Date of submission: August 11, 2025

To, The Secretary Listing Department **BSE Limited** Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 **Scrip Code –539551(EQ), 975516 & 976418**	To, The Secretary Listing Department **National Stock Exchange of India Limited** Exchange Plaza, Bandra Kurla Complex Mumbai – 400 051 **Scrip Code- NH**

Dear Sir / Madam,

Sub: Transcript of Earnings Call for the quarter ended June 30, 2025

In relation to earnings call of the Company held on Monday, August 04, 2025 for the quarter ended June 30, 2025, please find attached the transcript of the said Earnings Call.

We wish to inform you that the Earnings Call transcript is also available on the website of the Company at https://www.narayanahealth.org/stakeholder-relations/earnings-call-audio-and-transcripts.

This is for your information and records.

Thanking you,

Yours faithfully
For **Narayana Hrudayalaya Limited**

SESHIAH SRIDHAR
Digitally signed by SESHIAH SRIDHAR
Date: 2025.08.11 17:38:37 +05'30'

Sridhar S.
Group Company Secretary, Legal & Compliance Officer

Encl: as above

“Narayana Hrudayalaya Limited
Q1 FY26 Earnings Conference Call”

August 4, 2025

NH MANAGEMENT TEAM:

MR. VIREN SHETTY – VICE CHAIRMAN

DR. EMMANUEL RUPERT – CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR

MS. SANDHYA J – GROUP CHIEF FINANCIAL OFFICER

MR. R. VENKATESH – GROUP CHIEF OPERATING OFFICER

DR. ANESH SHETTY – MANAGING DIRECTOR, OVERSEAS SUBSIDIARY HCCI

MR. RAVI VISHWANATH – CHIEF EXECUTIVE OFFICER, NHIC

MR. NISHANT SINGH – VICE PRESIDENT, FINANCE, MERGERS & ACQUISITIONS & INVESTOR RELATIONS

MR. VIVEK AGARWAL, SENIOR MANAGER, IR FUNCTION

TRANSCRIPT

Nishant Singh: Hello, everyone. My name is Nishant Singh, and I welcome you all to the Q1 FY26 Earnings Call for the company. To discuss our performance and address all your queries today, we also have with us Mr. Viren Shetty - Vice Chairman, Dr. Emmanuel Rupert - CEO and MD, Mrs. Sandhya Jayaraman - Group CFO, Mr. Venkatesh - Group COO, Dr. Anesh Shetty - MD of our Overseas Subsidiary, HCCI, Mr. Ravi Vishwanath – CEO, NHIC and Vivek - Senior Manager in the IR function.

Before we proceed with this call, we would like to remind everyone that the call is being recorded and the transcript of the same shall be made available on our website as well as on the stock exchange later. We would also like to remind you that everything that is being said on this call that reflects any outlook for the future or which can be construed as a forward-looking statement, must be viewed in conjunction with the uncertainties and the risks that they face.

With that now, we would like to start the Q&A session. I request everyone to now use the 'raise hand' feature to start posing their questions. Thank you. Yes, Prithvi, please go ahead.

Prithvi: Thanks, Nishant. Anesh I just have a few questions on Cayman. If you have to look at the discharges and OP patients' number, it has come down on a sequential basis and the decline seems to be quite high. We just wanted to understand this is something we saw in the past, there is some quarterly volatility in Cayman numbers. Is it the same and you expect patient numbers to return back in this quarter, or has there been anything structural that happened in the last quarter?

Anesh Shetty: Yeah, I think you're right. As you recall, since we commissioned the new hospital… you had the Q4 of last year and Q1 of this year being the first two quarters of the new hospital. And if you recollect, even in the early days of Cayman when the hospital was new, when we're starting a new building with low base, low volumes, you're going to see this volatility up and down. But these are just standard blips quarter-to-quarter because the structure is new. And the next quarter as we proceed, maybe two or three quarters, things should stabilize. But your intuition is right. These are things that happen in the early days and they will settle in as we progress. On the ground, we have no reason to have any concerns around the growth trajectory with the new building.

Prithvi: Got it. And if I have to look at the absolute EBITDA number for Cayman business, on a sequential basis, the decline seems to be around INR 20-25 crores. I understand there is a INR 9 crore number coming from the Integrated Care. What explains the remaining difference in the EBITDA numbers on a sequential basis?

Anesh Shetty: So if you account for the slight decrease quarter-on-quarter in the Hospital business, aside from that, maybe I'll just say that the Hospital business as such, the economics have not changed, whether it's comparing Q4 to Q1 or a few quarters later. It's just that right now we have broken up and we are starting to see the Integrated Care business ramp up significantly in revenue terms, which is obviously at a very different margin profile, A) given it's a new business and B) it is Integrated Care insurance, which is very different on a margin profile from the Hospital business. So, the Hospital business itself, the economics remain unchanged. We did have a slight revenue decrease quarter-on-quarter. You are, again, going to see some early volatility in case mix. In the previous quarter, we had few in volume, but high value cases, which you generally tend to have higher margins. This time, that was not the case; you saw that reflected in the volumes as well. But over the next few quarters, we think on the core Hospital business, things will continue to be similar to what we've seen previously.

Prithvi: And on the Hospital side, earlier, before commissioning the new hospital, you were making $120 million revenue and a 45% margin. I understand, a new hospital is focused more towards OP, where it can be a bit of margin dilute too. So, can we expect, or can we look at the Cayman Hospital business as $200 million revenue under 40 to 42% of EBITDA margin business on a sustainable basis?

Anesh Shetty: Yeah, I think it is difficult to give exact guidance to that extent. Having said that, we think that the margin profile of the Hospital business, you will not see too much variation from what we've been used to. Obviously, your first comment is partly right that in the new hospital, you are more focused towards quicker short-stay daycare sort of procedures, which are obviously lower margin than the long, complicated cases. So, there will be to that extent that change. But the underlying profitability of the Hospital business itself will not see any big swings.

Having said that, like we've said before as well, for the entire bucket of the geography, whether it's the Hospital alone, the Hospital combined with the Integrated Care, whichever way we want to look at it, the intention very much, is in absolute terms, to continue to see

healthy growth in earnings because of the new Integrated Care on a much larger revenue base. But absolute growth in earnings is definitely the intention.

Prithvi: One final question on the Integrated Care. Can you throw some light on how exactly you're looking at this business? What kind of opportunity? And how does it transfer to investments and the breakeven number?

Anesh Shetty: So, this is the first time we're sort of adding small detail to break it up because it's starting to get significant. It was always subsumed in the financials that everybody's used to seeing. So, it's not a new outflow of any kind. Having said that, we started formally selling to the external market on the 1st of January. Obviously, it takes time to ramp up, but in just a quick 5 to 6 months, we've been very, very happy with the response we've seen. We have some of the most prominent and largest employers and organizations on board. So, the trajectory has obviously been very, very positive for us. It's going much better than we planned.

Having said that, this business is not going to have, even at steady state, and it was never intended to have the same margin profile as the services, the Hospital business, which we all understand and know. Right now, yes, it is loss-making it the 1st Quarter, first one to two quarters of the business. Longer term, we expect this to be a breakeven to plus or minus, slightly positive, hopefully by the end of the year or 1st Quarter next year. But this is going to be a very different margin profile from the services business. The reason we're doing it is to aid in our entire ecosystem of services to have a very safe lock-in with all our customers, to create this multi-touchpoint experience for patients so that longer term, we have a very safe, non-volatile earning stream from this geography.

Prithvi: But do you see any sizable revenue coming from this particular segment?

