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JEENA SIKHO LIFECARE LIMITED

(Formerly known as Jeena Sikho Lifecare Private Limited)

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21st May, 2024

The Manager-Listing Department,
National Stock Exchange of India Limited,
"Exchange Plaza", 5th Floor,
Plot No. C/1, G Block, Bandra-Kurla Complex,
Bandra (East), Mumbai – 400 051.

Scrip Code: JSLL

Dear Sir/Madam,

Sub.: Transcript of Analysts/ Investors Earnings Conference Call held on 16th May 2024, pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the Transcript of analysts / investors Earning Conference Call conducted on 16th May 2024 at 05:00 PM to discuss the Company's Financial Year 2023-2024 results.

You are requested to kindly take the same on your record.

Thank you.

Yours faithfully,

For Jeena Sikho Lifecare Limited

Manish Grover
Managing Director
DIN: 07557886

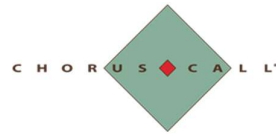
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**“Jeena Sikho Lifecare Limited
H2-FY24 & FY24 Earnings Conference Call”
May 16, 2024**



**MANAGEMENT: MR. MANISH GROVER -- MANAGING DIRECTOR -
JEENA SIKHO LIFECARE LIMITED
MR. NANAK CHAND - CHIEF FINANCIAL OFFICER -
JEENA SIKHO LIFECARE LIMITED**

MODERATOR: MR. RANVIR SINGH -- NUVAMA WEALTH



Moderator:

Ladies and gentlemen, good day and welcome to the Jeena Sikho Lifecare Limited H2-FY24 and FY24 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference, please signal an operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ranvir Singh from Nuvama Wealth. Thank you and over to you, sir.

Ranvir Singh:

Thank you, Dorwin. So on behalf of Jeena Sikho Lifecare Limited, I extend a very warm welcome to all participants on the H2-FY24 and FY24 financial results discussion call. Today on our call, we have Mr. Manish Grover, Managing Director, and Mr. Nanak Chandji, who is CFO of Jeena Sikho Lifecare Limited.

Before beginning with this call, I would like to give a short disclaimer that this call may contain some of the forward-looking statements which are completely based upon the management's beliefs, opinions, and expectations as of today. These statements are not a guarantee of the company's future performance and involve unforeseen risks and uncertainties.

With this, I would have to hand over the call to Mr. Manish, sir, for his opening remark. Over to you, Manish, sir.

Manish Grover:

Namaskar to everyone. Thank you, Ranvir. I am very happy to be able to share Jeena Sikho Lifecare's strong financial and operational performance with all of you on behalf of H2 and FY24. We have put in a lot of hard work to become the best, and we are reaping the benefits. We can see that our revenue is increasing from both our services and products. So, in H2 and FY24, our revenue is INR167 crores and the total turnover is INR324 crores. This means that we have grown by 42% and 59%.

We have also seen good results from our hospitals, clinics, and daycares. This year, the revenue from their services has increased by 122%. This is a proof that we are committed to providing better quality and alternate healthcare services. Let me tell you about our returns for the past 4 years. In 2021, our revenue was INR134 crores and the profit was INR10 crores. We made a profit of 8%.

In 2022, the turnover was INR145 crores and the profit was INR11 crores. We made a profit of 8%. In 2023 after IPO, we made a profit of INR204 crores and made a profit of INR33 crores, which is 16%. In 2024 as of yesterday's balance sheet, we made a profit of INR324 crores and made a profit of INR69 crores, which is 21%.

In the last half-yearly 2 of 2023, we had a turnover of INR117 crores. In this half-yearly 2, we have a turnover of INR167 crores. This is a growth of 42%. In H1 FY24, we had a revenue of INR157 crores and in H2 FY24, we had a revenue of INR167 crores. In total, we have made a profit of INR324 crores. This year, we increased the number of beds in our hospital. Last year, there were 460 beds in our hospital, but we added 817 beds. In total, we have 1270 beds in our hospital in 2024.

Now, we have 25 states, 97 cities and villages in our country. The reaction of people to our newly opened hospital has been very enthusiastic. Our products vertical has grown by 32% year-over-year, which shows our ability to increase our free cash-generating revenue system. With this growth, we have seen a growth of 61% year-over-year EBITDA and 66% year-over-year profit, which also includes a profit margin. This shows that we are able to operate our business well and also increase it.

Mr. Nanak will highlight the financial performance. Before that, I would like to share some data with you. Mr. Nanak, please share your financial data and then I will share some data. Good afternoon, everyone.

Nanak Chand:

As mentioned by Manish sir, we have achieved a healthy financial performance during FY24 and FY25. Here are some key highlights. FY24 results, revenue from the operation grew by 59% year-over-year basis to INR234 crores. Mainly driven by the hospital services, which grew by 1.22% year-over-year basis to INR139 crores, while production grew by 32% up to INR186 crores. The EBITDA during FY24 grew by 102% year-over-year basis to INR93, implying EBITDA margin of 29%.

The FY24 PAT grew by 105% year-over-year basis to INR69 crores. We attained the healthy balance sheet with net cash in equivalent of INR62 crores by the year-end of FY24 and the ROE on the ex-cash ROC is 36% and ex-ROC is 80% respectively.

We spent the INR80 crores capacity in FY24 and with this, we are open to follow the question and answer session. Thank you. One minute.

Manish Grover:

Before question and answer, I would like to tell you that there are 20 lakh beds in India, out of which 60%-70% are occupied, which means 12-14 lakh patients per day and Jeena Seekho has worked on 1300 beds till now and out of all the NABH accredited centres in India, 10% share is with us. In India, NABH is 240. We have more than 24 within 2 years and this is a very big opportunity that we sell medicines worth INR2.5 lakh crores in India. Whereas, we have sold medicines worth INR136 crores in the last few years, this is a very big opportunity that we have.

Apart from this, thousands of allopathy hospitals fight among themselves. We have complete overall, Jeena Seekho is working in Ayurveda. And we are only one and one. There is no one around us. And our business model is very easy. And we solve the biggest health problems of human beings. Because of which we get benefit of mouth to mouth marketing.

Today, there are 7.5 lakh registered Ayush Prakashna doctors in India and 13 lakh allopathy doctors that is why we do not lack any talent and we are very different from allopathy because allopathy works on the disease and we work on the root of the disease. And our capex per bed is approximately INR3 lakhs, whereas, against that we spend INR50 lakhs to INR1 crore on allopathy hospitals. Our cost of INR3 lakhs per bed is INR50 lakhs to INR1 crores and our average revenue per occupied bed is INR7,900 in this balance sheet and the ROCE of the company is 71% remain and the ROCE CAGR of the last 3 years is 35%. And from SME, we will come to the main board in the financial year 2025 and for management assurance, we have started Big 4. And we have appointed E&Y for the management performance review for

financial review 2024-25. And very soon, our goal is to become the number one corporate governor and the number one ayurvedic company.

So sir, now you can ask your questions and answers.

Moderator: The first question is from the line of Dhruv Agarwal from Nivisha Investments. Please go ahead.

