

Shalby/SE/2025-26/15

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**Scrip Code : SHALBY**

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Mumbai 400 001.

**Scrip Code: 540797**

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**Sub.: Transcript of Earnings Conference Call for Q4 FY2025**

**Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015**

**Dear Sir/Madam,**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith transcript of earnings conference call held on May 31, 2025, wherein Audited Financial Results for Q4 and financial year FY 2024-25 were discussed. The said transcript is also available in the Investors Section of our website.

We request to take the same on your records.

Thanking You,

Yours faithfully,  
For **Shalby Limited**

**Tushar Shah**  
**AVP & Company Secretary**  
Mem. No: FCS-7216

**Encl.: Earnings call Transcript**

**SHALBY LIMITED**

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“Shalby Limited  
Q4 FY '25 Earnings Conference Call”  
May 31, 2025



**MANAGEMENT:**     **DR. VIKRAM SHAH, CHAIRMAN AND MANAGING DIRECTOR**  
                              **MR. SHANAY SHAH, PRESIDENT**  
                              **MR. AMIT PATHAK, CHIEF FINANCIAL OFFICER**  
                              **DR. NISHITA SHUKLA, CHIEF OPERATING OFFICER**  
                              **MR. BABU THOMAS, CHIEF HUMAN RESOURCES OFFICER**  
                              **MR. DEEPAK ANAND, GLOBAL CHIEF BUSINESS OFFICER**  
                              **MR. JIGAR TODI, INVESTOR RELATIONS**

**MODERATOR:**     **MR. KASHISH THAKUR – ELARA SECURITIES INDIA PRIVATE**  
                              **LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Q4 and FY '25 Earnings Conference Call of Shalby Limited hosted by Elara Securities India Private Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is recorded.

I now hand the conference over to Mr. Kashish Thakur from Elara Securities. Thank you, and over to you, sir.

**Kashish Thakur:** Thank you, Puja. Good afternoon, everyone. We welcome all the participants to the Shalby Limited Q4 FY '25 Earnings Conference Call hosted by Elara Securities. Today, we have with us senior management representatives from Shalby. We will start with the performance highlights from Mr. Amit Pathak:, CFO; and Mr. Deepak Anand, Global Chief Business Officer. After that, we'll open the line for question and answer for all the participants. I will now hand over the call to Mr. Jigar Todi for important disclaimers regarding any forward-looking statements that may be made in today's call. Over to you, Mr. Jigar.

**Jigar Todi:** Thanks, Kashish. Good afternoon, everyone. Our investor presentation is uploaded on the Stock Exchange website and our company website, [shalby.org](http://shalby.org). We do hope you have already had the opportunity to go through the presentation. Please note that some of the statements made in today's call may be forward-looking in nature and may involve risks and uncertainties. Kindly refer to the Slide number two of the investor presentation for a detailed disclaimer.

Now I would like to hand over the call to CFO, Mr. Amit Pathak:, for his opening remarks. Thank you, and over to you, sir.

**Amit Pathak:** Yes. Thank you, Jigar. Good afternoon. I'm pleased to welcome you all to the Shalby's Quarter 4 FY 2025 Earnings Call. Now I will walk you through the financial performance of the company for the fourth quarter of FY '25. On the consolidated basis, we have delivered INR270 crores of the top line versus INR249 crores of the top line into the quarter 4 of the last year, and we have been grew by around 8.4%.

EBITDA on the quarter 4 is INR26.2 crores versus INR43.9 crores into the same quarter of the last year with a margin of 9.7% in the current quarter versus 17.6% in the quarter 4 of the last year, and there is a dip of around 40% on a Y-o-Y basis. PBT, we are kind of almost flat with around INR0.7 crores negative versus INR21 crores into the quarter 4 of the last year.

Now revenue for this FY '25 on the annualized basis is INR1,115 crores versus INR953 crores into the last year. And we have grew by around 16.9% on a Y-o-Y basis. The increase into the revenue is mainly coming from the Sanar because last year, we have just consolidated for 2 months plus for Sanar and this year, the entire year has been consolidated.