Anesh Shetty: Yes, it's starting to happen, and we do think that it is on that trajectory. It is something that even on a standalone basis is attractive. Having said that, its real goal is being part of the ecosystem. In fact, I would say the reason why we find it difficult to give an exact prediction on EBITDA as a percentage terms, because it's going to be challenging to predict the relative revenue between the Integrated Care business and the Hospital going forward, especially because the Integrated Care is going to see good revenue growth since it's starting from a low base.

Prithvi: Sir, just to squeeze in one final question. So, we can assume this quarter losses are the peak for the Integrated Care, and it will start coming down in the next couple of quarters?

Anesh Shetty: I think that's hard to say. As a percentage of revenue, that maybe it's going to be a narrow band; you're not going to see wild swings. But in absolute terms, it would depend on where the revenue lands up the next quarter. And this is just the first quarter we are disclosing it, so maybe in a couple of quarters, we'll get more clarity on what that could look like.

Having said that, we don't expect to see wild swings, unlike the Hospital business. I would also point that maybe quarter-on-quarter is perhaps not the best way to look at it, because it depends on when large claims come in, etc., and these kinds of factors. So, let's give it a couple of quarters to play out, and we'll have much more clarity there.

Prithvi: Thanks. That's all from my side.

Anesh Shetty: Thanks, Prithvi.

Nishant Singh: Thanks, Prithvi. Damayanti, can we please have your question?

Damayanti: Yeah, hi. Thank you for the opportunity. My question is again on Cayman operation. So just want to understand, in the newer unit, the services which you intend to offer, are all those now in place, or you have some more to offer, which can help the volumes to pick up from here on? So just want to understand on that part.

Anesh Shetty: Well, So, all the new services have been activated, to your question. Having said that, we don't see the entire potential of them kick in immediately. It does take some time for these, depending on the service line, for them to grow to their potential. But yes, as of the quarter we are talking about, which is Q1, all services were commissioned, albeit just recently commissioned. But yes, all have been commissioned.

Damayanti: Okay. So how long do you expect the things to reach steady state in terms of operations being in place and volumes, etc., also reaching up to some steady state?

Anesh Shetty: I mean, it's difficult. We don't know how these things take to ramp up with an exact quarterly number or prediction of that sort. It depends, some will obviously be quicker than others. Some are dependent on some other changes with payer relationships, etc., happening. That would be very difficult to answer. What could help is that you did see from say Q4 to Q1, a very big step up in revenue. And that is almost exclusively because of the Hospital, almost all of it, because the Integrated Care had just started or was negligible. So, you did see that big jump, which is bigger than we expected, but sort of what one would predict because you've started a new facility with new services.

Going forward, the increased quarter-on-quarter will obviously not take that big leap up. It will be more linear as the existing services grow in and mature and there's more awareness and marketing and sales about them. So, we're not going to see that kind of jump that you saw from Q3 to Q4, but we do expect to see a linear growth going forward.

Damayanti: Okay. And for the combined operations, you mentioned 40% to 45% margin looks sustainable.

Anesh Shetty: No, we didn't. Yeah, we didn't say a number, but sorry, please go ahead.

Damayanti: No, I'm saying, say compared to the… because on Q1 numbers, we saw IP, OP volume seeing some decline quarter-on-quarter, but you grew in the top line, right? So, I assume the mix would have been much better. So, I just wanted to understand, compared to last quarter's EBITDA profile for the Cayman operations, the Q1 EBITDA margin profile, were like those very different, or how should we think?

Anesh Shetty: Yeah. So maybe I'll try and help with that. The Hospital business will not see any significant change in the profitability or the margin profile. You are going to see certain variations quarter-on-quarter, but on the whole, that remains unchanged, the core economics of that business.

The challenge to give you a percentage prediction or guidance for the console picture, is because it depends on the relative revenue contribution of the Integrated Care business, which as of now is yet to break even. And even when it does, it'll be a significantly lower margin business than the Hospital business. So, it's too early to tell how significant in the total revenue console that will be, to give you a guidance on what we expect the console Cayman EBITDA percentage to be. So, predicting a percentage is tricky, but predicting what it would be in absolute terms or the trend in absolute terms is easier. I hope that was helpful.

Damayanti: Yeah, that's helpful. Thank you. My another question is on your India operations. So just want to understand the kind of scale-up or progress you have seen in your insurance offering. So, I see in the presentation that it has been rolled out to other segments as well. But how do you see this piece picking up?

Ravi Vishwanath: Sure. Hi. This is Ravi. So, I think the Insurance business overall has picked up quite well. As you saw in the presentation also, we've added some new markets and new products as well. The Arya scheme has started encouragingly well. We have great feedback from our customers. We've got about 6,000 lives at the moment, and we are now seeing acceleration in that pace as well.

Over the quarter, we started in Kolkata, Shimoga and Raipur. We've also launched an upgraded version of our first plan is Aditi, called Aditi Plus for the Kolkata market. We've also developed and taken to market a group omnibus product for non-employer-employee plans, which is something we're actually quite excited about, because it opens up new opportunities for us to partner with external parties, potentially, that have got pools of customers. We are building the business steadily. The focus is on risk management and underwriting, and making sure that we are building a business that will be sustainable over the long term.

Damayanti: Sure. So, the current quarter loss from new initiatives, can we assume mostly it's coming from your spend, which is happening on the Insurance part?

Ravi Vishwanath: Sandhya, do you want to answer that?

Sandhya J: It is a combined number between both insurance and the NHIC, which is the clinic business.

Damayanti: Okay. That's helpful. Thank you. I'll get back in the queue.

Nishant Singh: Thanks, Damayanti. Ronak hi, can we please have your question?

Ronak: Yeah. Thank you for the opportunity, sir. So, as we know that we are going to start the new hospitals in 2028, 2027. So, I mean, what would be the break-even cycle we are expecting? Because these hospitals are in the existing region. So, first of all, are we expecting the break-even to happen or the ramp-up to happen very fast? And second, like, are we or would we be able to charge a similar revenue per bed comparable to the existing revenue per bed in the same region?

Viren Shetty: Hi Ronak, the break-even characteristics of the hospital we're starting up will be in line with market. The realizations that are possible in these hospitals will be at a discount to the current market prices in the geographies where we are setting up hospitals.

Ronak: Okay. Got your point, sir. And, coming on the specialty profile, in the past few years, we have seen that oncology has increased very much. So, can we expect oncology in the coming five years to become 20-25% as a percentage of revenue?

Dr. Emmanuel Rupert: The oncology has been growing very well for the last couple of years. And that's the same trajectory which we have been observing and working towards with the clinical team and the kind of investments that we are making. And the aim is to get towards that number which you've mentioned, and we will be seeing a good healthy growth year-on-year on that.

Ronak: Thank you, Sir. I'm done with my questions.

Nishant Singh: Thank you. Bhavi, can we have your question, please?

Bhavi: Hello. Thanks for the opportunity. So, I would like to ask that there are 400 beds currently in the pipeline. When will this be operationalized, and what Capex is expected for these 400 beds?

Nishant Singh: So, at all possible times, we keep exploring for the new opportunities. So, the moment we close something, we'll be able to announce them. But right now, we are looking at multiple opportunities, but that pipeline is not confirmed yet.

Viren Shetty: These are M&A sort of transactions that we're in discussion with various bankers with, and we're not exactly sure when they can conclude.

Bhavi: Okay, thank you for that. And another question. The hospitals are getting commissioned in FY27 and FY28. So, will the margins be impacted due to the commissioning of new hospitals? And if they are impacted, will the impact be similar to the dilution in the past, or it will be less due to the brownfield?