Dhruv Agarwal: Namaste, Acharya ji. Sir, I got the first question from you. Sir, you are saying that there are 24 NABH centers. Sir, I had visited the NABH website. So, no doubt, there are more centers than NABH. But what I was able to see is that there are only 14 centers accredited by NABH?

Manish Grover: Yes, I got the message. The sheet is not updated. The daycare center is not included in it. The daycare centers in Delhi and the centers that we have got, every year or every year and a half, there is a review of NABH again. So, centers which completed the year, we did it again, but they did not update it. So, their site is not updated. We have all the certificates.

Dhruv Agarwal: Okay. So, sir, you are saying that there are 24 NABH certificates. Sir, what is your plan for the future? How many centers are you going to get NABH accredited?

Manish Grover: Sir, we are going to increase the number of 500 beds approximately in the next year. We are going to add this new number in our 270 beds. By the end of this year, we will have 1800 beds.

Dhruv Agarwal: Sir, you are saying 500 beds by 2025, right? Sir, 500 beds by 2025.

Manish Grover: Yes, by 31st March 2025, we will add 500 beds. The 1300 beds, there are 1270 beds now. We will add 500 new beds in that. And out of the first 1300 beds, in the last year's balance sheet, there is 37% occupancy. So, I will take it up to 55% within 3 months. So that I can increase my profit by up to 50% in the next year. And apart from this, we are working on a clinical trial and we are also doing an open market OTC survey. We are also planning to launch it in the market soon.

And from 1st April, there is a cashless health insurance. So, we are going to get the benefit of that which will be seen in this financial year. Earlier, the health insurance that we got, we got it through reimbursement. It is cashless from 1st April. And on 15th April, I have got 3 new hospitals, NABH, of Lucknow, Mumbai and Meerut. These are 3 big hospitals. With this, I have increased the admission of about 200 patients daily, average. And the ticket size of 1 patient increases by INR8000. So, you can calculate how much my sale is going to increase.

That is why I told you that with 38%, I have made a profit of INR69 crores last year. If my bed occupancy, I am telling you about my old bed. If it becomes 55%, then I will take a growth of 50%. If it becomes 80%, then I will be able to make my profit by 3 times. So, the whole game is about the occupancy of the hospital bed.

So, now we have started some new TV channels, some newspapers, some social media campaigns. We have started working on some new diseases. For example, we have started working on infertility. We have started working on heart problems. Earlier, we were working on

kidney failure, liver failure and cancer. Now, we have started a new heart segment. We have started an infertility segment.

Even though I have a separate hospital of 100 beds, I am only starting it for infertility. So, within 3 to 4 months, in 6 months, I will have 400 beds and in the whole year, I will have another 500 beds. So, before next year, we will be at 1800 beds. And the open market planning is also going on.

Dhruv Agarwal: Sir, you said that there will be an addition of 500 beds by 2025. In addition to that, you are thinking of adding another 1800 beds for infertility?

Manish Grover: No, no. This is included in 500 beds. Out of 500 beds, I will add 100 beds for infertility. Out of 300 beds, I am working on heart and liver problems.

Dhruv Agarwal: Okay, sir. Sir, you said that on an average, a patient comes to you and gives you a revenue of almost INR8000. Sir, that patient how many days...

Manish Grover: Per day, per bed.

Dhruv Agarwal: Per day, per bed. Right, sir. So, how many days does that patient stay with you, on an average?

Manish Grover: Minimum, from 6-7 days to 21-25 days. We advise the patient to stay for a minimum of 10 days. The average patient stays for 7 days. Because, in health insurance now in India the villages do not have health insurance, the people of the cities bring health insurance policy. They get their treatment from that. Right now, awareness is increasing in the villages. And we hope that some other states are also bringing new policies.

For example, in Rajasthan, our government, from where our panel is running, three new panels have opened on that site. One, Uttarakhand has given a new panel. Karnataka has also given a new panel. And apart from this, DGHS is starting again in Delhi. Apart from this, we have also started in Karnataka, in NDMC, in CAPF. Now, ECHS is also coming. Ayurveda has also been approved in Army. So, we will also get that in 1-1.5 months.

Dhruv Agarwal: So, Acharya ji, as you said that the occupancy of 37% you are going to take it up to 55%. So, what steps are you taking so that the occupancy goes up to 55%, sir?

Manish Grover: You open the channel. On ABP News, at least 15 times a day, I have started a new slot on all ABP News channels. I have started a new slot on Zee News. I am continuously working on the India team. Now, I have taken up the other channels of Zee. We are talking about the packages of newspapers. So, we work from social media, newspapers and TV from all three places. And now, in Ayurveda, cashless has also come, health insurance, which was not there before. And in Ayush, it is effective from this 1st April, we will reap that benefit.

Dhruv Agarwal: Right. So, Acharya ji, you feel that this advertisement, you can get your occupancy level to 65%. Do you feel it is possible through advertisement.

Manish Grover: I have been working like this for the past few years. I know how much and when I have to add TV because we are the masters of our business. When do we have to add it? Which promotional

ad do we have to run? Which social media do we have to catch? We have been doing that for the past few years. You just notice one thing.

In April 2022, my turnover was INR16 crores. On 31st March, my turnover was INR39 crores. So, I did not increase the expense of TV, the expense of TV increased by 5%. But how did the sales increase from INR16 crores to INR39 crores? So, we have been continuously trying to cure the patient. We have only one aim, the patient should be cured. When the patient is cured, then he sells to another patient.

Now, we have started a new system. To maintain the patient for a year, we sell him a one-year package. So, the patient stays with us. So what happens is that, if the patient has any relative who is sick, then he calls us directly. And Ayurveda is a totally blue machine market. We do not have any competition. We are unique. The more mouth publicity we get, the more benefit we get.

Moderator: Thank you. The next question is from the line of Ronit Kapoor from Elara Capital. Please go ahead.

Ronit Kapoor: Can you just give me a segment-wise break-up of revenue and the guidance segment-wise guidance in terms of revenue and EBITDA margins for the next two years?

Manish Grover: Nanak ji Can you tell us once, Nanak ji?

Nanak Chand: Segment-wise revenue in EBITDA is right now not handy. So, we will provide this data later while we are going for the offline discussion, sir.

Ronit Kapoor: Okay. And one more question. Overall guidance you can give, right? Overall guidance in EBITDA?

Manish Grover: Can we tell us about last year? How much did it grow from the previous year from 23 to 24? We will tell you about 2023 and 2024. So, I will start telling you from 2021 and 2022. Financial year 2021-22, we closed the total turnover to INR146 crores, out of which only 10% of the EBITDA was generated and in 2022-23, we closed at INR204 crores total revenue balance sheet was closed. Out of which only 31% only was services, panchakarma services and after that 23-24, we closed the total revenue balance INR324 crores out of which 43% and the rest was from medicine.

Ronit Kapoor: Yes, so can you about the margins segment-wise?

Nanak Chand: Right now, the EBITDA margin is not handy with me, so I will provide you the one on the offline mode.

Ronit Kapoor: Overall guidance for next 2 years, what would be revenue and EBITDA would be?

