

Date: 27th May 2025

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 financial year ended 31st March 2025 held on Friday, 23rd May 2025.

Ref: Intimation of Earnings Conference Call Invite to discuss operational and financial performance of the Company for the financial year ended 31st March 2025.

Pursuant to Regulation 30 of the Listing Regulations, kindly find enclosed the copy of the transcript of the Earnings Conference Call held on Friday, 23rd May 2025 at 03:00 pm (IST) on the audited financial results for the Financial Year ended 31st March 2025.

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
H2 & FY'25 Earnings Conference Call
May 23, 2025

Moderator: Ladies and gentlemen, welcome to the H2 & FY'25 Earning 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 at the end of today's presentation. Should you need assistance during the conference, please signal an operator by pressing '*', then '0' on your touchtone phone. Please note that this conference is being recorded.

This conference call may contain certain forward-looking statements about the company which are based on beliefs, opinions, and expectations of the company as of the date of this call. The statements are not the guarantees of future performance and involve risk and uncertainties that are difficult to predict.

I would now like to 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.

Rohit Madhav Sane: Thank you. Good afternoon, everyone. Welcome to Vaidya Sane Ayurved Laboratories' earning call for the Financial Year ended March 31st, 2025. I would like to begin by expressing my gratitude to all of you for taking up the time to join us today. I have with me on call today Dr. Vidhut Bipin Ghag, the Whole-Time Director of Vaidya Sane Ayurved Laboratories Limited. We have Mr. Narendra Pawar, our Chief Financial Officer. We have Mr. Kishore Kanse, our National Sales Head and Pravin Ghadigaonkar, our Head of Medical Operations and the Adfactors PR team, our Investor Relations team. We have shared our results along with the updated presentation. I hope all of you must have received it. We appreciate your interest in our company and we are excited to share our business updates, as well as the financial performance and the strategic outlook.

So a bit about talking about Vaidya Sane Laboratories. Vaidya Sane Ayurved Laboratories operates under the well-recognized brand name of Madhavbaug, a pioneering healthcare institution that seamlessly integrates the principles of traditional Ayurvedic medicine with modern diagnostic methodologies. We established ourselves in the year 2006. And since then, Madhavbaug has over a decade of specialized expertise in the reversal of chronic lifestyle diseases, including diabetes, hypertension, heart disease, obesity, and conditions related to

pre and post angioplasty or bypass surgery. Our unique treatment model focuses on noninvasive, multidisciplinary and holistic therapies, combining Ayurvedic practices with lifestyle modifications to effectively address non-communicable chronic disorders.

With a mission to reduce mortality and morbidity associated with cardiovascular and lifestyle diseases, Madhavbaug has emerged as a trusted name in the Ayurvedic cardiac rehabilitation and preventive care. As on March 31st, 2025, the company operates about 333 clinics all across Jammu Kashmir, Punjab, Haryana, Uttarakhand, Delhi, NCR, Uttar Pradesh, Madhya Pradesh, Rajasthan, Maharashtra, Gujarat, West Bengal, Orissa, Goa, Karnataka and Chhattisgarh. So out of these, 21 are company clinics, along with that 54 are OPDs and mini clinics and 266 are franchise clinics.

We also operate 4 cardiac prevention and rehabilitation hospitals in Khopoli, Nagpur, Visakhapatnam and Vadodara, Gujarat, supported by a team of more than 450 Ayurvedic doctors. We empaneled with more than about 5 PPAs and 5 insurance companies to offer cashless facility at our Khopoli Hospital and now we have started the same at our Nagpur Hospital also. We remain one of the few Ayurvedic institutions in all over India with NABH accredited facilities, including our flagship Khopoli Hospital, as well as our Nagpur Kondhali Hospital, which both of them continue to be a benchmark in the heart disease reversal process.

I am excited to share with you all several significant achievements and developments from the past half year that demonstrate our continuous growth, innovation and commitment to providing effective healthcare solutions. We are pleased to announce that the onboarding of Mr. Sonu Sood as our brand ambassador with the campaign rollouts beginning April of the first week of this April. This move has already begun enhancing our visibility and strengthening the Madhavbaug brand. Our marketing strategy has shifted from digital-only channels to ground-level outreach and direct engagement, which is yielding us stronger returns. This half year has been a period of execution and expansion. Our monthly new patient footfall has increased to about 9,000 to 10,000 per month. And we are now targeting somewhere more than about 12,000 to 13,000 new patients per month in the near future. This growth is a testament to both the trust patients place in us and the growing relevance of Ayurvedic treatment for lifestyle disorders.

We also aggressively expanding our hospital network. Our new 30 bedded Vadodara hospital has become operational in the month of April and is scalable to about 100 beds. Maybe in the next 12 to 15 months, we should be able to do that. About the next 2 to 3 years, we aim to add more, we have planned for more than about 1,000 beds and the next about 2 to 3 new 30 bed facilities have been planned in coming Financial Year itself.

On the clinic front, we have our asset light franchise model which continues to deliver scale and profitability. Out of these clinics, 333 clinics, 266 are franchise clinics while 21 are company owned clinics. These clinics contribute to around about 86% of the revenue and the hospitals

contribute to about 14% of the total revenue. As a part of our growth strategy, we are now empanelled with about 5 to 6 leading insurance companies and about more than 14 TPAs including the Star Health Insurance and are in discussion with various several other TPAs as well as insurance companies. Our Khopoli Hospital is cashless facility along with the newly started the Kondhali Nagpur also cashless facility and the pending inclusion of CGHS scheme of both these hospitals because both these hospitals are now full NABH approved and both of them are now supposed to get with the CGHS scheme, that will significantly broaden our accessibility and especially for the government employees.