Viren Shety: It will be a margin impact. We will do our best to minimize the impact. Whether it will be less than the past, that's hard to say. Just because in the past, the cost structure was very different. The manpower cost and a lot of the startup costs are much higher in these days than it was when we had done in the past. But again, we will try and keep margin dilution, breakeven period more in line with what the peers have been able to achieve.

Bhavi: Okay, and another question. I have seen that ALOS fell from 4.5 to 4.3. So, can we expect this to fall for the year, or it is just for the quarter basis?

Dr. Emmanuel Rupert: We are working towards this, I mean, we want to bring it down to closer towards 4 and we are working towards this. Hopefully, this will keep coming down in the future as well.

Viren Shetty: But quarterly variances will show this slight fluctuation because of a lot of seasonality, but the long-term trend is towards lesser ALOS.

Bhavi: Okay, thank you. I am done with my questions.

Nishant Singh: Thank you. Rehan, can we have your question, please?

Rehan: Yeah, good evening to our team and thank you for giving me the opportunity. So, I want just more clarification regarding the Integrated Care and Insurance business. So, with the Integrated Care program is now scaled to multiple cities. So, what's the next frontier? Are you considering disease management or wellness-led models under NHIL? Or on the other insurance side, how is Aditi Plus being received in Kolkata and what are your plans to build distribution or partnership for this vertical?

Ravi Vishwanath: Sure, I will try and answer most of those questions. So, in terms of the Clinic business, just to clarify, the Clinic business itself is focused on Bangalore at the moment. And in fact, we are increasing our footprint in Bangalore. There's a new clinic that's opening tomorrow. There's another one that's under construction. Over the coming quarters, we'll be focusing on offering a wide range of services to our customers. Now, these will include, I wouldn't call it wellness, but these are basically services that we'll be offering to help our customers get well and stay healthy. And that's kind of our focus. In terms of geographical expansion, we continue to evaluate opportunities to grow the Clinic footprint, both in Bangalore and beyond, and we'll try and share updates on that as and when it's appropriate.

In terms of Aditi and Kolkata, I think that's gone well. And in fact, we also did launch the new product, which is Aditi Plus in that market. But we've only been selling in Kolkata for about six weeks, but the initial response to this has been very good. And we're very excited about how we think the Kolkata market will react to Aditi.

Rehan: Okay, sir, thank you for clarifications. And my second and last question is on the digital and technology investment side. You have mentioned digitalization of 85% patient documents. How are these initiatives transferring into measurable operational efficiencies like reduced turnaround time or improved clinical outcomes? And just a follow up on this, can you elaborate on the roadmap of your doctor app and ICU master suite initiatives? Are there early signs of improved compliance or productivity? If you could just throw some light on this.

Dr. Emmanuel Rupert: Yeah, so we have rolled out our… just like Aadi, which is a doctor application, we have rolled out our nurse application called NAMAH. And also, the digital for the inpatient services, the medication card and various other modules. It's getting stabilized, and we hope that it will get stabilized somewhere by October. All these things will speed up the discharges and other things, because we are working along with our MEDHA, which is the analytical division, to work towards multiple improvements in the operational efficiencies, so that we'll be able to streamline the processes and make documentation, both clinical and operational documentation, much more streamlined and enable things to happen in a much quicker way.

So, these are some of the things which we have been doing. This will keep continuously happening and improve the overall efficiencies, and it will make the manpower, clinical as well as operational manpower to be very effective in what we are doing.

Viren Shetty: It's hard for us to accurately gauge out how much of the improvements that we've seen, both in realization, discharge time, and the patient experience can be attributed solely to the digital investments, just because the nature of technology today is that it is so diffused, and we have parallel projects running at the nursing team, at the clinician team, with our technicians, with our senior doctors, with the administrators, supply chain people, who are embedding this into everything that they do. So, our hospitals are fully paperless. Our patient experiences can be done in such a way that no patient has to visit a counter for anything. Most of the transactions in our hospitals can be done either on their phone, with the app, or going to a kiosk. Now it is far from perfect, there's still a lot of bugs that come from time-to-time, but this is the experience that we're investing in, so that it is a fully seamless experience in all our hospitals.

Rehan: Okay. Sure, sir. Thank you for the clarification, and I'll jump back in the queue.

Nishant Singh: Thanks, Rehan. Yes, Bino, can we have a question, please?

Bino: Hi, hope you can hear me.

Nishant Singh: Yes, we can hear you.

Bino: Yeah, thanks. I've got a little bit of confusion around this Integrated Care. So, you have these two entities, NHIC and NHIL. May I know what each of them does?

Viren Shetty: NHIC is a company that runs clinics. So, these are brick & mortar clinics in Bangalore, and they run care plans where people can buy subscription packages for loyalty access to the clinics, for doctor follow-ups, medicine, home delivery, and home collection of lab samples. That is part of NHIC, NH Integrated Care.

NHIL is the IRDAI-regulated health insurance company. This is the entity that has the license for being a standalone health insurer, and this is the entity that issues policies called Aditi, Arya, Arya Plus, and so on. So, this is our insurance entity. The insurance entity sells through NHIC as a channel as well as through multiple other arrangements.

Bino: And those who have policy from NHIL, are they as of today free to go to other facilities as well or do they have to come to NH facility?

Viren Shetty: Ravi, you want to answer that one?

Ravi Vishwanath: Sure. So, for the moment, the way that we look at this is that we can provide the best experience to our customers when they come to our hospital. One of the biggest pain points is the entire pre-authorization, discharge, something not paid, something else covered, etc., confusions. This we want to avoid. So, we would prefer our customers to come to our hospital for treatment. Having said that, there are situations where if somebody needs to go outside, they are able to go to any hospital in the country. There are four specific situations –

- If somebody has an emergency, they can go to any place they want.
- If the treatment is not available in our network, they can go any place they want.
- If they happen to be traveling and require assistance, they can go any place they want.
- And if they buy the policy here and then they move somewhere else within India, they can go wherever they want.

So, in those situations, people can go to any accredited hospital in the country. Otherwise, we do prefer that they come to our hospital because the whole point of this is so that we can give them the best possible experience at the time of discharge and remove the trust deficit that typically exists between an insurance company and a hospital. In this case it's not there and that allows us to give a much superior experience to our customers.

Bino: Understood. So, this was all India, now is there any Integrated Care model like this in Cayman as well?

Anesh Shetty: Yeah, it is. The local dynamics are such that you can use it anywhere, in any hospital in the US, anywhere in the world, any other provider in Cayman. We don't restrict anybody because the local market conditions and dynamics are different.

Bino: I'm sorry, I haven't quite understood that. The reason I asked was earlier when there was a discussion about the margins in Cayman Island, it came up that there was some Integrated Care model which has come up there. I was not sure if I heard it right or sure, that's why I asked.

Anesh Shetty: Yeah, you are correct. So, we do have that. It's just that to your question on whether the holder of this plan or policy is restricted as to where they can use it, it's not like in India. In India, you predominantly have to use it in NH with certain exceptions that Ravi mentioned. In Cayman, with these plans that we sell, you can use it anywhere you want.

Bino: Understood. But that is a completely different operation, right? Or does it come under NH?

Anesh Shetty: Separate entity. Completely separate. Yeah, completely differently regulated. Everything is different, yeah.

Bino: Got it. So, I was wondering, your Cayman operation is pretty big now. In your PPT, it would be great if you give the Cayman EBITDA separately as a number. That would be great. You give the revenue, but I don't think you give the EBITDA number.

Anesh Shetty: So, there are ways to get a rough sense of what that is with the information that's there. Maybe, Nishant, we can connect with Bino offline to help walk him through that.

Nishant Singh: Sure, sure.