Manish Grover: I only understand PAT. . My plan for the next year is that if we take our occupancy at 55%, which we have just closed at 37%, then our revenue will be around INR450 crores. And my target for the PAT will be around 25% because all our basic expenses are getting completed. Like the hospital. Right now, my Mumbai hospital is running at 25% occupancy. So the expenses

are there. If I take it from 25% to 55%, then my expenses will not increase, but the profit will increase.

Similarly, my Lucknow is running at 50%. If I take it from 50% to 80%, then my expenses will remain the same. But my profit will increase. And I am planning to increase 500 beds this time. Out of that, 100 beds will start in 3 months and 300 beds will start within 6 months. I don't want to wait till the end of the year. They will start in the middle of the year because we have planned accordingly. And now we are opening 15 new hospitals in this year. I have told you about 500 beds. Basically, these 15 hospitals are opening there wherever the government's plan is. Wherever we have CGHS dispensaries and wherever we are already getting a lot of inquiries from this area.

So the area from which we are getting more inquiries from the patient, we are starting there first because we get data from the call center. That from which area we are getting more calls. In which area our patient is more or in which area the impact of our newspaper and TV is very good. So we are starting a new hospital in that area first.

Ronit Kapoor: Okay. And how many SKUs do you have for the Ayurvedic medicines that you sell?

Manish Grover: We have about 300 formulas now which is a patent, which is only sold in our clinic. But we have worked on 10 formulas now which we are planning to launch in OTC within 4 to 6 months.

Ronit Kapoor: And what is the average selling price of one SKU?

Manish Grover: The medicines that are being sold in our clinic so far. In that, the minimum is starting from INR600 per product. After that, the average is around INR1200 rupees and all this is a patent. It is not available anywhere else. It is only available in our clinic. What I am planning in OTC now. I am planning products from INR150 to INR600. There is diabetes, blood pressure, liver, kidney, stress. Research is going on these. And I am doing market survey. I have hired a team now which we are planning to launch in OTC.

Ronit Kapoor: Okay. And the last question is in the industry. What is the minimum intensity like? Who is your nearest peer and all that? Understood will also work.

Manish Grover: No, sir. We do not see anyone working like us. People are working on wellness. We are working on treatment. We are going to start the wellness sector now. We are also going to start wellness together. So there is no one now, sir.

Moderator: Thank you. The next question is from the line of Priyam Khimawat from Ask Investment Managers. Please go ahead.

Priyam Khimawat: Sir, as you said that we would be planning to open 500 new beds in this year and if I look at our company from the perspective of 3 to 5 years, can we easily double our bed count from 1400 to say 2800?

- Manish Grover:** Yes, yes. I have taken the target of increasing 500 to 600 beds every year for the next 5 years. I will keep increasing 500 to 600 beds every year. I have done a lot of planning. Which cities do I have to go first? Then which cities do I have to go? Then which cities do I have to go?
- Priyam Khimawat:** Sir, so according to you, what is going to be the biggest challenge for you in this journey? Is it finding good doctors in our hospitals? Or is it just that we have to focus on marketing? And getting more patients accustomed to Ayurveda?
- Manish Grover:** Sir, we are working on it on the basis of document. We understand the nerve of the world. We have developed a research team. We have about 20 research papers in our pipeline and 3 researches, 100 beds, a clinical trial and a clinical trial of medicines. All this is going on already. So no one can even say that Ayurveda is behind allopathy because we are working on a paper together. So we are working with full preparation, sir. My goal is to make it India's number one Ayurvedic company.
- Priyam Khimawat:** Got it, got it. Sir, now I see my medicine revenue we have closed it at INR186 crores FY24, but when I go and look back at volumes that you have given in the presentation in that on page no. 30 medicine order volumes are declining. It used to be 2.67 lakhs. In FY22 it became 2.27. And then it declined to 2.09. Any reason for this?
- Manish Grover:** No, we have reduced our COD business. We have reduced it ourselves. We had a COD business, cash on delivery. We have reduced it and shifted it to clinical. Earlier, what we used to do until 2 years ago our COD business was more and patients used to come to the clinic less.
- So in 2 years with a strategy because when a patient comes to the clinic and meets the doctor. So his trust is of a different kind. Some patients get out of it who get admitted, some patients last for 3 months, 4 months, 6 months. What used to happen in COD business. His life used to be 1 month to 2 months because once a patient used to come to the doctor's office and take medicine. The percentage of repeated visits was 30%, but when a patient comes to the clinic. His repeat ratio is 60%, 65%. So we are converting that business ourselves towards clinic sale and hospital sale. A patient brings medicine from the doctor that is our part of the strategy, sir.
- Moderator:** Thank you. The next question is from the line of Rohan P Parikh from OHM Stockbrokers. Please go ahead.
- Rohan P Parikh:** Sir, I have a question. When we open clinics and hospitals what is the first primary difference between them? When a patient comes to the hospital what type of illness does he come for and what type of illness does a patient come to the clinic for?
- Manish Grover:** Okay, sir. For example, there is knee pain and the doctor said that the knee needs to be operated. It needs to be changed. So the patient has to come to our day care center or clinic or hospital. In the clinic, only medicine is available and diet sheds are available, but in the day care center, the patient comes, takes therapy and goes home. In the hospital, the patient is admitted with us for 7 days, 10 days.

And all the health insurance covers or the government panel only when the patient is admitted there, he gets his bill. So, for example, there is knee pain. The doctor said that the knee needs to be changed. So, we will treat the knee by doing Janu Basti.

So, for that, the day care center or the hospital is preferred, but in the clinic, the patient comes, takes therapy and goes home. Similarly, the doctor said that the knee needs to be operated. We will admit him to the day care center or hospital without operation. There is a kidney failure patient. There is a liver failure patient. There is a cancer patient. All these are not cured by medicines. For them, they have to be admitted or have to come to the day care center. There is sugar. There is BP. There is simple joint pain. There is gas. There is acid. These all patients come to the clinic.

Rohan P. Parikh: So, when a patient comes to our hospital. Let's assume a patient comes for cancer or any disease. Typically, you said that the cost is [inaudible 29:34]. You said that the setup cost is INR3 lakhs for one bed. What is our breakeven for beds, sir?

Manish Grover: What is our break-even? All of us come to any hospital on the first day for break-even we are there as soon as we open and we are not investing in any capex whatever building we are taking, we take it on rent and we open the hospital there itself where my clinic is already set up and where I have more than 400 patients visiting for a month. I open the hospital there itself and wherever we open the hospitals the very first day it comes in profit.

Rohan P. Parikh: No, you just said that the setup cost of one bed is INR3 lakhs. So, when is your payback period? In how much time does your bed breakeven?

Manish Grover: So, I told you we get INR8000 per day per bed as revenue. So, you think if my bed runs for 30 days. So, I got INR2.5 lakhs. So, in 3 months, let's assume after deducting all our expenses and get the full payback.

Rohan P. Parikh: And sir one last question from me when we are selling this product, we are manufacturing it ourselves?

Manish Grover: No, we are not manufacturing it ourselves. Right now, we don't have our own factory. We have third party tie-ups and agreements. They make it only for us. They will make our formula only for us.

Rohan P. Parikh: Understood.

Manish Grover: And no one else can make the same formula with the same name because we have all the patents.