We have also begun the corporate partnerships, fulfilling the checkup orders for about more than 80,000 police personnel and equal number of Konkan Railway employees and initiated tie-ups with large entities like JSW and Reliance. We continue to differentiate ourselves through our clinical outcomes. Our annual care plan enrollments have grown to about 2,700 to 3,000 care plans per month. And we proudly maintain a disease reversal rate of more than 80% to 85% for our key diseases that we treat. Our proprietary Panchakarma therapies and sustained patient follow-up models ensure long-term health improvement, not just symptomatic relief.

Looking ahead, our strategic focus mainly remains on expanding our clinic network as well as the hospital infrastructure with a sharp emphasis on profitability and improved patient outcomes. We aim to capitalize on our deep-rooted Ayurvedic expertise to meet the rising demand for alternative and preventive health solutions. Strengthening partnerships with insurance providers and corporate organizations will be the key to enhancing hospital occupancy and building stable long-term revenue streams. While scaling our operations across geographies, we remain firmly committed to our core mission, that is reversing diseases at their root, not merely managing symptoms. But at 2030, we aim to establish about 1,000 clinics, as well as more than 1,000 beds, and about equal facility to provide outpatient support to the patients coming to the hospitals. Particularly focusing majorly in the tier 1 as well as 2 cities throughout India.

Additionally, through our Institute of Preventive Cardiology, we are committed to train more than 10,000 physicians who will be contributing to our growing network and help us continue to lead the field of preventive healthcare.

So now coming to our financial performance. The half year H2 FY'25 revenue from operations for the H2 FY'25 is about Rs. 48.05 crore as against Rs. 48.23 crore in H2 FY'24. Year-on-year, there is a decrease of 0.38%. The EBITDA excluding other income, the EBITDA is Rs. 7.74 crore in H2 FY'25 as against Rs. 1.82 crores in H2 FY'24. So, there's an increase of 325% due to effectively rationalized key operating costs. Notably raw material expenses, well controlled and fairly controlled employee costs which has declined by about 21% odd year-on-year. Profit after tax was Rs. 5.79 crore in H2 FY'25 as against Rs. 0.81 crore in H2 FY'24. So now the basic EPS stands to about 3.17 in H2 FY'25.

The full year about FY'25, revenue from the operations in FY'25 is about Rs. 89.85 crores as against Rs. 99 crores in FY'24 year-on-year decrease of 9%, 9.5% on account of reduction in total footfall inside the clinics by 6% and the new patient footfall reduction by about 19%. While the EBITDA excluding other income has been Rs. 13.50 crore in FY'25 as against only Rs. 4.5 crore in FY'24. Increase of about 199% driven by better cost control, especially in the employee and raw material expenses, along with an improved product mix and operational efficiencies. This helped the company to achieve higher profitability despite a slight dip in the revenue. Profit after the tax was about Rs. 7.15 crore in FY'25 as against Rs. 1.99 crore in FY'24. So, the basic EPS stood at about 6.76 in the Financial Year '25.

We are confident in our strategy, our people, and our purpose. And we believe the coming periods will continue to reflect the strength of our model and the trust our patients place in us. Thank you once again for your time and continued support. We are now happy to take further questions.

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

Rohit: Yes, hi. Thank you for the opportunity. Sir, my first question is, I noticed that employee cost has come down from Rs. 25 crores to Rs. 18 crores. So please help us understand the rationale behind this decline and how should we look at the employee cost going forward?

Rohit Madhav Sane: Just to give you an idea about Rs 25 crore to Rs. 18 crores, this was a very calculated move and a very strategical move that we had taken. And I had invested about, say about 12 months odd to reach to this level. And this has been planned very well about what departments would do what kind of task, the KRA and KPL have been put down on the paper very stringently and have been followed to a very good level. So, in short, I would rather say that this is a very good optimization of employee costs that we have done. And I'm actually proud about it because this is what the real thing would be and this, I don't think so. Going ahead, much more higher employee costs would be the case. So, in the coming years also, I will always try to keep this employee cost very much optimized. And to go ahead, about Rs. 18 crores are what you could see in this year and we have still optimized it to a certain level in the last 2, 3 months. But I would again have much more fewer people coming inside the team. So, it would again stay towards Rs. 18 crore itself in the coming year also.

Rohit: Okay, thank you sir. And sir, next question would be on the other expenses saw significant decline like from Rs. 41 crores to Rs. 34 crores. So, what are the key factors that led to this drop?

Rohit Madhav Sane: Okay. I will ask our CFO, Mr. Narendra to explain this cost whatever he has optimized. Over to Mr. Narendra sir.

Narendra Pawar: In other expenses, we have optimized the cost by reducing major expenses like advertisement, professional fees, and transport costs, and traveling and conveyance, then telephone expenses. Rent we have also reduced to some extent.

Rohit: Okay, sir. Sir, the last question would be if we see our intangible assets, so it has also increased drastically from 2 crores to 7 crores, under which 4 crores was allotted to Brand Madhavbaug. So, can you please help us understand the rationale and basis for this valuation?