So INR80 crores is coming from the Sanar Hospital, INR35 crores rise is coming from the implant and the another INR45 crores is coming from the stand-alone Shalby's operations. On the consolidated basis, we continue to maintain the strong balance sheet with a low gearing ratio of 0.2 on the net debt of around INR279 crores.

Now I will run you through the stand-alone performance of the hospital. Stand-alone revenue of INR214 crores in quarter 4 of FY '25 versus INR210 crores into the quarter 4 of the last year and we have grown by around 1.7%. EBITDA is INR38 crores into the current quarter versus INR42.6 crores into the quarter 4 of the last year with a margin of 17.7% in the current quarter versus 20.2% in the last quarter of the last financial year.

And there is a slippage of around 11% on Y-o-Y basis in terms of the EBITDA margin. The down in EBITDA is mainly because of our strategic movement towards the investment into the doctor, which if you can see on the Y-o-Y basis, there is an increase of around 2% to the doctor cost. And due to the change into the payer mix, there is around 1% increase into the costs.

PBT is around INR25.7 crores in the current quarter versus INR32.5 crores into the quarter 4 of the last year with a margin of 12% in the current quarter versus 15.4% in the quarter 4 of the last financial year. Now on a stand-alone basis, again, we continue to maintain the positive cash position. The net debt is zero, and we have the positive cash balance of close to around INR23 crores.

On the operating leverage, what we are taking off with the asset-light model, our stand-alone ROCE is around 14% in the quarter 4 of this financial year on an annualized basis. The ARPOB and ALOS has continued to show the improvement with INR41,585 and 3.68, respectively, compared to INR39,101 and 3.75 in the same period of the previous year. ARPOB on a Y-o-Y basis has been grown by around 6.4%.

The number of occupied beds in the current quarter is 633 versus 637 in the quarter 4 of the last year, and it's marginally decreased by 0.6% on a Y-o-Y basis with the occupancy rate of around 45% in this current quarter. The payer mix continues to showcase a similar kind of structure with around 36% for the self, 41% for the TPA and 23% for the government business. The revenue of the Shalby Sanar for the current quarter is around INR23 crores versus INR24 crores into the last quarter with a marginal decrease of around 5% on a quarter-on-quarter basis.

The ARPOB continue to be the robust here, and we have delivered the ARPOB of INR84,647 with the ALOS of 3.88, respectively, in the quarter 4 of the current financial year. We are currently still operating at around 23% of the occupancy level, and it will gradually increase, as we mentioned, into the current financial year. We are going to see the leap into the Shalby Sanar into the coming quarters.

The current quarter, which we are talking about 60% of the revenue is from the international business and 40% of the revenue of the Sanar is coming from the domestic business. On the

overall group basis into the hospital, the total business for the international business is close to around INR15.3 crores, which includes INR3 crores from the Shalby and close to around INR12.5 crores is from the Shalby Sanar Hospital.

Now if you are talking in terms of our clinical excellence, we have devised a lot of clinical surgeries during the quarter into our many hospitals, and we are proud to say that we have completed the 16 transplants, 10 into the kidneys, 6 into the liver during the current quarter. Further on terms of our franchisee business, we have closed our relationship with our Ranchi franchisee in the month of March. We have closed down the relationship with them.

But overall basis, if you are seeing our FOSO business is close to around INR2.19 crores which has been grew by around 26% on a Y-o-Y basis. And FOSM is around INR0.76 crores, which has been down by close to 5% due to the shutdown of our Udaipur location into the last financial year. Our home care business has served around 30,000-plus patients versus 29,645, there is a marginal increase of 1.3% compared to the similar period of the last financial year.

The home care business also shown the growth of around 5% on annualized basis, which is around 15.3% compared to 14.6% into the last year. As part of our social commitment, we continue to spread awareness about the importance of the health and well-being through various social media platforms and created 75-plus health care videos. We also conducted more than 480+ health care camps and 115+ health care talks across all our units during the last quarter as a part of various community outreach programs.