Rohan P Parikh: And for this, what licenses do we need?

Manish Grover: We need Ayush's license from Ayush Ministry from Ayush Ministry. Ayush Ministry has branches in every state like in UP there is Lucknow, in Punjab, there is Mohali. There is Chandigarh. In Haryana there is Gurgaon. So, there is a body in every state that approves the formula of that body and no medicine is sold without a seal. We don't sell a single pill without a seal.

- Moderator:** Thank you. The next question is from the line of Shashank Rastogi an individual investor. Please go ahead.
- Shashank Rastogi:** Guruji, I just want to reconfirm. Next year, you are giving guidance of INR450 crores as revenue and for PAT you are giving guidance of INR100 crores above?
- Manish Grover:** Yes, sir. I had given an estimate. It will be around INR50 crores and I have calculated this very easily if you calculate your 38% bed even if we do only 55% occupancy it becomes a growth of 50%.
- Shashank Rastogi:** Guruji, in the next 5 years your target is to take your beds around INR3000 internally, am I correct sir?
- Manish Grover:** Yes, absolutely. In the next 3 years we will do 3,000 beds. In 5 years, we will be above 4,000 beds.
- Moderator:** Thank you. The next question is from the line of Jinesh Sipani from Niveshaay Investment Advisors. Please go ahead.
- Jinesh Sipani:** I wanted to know what incentives do you give to doctors for their salaries, what incentive system do you set for them?
- Manish Grover:** Sir, there is a target base. I have made some pointers for them patient satisfaction rate, ambience of the clinic, doctor's presence. We randomly take feedback from patients. For example, 100 patients visited a clinic. So, we will call 5 patients. If 4 out of those 5 patients gave the doctor a rating then we give them 1 point. This means that the doctor's salary is earned by 20%, 50% incentives. The salary and incentives we have are the best in India. Because we have doctors who are 4 years, 8 years old who have not left us.
- Jinesh Sipani:** I have seen this in Patanjali. Patanjali has its own doctors. They also sell their medicines. What will be the difference between our work and their work?
- Manish Grover:** Sir, actually, the results of our medicines are very good. We do not compromise on the quality of our medicines. If the manufacturing cost increases, we do not cut it down and we do not believe in just selling medicines. We believe in making patients believe that if they recover, they will sell more medicines.
- Our aim is not to see one patient as a patient. We see 10 patients in 1 patient. We put all our efforts in that patient and our biggest healthy part which is our slogan is that medical education is more important than medical treatment. We believe in educating patients. There is a daily class in the hospital for 1 hour in the afternoon and 1 hour in the evening. They are educated on their illness so that they do not fall ill again and if someone else falls ill, we help them. Doctors are very happy with us.
- And for the well-being of doctors on 16th March 2024 we have done ESOP. We have divided 1,30,000 shares in ESOP for doctors and old staff. We have done ESOP for about 738 employees on 16th March whoever stays with us for 5 years, they will get ESOP. Naturally, they will get

an extra fund in addition to the salary incentive. We have also given 3 cars to 3 doctors on 16th March.

And in November, we have also announced to give 21 cars on Diwali whoever gives a good performance, a very outstanding performance, we will also distribute cars this time. This is a very good thing.

Jinesh Sipani: Tell me one thing, what is your margin in the medicine business?

Manish Grover: Approximately 85% gross margin.

Jinesh Sipani: And what is the net margin if you add up all the expenses in the medicine business, how much will it be?

Manish Grover: We got 22% in the balance sheet. Actually, everything is sold. From that ad the patient comes to the hospital, from that ad the medicine is sold, from that ad we have our COD and from that ad government business comes. So, our business is a compliment of each other. That's why you notice that in 2022, our profit was 8%. Our revenue was just 2.5 times, but my profit was 21%. I had a profit of INR10 crores in 2022. The profit of INR33 crores in 2023 is now 69 because if you look at the turnover it has become 324. My turnover has increased by 2.2, but my profit has become 3.75 times. So, I think we will bring a profit of more than 25% next year because our expenses are being covered and what we are planning to bring in OTC will be an extra benefit for us.

Moderator: Thank you. The next question is from the line of Harish Kumar Gupta an individual investor. Please go ahead.

Harish Kumar Gupta: My query was that you are targeting around 500 beds this year. So, after 4 years because the market is empty in India. So, I believe that after 3 years 1500 beds because cash is available and the market is available. So, why are we not targeting 1500 beds in a single year after 3 years? I think after 3 years, it will triple.

Manish Grover: Sir, I will say 500 beds and add 700. You will all be happy, but I said 700 and if I can do 500, I will have a problem. My plan is very big. My plan is to make India's number one Ayurvedic healthcare company and naturally, I will need at least 10,000 beds for that, but I did not overcommit and planned to increase 500-500 beds. I want to make the patient happy. I still have 40% occupancy in my 1400 beds.

I still have 60% empty. If I fill that 60 my profit will be more than double though I am adding 500 new beds. So, I will invite all of you to come to our hospital and support that you come in our hospital and see our patients, see the kidneys, see the liver fails, see the cancer patient, eat our diet, the dosa made of coconut and coconut chutney with our Ayurvedic diet, taste those too.

Harish Kumar Gupta: I did want to meet you that is possible.

Manish Grover: We have a camp in Meerut. Learn how to reverse diseases in 72 hours. I stay there for 3 days in Meerut so, any time. Many people from Nuvama people have also come. Ranveer has also stayed

there. Sharad Tripathi has also come. His father is also undergoing treatment in Lucknow. So, many people from your investor community are taking treatment from us and many have also benefited. If you ask each other, many people will be found. For those whose kidneys fail, for someone's sugar, for someone's BP.

- Harish Kumar Gupta:** Do you have any overseas plan?
- Manish Grover:** Yes, sir. Within two months, we have a plan to open a center in at least three countries. On the 15th, I have been inaugurated in Nepal.
- Harish Kumar Gupta:** Very good.
- Manish Grover:** And now we are talking about Vietnam. We are talking about Dubai in the Middle East. And we are planning clinics and hospitals. I have been to Canada. I have visited there. I have been to London. I have been to all the foreign countries. And now I have an MSME organization in the West. In which there are 112 countries. I have had two meetings with them. I have also had a meeting with their 40 ambassadors. And the Indian government has helped a lot. In 112 countries, they have got Ayurveda approved. So Ayurveda doctors can practice there. I have been to Mauritius a month ago. We are planning a center there. So a lot of plans are going on, sir. We are doing everything together. So in 2-3 years, if all of you are together, we will take the company to the next level.
- Moderator:** Thank you. The next question is from the line of Deepak Poddar from Sapphire Capital. Please go ahead.
- Deepak Poddar:** Namaste, Acharyaji. This is a very good result. And many congratulations for that.
- Manish Grover:** Thank you, sir.
- Deepak Poddar:** Just a couple of things. You have said 55% occupancy target in this year FY '25. And a revenue of INR450 crores. So in that, is the new facility of 300 beds added? Or is it over and above that?
- Manish Grover:** Ask again. The hospital of 300 beds.
- Deepak Poddar:** Is it added or is it separate? In this target that we have given?
- Manish Grover:** No, we still have a total of 1277 beds.
- Deepak Poddar:** Correct.
- Manish Grover:** Out of which, 315-324 are added. 300-plus are added. In January 2023, we bought a new hospital in Chandigarh. 300 beds near Rajpura. So within 4-5 months, it will be added. As I said, we are adding 500 beds. So 300 beds are in Chandigarh. 100 beds are in Panchkula. And 100 beds are in rest in India.
- Deepak Poddar:** Correct.
- Manish Grover:** My idea is that we will add 650-650 beds. But I am making a commitment of 500.