Rohit Madhav Sane: Yes, yes. I will try to explain it. As I just explained a few minutes back that Mr. Sonu Sood has been given that post of being a brand ambassador for Madhavbaug. So, we have tried to invest a lot on creating all those advertising materials for him and the content related to that like the podcast as well as all the collaterals that we need to use it for the whole year. So that is how it has resulted into that kind of expense. And I am sure that in the coming year, we will be able to utilize that to a very good extent.

Rohit: Okay, thank you sir. I will join the queue for the next question. Thank you so much.

Moderator: Thank you. Next question is from the line of Keshav Harlalka from BHH Securities Private Limited. Please go ahead.

Keshav Harlalka: Hi, thank you so much for giving me an opportunity to ask my question. I would want to know that our profit has gone up dramatically because of benefits getting reduced from Rs. 25 crores. So, our profits have gone up to Rs. 7 crores from Rs. 1 crore odd because of the employee expenses being rationalized from Rs. 25 crores to Rs. 18 crores. The cost of goods sold has also come down. Earlier the cost was 26%. Now the cost of goods has come down to 18.70%, which has also led to a significant jump in profitability. So, I would want your comments on this cost of goods sold, how we got it down so dramatically? Secondly, I would want your comment on main board migration. We can migrate to main board because we have completed three years in SME board. So, are we having any plans of going to main board? And can you give your comments? And can you also give us your view and what measures you are taking to increase topline of the company, which has gone down by Rs. 10 crores? That's all from my side.

Rohit Madhav Sane: Keshav, what I will do is I will answer these questions into two parts. The first part will be answered by our CFO, Mr. Narendra. So, I will hand over the answering system to him. So, he'll answer the first part of the question. Go ahead, Narendra.

Narendra Pawar: Our purchase cost is reduced because in consolidation, cost consolidation, the raw material which you have purchased for manufacturing in consolidation so it has got into inter-company transaction so what raw material we procured for manufacturing that cost has drastically changed.

Keshav Harlalka: Noted, duly noted sir.

Rohit Madhav Sane: Yes. Okay. So, going to the second part of your question, so we are also planning hard to upscale ourselves towards the main board and in coming few months we'll be planning accordingly and trying to go towards the main board.

Keshav Harlalka: Okay, and so I wanted to know what measures are you taking to improve the sales of the company because from Rs. 99 crores we've gone down to Rs. 89 crores. So, can you give your comments on that?

Rohit Madhav Sane: Yes, as I spoke few minutes back. Earlier, we used to have our new patient footfall towards about 6,000 to 7,000 new patients every month. But now since last about a couple of months, we have been somewhere about 8,000 to 9,000 new football every month. And in the coming months, whatever we have planned, I am sure that we will take the total new patient footfall towards about 12,000 to 13,000 new patients every month. So, as we all are aware, we have an enrollment ratio of more than about 25% to 30%. And as we go ahead with this, increasing the number of new patient footfall, we should be able to hire, we should be able to have more patients onboarded on our care plans and that will obviously lead to an increase in the total revenue inside the clinics. While when we speak about the hospitals also, we'll be coming up with additional beds in the Khopoli hospital as well as in the Nagpur hospital as well as the Gujarat hospital has just begun. So, all these places where the activities, the on-ground activities as well as the insurance empanelment as well as the corporate tie-ups are going ahead, I am quite sure about the revenue to build up in the coming months.

Keshav Harlalka: Noted sir, so I have one final question. So, we have Rs. 89 crores in topline and Rs. 7 odd crores in terms of profit. So, can you give us a breakup of what has contributed? So, we have three verticals. One is hospitals, one is clinics, and one is products. So, what is the topline contribution from clinics, from hospitals and products, and likewise for profit? So, can you give us a sense of that, sir?

Rohti Madhav Sane: Yes, I will ask our CFO Narendra to answer this question. Narendra, to you.

Narendra Pawar: From hospital, Rs. 23.20 crore revenue generated and from franchisee product and services, it is Rs. 64 crores. Rs. 23.20 crores are hospital revenue and Rs. 64 crores are clinic revenue in that Rs. 87 crores.

Keshav Harlalka: And how much is products? Products is 2 crores?

Narendra Pawar: No, Rs. 64 crores in Rs. 64 crores, both are products and services.

Keshav Harlalka: Okay. Got it. And hospitals are Rs. 23 crores?

Narendra Pawar: Yes.

Keshav Harlalka: Okay and can you tell us what is the profitability contribution from both these verticals hospitals and clinics?

Narendra Pawar: Contribution, 18% is from hospital and 10% is from product and services.

Keshav Harlalka: Okay, got it. Okay, thank you so much. Thank you, sir.

Moderator: Thank you. Next question is from the line of Prafull Rai from Arjav Partners. Please go ahead.

Prafull Rai: Yes, Rohit, hi. Congrats for a decent set of numbers. I have just a few questions. First is, the cost reduction looks like that's more permanent in nature. So, do you foresee that the margins we have achieved in the current year are more sustainable kind?

Rohit Madhav Sane: Yes, yes. No doubt.

Prafull Rai: Now this is a steady-state margin we are talking.

Rohit Madhav Sane: Yes.

Prafull Rai: Okay. Second question, you alluded to it, that number of footfalls of patients is likely to go from 9,000 to 12,000 odd, that will translate into a very similar kind of a growth in revenue given the same conversion ratio?

Rohit Madhav Sane: Yes.

Prafull Rai: Third point is, have you increased the prices of your products by, I'm just trying to ascertain the revenue for next year. So, have we increased the rates at our end starting this year or we are continuing to keep the rates at the same level?