At Shalby, we take the pride to nurturing young talent through our academy vertical with 22,000+ students, which has been registered on the various health care programs during the current financial year. And we would also like to inform that Shalby Academy has successfully completed 200+ enrollment for the Team Indore and 50+ enrollment for the Team Jabalpur in paramedics stream.

The total paramedics enrollment for the current year is 385+. The total 110 students are certified through AHA and SCOELS Ahmedabad. And we have also trained 30+ PharmD for one-month students at our various under the guidance of pharmacists, general physician, pharmacologist with the collaboration of the Sharda School of Pharmacy, Gandhinagar.

Now I will hand over the call to Mr. Deepak Anand, who will share his insight about our implant business. Thank you, Deepak.

**Deepak Anand:**

Thank you, Amit. Good day, everybody, and welcome to you to our Q4 and full year financial year '25 earnings call. Thank you for taking the time to join us. Today, I'll walk you through our quarterly performance, share highlights from the full year and update you on our strategy for growth and value creation.

Shalby MedTech, formerly known as Mars Medical Devices Limited, is a growing force in the orthopedic implant space through our subsidiaries as Shalby Advanced Technologies in the

United States and Shalby Global Technologies in Singapore. We are steadily building a global supply and innovation backbone. Our vision is clear, restoring mobility, improving lives. We deliver surgeon-friendly implant system tailored to regional clinical needs while maintaining world-class standards.

Our key differentiators include nimble, surgeon-responsive R&D, high reliability and ethical operations, personalized support with deep orthopedic experience. Let me now walk you through our financial highlights for the quarter. Shalby MedTech consolidated revenue for quarter 4 financial year '25 stood at INR29 crores versus INR12 crores in quarter 4 financial year '24, reflecting to a year-on-year growth of 138%, driven by robust domestic volumes as well as improved channel partner engagement.

Total of 12,727 implant components sold in quarter 4 financial year '25 vis-a-vis 8,485 implant components sold in quarter 4 financial year '24, which is a growth of 50%. From an annual performance standpoint, Shalby MedTech consolidated revenue for financial year '25 stood at INR93 crores versus INR55 crores in financial year '24, reflecting a year-on-year growth of 67.2%, driven by robust domestic volumes and improved channel partner engagement.

Total 41,960 implant components sold in financial year '25 vis-a-vis 30,000 implant components sold in financial year '24, which is a year-on-year growth of 40%. We achieved operational efficiency while scaling up production capacity and regional coverage. Our gross margins improved on the back of supply chain optimization and value-engineered implants.

What I will also take an opportunity right now is to walk you through our road map for the upcoming year '25-'26 and share our strategic outlook aligned with our vision of restoring mobility and improving lives. Our commitment remains steadfast to exceed the expectations of both our customers and employees by delivering superior patient outcomes through the highest quality orthopedic products and services.

We continue to build on our core values of teamwork, reliability and integrity, ensuring customer centricity, nimbleness and transparency in all our actions. Our strategic priority for '25-'26 revolves around the same four pillars as last year, but with slight change, where we were calling it new product development, we call that product and innovation. We'll focus on local partnerships across different countries to expand our footprint.

We plan the global launch of two new products this year. We are advancing robotic partnerships with Curexo and Monogram, Curexo being a South Korean, Monogram being an American company, which is listed there to integrate cutting-edge technology into our surgical solutions. Project teams will initiate new product development projects to build a robust innovation pipeline for future launches.

We will also strengthen key existing product brands that we have to gain market share. Our second pillar, which we were calling sales, we will want to change that and call that customer segment focus. Our sales efforts will concentrate on key markets, which is U.S., India, Indonesia

and Japan. We aim to increase market share in these regions by leveraging existing resources and deepening customer relationships.

Brand awareness will be enhanced through partnerships with key opinion leaders, clinical agreements, training programs and targeted marketing engagements. We will also launch operations in four to five new countries in '25-'26 to diversify our market presence. Cost of goods sold reduction, that's the third pillar. The critical focus will be on cost efficiencies, targeting a reduction in cost by 30%. We'll identify and execute manufacturing efficiencies and optimize warehouse management to improve margins.