Deepak Poddar: Okay. But it is included in this. The outlook that we have given.

Manish Grover: The merit one is included in this.

Deepak Poddar: The merit one is included. Okay. And this is similar. What sort of occupancy target are we keeping for FY '26? What kind of revenue will we target in that?

Manish Grover: Sir, the way the Indian government is promoting Ayurveda and is helping Ayurveda, we have also received a new letter from the Uttar Pradesh government. If any of their patients are admitted in our hospital, the government will pay for their treatment. This letter came just 15 days ago from the Uttar Pradesh government. And in Uttar Pradesh, we have planned 5-6 hospitals. In Meerut, 350 beds. In Lucknow, almost 100 beds. In Kanpur, Agra, Banaras, and in Saharanpur, we have planned many such hospitals. We are also looking for a place for a hospital in Noida.

Deepak Poddar: Correct. So, what occupancy are you targeting in FY '26?

Manish Grover: I am targeting 85%.

Deepak Poddar: So, if there is 85% occupancy, then the revenue will be around INR700, INR800 crores.

Manish Grover: No, no. I have planned only 600. If I add 500 beds, then it will be around 650.

Deepak Poddar: 600, 650.

Manish Grover: So, I will take 35 occupancy for 500 beds. I will take 85 occupancy for old beds.

Deepak Poddar: Fair enough. And the PAT margin should be more than 25%.

Manish Grover: Yes, it will be more than 25%. But the expenses will remain the same. The expenses will not increase. The expenses will not increase.

Deepak Poddar: Absolutely. This is what I wanted to understand. All the very best to you. Thank you so much.

Moderator: Thank you. The next question is from the line of Viraj Mahadevia from Moneygrow India. Please go ahead.

Viraj Mahadevia: Namaskar, Manishji.

Manish Grover: Namaskar.

Viraj Mahadevia: Congratulations. Fantastic numbers.

Manish Grover: Thank you, sir.

Viraj Mahadevia: I wanted to ask you, the 500 beds that you will add for the next 2-3 years, yes. What will be the total capex of each year?

Manish Grover: Sir, as I told you, the capex that we add for each bed, it will be around INR3 lakh per bed on average. Sometimes it will be INR4 lakh, sometimes it will be INR2 lakh. So, on average, we add one bed for INR3, INR3.25 lakh. For example, if you are adding a hospital of 300 beds, then according to that, it will be INR9 crores.

Nanak Chand: Right.

Manish Grover: I am adding a hospital in Meerut, Chandigarh, Rajpura, of 300 beds.

Nanak Chand: Yes.

Manish Grover: So, my budget for that is around INR7.75 crores. So, if I add INR3 lakh, it will be INR9 crores.

Viraj Mahadevia: Okay. So, the maximum capex of 500 beds will be INR20 crores.

Manish Grover: Maximum INR15 crores.

Viraj Mahadevia: INR15, INR20 crores. Okay.

Manish Grover: Yes.

Viraj Mahadevia: Okay. Alright.

Manish Grover: And we don't spend money ourselves. Whatever hospital we take, we take it on rent. And we get the money from the owner. We get it from the owner. We only do the interior. The bathroom, toilet, walls, infrastructure, we get it from the owner. For example, I have opened 40 beds in Bangalore, I have opened 24 beds in Ahmedabad, I have opened 16 beds in Vadodara. I have invested money in all of them.

Viraj Mahadevia: Right. And are you running a franchisee outlet or have you winded down?

Manish Grover: We don't give a new franchisee. We have reduced 16 of our old franchisees in the last 6 months. Now we are running the company only.

Viraj Mahadevia: But how many were there earlier?

Manish Grover: Earlier it was around 70, now it is around 50. And this will go to 0 in 50 in the next 2-3 years? Now there is no hospital franchisee, there is no clinic franchisee.

Nanak Chand: Okay. And this will remain 50.

Manish Grover: There is a challenge in working with a franchisee, sir. We think of the well-being of the patient, he only thinks of money.

Viraj Mahadevia: Right.

Manish Grover: So that's why we have started reducing the franchisee.

Viraj Mahadevia: Will you make it 0 in 50 in the next 3-4 years or not?

Manish Grover: Absolutely, sir. Sugar in your mouth.

Viraj Mahadevia: Okay. All the best. Thank you.

Manish Grover: Thank you, sir.

Moderator: Thank you. The next question is from the line of Ajay Surya from Niveshaay. Please go ahead.

Ajay Surya: Sir, congratulations for a good set of numbers. Sir, my question was that as you said that your occupancy will increase, so I wanted to ask you that the new patients who are coming, they are coming because the major changes that have been made in the industry regarding insurance, that you have included Ayush, so the patients are coming because of this? And all the new patients who are inflowing, can you give a bifurcation that how many are those patients who are coming to us for insurance coverage and how many patients are coming without insurance?

This was my question. Yes. And what regulatory changes are you seeing towards Ayush that some budgetary commitments of the government are going to increase because of which we can get end benefit? So I wanted to know your opinion on that as well.

Manish Grover: Look, sir, first of all, I won't be able to bifurcate this, but I can tell you that last month, in Dehravasti, Chandigarh, I had a sale of INR3 crores in which I got INR65 lakhs from health insurance. And in Meerut, I had a sale of INR4 crores in which I got INR74 lakhs from health insurance. So last month, I got a total of INR2.5 crores from health insurance. And now, the patient has ignorance of health insurance. We are spreading awareness. So now, the patient comes to us for a disease, to get well.

We give him an extra advantage that do you have health insurance? And naturally, every person is greedy so that he doesn't have to spend money. So, whoever has health insurance, he says that I want to get treated with health insurance. So now, a lot of companies, about 15 companies, have started giving cashless treatment. And other companies are doing reimbursement only now. But the Indian government has a clear mandate to give cashless treatment to all companies.

But they have never done it in Ayurveda. For the first time, the body of Ayurveda has been made and started in Ayurveda. So, we are the only players in India who are working properly in this. For this, we need NABH first. And the second thing, you said, what is the next regulation? So, the Indian government has a clear mandate.

Now, the High Court of Delhi has passed a quarter. The Indian government has ordered that the Ayushman Yojana, which is a INR5 Lakhs Yojana, a Yojana for poor people, should include Ayush in it, should include Ayurveda in it. So, they have given 3 months time. The High Court of Delhi has given 3 months time to the Indian government. So, if that comes, then my occupancy will be 90% this year. If Ayurveda comes in Ayushman. But I am not expecting that. That's why I have claimed 55%.