Rohit Madhav Sane: Not yet. We haven't increased the rates yet. But we plan to increase the rates in the coming few months. I am just trying to assess and get some survey from the patients. Based on that, we'll take the call.

Prafull Rai: Can I safely assume please feel free to answer or not answer? We will end up doing around Rs. 110 to Rs. 120 crore kind of revenue next year?

Rohit Madhav Sane: Yes.

Prafull Rai: And lastly, will there be some kind of operating leverage playing out because of the cost being, you said employee cost will stay more or less close to Rs. 18 odd crores. Do you see some kind of further expansion in margin? Can we assume anything like that?

Rohit Madhav Sane: Yes.

Prafull Rai: What's the kind of number?

Rohit Madhav Sane: Number would be somewhere about, it should be on a consolidated manner, it should somewhere reach about 16% or so.

Prafull Rai: For the full year?

Rohit Madhav Sane: For the full year.

Prafull Rai: Okay, and the PAT would be around 11% to 12%. Even that number?

Rohit Madhav Sane: Yes.

Prafull Rai: Okay, thanks a lot, Rohit. This is helpful. Thanks.

Moderator: Thank you. Next question is from the line of Deepak Poddar from Sapphire Capital. Please go ahead.

Deepak Poddar: Thank you very much sir for this opportunity. So just first of all, what's our current monthly revenue we are doing right now? In the month of March or April, whatever.?

Rohit Madhav Sane: So as of now, when we talk about the first 3 months, which are always slow because of all these. In the last year where we were about crore odd in the first 3 months, we are about Rs. 7 crores in the first 2 months.

Deepak Poddar: So, March was higher, right? Is there any seasonality? So what sort of seasonality we see? I generally the 4th Quarter is the best or I mean, is there any seasonality as such?

Rohit Madhav Sane: Yes, absolutely. The 4th Quarter is always the best.

Deepak Poddar: Okay. I mean, why is that so?

Rohit Madhav Sane: There are several reasons. There are several reasons like what happens is post Diwali, people always like to invest more into health maybe for the New Year, maybe for the Diwali, or maybe the season helps them out. Because in this first quarter, people usually go out for their touring and native places. So obviously, all over the places, the total footfall is usually down as compared to any other quarter. That is the first reason. In the second quarter, usually, we have of picking up footfall as well as the revenue. In the middle about Ganpati Pooja, festivals do create certain kind of hurdles. But post Diwali, the highway is very clear and things become much easier for us.

Deepak Poddar: Okay, okay. So generally, 4th Quarter is the best and first quarter is generally the weakest quarter. Is that right?

Rohit Madhav Sane: Yes. Absolutely.

Deepak Poddar: Okay. And how do you see this monthly revenue scaling up? If I have to see, I mean, based on whatever Rs. 115 to Rs. 120 crores revenue we are looking at. So, if April, April you said we did about Rs. 7 crores per month, right? That's what you said? So how do you see, I mean, by year end, what sort of run rate we might want to achieve? I mean, by March '26, let's say.

Rohit Madhav Sane: I am looking at somewhere about 20% of growth every month on month in the total revenue.

Deepak Poddar: No. So, I didn't understand. 20% growth month on month in the sense this Rs. 7 crores will become 20% YoY?

Rohit Madhav Sane: The last year, YoY. Yes.

Deepak Poddar: Okay. And what was March 15th revenue? It was Rs. 9, Rs. 9.5 crores somewhat in that range?

Rohit Madhav Sane: Rs. 8.5 crores.

Deepak Poddar: So, you expect March 26 to be 20% higher versus March '25 number? So, so ideally, won't the leverage be much higher? I mean, given that your revenue scale would be higher and having our gross margin in the range of 83%, 84%, maybe 80%-81%. So ideally, your leverage advantage, won't the margins be much higher than what you are indicating 16% or because of this new onboarding of brand ambassador and all, so your cost will increase? So that's how you are targeting 16% margin. So, some thought process would help.

Rohit Madhav Sane: You are absolutely right. The margins would be much higher, no doubt about it. I am trying to be conservative right now. As I go ahead, you will see the changes happening in and the margins growing.

Deepak Poddar: Okay, I got it. And what sort of new clinic target for this year, FY'26?

Rohit Madhav Sane: We will have 30 more additional new clinics in this coming year. So, I would ask our National Sales Head to answer this question. So over to you, Kishore.

Kishore: Hi, so we have been planning the GTMs for almost 30 plus centers across few geographies which includes Gujarat, Madhya Pradesh, Karnataka and also in Maharashtra there are a lot of areas where we wanted to build up. 30 plus and the GTM has been already planned.

Deepak Poddar: Okay, fair enough and what is currently number of beds we have right now? As of FY'25?

Rohit Madhav Sane: As on FY'25, we have about 50 beds odd in Khopoli, 20 in Vizag, 20 in Nagpur Kondhali and about 30 in Vadodara.

Deepak Poddar: 30, Baroda, so total is about 120. And what is the addition plan for this year?

Rohit Madhav Sane: So now we have got the permission for construction, all the permissions required for constructing 100 more extra beds in the Khopoli hospital premise. That is one. As well as the Nagpur hospital, we already have the permission sanctioned to 50% for more 80 beds. But we'll be constructing more, about 20 to 40 beds. We'll start in this year. So that is the addition of extra beds inside the premise that we already have as of now as well in next about 8 to 9 months as we take our own speed in the Gujarat Vadodara Hospital. We will be planning to have our 30-existing bed towards more 70 beds. So that would go somewhere towards about 90 to 100 beds in the Vadodara Hospital.