Bino: Yeah-yeah, sure. Thank you very much.

Nishant Singh: Thanks, Bino. Rajit, can we have your question, please?

Rajit: Yeah, hi. The Southwest Bangalore expansion, given that the civil and structural works are in final stage, do we have a sense of exactly when this will be operational, whether it will be Q1 or Q2 or FY27 or later?

Viren Shetty: Not that much accuracy. It will take about a year. The building shell has already come up, we are doing on the interiors and ordering the medical equipment.

Rajit: So, a year from now?

Viren Shetty: Yeah, at least, right.

Rajit: Okay, all right. So, in the last call there was a discussion on chemotherapy centers coming up in Gurgaon. You had mentioned there will be a soft launch and then a formal launch, any update on that and what kind of footfalls you might be seeing there? And if you can share some kind of numbers on it? Revenue per patient or something like that so that gives us a better sense of where that is going to.

Viren Shetty: This is an investment we've made in a startup, which will be doing this. It's called Everhope Oncology. Their first infusion center is in Gurgaon, in Emaar Business Park. The center is up and running. They've had the soft launch already, they've not gone for the official launch yet. And they are seeing patients.

As far as it comes to reporting out the numbers, it will, for the near future, be a very small contributor. And being a startup, have significant setup costs and losses and so on. And our

involvement in this is as an investor. We are providing a lot of the backend services like referrals for radiation oncology and surgery as well as providing them supply chain and software help but we're not managing these units. And it won't count as any of our subsidiaries.

Rajit: Okay, understood. And they're obviously free to see patients referred from other hospitals also?

Viren Shetty: Yes.

Rajit: Alright. One last question. The gross written premium of the insurance segment has marginally come down during this quarter compared to the last quarter. So, I mean, given it's not even one year since we launched it and we are actually being very bullish on it and it's growing, what could be the reason for that?

Ravi Vishwanath: It was more or less flat. And, as you know, the bulk of the buying behavior in the country is that the large majority of sales actually happen in the Jan-Feb-March quarter for tax and other reasons. And, so, there is a bit of a seasonality effect. We are seeing much improved momentum in the latter half of the last quarter and into this quarter as well. So, we continue to be bullish about that. But, largely, if you look at insurance anywhere, typically, the first quarter there's always a large drop off from the JFM quarter across industry.

Rajit: But these would be annual policies, right?

Ravi Vishwanath: It doesn't matter because what's booked is the GWP, the Gross Written Premium, which is a full year's premium. So, when somebody buys, if 100 people buy the policies in JFM, the premium is counted in that quarter and it's not split out over the year. The GWPs are counted in the same quarter.

Sandhya J: Just to add to what Ravi mentioned, also the numbers that you are comparing is YTD. Because last year was a small year for insurance, so we were reporting YTD numbers and now we are reporting quarter on quarter. So, they are not exactly comparable also.

Rajit: But it says YTD Q1 FY26, right? So, it's only for this financial year?

Sandhya J: Yes.

Rajit: Oh, these are not cumulative?

Ravi Vishwanath: Yeah, only for this. No-no, it's not cumulative. On a cumulative basis we've had.

Viren Shetty: But your larger point is taken, Ravi needs to work harder and make it grow more.

Rajit: Alright. Thank you, Sir. Good luck with that.

Ravi Vishwanath: Thanks.

Nishant Singh: Thank you, Rajit. Nancy, can we have your question, please?

Nancy: Hi, team. Thank you for the opportunity. I also wanted to discuss the Cayman numbers. It seems that the EBITDA has fallen. So, like, firstly, if possible, I wanted to confirm the number. And if it has fallen according to what I'm able to calculate, then I wanted to know the reason. And if possible, I also wanted to get the Ind AS adjustment number for Cayman.

Anesh Shetty: Yeah. Hi, Nancy. Thank you for your question. So, as we explained in the beginning of the call, we're now seeing a significant ramp up in our Integrated Care business. So, the economics and the margin profile of the hospital business remain largely unchanged from what you would have seen previously. But on a consol picture, you will see a diluted EBITDA percentage. And that is because of the new Integrated Care business which was not a significant contributor to the consol earlier and now is starting to become so.

And, secondly, it is yet to break even given that it's just the first or second quarter that we've started it. So, you are going to see that drag effect of that. We expect this to settle down over the next few quarters.

On your second question, I'll pass it on to Sandhya on the Ind AS verification.

Sandhya J: USD 658K is the impact for the quarter.

Nancy: Alright, sure. And also I just wanted to confirm, so basically is it possible for the team to tell the drag number from the Integrated Care business on the Cayman?

Anesh Shetty: That will be the slide. Sorry, go ahead, Sandhya. Yeah, go ahead.

Nancy: That's INR 9.3 crore negative number, right?

Sandhya J: Yes. Actually, there is a revenue as well as EBITDA number that has been given there. So, for you to derive, you have to adjust both the numbers.

Nancy: Understood. Understood. Thank you so much, team. Super helpful.

Nishant Singh: Thanks, Nancy. Archit, can we have your question, please?

Archit: Sure. Thank you for the opportunity, Sir. My question is regarding the Oncology division. In addition to the previously asked question regarding the Everhope chain which we established in the last quarter, you mentioned that we are yet to start on the chains. Do we have any expectation on the number of centers which are currently in operations and the pipeline for this year?

Viren Shetty: As mentioned earlier, the investment we make is in a startup that is still in the ramp up phase. They are not a publicly listed company, and they will be making their investment as per their own strategic business plan. Our investment we've disclosed earlier, which they will use to build a business with. They have some very aggressive projections and as and when these things come up and are clear for us to disclose publicly, we will do so.

Archit: Understood.

Nishant Singh: Thanks, Archit. Vedant, can we have your question, please?

Vedant: Thank you for the opportunity. I think this question has been asked earlier but I was not able to hear it properly. On the slide 13 of the PPT where the operational review of Cayman Islands has been given, in the bottom left corner the revenue and EBITDA of CIHL for Q1 FY26 is there. Could you please elaborate on that?

Anesh Shetty: Yeah, that's the Integrated Care we were talking about. It stands for Cayman Integrated Healthcare Limited or something like that.

Vedant: So, does that include only the insurance business?

Anesh Shetty: Yeah, Integrated Care. That's the only activity of that.

Viren Shetty: Just for Cayman, just to clarify.

Anesh Shetty: Just for Cayman. Yeah, sorry. Just for Cayman. I think there's a confusion because the currency is in rupees. Sorry about that mistake. Yeah, it's just for Cayman.

Vedant: So, the amount is in rupees only, there is no mistake there, right? INR 9.3 crores.

Anesh Shetty: No, the amount is correct, but we should have represented it in dollars. I think we represented it in INR but whichever way you convert it the absolute number is accurate.

Vedant: And if we adjust this with the overall EBITDA, I think then we'll be able to find out only the hospital business EBITDA, right?

Anesh Shetty: More or less. Yeah, more or less. Sandhya, any comments there?

Sandhya J: Yeah, you have to adjust both on the revenue and on the EBITDA side.

Vedant: Right, right, correct. Okay, thank you.

Nishant Singh: Rehan, you have any other questions because you've been raising hands for a while now? Rehan? Yeah, so we'll go to Prithvi.

Prithvi: Thanks for taking the question again. Anish, again on Cayman, given that now you have two hospitals and you're also coming to insurance, so how do we look at the opportunity size here? I mean, you're already at $45 million revenue in Cayman and the population rate is quite less. So, could you throw some light on, you know, I mean, for how many years you think you can grow in Cayman before reaching a growth of population growth number?