Ajay Surya: Understood, sir. Understood. Sir, there was one more question. Sir, you said that your bed capacity is around 1300. Sir, I wanted to know that can you give a bifurcation on this? Which are the Panchakarma, or Day Panchakarma, or Shuddhi Clinics, and which are the rest?

- Manish Grover:** No, no. These are 1270 proper hospitals. This is not a bed, this is not a Panchakarma bed. This is the bed on which the patient is admitted. Panchakarma beds are different. They are 300-350 different. In every clinic, 20-25, like in the hospital, there are around 10-12 Panchakarma cabins. In the day care center, there are 4-6. They are different. These are 1270 proper beds on which the patient sleeps at night. IPD bed.
- Moderator:** Thank you. The next question is from the line of Amit Jeswani from Stallion Asset. Please go ahead.
- Amit Jeswani:** Congratulations, Manishji. I am very happy.
- Moderator:** Thank you, sir. Namaskar.
- Amit Jeswani:** Namaskar. All good. All good. Manishji, you are an execution machine. Now, you have executed a new execution within 2 to 2.5 years and you have built 1,300 beds within 2 to 2.5 years. According to you, how big is the OTC market? Because our margins are extremely high in medicines. And according to you, how big can we make OTC? That is an optionality, of course.
- Manish Grover:** Sir, in India, 10 crores people take blood pressure pills daily and they don't have any other option other than allopathy medicines. In India, 10 crores people take sugar pills daily. In India, 1.5 crores are kidney patients. Approximately 1.5 crores are cholesterol high patients. Sorry, 1.5 crores are heart patients. 4 crores are cholesterol high patients. So, I have told you about 4 diseases. So, 25 crores patients have 4 diseases. And I am working of these 4 diseases.
- In India, approximately 10 crores people have liver fatty. Approximately 1.5 crores people have liver fail, liver fibrosis, liver cirrhosis patients. In India, 5 crores people have depression and anxiety patients. So, the first 5 formulas that I am getting approved in CTRI are BP pill, sugar pill, kidney fail, sorry, kidney medicine, liver medicine and stress medicine. Apart from this, I am bringing a product Rakht Shuddhi which is useful in purifying blood. In all the young blood of India, some people always have bruises, keels, pimples, pimples on legs, pimples on face, pimples on feet and ladies have pain in this or women have pain during periods.
- So, Rakht Shuddhi is its product. Apart from this, approximately 12 crores people do not have a clean stomach. For this, they take Kaam Churan, Petsafa or Nityam Jandu tablets. I am bringing such a product for them which will not only clean the stomach but will work on the root of for this, I have hired a team. Right now, only market survey is going on. Right now, on packing. In 3 to 6 months, we will start launching the product one by one. First, we will do it from one state. We will do all the learning and mistakes in one state. When one state is set, we will launch in the other state.
- Amit Jeswani:** Wow! Whenever I talk to you, Manishji, I get a motivation to do business like you, to do execution like you. You have been...So, OTC is not for your opportunity. How will you work on numbers in margins?
- Manish Grover:** Whatever the cost of my medicines will be the retail price will be 7 times minimum. For example, if I keep it 7 times, then I will give it 3.5 times, then I will give it straight to dealer, distributor and CNF. If I 1.5 times the profit, I will 1 times in the newspaper, social media, TV

ad. I will keep 1 times the profit from the That is, I will think of 15% profit in the from the and the margin OTC market. And the biggest thing is that its brand value will increase.

- Amit Jeswani:** Very good, Manishji. Keep rocking. And keep being super well.
- Manish Grover:** You were quietly listening to our podcast. Your parents had joined. Everyone is listening. What was your parents' experience when they came to our hospital?
- Amit Jeswani:** Super good, Manishji. Super good. Very good. And, very happy. It is something that everyone should try. Very happy.
- Manish Grover:** Everyone should come to our hospital once. Someone should be sent to their family.
- Amit Jeswani:** Your camp is coming. It's a super thing. My parents had also gone for the camp.
- Manish Grover:** That is in the last week of this month.
- Amit Jeswani:** And there also, it costs INR50,000 for 3 days. And it's worth it. For anyone and everyone.
- Manish Grover:** The camp will start on 31st. It will end on 2nd.
- Amit Jeswani:** Manish ji, your advertisement is still going on at Corn Call.
- Manish Grover:** I told you that our base is all about mouth publicity.
- Amit Jeswani:** Super. Keep rocking, Manishji. Thank you. Thank you so much.
- Manish Grover:** Thank you, sir. Namaskar.
- Moderator:** Thank you. The next question is from the line of Yash Kukreja from Equitree Capital. Please go ahead.
- Yash Kukreja:** Namaskar, Acharyaji.
- Manish Grover:** Namaskar, sir.
- Yash Kukreja:** Sir, my question is that like our cashless has been approved. Like our average revenue per occupied bed is INR8,000. So, what all is covered in cashless? And what is not covered? Like in allopathy, 90%, 95% claim is passed. So, in cashless, what all is settled in the claim?
- Manish Grover:** Look, sir. What we have experienced till now is that if the patient's bill is below INR1 lakh, then 95% of the bills are passed. If the bill is above INR1 lakh, if the bill is INR1.5 lakh, if the bill is INR2 lakh, then 80% of the bills are easily passed. Rest, we have to fight with them. Or they ask for more documents.

And the calculation that we have done is that if the patient stays with us for 12 days and pays INR8,000 per day on average, then our bill is less than INR1 lakh for 12 days. So, that's why we suggest patients to stay with us for 7 days, 8 days, 10 days. So, we are getting health insurance claims very easily.

Yash Kukreja: Okay. Got it. Thank you so much, sir.

Moderator: The next question is from the line of Dhruv Agarwal from Nivisha Investments. Please go ahead.

Dhruv Agarwal: Hello.

Manish Grover: Yes. Namaskar.

Dhruv Agarwal: Namaskar, sir. Sir, as I can see, our presence is more on the north side. So, sir, do you have any plan to expand further on the south side?

Manish Grover: No, sir, we have already planned. We have opened in Bangalore. We have opened in Chennai. We have opened in Hyderabad. We have opened 6, 7 in Maharashtra. We are entering Kerala. We are planning to open in Odisha and Bhubaneswar. Sir, now we are opening in the north, east, west.

We are opening everywhere. Earlier, the north side was old. Now, we have found a place in Nagpur. We have found a place in Goa. Now, we have started two hospitals in Gujarat. We have started in Patna. Now, sir, we are covering the whole idea. There is no problem, sir.

Dhruv Agarwal: Response, sir, on the Bangalore side, on the Hyderabad side, on the Goa side, as you have planned.

Manish Grover: I used to have a clinic in Bangalore. I had never sold more than INR5 lakhs. Now, I have opened a hospital. It has been 5 months. Last month, my sale was INR22 lakhs. Now, NABH has not come yet. Okay. And INR22 lakhs per month. I had never sold more than INR5 lakhs in Hyderabad when I had a clinic. Now, my last one, I lost INR18 lakhs.

Dhruv Agarwal: Okay.