Deepak Poddar: So around 60-70 more beds in Baroda as well. So total, mean 100 in Khopoli, 40-50 in Nagpur and 60-70 in Baroda. So total about 200 more bed addition we can target in FY'26, right?

Rohit Madhav Sane: Yes, it would take somewhere about 12 months odd to have the construction up.

Deepak Poddar: Yes, I think that's very helpful, sir. That would be it from my side. Thank you so much. All the very best.

Moderator: Thank you. Next question is from the line of Rohit from Mittal Analytics. Please go ahead.

Rohit: Thank you for the follow up sir. Sir, there is an exceptional item related to bad debt like written off against franchisee fees. So, I wanted to understand why this be written off?

Rohit Madhav Sane: Okay. So, I will ask our CFO Narendra to answer this question. So over to Narendra.

Narendra Pawar: Franchise is that from 2022 or 2023 some group of franchisees were approached to us for investment and they were interested in running the business. They have processed, but now they are not interested in that SFO model. So, amount that receivable that we have written off.

Rohit: Okay, understood. Thank you, sir. Thank you.

Moderator: Thank you. Next question is from the line of Chirag Shah from White Pine Investment Management Private Limited. Please go ahead.

Chirag Shah: Thanks for the opportunity. Rohit, I have a slightly broader question for you. First is, now after a long time, you are looking to expand the number of beds in a very fast way compared to your last 5, 7 years. Plus, you are looking to have a higher footfall etc. My question is, what internal changes are you making in the PU, for that your sales team, your operations team, your doctors' team, etc. are on the same page with respect to the growth. That's question number one. And are you looking to hire any external consultant or somebody who can help you to brainstorm the entire thought process of the company? Because this is the first stepping stone. After this, you would like to further expand especially you are going out of Maharashtra in a

reasonably big way over the next 5 years I presume. And why this is pertinent is your peers have already hired E&Y for the last 12 months, 18 months and have been working with them on similar thought process. So that's question one. I have two, three more questions I'll come back once you answer them.

Rohit Madhav Sane:

So, the first question that you asked was about internal changes that we plan to do. Whatever internal changes we had planned, we have already executed it. And now we have very typical people who will be looking at the growth for the turnover as well as the expansion that we have planned. So, a few more changes in the number of people that I will be expecting should be joining in next few months, but that is going to be a process that will take about 3, 4 months at least. So that is first. Second is going to be about the consultant. No, we are not looking out for any consultant as of now, even though I am aware about this E&Y, which has been hired by the peer. But still, I don't think so the consultant role has begun right now because we have a lot to do, which we have learned in the last 1.5-2 years. So those things are supposed to be implemented yet. So, with this implementation, I am sure that a level of growth will be seen. And maybe after that, we will need those consultants because consultants will give us those kinds of insights and we'll have to implement them. So, for the implementation, we will have to cover up the backlog for the last 2 years that we had. So first, I'd like to cover up that backlog, take my speed, and then if required, the consultants would come in action.

Chirag Shah:

Very, very well answered. Thanks for this. But just a follow up is how would you marry the old thought process in the organization and the new thought process or new blood that you are bringing in? So that is the question I was more afraid because with the expansion mode, this friction has to be managed very well.

Rohit Madhav Sane:

Yes. You are right. But I am glad to tell you that whatever past was there, we have already cleaned that past to a very good extent. And whatever people now you see, these are new people. Obviously, there is going to be a bit of chemistry that has to develop between the new people and the old people. But I am sure I will be playing the role of the surfactant wherever required. And I am sure about that chemistry building up within all those team members. And it has already happened now. So, I do not think so there is going to be such a big challenge. But with the new people that I will be getting in, that is going to be an additional challenge. But I am sure that is not such a big task for me.

Chirag Shah:

Second question was on this insurance thing. If you can just, again, update. I just missed out the initial. So, all the hospitals are full, NABH approved as of now. So, be it Vizag?

Rohit Madhav Sane:

No. Vizag, we have applied for NABH. Next 3 months odd the thing should be in stream line with Vizag as well as for the Vadodara hospital, we are in a process of applying maybe in a week's time we will be paying the fees for NABH audit. So that is again going to get streamlined. While Khopoli Hospital as well as the Nagpur Hospital are full NABH now and we are now open for CGHS as well as the other government agencies which can get tied up with the hospitals.

So, we have started applying in case of Khopoli Hospital, the CGHS audit date has also been fixed and they will be coming for the visit. Post that, within few weeks we should be getting the CGHS approval for Khopoli Hospital. The same process we are going to apply for the Nagpur Kondhali Hospital. And once Vizag and Vadodara are with NABH, we will be opening up CGHS and other government agencies for those hospitals also.

Chirag Shah: And how many cashless, you said 5 cashless TPAs have been tied up for Khopoli and Nagpur, right?

Rohit Madhav Sane: Yes.

Chirag Shah: And how many insurance companies have been tied up for cashless?

Rohit Madhav Sane: It's about 15 TPAs and 5 insurance companies.

Chirag Shah: 15 TPAs and 5 insurance companies, okay. Yes.

Rohit Madhav Sane: Yes, and we have good able people now inside the team who have been working on the whole point of having these kinds of insurance tie ups with these TPAs as well as the insurance companies. And in the coming 12 months, I am sure that we should be having the highest number of TPA and insurance companies tied up because the kind of people they have taken, they are quite able to do that.