Anesh Shetty: Yeah. So, you know, Prithvi, as you'd recollect from previous discussions, yes, the population is small, but our market is a broader Caribbean. Having said that, both the new businesses, which is the new hospital as well as the new Integrated Care. We are still only in quarter two and especially the new hospital is a very substantial investment we've made. So, we continue to absolutely expect and be confident of, you know, growth for several, you know, at least for the foreseeable future given we're still just in Q2 of where we've started.

The only caveat I would add is, you know, it's not possible to predict. There'll be some lumpiness in this growth but on the whole, we are confident for a healthy runway still to follow given both the untapped demand domestically as well as the larger market we cater to internationally in the region.

Prithvi: If I have to just understand this a bit better, you know, how much of growth is coming from Cayman and how much is from other Caribbean islands? I mean, I'm not talking about exact numbers but incrementally can we assume half of the growth is coming from other Caribbean islands? And this is where there is still significant scope for you to grow?

Anesh Shetty: Before that, Bino, sorry, could you just go on mute? Thank you so much.

Yeah, Prithvi, back to your question. You know, it is difficult to give a split between domestic and international. I will say that for both, whether it's domestic as well as international, we still have, you know, an untapped opportunity. Of course, much, much more in international but more challenges to access it. Domestically is much more known and, you know, we understand what we need to do. But we continue to see good growth both from domestic and international. We do predict eventually, not now but eventually, the bulk of our growth will come from non-Cayman markets. Obviously, we will saturate this market, but we are not yet there.

Prithvi: Understood. So, one final question on India business. In the last con call it was mentioned that this year will be the peak losses for insurance and the clinic business, are we still retaining it? And can we expect losses to come down from next year onwards?

Sandhya J: No, we haven't given a peak loss kind of guidance but more so we said that we are investing, and we have set aside a certain amount of money and we are thinking that a lot of the investment will happen in the initial period. So, from that perspective, I think you have inferred that. So, our first cohort of clinics have broken even. So, we are able to see that model that we built saying each clinic will breakeven in 18-month time, we are able to see that. There are corporate costs to recover and there are growth ambitions. So, as new clinics come online, we will have losses in the initial period. We are still sticking to our overall cash burn number that we have indicated for both the businesses put together. And as you can see, the absolute cash burn in the business in the current quarter is lower than what it was in the previous quarter. So, we are projecting in the right trajectory.

Prithvi: If I remember the number, it is almost INR 450-500 crores of investments is something that you have guided, right?

Sandhya J: 450. Yeah, 450 crores we have.

Prithvi: May I know how much of that has been invested till now?

Sandhya J: So, INR 100 crores we have invested as capital and INR 150 crores have been invested for the clinics and the cash burn relating to that, including some Capex

Prithvi: That’s it. Thanks. Thanks a lot.

Nishant Singh: Thank you, Prithvi. Aryan, can we please have your question?

Aryan: First of all, thanks for the opportunity, Sir. I am sorry if it is already answered, I just wanted to know that what growth we are expecting in Indian business till new facility commission because as we all know that there are capacity constraints in Bangalore and Kolkata cluster, right? So, for time being, how we are going to deal with that?

Viren Shetty: Yeah, we will try and maintain the growth trajectory we have had for the past 2-3 years. What we are doing is still more of the same - more digitization, more automation, more work on the patient mix, more work on improving our efficiencies over here, more investment in robotics, in oncology, looking at the case mix. There are enough and more things that can be done in a hospital to generate, you know, the hard-fought and hard-won revenue and margin growth while the new hospitals take time to come. But there is plenty of work for us to manage. But it will not be in the high double-digit growth numbers that would otherwise come from adding new beds in new parts of the cities.

Aryan: Thanks, Sir. I am done.

Nishant Singh: Thanks, Aryan. Yes, Ajay.

Ajay: So, yes, thank you very much for the opportunity. So, I have a couple of questions. So, first of all, I can see that there is a good growth in every peripheral for ARPP. So, what were the factors that led to the growth and is this trend going to continue?

Sandhya J: So, there were a few factors.

- Like we always do, we have taken a small price increase on 1st of January, low single digits. Some of the effect of that has come through also in the current quarter.
- The second is that there is a payor mix change. As you can see, from last year to this year we have had almost a percentage improvement in the payor mix. So, that is also helped.
- And, thirdly, we have had almost a 50% drop in the Bangladesh revenue from last year to this year same quarter. And Bangladesh was coming in at a lower realization. So, that having been substituted by domestic revenue, domestic revenue has grown by 12% this quarter. So, that is also contributing to the ARPP.
- Finally, we are also doing a lot of high-end procedures. For example, we have done the largest number of cardiac robotic surgeries in the country in the last quarter and so on and so forth. So, there are a lot of high-end work that is also coming through, which is also improving our ARPP.

Ajay: Okay. So, is this trend going to continue forward, the growth in ARPP?

Sandhya J: To the extent of the one-time benefit we have got from the Bangladesh mix change, I think that kind of increase will not come. But the rest of it, yes, we can look at it as a…And, again, the price increase will next happen only on 1st January. So, that benefit will also come next year. But the regular improvement in payor mix that we drive as well as the higher value procedures, that we will continue to push.

Ajay: So, second question was regarding the expansion. So, what I have seen in the presentation was the expansion generally in the higher ARPP regions, right, in Bangalore, I think, and Kolkata, third is in Raipur. So, going forward in the longer term, say after when the expansion is completed, so can we see a margin increase from the current levels?

Viren Shetty: Absolute basis, yes. Because once they have broken even, on absolute basis the EBITDA numbers will be higher. On a margin basis, that will depend a lot more on the cost structure as it looks because as much as Bangalore, Kolkata, Delhi, Raipur places are high realization, they are also very high-cost markets. And the cost drivers of this industry are relentless. Meanwhile the pricing pressures what we face from various payors, both insurers and the government, are also equally relentless. So, question of, you know, will things look better, one will balance out the other.

Ajay: Okay. So, last question was, I can see that the owned hospital revenue mix has increased to 73% and the management part has little bit come down. So, has this any impact on the margins, that mix of owned and managed hospitals?

Viren Shetty: I think this may have been the removal of Jammu, which is a managed hospital that we were managing on behalf of the Shrine Board. We have moved to handover of the hospital to the Shrine Board Trust, and we are just there to manage the operation. They have no fee. So, I think that may be explaining the difference over there.

Ajay: So, going forward, it is going to look the same, right, owned and managed hospital?

Viren Shetty: Yeah. Right-right.

Ajay: Okay. Thank you very much.

Nishant Singh: Thanks, Ajay. Niraj, can we have your question, please?

Niraj: Yeah, thank you for taking my question. Sir, I have a question regarding this insurance. Sir, I was going through this Aditi insurance plan, it is very competitive. So, I have a question

regarding, do we add any loading on the insurance premium if the customer has any pre-existing ailment or any surgeries undergone in the past before underwriting the claim?

Ravi Vishwanath: So, Neeraj, our goal is that we want to give people a policy with no waiting periods and either/or pre-existing conditions, etc. But obviously, as you know we are also in the business of taking risks, so what we ask is we ask our customers to undergo a health checkup. It is a comprehensive health checkup; it is part of the service we offer. It is a comprehensive health checkup that they can do actually every year. It is built into the plan, there is no fee for it. It is completely free checkup that they do. The majority of customers who complete that health checkup, they go through the plan on a standard basis. In some cases, we may ask for some slight addition loading in premium or depending on, again, on the underwriting results we may ask for a waiting period. But that is not the rule, those are the exceptions.

And, of course, in some cases, we may not be able to offer cover as well. For example, if somebody is, you know, immediately scheduled for surgery, then it is not really insurance. But the point is that we ask every customer to go through a health checkup and, you know, we decide on the basis of that.

