be about the COGS the Cost Of Goods Sold, earlier when it was about 28% to 29% of COGS now it is about 22% to 23% of COGS which is being seen and this is majorly attributed to the online sale that we use to do in the last year which attracted higher COGS because that was only product sale, but now when we have product plus services which are being sold through the clinics and hospitals, so the COGS has reduced down towards 22% - 23%, so that is the second impact that we could see the improvement. The third improvement in EBITDA is seen because of the professional fees that has reduced from about say 9.5%, 10% to about 7%, 7.1% somewhere to that extent. So that is how these 3 major things have affected the total EBITDA improvement.

**Sonali Goel:** Sir how much more margin improvement can we see going further?

**Dr. Rohit Madhav Sane:** With the numbers increasing in the topline the EBITDA margins will improve substantially beyond here because the HR cost is going to be the same, COGS will vary to somewhere about 22%, to 23% - 24% max and obviously the professional fees will not vary to such an extent, so that also will not increase to such an extent as well as the rent and taxes also is going to stay the same. So increase in the topline is going to add directly to the EBITDA.

**Sonali Goel:** Just one more question, what is our revenue contribution from various business divisions?

**Dr. Rohit Madhav Sane:** About 20% odd is from the hospitals well rest comes from the clinics.

**Sonali Goel:** Can you tell me the EBITDA margins for this each of the business divisions?

**Dr. Rohit Madhav Sane:** Yes, when you talk about hospital all the hospitals where EBITDA margins ranges from about 30% to 50% - 55% with the occupancy that we had still in this past so many months, but as soon as we have occupancy increasing all over in this 3 hospitals the EBITDA margin can go still beyond 50% also in the hospitals while in the clinics as of now the EBITDA margin ranges somewhere from 5% to 7% or maybe 10% to a certain extent but as we improve because the company clinics that we have as of now are majorly in the other geographies where we have just began and the branding is still in this process, but when the topline with the clinics also increases the total gross margin that we have in the clinics is about 70%. So with that kind of gross margin the EBITDA can still improve it is just a matter of time and increase in the topline.

**Moderator:** Thank you. Ladies and gentlemen we will take this as a last question. I now hand the conference over to Dr. Rohit Madhav Sane – Chairman and Managing Director from Vaidya Sane Ayurved Laboratories Limited for closing comments.

**Dr. Rohit Madhav Sane:** I would like to thank you all for taking time out and attending this call. I am also thankful to each member of the Madhavbaug family as well as our clients, patients, banks, investors, financial institutions and all other stakeholders. For any other queries or information that you need please get in touch with our Investor Relations team, so till then thank you very much.

**Moderator:** Thank you. On behalf of Vaidya Sane Ayurved Laboratories Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.