Manish Grover: I have made two hospitals in Andheri and Thane in Mumbai. In Andheri, my sale was never more than INR20 lakhs. And now, last month, it has gone up to INR45 lakhs. In Thane, my sale was never more than INR16 lakhs, 17 lakhs. Now, last month, it has gone up to INR50 lakhs. Means, wherever we are converting the clinic into a hospital, our sale is increasing there.

Dhruv Agarwal: Right.

Manish Grover: Because the hospital's FPS increases [58:57],,, patients.

Dhruv Agarwal: Sir, I have a question.

Manish Grover: Yes.

Dhruv Agarwal: Sir, as you are planning to bring medicine in OTC, so, sir, like last time when you called, you said that your plan is to bring it by March or May. But I think, sir, what is the status there? And sir, whenever we will come, how much revenue can be made and what margins can be made there in the coming time?

- Manish Grover:** I have told you about the revenue. I have a plan of 15%. I will take the same profit margin as my manufacturing cost. Rest, I have kept everything in expenses, on TV, newspaper, social media. Earlier, we were going to enter our own market. So, by chance, we found a company in the middle.
- We took their 7 products and made them. Already, their market is going on. From next month, their sale will reflect in our company. So, we are transferring funds from them. We took Arshar, a company from Gujarat. We took their 7 products. And we are launching 5 products of our own. And we will launch the clinical trial products in about 6 months.
- Dhruv Agarwal:** So, sir, the 15% you are talking about, is it the 15% of INR450 crores? Or what is that 15%?
- Manish Grover:** No. I have told you that whatever will be the costing of the product, it will have 7 times retail price. The formula I have made.
- Dhruv Agarwal:** Okay.
- Manish Grover:** From INR350 crores, 50%, 55% will go to distributor, retailer and C&F. And it will go to tax. I will spend the cost of the product on social media, TV and newspaper. So, I will save the profit equal to the cost of the product. So, if I invest 7 times, it will be 15%.
- Dhruv Agarwal:** Thank you. So, if it is worth INR100, I will save INR15.
- Moderator:** The next question is from the line of Prateek Chaudhary from Saamarthya Capital. Please go ahead.
- Prateek Chaudhary:** Hello.
- Manish Grover:** Namaskar, sir.
- Prateek Chaudhary:** Namaskar. Sir, you had told me that you sell some packages in such a way that you take the whole years' service money at once.
- Manish Grover:** I have started it 2, 3 months ago.
- Prateek Chaudhary:** Okay. And how do you feel about your monthly revenue? How much contribution do you get from such packages?
- Manish Grover:** I have sold INR1.5 crores like this.
- Prateek Chaudhary:** Like this?
- Manish Grover:** I have taken the whole year's money from the patient. I have named it as Shuddhi Sankalp. When the patient was discharged from the hospital, I told him that for the whole year, his medicines, consultations, and everything will be free. He should give me the whole year's money. And in return, I gave 25%, 30% discount to the patient. And for the whole year, I allotted him a doctor and an agent so that if there is any problem, he will talk to me.

Prateek Chaudhary: Okay. The last sale was 1.5 crores. In this package?

Manish Grover: Yes, it is extra from this package. Earlier, the patient used to leave us for 3, 4 months. So, I named it as Shuddhi Sankalp so that you have to stay connected with us for a year so that you don't need any other assistance. If you need any assistance, we will give it to you.

Prateek Chaudhary: But there is no medicine sales included in this?

Manish Grover: Medicine is included in this. There is no medicine in this, if we collect INR1 lakh or INR50,000 that we have collected, it will be medicine-free for a year.

Prateek Chaudhary: So, how much do you think the percentage of our entire sale will come from this?

Manish Grover: Sir, the patient who is being admitted to the hospital, we are pitching him. So, as the occupancy of my patient's hospital bed increases, the percentage of this will also increase, right?

Prateek Chaudhary: Yes.

Manish Grover: For example, if the patient is admitted to the hospital and left the house, then he follows up for 3, 4 months, comes to take the medicine, but does not return. Then he goes back to allopathy or somewhere else. Now, if we collect the money for a year, then he will stay connected with me for at least a year.

Prateek Chaudhary: Will you book the revenue of this together or will you divide it in 12 months?

Manish Grover: Hold on for a minute. Let me ask him how he booked it. as soon as the treatment goes on, we will book it.

Prateek Chaudhary: Okay. So, you will not book it together, right?

Manish Grover: No. If there is a direct impact, then it will reduce in the next few months.

Prateek Chaudhary: So, one more question. Since our organization has become so big, so at the senior level or mid-level, what type of hiring are we doing? And the ENY [64:17] that you are appointing, will it help us to build our middle and senior level organization?

Manish Grover: Yes. We have talked to ENY completely. We have just come for the management performance review, but we have also consulted them. We have also talked to a consultation firm in Delhi. As soon as we need recruitment, we are bringing in proper professional people to the company. People whose business is similar to ours or whose thoughts are similar to ours. For example, the head I have hired for the OTC market, I have hired the head the biggest brand maker in India, I have hired the head of that company. He is Mr. Tiwari. So, the name you heard Dr. Ortho. I have hired him from that company.

Rohan P. Parikh: Which Dr. Ortho?

Manish Grover: Dr. Ortho, Pet Safa, Roop Mantra, Kesh King, Divisa Herbal. He used to work in that company as a marketing head I have hired him in my company. Dr. Ishu Arora, he was in Jeeva, Dr.

Abhishek he has come from Nirav Street. I have hired a lot of people Properly professional people.

Prateek Chaudhary: Yes. Okay sir. All the best for your future.

Manish Grover: Thank you, sir.

Prateek Chaudhary: I am very happy that you have reached this level. Thank you so much.

Moderator: Thank you. The next question is from the line of Akshit Agarwal from Akshit Agarwal HUF. Please go ahead.

Akshit Agarwal: Namaste [Acharyaji 65:56], Is there anything about Going to the main board? Is there anything about?

Manish Grover: Yes, this year in 2025 It will come.

Akshit Agarwal: Okay Is it after March?

Manish Grover: I think, it will come in April because we will complete 3 years in April.

Akshit Agarwal: Okay

Manish Grover: Our IPO came on 19th April.

Akshit Agarwal: So we will complete 3 years in April.

Manish Grover: Yes sir, as you have taken 7 products from Gujarat. Do you have any takeover plan to buy a company?

Manish Grover: Right now. We are having meetings in many places, we are also looking at factories, we are also looking at products. In India and outside India, we are talking about many tie-ups. But that is on the first and second level. We will take over or we will pick up a product or we will launch it ourselves. We have to do it. We are working day and night, we have only one mission to make this company No.1.

Akshit Agarwal: Yes sir. Is there any future bonus or anything else?

Manish Grover: I think we did dividend yesterday. How much percent did you take 15% dividend...15% dividend has been announced.

Akshit Agarwal: Thank you.

Manish Grover: I don't have technical knowledge of that.

Akshit Agarwal: Okay. Thank you.

Manish Grover: Thank you, sir.

Moderator: Thank you. The next question is from the line of Ajay Surya from Niveshaay. Please go ahead.

Ajay Surya: Thank you, sir. The question was as we see many players like, Kerala, Ayurveda or especially Ravi Shankar or Osho. They run many such activities. So sir is there any competition? Are we different from them? How do you Differentiate because, nowadays any patient's trust is First on Ayurveda and then on Jeena Seekho. So what activities are we doing, so that they come to us first. And why won't they go them first?