Niraj: And, Sir, second question is, for growing the GWP, are we looking to tie-up with some national distributors pan India or it is just through NH network?

Ravi Vishwanath: So, we are always looking at the balance of this. As you know, some of those national distributors come at a very high cost and our focus, especially with Aditi, is to make sure that we are offering something that is affordable for the people who otherwise cannot afford insurance. So, it is always a balance between the cost of distribution, which can be very high, and, you know, passing on those benefits to the customer.

What we are focusing on at the moment is offering our plans directly to the customers and giving them the benefit of both lower premium and better service by going direct. But, again, this is something that we do evaluate all the time and, you know, we are looking for partners that are kind of like-minded where we can offer this through certain partners. But the focus has always been on the customer and making sure the customers get the product at a good price; great value and we are able to provide good service.

Niraj: Correct. Sir, one last question. Sir, do we have any internal guideline in terms of underwriting that since we have just started this insurance business because in terms of age, say for example if we underwrite 100 claims, so if the ratio of people who are above 60 where the claims can be higher in future, so say only 40% or 30% of the customer should be above

certain age and then if it crosses above certain age then we slow down on the underwriting part.

Ravi Vishwanath: No, it's not that. There's no automatic loading if somebody is above a certain age or anything like that. And by the way, this is one of the great strengths that you get when a hospital that really deeply understands healthcare and health risks, you know, does insurance and looks at, you know, evaluating these risks. And that's where the health checkup comes in. So, it's a detailed health checkup and we have a very, very extensive underwriting process in terms of guidelines and rules. And it's completely based on that. There's no automatic, you know, if somebody is above 60, they get a loading of this or somebody's got diabetes get a loading of that. It's not that way at all. It's a very holistic review and really takes advantage of our understanding of healthcare. And I think it's one of the key differentiators to help us manage the risk in the book over a long-term basis.

Niraj: Thank you. Thank you so much.

Ravi Vishwanath: Sure.

Nishant Singh: Thanks, Niraj. Rajit, please, can we have your question?

Rajit: Yeah. Given the current projects in hand, what is the peak debt that you are aiming for? And if you can share the Q1 numbers of borrowings and lease as well?

Nishant Singh: We'll answer this question in terms of the leverage ratios. For us, we are looking at the maximum leverage ratio at the consol level of around 2.5-3 and same for the respective entities as well. Maybe India also at the same number . So, the leverage is on the Net Debt EBITDA, which will be maximum around 2.5-3.

Viren Shetty: It may fluctuate up to plus or minus depending on in case any acquisition were to come temporarily but on a sustainable basis that's the range we would look, the upper bound of the range we would look at.

Rajit: Right. Much appreciated, sir. Actually, where I am coming from is because of the ongoing expansions, while your EBITDA has in absolute terms gone up Y-o-Y, the earning per share has actually gone down, and that is because of higher depreciation and interest cost.

So, all I'm trying to do is forecast the earnings growth over the next few quarters or couple of years. And if I could get a sense of the interest cost, then that helps.

Sandhya J: We've announced projects so far for about INR 3,000 crores. Roughly, 80% of that we will borrow. So, and we will repay over 10-to-15-year time period. So that can help you forecast the interest costs.

Rajit: Right. So, we are already at INR 2,100 crores if I do not count the lease liabilities. Right? I mean, that is as of March '25, which is a combination of long term and short-term debt. So, you're saying over the next three years, it'll only go up by 300 crores. And I'm assuming you said INR 2,400 crores with excluding lease liabilities. I mean, still I'm a little unclear on this, if you can help me.

Sandhya J: It is incremental. If you go to the Capex slide, which we have given our expansion number. So, we have announced almost INR 3,000 crores of incremental Capex.

Rajit: Right. So, INR 2,400 crores will be over and above the number I have as on March '25.

Sandhya J: Yes, but we will also be repaying some of the existing loans.

Rajit: Exactly. So that's why I asked if you have a sense of whether…

Nishant Singh: The INR 2,400 crores will come on the books in the next three years, not eight years Plus, a bit of regular capex of around INR 300-350 crores every year. So, there'll be addition of around INR 800 to 1000 crores of gross debt every year, minus the repayment on the existing loans.

Rajit: Understood. Thank you, sir.

Nishant Singh: Shreyans, can we have your question, please?

Shreyans: Yeah. Hi. So, I see on the Capex slide that, our FY26 projection for greenfield projects is about INR 420 crores, and we have only done about 5 crores for that in this quarter. So, are we on track for this year for that projection? I mean, because the difference is so huge, so that's why I'm asking.

Viren Shetty: Yeah. We are running a little behind because of the rainy season. A lot of the contractors and a lot of the work has not been able to start on time, but a lot of them have geared up, and they should catch up over the next three quarters.

Shreyans: Okay. So, still seems on track for the INR 420 crores target, right.

Viren Shetty: There may be a slight overrun as usually is the case with construction projects. Our expertise is in the patient care. Construction is, very, very difficult for us to understand. But we're hopeful that these things work out.

Shreyans: Understand. Thank you very much.

Nishant: Ravi, can we have your question, please? Ravikiran, can we have your question, please? Okay. So, we'll move to Deekshant.

Deekshant: Hello, sir. Congratulations on the results. First question is, is this margin a slight contraction margin that we have seen. Is this seasonality only, or is there any other sort of impact that has given us these margins?

Sandhya : You are talking about India or you're talking about consol?

Deekshant: Consol, ma'am.

Sandhya J: Okay. So, consol, I think, was explained. The dilution is coming from Cayman. And, as far as India is concerned, actually we have expanded margins. And even in Cayman the hospital business is stable on margins. The dilution has come from integrated care, which Anesh explained a couple of times during the call.

Deekshant: Thank you. Secondly is, we have started to expand our insurance business right now. So, I know that we have talked about our direct distribution thought process. But, since we're ramping up right now, could you and, also, there has been now word-of-mouth going around with people. So, what's the further expansion idea on distribution strategy that we are working with right now?

Ravi Vishwanath: So, look, I mean, I think, our focus right now is still pretty early days, right. And as you know, direct distribution takes time to build. So that's our focus. And there are multiple avenues to distribute directly. So, our focus right now is on doing that. Having said that, we would be, we are open and, you know, always talking to and considering various other options that can help us in our growth. But as I said to an earlier question, our focus is on doing this in a way

that, you know, the value remains with the customer in the form of lower prices and better service. And, also, a key part of our entire program is that we want to be actively involved with the customer and in helping the customer manage their health, etcetera. So, making sure we have that direct relationship with our customer is very, very important. So, you know, as long as we're able to do those things, we would be open to partner with people. But our focus is on building our direct distribution through multiple avenues.

Deekshant: So, historically, insurance I'm sure you have been asked this question a lot of times. But, historically, insurance is a business of gathering enough pool in order to manage the risk correctly. And, of course, our expertise being a hospital provider, we are able to manage risk better. But at what number or is there any metric that you can share - at this metric we would be breaking even and we would be doing much better so that we can push the accelerator a little harder?

Ravi Vishwanath: Yeah. I mean, surely, I mean, obviously, internally, we have those metrics that we track very regularly, but I think it's a little bit early to start talking about that, you know, you know, publicly. One thing that is worth noting is that our business model is substantially different from the traditional players. And what that means also is that while we can give customers better value and, hopefully, better service and partner with them on their health care, it also does mean that we need fewer lives to break even than a traditional, very, distributor-led type of model, right? So, it's really about balancing those things back, you know, balancing both things and, you know, making sure that where we do partner with, that distribution cost is acceptable to us. And because I said, our goal is to save it, pass it back to the customer in the form of lower premiums, better service, and also be really proactively managing their health. So, that's our focus. And our model is very, very different from the traditional models. You can't really compare the two.