Chirag Shah: Ideally what is the right number of insurance companies you would aspire to have? 12, 15, 16, what is the right number that?

Rohit Madhav Sane: Minimum 10 to 12.

Chirag Shah: And we can assume that in next 12 months to 18 months, a large part of this would be covered?

Rohit Madhav Sane: Yes. That is the target that we have kept for ourselves.

Chirag Shah: And the impact of the 5 insurance companies that we have tied up? It's already been seen in Khopoli over the last few.

Rohit Madhav Sane: Yes.

Chirag Shah: So, if you can highlight, say, 12 months before, what was the cashless revenue contribution and what is today, or in the last 3 months, if you can just indicate, probably it will be helpful?

Rohit Madhav Sane: So, since the Khopoli Hospital has been tied up with the insurance companies, about 30% of the admissions belong to the insured patients itself. So, the rest of those patients are cash paying patients, but 30% of the whole admissions happen through insurance companies.

Chirag Shah: Okay, and ideally this number should be what, 60%?

Rohit Madhav Sane: To be very honest, what happens is, even though you go for allopathic hospitals view, in their case it's about 50% to 60%, because obviously the coverage matter. In this case, those people who have been insured with the insurance companies, they must have an Ayyash policy coverage in their insurance. But I am sure in the coming days, gradually the things will change and everybody will have that Ayush coverage. And if that is so, then we will be able to match the allopathic standards of 60% insurance coverage. But according to me, right now we have a greater number of cash paying patients. That is also a good point. Insurance, obviously, yes, that's a good point. But in the coming future, I am sure that these things will change, as well as when the CGHS and other government agencies come in, that is going to be an additional benefit for the hospitals.

Chirag Shah: This is helpful. And last question, if I may, can you just squeeze in. Update on GIPSA?

Rohit Madhav Sane: We have already updated for GIPSA and they have already planned for the audit and things have already gone ahead. I think so within a couple of months max, we should be able to crack the whole thing, and we should be GIPSA approved.

Chirag Shah: And okay, thanks. Just one more thing. Sorry for this. If you can just update about what internal control process changes also you are looking to implement with because if you are focusing on growth without adequate internal controls or processes, so what changes have you made in the, or what are you looking to implement, it would be helpful? If you can highlight?

Rohit Madhav Sane: Yes. Majorly, these internal controls were supposed to be at 3 to 4 major sites. One was with the manufacturing and the quality of the product. So as well as the purchase of these raw materials so that the cost gets in control as well as the quality stays wherever we were, as well as we can improve that. So those processes and the SOPs are already in place. Now the implementation process is going on for the same. And the quality of products will still improve, which will increase the patient compliance and thus the sale also. So that is one. Second is going to be about the HR processes, where the internal controls were important, as well as the traveling reimbursement and all those things. So things are already in place and we have already started implementing those things. Wherein you could see the change from Rs. 24 crore to Rs. 18 crore, you could see that. Because of the KRA, KPAs that have been already built for each and every individual, every person knows that what am I supposed to achieve and what amount of time. So things are very clear as we go ahead. So that is the second where the HR processes were supposed to be in control. And the third is the medical processes. Whatever improvement we give to the patients. If those improvements keep on improving as well as we keep ourselves stable to the amount of improvement that we give, word of mouth plays a very important role for the patient acquisition, which will again keep the cost under control because if the word of mouth keeps on going ahead, we will not have to spend a lot amount of money on marketing to get those new patients inside.

Chirag Shah: Okay, great. This is all for now. I come back for more. Thank you.

Moderator: Thank you. Next question is from the line of Ankur Aggarwal from MOTOZAK LLP. Please go ahead.

Ankur Aggarwal: Hi, sir. I wanted to know the care plan that you said. So is it for heart disease only or is it for something else also?

Rohit Madhav Sane: I will pass this question to our Head of medical operations, Dr. Pravin. He will answer this. Over to Pravin.

Pravin Ghadigaonkar: Yes, right now we are starting with multiple care plans. Till now we focus on 4 diseases for care plan which include heart, diabetes, high blood pressure, obesity, and thyroid. These were major concerns. Now the patients who are coming and according to their concerns and pain areas we have designed 9 to 10 care plans and they have already been implemented, which includes cholesterol management, PCOD management, gut detox, multiple care plans have added. Moving ahead, cardiac patients are being segregated further which includes low EF, blockages or post-plasty rehab and many such care plans we will introduced in coming 1-2 months. So overall, this year, at least 10-15 new care plans will be added in our basket so that every patient who visits the clinic, we can treat them according to their expectations.

Ankur Aggarwal: Nice sir. And sir, what is the average cost of the care plan?

Pravin Ghadigaonkar: Yes, average cost is according to each patient's health condition starting from Rs. 7,000 to Rs. 10,000 to on an average Rs. 40,000 to Rs. 60,000. In cardiac cases, this care plan cost goes to Rs. 80,000 to Rs. 90,000.

Ankur Aggarwal: This is for how many days sir?

Pravin Ghadigaonkar: This is for each care plan having 2 sections. That is first is aggressive management. It will stand for near about 90 to 120 days. And after that we the patient in follow-up. So each care plan is having validity of 365 days, that is one year.

Ankur Aggarwal: Okay. Sir, the last year has been concluded, is there any data available to show how many care plans have we sold and what would be our average realization per care plan?