Manish Grover: We are promoting the patient first. Whatever promotion activity we do, we interview the patient Only after listening to the patient the patient comes. And we have changed our marketing strategy since the last 7 months Because of which our sale has increased. Earlier I used to call the patient, Now I make my videos informative I told you, I am focusing on medical education. Just now 20 days ago, we announced a medical academy where we will prepare doctors and nurses. And it has been tied up in Jeena Seekho and it has been tied up in our 3 colleges Where nurses and doctors, we will get the first right to recruit.

So our plan is in 3 colleges and 3 nursing colleges. And the second thing, as you said about other people, so none of them are NABH and no one is working on the hospital model, and no one in India is working on wellness and not on treatment. We are exclusively working on treatment.

Ajay Surya: Understood. Sir, but as I see In NABH hospital, our share is 40%. So sir, don't you think That the government won't let a player grow up or is there a regulatory issue till now?

Manish Grover: There is no such issue and it is not in our notice. And no matter how hard we try, we won't be able to reach even one hospital. So where is their Billing of crores of rupees, we are nothing. So I don't think there will be any issue.

Ajay Surya: Understood sir.

Manish Grover: Because last month, Our total government billing is of INR6 crores of India, Whereas Medanta has a billing of INR10 crores-INR20 crores of one hospital.

Ajay Surya: Understood sir. Sir, One last question, In our books trade receivable amount has increased, Last year from INR22 crores to INR42 crores. So sir, Will you give a clarification on that?

Manish Grover: It will take a minute to Nanakji. Nanakji will tell you.

Nanak Chand: Sir, our trade receivables have increased, the reason is our revenue has increased from 60%. So our revenue has increased in proportion to 42-46 days. The reason behind this is the government Billing Receivable cycle is 3-6 months. So because of that it has increased.

Ajay Surya: How long will it take for us to recover from? 3 months?

Nanak Chand: Yes. Definitely.

Ajay Surya: Thank you sir. All the best for the future.

- Moderator:** Thank you. The next question is from the line of Dhruv Agarwal from Nivisha Investments. Please go ahead.
- Dhruv Agarwal:** I have two questions. Like you were saying that we have 1370 beds, right? So, Acharya ji, what is there in Shuddhi Panchakarma Day Care? And in Shuddhi Clinic, how many beds do we have? And how many beds are there in the franchisee model? Can you give us some bifurcation on this, sir?
- Manish Grover:** Sir, there is no hospital in the franchisee model, right? All the hospitals are company-owned.
- Dhruv Agarwal:** No, there is no such thing, sir. Because in the previous presentation, you had mentioned that we have about 50-60 beds No, no.
- Manish Grover:** There is no hospital in the franchisee model.
- Dhruv Agarwal:** There is no hospital, sir. Clinic. Shuddhi Clinic.
- Manish Grover:** In Shuddhi Clinic, how many franchisees are there in 70 clinics? Out of 70, 55 are franchisees.
- Dhruv Agarwal:** Okay.
- Manish Grover:** The rest are owned. The rest 20 day care centers are also owned. And the 35 hospitals are also owned.
- Dhruv Agarwal:** And like you were telling your vision, sir, that you have to phase out the franchisee model a little. So, sir, if this is phased out, then where will you get your sales from? Because they take commission and they are interested in commission so they also want to promote medicines if you give them medicines, they will get commission so if this fails, don't you think medicine sales will decrease?
- Manish Grover:** In our business model, franchisee doesn't sell anything franchisee is just a manager all the marketing is done by the company. Franchisee is just a manager, they don't put any effort to grow the business. That's why we have reduced the number of franchisees in the last 6 months. Because franchisee thinks I have invested 25 lakhs, I want 75,000.
- Now I have a payment in my account, why should I invest 25 lakhs why should I invest 25 lakhs, I have a 25000-30000 manager, he handles it better. His money increases by 3% whereas my money is 6% in the bank. That's why we decided to reduce the number of franchisees. If they give me 15 lakhs I have a total of INR7.5 crores, INR7.5 crores 3% of means I am giving them 25 lakhs-30 lakhs whereas I am getting 5 lakhs from the bank. So I have a loss of 17 lakhs.
- So I returned their money if they work, we are happy. But most of the franchisees used to be distributors when we used to have a COD model. Now we are reducing the COD model we are converting ourselves into a daycare and hospital. We don't have to deliver medicines at home we have to meet the patients, we have to talk to them one-to-one whereas 2 years ago.
- We used to send medicines to the patients at home in this model, our ticket size has increased revenue and earnings have increased in that model, there was a turnover of INR134 crores in

2021 my profit was only 8% now when I changed the model, my profit is 21%. So continuing the wrong model is also wrong.

Dhruv Agarwal: How many panchakarma day centers are there?

Manish Grover: We have 20 day centers and we have 35 hospitals out of which 4 are big and 28 are small.

Dhruv Agarwal: So what will be your focus in the future? are you going to increase it to 25 or 20 centers?

Manish Grover: No, I will convert at least 15 clinics into hospitals this year. And I will take the franchisees to me and make it a hospital. My future plan is not to keep clinics I will make all hospitals. I will take care of the patients and they will be admitted I will make it an NIVH. I will take care of the government business I will take care of private business and I will run my clinic there I will open 3 or 4 hospitals. In Mumbai I will open 3 or 4 hospitals in Mumbai. We have 14 centers in Delhi and 11 are on the CGHS panel CAPF and CGHS and 11 are on the CGHS panel. So I will open 4 or 5 hospitals in Mumbai.

Dhruv Agarwal: One last question if we look at the other expense in FY '23 and FY '24, there is a drastic increase so what are the major components that are not allowing the margins to increase has there been any major margin increase in FY '23?

Manish Grover: There was a profit of INR204 crores in FY '23 margin was 16% let me check what is in FY '21 let me check what is in FY '21...

Dhruv Agarwal: If we reduce other expense it will be good for the market.

Manish Grover: I have made a team of three people to centralize India's purchase. I will make a report in 3-4 days on the expenses for the next year. I have made a committee to reduce expenses and increase profits. We are working internally. If we reduce 3% per month, we will increase INR1 crores profit. We are centralizing the purchase. In our hospitals, fruits, vegetables, and cooking expenses are purchased everywhere.

We have outsourced food to patients. We will compare the benefits of outsourcing and managing the kitchen. We are evaluating the benefits of outsourcing and managing the kitchen. In our hospitals, other than the patients, all the attendants, all the relatives have free food. It is costly, but we consider it as a service. We are helping people.

Moderator: Thank you as there are no further questions. I would now like to hand the conference over to the management for closing comments, over to you sir. Mr. Manish Grover, Mr. Nanak Chand if you have any closing comments you may go ahead.

Manish Grover: Thank you for listening to me. We will take this company forward. I would like to request all of you to visit our hospitals, meet our patients, check our services, use our medicines, and use our products. Thank you. Thank you Ranveer ji. Thank you Nuvama Capital.

Moderator: Thank you. On behalf of Nuvama Wealth, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.