Deekshant: Can you share the number of policyholders as of quarter end?

Ravi Vishwanath: About 6,000.

Deekshant: About 6,000? Okay. Perfect.

Lastly, on Cayman Islands, so we already are now operational, and we are getting better sort of demand input that we had expected as was told on the call. So, what's the next hospital

that we're looking in the Mediterranean Islands? What's the sort of goal of expansion? Because cash flow will start pouring in pretty soon now in a couple of quarters, right?

Anesh Shetty: Yeah. So, we're in the Caribbeans, so we've, we've made a yeah. You know, we did make a small investment in a large health system in The Bahamas. That was a couple of quarters ago. We continue to evaluate that opportunity. You know, nothing to announce as of as of now. It's tough to find, you know, similar geographies. We continue to do so and explore all options both in the Caribbean and elsewhere, but there's nothing to talk about now.

Deekshant: If I can just expand a little bit here on the question, sir. A lot of opportunity there is people flying from nearby countries to get better health care, and we have built that reputation in Cayman over time. So, do you think that the opportunity with the cash flow that we would be getting, we are at that right moment right now that we can start pushing for new facilities this year, next year, or is it too open ended right now?

Anesh Shetty: Oh, we definitely want to. It's just a question of when a suitable opportunity arises because for us, you know, the first port of call is, essentially our home is the world's most attractive health care market, which is India. So, but we already have plans there. They're already on their trajectory. So, for us to allocate capital anywhere else, it has to, you know, pass a very, very high bar, which is the opportunities in India. So, it's not easy. We say no to, we've said no to all of them. There have been many potential opportunities. But let's see what happens. We definitely would like to do something, but let's see.

Deekshant: Okay. Just one last follow-up. How are things looking in our Mumbai facility? We were looking to ramp it up from a pediatric care to a full, fledged hospital.

Viren Shetty: We're in discussion with the trustees. There's been a lot of positive momentum, and we're confident it should happen soon, but it's not in a position where we can publicly state that it'll definitely happen in Q2, Q3, Q4. But it is something we know should happen sometime this year.

Deekshant: So, since the last two quarters this has been the conversation. That's why I was asking you again because of that.

Viren Shetty: That's a fair point. And even once we do get permission, it will take time to ramp up as well. We need to hire a lot more doctors and build up the marketing plan to run this as adult multi-

specialty. So, we are quite disappointed with the progress that has happened, but it's something we're working very hard to try and rectify.

Deekshant: Yes, sir. I'm sure you'd be doing amazing at it. It's a great market, and you are great people to run it.

Viren Shetty: Thank you, Deekshant.

Viren Shetty: I think Ravi Kiran, figured out his hand raise, I think. Could you, Ravi, if you can ask your question?

Ravi Kiran: Oh, yeah. Hi. So, this is regarding the oncology initiative. Just thinking about it from a patient perspective. What does it mean coming to, Narayana Hrudayalaya, as against let's say, approaching a dedicated specialized treatment provider such as, you know, Health Care Global or whatever. I mean, I imagine lower cost would be one of the factors. But apart from that, in terms of the treatment, especially, what does it mean for them? How do we compare?

Viren Shetty: So, if you are comparing us to HCG, HCG is a dedicated oncology provider versus us. For a pure oncology patient, there would be no difference in terms of, maybe our facilities will be larger, maybe our infrastructure may be slightly better than some hospitals. But other than that in terms of the treatment being offered, we have, because we are multi-specialty and we offer the entire range, we are able to afford much more advanced equipment. As well as cancer being multisite, it would be useful in the early detection of a lot of cancerous tumors. So, we also have huge amounts of investment in bone marrow treatment, in CAR T cell therapy, and lot of advanced genetic screening. So, a dedicated cancer setup can do all of these things. It's just that our DNA is in being multi-specialty. And so for patients, they get to have a much more comprehensive view of their health.

Ravi Kiran: Okay. But in terms of the level of treatment, etc, you would say it's on par or better than even a specialized cancer.

Dr. Emmanuel Rupert: Yeah. It's I mean, we are closely working with them on the protocols, but they're on par with what we are doing.

Ravi Kiran: Okay. Thank you. That's helpful.

Viren Shetty: Thanks, Ravi.

Nishant: Vedant, your question, please.

Vedant: Yeah. Hi. Thank you so much for taking my question. So, there's been news around private hospitals not receiving Ayushman Bharat's payment on time. How are things looking for us? It also seems that our contribution from schemes has been going down. It's around 18%. So, will it be same going forward, or is it just a quarter-on- quarter change?

Sandhya J: So there are challenges with respect to Ayushman Bharat payments. For some hospitals some quarters are a challenge. In some other hospitals, other states, maybe different quarters. So, it's not across the country at the same time, but at different points in time, there are cash crunches with the government, and therefore, we do have payment challenges. Our aspiration is definitely to continuously improve the payor mix, but it has to be set in the context that we also want to be accessible available to our patients. So we will try to continue to improve payor mix, at the same time not compromising on the fact that we want to make high quality care accessible to everyone.

Vedant: Okay. Got it. And also, if it is possible that how much percentage Ayushman Bharat contributes to our scheme patient mix.

Sandhya J: Overall, our scheme patient mix is 19%.

Vedant: No, no. How much how much does Ayushman Bharat contribute?

Sandhya J: Roughly less than half.

Vedant: Okay, it's not major.

Sandhya J: It is major because it is still a big number for us. But, yes, roughly less than half, we can say.

Vedant: Of the scheme patients - of the 19%?

Sandhya J: Yes. Yes.

Vedant: Okay. Got it. Got it. Thank you so much.

Nishant: Ravi and Deekshant, do you have still any further questions or should we move to the chat questions in the chat?

Ravi Kiran: Yeah. Just last one here. You have mentioned the 6000 number for our insurance, and you have mentioned this in passing on a couple of things about insurance. But still do you think that there is a number where we can see breakeven? Because I don't think so we'd be breakeven right now at all.

Viren Shetty: No, we won't be. 6,000 of the current number of policyholders, but we wouldn't get into the forward projections of how much it would take. Suffice to say, we still have a couple of years' worth of work to figure out the right model. You raised a fairly good point about the distributor led model. There are pluses and minuses on that, as well as the slow ramp up because we're getting a lot of our systems in place. But we do intend to reach that operational breakeven soon. The model will evolve to be able to achieve that.

Ravi Kiran: Sir, there is a huge market of people who are over the 50-60 age limit. Is that the market that we are focusing on? Because they are a very high-risk market, but we want to cover all people. So, is that the market that we are looking at, at all?

Viren Shetty: We are looking at it. It's just that the pricing would not be able to meet the requirements because the older cohorts, as you're aware, will have very high health care utilization. And to be able to price products just for them means that they would find it very unaffordable. So, we'd have to create a mix of products that cater to both younger cohorts as well as older ones.

Ravi Kiran: So, there would be mixed policies to adjust our risk premiums.

Viren Shetty: Yeah.

Ravi Kiran: Okay. Got it. Thank you, sir.

Viren Shetty: Thanks. I'll just talk through the chat questions, and I'll ask the people to answer them.
So, the first one, how much burn we can expect from health insurance business? We haven't called out any specifics, but we've indicated earlier about how much we intend to invest in both the clinic and the insurance business.

There's a question of any new branch name which has been started last quarter? We haven't started any new branches. I think they may have been referring to the Cayman New Hospital, which is Health City in Camana Bay, as well as the Cayman Integrated Care which is our which is our insurance plan.