Pravin Ghadigaonkar: Yes, if we compare the last year and last to last year, then near about 33,000 care plans we have given to the patients and patients have been enrolled and if we see in diabetes we see a very good surge, in cardiac care plan also we have seen a good improvement at the same time the new care plans which we have included during the last quarter of last financial year under which whether it is cholesterol management, gut detox, PCOD these small plans which we have added in this also we have seen a good improvement and we have seen the increase in number of care plan.

Ankur Aggarwal: Sir, one more thing, franchises that we have, the clinics, plus our hospitals, so the care plans, how much percent of this 35000 we have sold through franchises and how much percentage of this we have sold to the hospitals directly?

Rohit Madhav Sane: Okay. Can you repeat your question again?

Ankur Aggarwal: Okay. Sir I wanted to know where we are selling most of our care plans, are we selling more to clinics or we sell to hospitals as well.

Rohit Madhav Sane: In hospitals, we have arrangements for 7 days. The patient stays with us for 7 days and the next 3 months we keep the patient in follow up. And then for the next 9 months we have the patient in a milder kind of follow up. What happens in hospital if you see the Khopoli Hospital, there are about 220 to 260 patients getting enrolled every month. So on an average, if we look at it, there are 3000 patients discharged from every year. While for Kondhali Hospitals, it goes to about 700 to 850 patients getting discharged every year. Vizag now, we have reached to about 120 discharges ARR every year. Vadodara, we have just started so we had about 15 to 20 patients staying at a discounted rate over there, but that is just began. So that is how for the hospitals while Dr. Pravin that mentioned you about 33,000 care plans that was specifically for the clinics.

Ankur Aggarwal: Okay, understood sir. Sir one small thing to ask. We have sold 33000 care plan during the year which we have just concluded and last year we have sold 30,000 care plan so Rs. 10 crore revenue difference which has come I think our rate was the same of the care plans in both the years how did this revenue difference has come because we are giving cut to the franchises earlier we have most of the clinics of our own if you can explain the business model?

Rohit Madhav Sane: Yes. So right now if you see, both the years we clocked 33,000, 30,000 and the dip has been in few hundreds of care plan. The earlier year it was somewhere about 33,800 while this year we were somewhere of 33,500. So we can see a dip of 300 to 400 care plans. Along with that, some more dip has been seen in the medicine sale. The reason behind it is the total footfall which was about 8.2 lakh for the whole year in the earlier year. This year, we had been somewhere about quarter to 8 lakh total footfall as well as the new patient footfall, the medicine sale. A new patient footfall, which was last year, which was somewhere about a lakh odd. This year we had only 82,000 or 85,000 of new patient footfall. So I would like to stress on this point that in spite of this 82,000 - 85,000 of new footfall in this year, we could sell equal number of care plans as what we sold in the last year. So going ahead as the enrollment ratio is still improving with the doctors becoming more and more confident and being optimized towards having more patients with their disease reversal. I am sure that in this year when we target more than about a lakh of new patients footfall inside, the number of care plans would also increase.

Ankur Aggarwal: So this will be recovered this year anyway, we are planning 30% more patients per month.

Rohit Madhav Sane: Yes.

Ankur Aggarwal: Thank you so much, sir.

Moderator: Thank you. Next question is from the line of Aman Goklani, an individual investor. Please go ahead.

Aman Goklani: Good afternoon, Dr. Sane. Two, three questions. Number one, I believe last time when we spoke, you had suggested that the company focuses on long-term care plans, anything that lasts between 6 to 9 months, maybe a year. So with the addition of these other plans, your esteemed colleague was just speaking about, have we also now entered the short-term care plan market like our peer?

Rohit Madhav Sane: Yes. So what have we done is these diseases, they are not so, I would say, they are not so deleterious for the body. They don't create any kind of organ damage as such. So smaller care plans like it would be insomnia, it would be PCOD, it could be GERD. So these care plans are for about 3 to 4 months duration. The whole target that we usually keep with our doctors is to keep those patients in connection and keep them under follow-up because these things should not recur. So whatever it is, the follow-up would stay for at least a year and post one year we usually have this Navjeevan care plans which are either one year more or two years of follow-up in a very, very discounted rate. So the patients keep on coming to us because of this. And see, if at all, even though you see, even though we have about 33,000 care plans being there with us in this whole year, we have a total footfall about 7.5 lakhs of patients coming down to us every year as such. So that is how we are majorly concentrating on longer care plans itself. But yes, when these kind of patients come in, we also have started looking at the shorter care plans also.

Amen Goklani: And is this something your competitor also is doing? Is this something that you've added on as additional things so that does that increase your total addressable market?

Rohit Madhav Sane: Yes, yes, it increases our total addressable market. No doubt about it. Because earlier we used to concentrate majorly on diabetes and heart disease only. But now along with this, I will be concentrating majorly on various different parts of heart diseases like earlier we used to only treat those patients with existing heart disease. Now, we are trying to brand ourselves with other formats of heart disease also like post angioplasty, post bypass surgery, rehabilitation also majorly as well as the prevention plan and Dr. Pravin also mentioned about cholesterol management, lipid management, other care plans also will be continuing. So overall the cardiac addressable market also will become bigger for us. As well, we have also come up with the shorter care plans also.