There's a question from Suruchi about price capping from the government similar to the drug price control. What are our thoughts on the possibility of price capping for services in the hospitals? To this, I think it's come up several times in the past as well. The probability of such a thing happening is not zero, but it is not 100% either. This is a highly regulated industry. In a lot of advanced western countries, the realizations, depend a lot on the large payers. So Ayushman prices, for example, have been capped from the day of launch. The CGHS, ESI, ECHS have, also the price has not changed in the past nearly fifteen years. And the large private insurers also have a, body that allows them to negotiate as a group. So, body by body, the large payers are working out ways to control the prices and hospitals are at the receiving end of that. But as far as it comes to one uniform price for heart surgery across the country for everyone, depending on how much they can pay, doesn't seem likely. But, again, the chance of that happening are not zero.

Next question is asked about the maintenance Capex there in Cayman. Sandhya could answer.

Sandhya J: It is given in our expansion slide, Slide 14 of our investor deck. We have budgeted, for INR 457 million for Cayman maintenance Capex, and so far, we have incurred INR 158 million.

Viren Shetty: The next one is Capex plan and bed additions for the next five years. We've projected out the Capex budget that's in the investor deck.

Viren Shetty: There's a question asked two times about other administrative expenses increasing. Sandhya can give the explanation on that.

Sandhya J: Yes. Roughly half of that increase is coming, because of our insurance business. Because the way consolidation happens for insurance businesses, all the costs and the claims that are paid out from the insurance business, it gets consolidated as other expenses. So, roughly half of that INR 100 crore increase that you're seeing is the insurance business P&L, essentially, all the costs of the insurance business. The other half are genuine increases in costs that we have

seen. A big chunk is because of the minimum wages' revision across states. Now that has an impact on our cost lines, like housekeeping, security, etc. So that's one, chunk of costs.

The second chunk of cost is that we've had increase in our hospital, equipment R&M and also, the costs relating to the robotic investments we have made. There is an increased cost of the robotic investment, so that also is coming in as the second big chunk.

The third chunk is a more reversible chunk which is coming from PDD, which is provision for doubtful debts. That's an accounting entry that the auditors take based on the receivables. Q1 is generally a slow quarter in terms of collection. So, therefore, our PDD provisions go up, but then they reverse. We've hardly taken any write off in our books for doubtful debt. So, we will recover this money, but there is a timing issue there, and that's adding another about INR 10 crore on the provisions.

Other than that, there are small, small increases across different expense lines, including CSR, because CSR runs on a three-year average profit basis. And we had the effect of the COVID year on the base till last year, so that's gone. So, therefore, our three-year average profit has gone up, and therefore, our CSR commitments have also gone up. So that's another item which is increasing.

Viren Shetty: Last two questions on the chat are on Cayman. First question is on the CIHL. Did the impact come from Q1 FY26? And, can you share the previous quarter numbers if applicable? Anesh, I don't believe we break that up.

Anesh Shetty: Yeah. It's not material. Yeah, we don't break it. It wasn't material of any kind.

Viren Shetty: And, the last question has been asked in several forms, multiple times in the past. How much would the cannibalization happen between the new block in Camana Bay versus the old hospital?

Anesh Shetty: Yeah. There's no cannibalization because it's a single P&L. The teams are common. The cost structures are same. Patients freely move between one to the other. So, they are not two separate businesses.

Viren Shetty: So, that answers all the chat questions.

Nishant: I think we still have some questions from Ravi Kiran, Dikshant, and Ravindra.

Viren Shetty: Do you'll have questions?

Nishant: Yeah. I think Ravindra has not asked any question before.

Ravindra: Yes, yes, I want to ask one question, sir.

Viren Shetty: Go ahead, please.

Ravindra: Am I audible?

Nishant Singh: Yeah. Yeah.

Ravindra: I'm looking at the slide of the presentation, slide number nine. So, I just want to get some clarification or insight. The inpatient average revenue in particular to Bangalore is INR 231K. And, rest all I think it's more or less an average, around INR 120K around. So, if I average of that out, it's around INR 120K. So, what should I infer from this slide? Are we doing some kind of a specialized treatment particularly in Bangalore so that the revenue is INR 231K only in Bangalore? That's one question.

Viren Shetty: I can answer that.

Ravindra: Because you're showing us an average. So, how there can be a huge divergence in the average revenue per patient? That's my question.

Viren Shetty: Specifically, about Bangalore, Bangalore consists of the Health City which is our actual centre.

Ravindra: I'm from Bangalore, I'm from Bangalore, so that that's fine. But I want to know the huge divergence because INR 231K, the average when you're taking average, so rest all you see there's southern peripheral, Calcutta, Eastern, Western, there is, like, some kind of an evenness over there. So, only in Bangalore when you're averaging out, how we can get in such a huge divergence, which is almost 100% divergence.

Viren Shetty: When you take averages into consideration, then things start to happen. The other hospital we have across the country so in eastern India, the average realizations are less. The GDP per

capita is less. Most of the hospitals we offer are in tier two towns with the exception of our hospitals in Delhi. So even if you compare Delhi against Bangalore, Bangalore is a 25 year old centre of excellence with multiple surgical robots, very advanced onco-therapies with a massive bone marrow transplant unit that does very cutting-edge work, which the other hospitals don't have. So, the case mix is disproportionately in favor of long stay, very high realization procedures.

Ravindra: So, what I can infer from this that we are doing some kind of a specialized treatment particularly in Bangalore. Correct?

Viren Shetty: To a much larger extent than we are able to do simply because of the size. The Bangalore Hospital is also close to 1,800 beds.

Ravindra: See, if I compare Calcutta, the capacity of which is 1453. Bangalore is 1503. There's not much difference.

Viren Shetty: Calcutta as I said, is a city where the realizations are lower. The patient payor mix is also lower, and the patient profile and payor base in Calcutta is much different from Bangalore.

Ravindra: But, I don't know. I'm not that satisfied with the answer that the average can be increased in other hospitals. That's what if I go with Bangalore as a case study, there's a huge scope to increase the revenue in other, you know, places as such if we can implement the same kind of treatment available in other places as well.

Viren Shetty: That's a fair point, and that's something we will work on over the coming years.

Ravindra: We have the capacity in Calcutta, for example. The capacity is there. So only maybe we are not doing a particular advanced treatment over there maybe. So, it may require some of a fixed, you know, equipment as such. So, there's a huge scope because we are already having the inventory of beds there, but we are not utilizing in a better way if I compare to Bangalore.

Viren Shetty: Yes.

Ravindra: So, rather than expanding in a newer hospital, why can't we use the hospital which are available there where there is a capacity? Why can't we do the same advanced treatments in other hospitals?

Viren Shetty: Buildings aren't fit for purpose, but it is a fair point and something we'll take into consideration.

Ravindra: Thanks. And, I have the other question on other expenses as well. So, I think it's more or less answered, but not to my satisfaction.

Viren Shetty: Okay, thank you, Ravindra.

Nishant: Yes, Niraj. Please go ahead.

Niraj: Aneshji, just your last clarification what you did. So, I have stayed both in Bangalore and Calcutta. So, I very well agree with your point that the customer profile in Bangalore and Calcutta is totally different. So just that and because I stayed in both the places. So, you are right, actually.

Viren Shetty: Thanks, Niraj.

Nishant: So, Ravindra, do you still have any more questions?

Ravindra: That's it. Thanks.

Viren Shetty: Thank you.

Nishant: So, I think with that, we've got no more questions. Thank you, everyone. With that, we will conclude our session. Thanks, everyone, for your active participation as always.

End of transcript