Amen Goklani: Okay, understood, superb. So the next question is a little intertwined. So I believe last year we had a two-pronged agenda. One was cutting costs, which you guys have done a fabulous job

on. So congratulations on that. The other was growing the revenue, which is where we faltered big time. And I think it's also to do with the marketing plan. You guys were focusing on having something new started etc. And now you've signed Sonu Sood as a brand ambassador. And you've also mentioned that you guys are looking at changing how you look at marketing yourselves from having a more ground up approach. So can you throw some light on how this will work, how you guys planning this? And second, can we start seeing some signs of this reflecting in the revenue starting the first half of this year? Can we expect Rs. 50, Rs. 55 crores of revenue in this coming 6 months?

Rohit Madhav Sane:

Certainly we can. So if at all you compare with the first half of this year, which has passed away, compared to the next half, we have obviously grown in the total revenue. But as what you said, the drop in the total revenue for the whole year was because of the first 2, 3 months that we had lost. So that was the basic reason for it. But I am sure now in the coming days, we will try to pick up with a good speed. And I should be able to deliver good results in the coming years also.

Amen Goklani:

Okay. And what's changing exactly with the marketing plan? Can you just throw some light on it? That's my last question.

Rohit Madhav Sane:

Sure. So I'll speak about a minute or more, or maybe two minutes more on this point. So what have I understood is marketing majorly is about two different things. One is about creating brand and reaching with the type of awareness that we need in the masses. That is one. Once the people are aware, once the people are able to understand about the brand, then they will plan to come down to the clinics or hospitals. So whatever happens, even though they know the brand or even they don't know the brand, the second most important thing is going to be conducting those kind of outreach activities. So branding and marketing is a different ballgame while having those activities and getting the footfall inside the clinic is a different ballgame. So we are concentrating on both of these things simultaneously. So major concentration would be on getting patients inside the clinic through the call center. So now we have an additional thing that we have inbound as well as outbound call center. And slowly and gradually, we will be also starting with tele support for the patients through the call center who are not able to come to the clinic. So we will be able to deliver medicines through the logistic support to those patients. So that also has begun. So last 2, 3 months, we have started with the call center and call center started delivering good results. So the number of new patient footfall that we are looking out from the digital media, whatever marketing we'll be doing, the leads that we get, now the call center goes behind that churning those leads and getting a good number of new patients inside the clinic. At the same time, we have those local activities that our team usually does with the clinics every week. And that also attracts a good number of people inside the clinic. So both these things together, I am sure that we should be able to achieve our target.

Amen Goklani:

Okay, sounds good. So all the best and hope to see some solid results in H1. All right. Thank you.

Moderator: Thank you. Next question is from the line of Deepak Poddar from Sapphire Capital. Please go ahead.

Deepak Poddar: Thank you very much again for the opportunity. So just I have one small thing I just wanted to understand. Whenever your revenue scale up, because our operating leverage can be very high, so what could be our aspirational margins that we may look at a higher revenue scale? This year we said we are targeting 16%, but at a higher revenue scale, what is the EBITDA margin range, maybe for FY'27? What can be the EBITDA margin range we may look?

Rohit Madhav Sane: Okay. I will give you a broad understanding of it. If at all we talk about the hospitals, the hospitals have EBITDA margin potential of about 50% to 60%. So as of now, as soon as if we talk about the Khopoli Hospital, the EBITDA margins are quite stronger. If we talk about the Kondhali Hospital, the Nagpur one, the EBITDA hospitals are bit lesser than Khopoli, but yes, quite stronger as compared to the clinics. Now when we talk about the Vizag Hospital, the EBITDA margins are slowly and gradually picking up. So that also will help. Vadodara is a newer one, hence it will take some amount of time. But in the hospital part, the EBITDA margins are very strong. Now the challenge that I have taken up is improve the clinic EBITDA, the clinic business EBITDA. And I am sure about it, that will also grow up. So if you talk about this, I will be looking somewhere about 20 % EBITDA in the coming years. I am not sure whether I should be able to reach in the year '27 or not. But more than 20% is what I'm targeting as a whole EBITDA when we go ahead.

Deepak Poddar: Sure, sure, that is very helpful. I think that would be from my side. All the very best. Thank you.

Moderator: Thank you. Next question is from the line of Ankur Aggarwal from MOTOZAK LLP. Please go ahead.

Ankur Aggarwal: Sir, one thing I would like to ask from point of view of medical tourism. So like if you go to Max Hospital in Delhi, there are so many patients I see who are not Indians. And do you have any kind of plans where you are providing some good kind of stay in medical treatments, eye treatments to this kind of clientele, foreign tourists, medical tourists?

Rohit Madhav Sane: Yes, I did get your question. Yes, we are looking out for it, no doubt about it. We have also been in connect with 2 agencies who usually have patients from various African countries. That is one agency. The second agency that we are in conversation with is an agency who majorly works on the GCC countries. So we have already started working on it. We have a couple of doctors who usually have started now consulting those patients online. And we are just exploring this association if at all we can actually deal with them online, send them medicines as well as bring them to our Khopoli as well as Nagpur hospital for their stay with about 7 to 10 days. The care plans have already been created for that. I think in next couple of months or so, I should be able to speak very confidently on this issue.

Ankur Aggarwal: Okay, thank you, sir. Thank you.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to Dr. Rohit Madhav Sane, Chairman and Managing Director from Vaidya Sane Ayurved Laboratories Limited for closing comments. Over to you, sir.

Rohit Madhav Sane: Okay. Thank you. So, I would like to thank you all for taking your time out and attending this call. I am also thankful to each member of our Madhavbaug family as well as our clients, patients, banks, investors, financial institutions and all other stakeholders. For any other queries or information, please get in touch with our Investor Relations team. Thank you. Thank you everybody.

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