And the last pillar being supply chain excellence, which we had called earlier as capacity, but we want to rename it as supply chain excellence, in which we will establish multiple vendors to mitigate tariff impacts and improve procurement and freight efficiencies, aiming to reduce cost by 15% to 20%. Distribution efficiencies will be tailored to each market to ensure timely and cost-effective delivery.

We have improved our order to cash and asset utilization and started to address our high inventory. Further inventory improvements will be an area of continued focus in 2025 to further enhance working capital and ROCE. The fifth new entrant into the pillar is our organization and talent development, which we have identified as an important strategic pillar for the year to come.

Hiring of key leadership talent across the organization is priority in '25-'26. Recruitment, retention and continuous training of sales and corporate teams remain a priority. We will enhance employee engagement through clear career development pathways, reward recognition and regular communication. Our partner relationships will be strengthened to ensure alignment with our strategic goals.

In conclusion, our road map is designed to drive sustainable growth, operational efficiency and innovation leadership in orthopedic market. We are confident that our strategic initiatives, combined with favorable market dynamics and technology advancements will position us strongly for the future.

Thank you for your continued support and trust. We look forward to a successful year ahead. Now I give it back to Amit for further.

**Amit Pathak:**

Yes. Thank you, Deepak. So now we can open the forum for the Q&A.

**Moderator:**

The first question is from the line of R. Vidhyashankar, an Individual Investor.

**R. Vidhyashankar:**

I joined this conference call after a brief -- a long period actually. There are concerns on the falling EBITDA and the falling margins. Plus the main concern is that you had announced the Board meeting with an agenda of dividend and you have skipped it. So we would like to

understand why so? Obviously, the results are reflecting it, but -- and that was a preplanned agenda and it got skipped.

Secondly, on your website and the latest shareholding pattern format, the details of the people who are holding more than 2 lakhs, that names are not appearing. Is it possible that you can publish a complete list of shareholders on an annual basis? So for March '25, can we have that?

**Amit Pathak:**

Thank you for your questions. Now in terms of the EBITDA as we mentioned that this is a very strategic call where you are going to see a lot of upward in terms of the hospital business. We have invested a lot into the doctors into the quarter 3, quarter 4. So that is the reason there is around 2% jump in terms of the doctor cost.

And apart from that, the 1% hit in terms of the stand-alone is on account of the change of the payer mix, what we have during the year in terms of the change of mix into the different specialty. On the consolidated basis, the dip is mainly because -- on the annual basis, if I'm talking, mainly because, as I mentioned, this year, we have the entire consolidation of the Sanar, where we have last year, we have 2 months.

So we have been hitting by around INR7 crores into the absolute number for Sanar in terms of the losses. And where in terms of the implant, if we are talking about, the business is nurturing and we are investing a lot into the business where we have to do such kind of investment to grow the business into the coming years. So that is the reason you can see some decrease in terms of the EBITDA into the current year, and you will see the upward movement into the coming years, which will come from FY '26 onwards.

When you're talking in terms of the shareholders, name to be disclosed, I think you can connect to our Company Secretary. There is a regulatory requirement, which we have to comply in line with the Companies Act. So you can connect with him and he can share with you details as the right of the shareholder. The third and other thing where you are talking in terms of the dividend.

So you can understand as a process of agenda, definitely, we have to take forward the agenda and the Board is yet to decide whether we are going to declare the dividend, what dividend we have to give. And looking after the consolidation and a lot of investment where we are looking forward for unlocking the value of the company with multiple investments what we have done in current year and going to do into the next year.

We just want to reserve the cash for some time. And once the company is going to perform well into the coming year, we will definitely come ahead with the appreciation in terms of the dividend for the shareholders.

**R. Vidhyashankar:**

With regards to shareholder thing, I had written to Mr. Tushar Shah, I think he is your Company Secretary, if I'm not mistaken.



- Amit Pathak:** Okay. I will take up with him. I will just tell him to get connected with you and resolve your query.
- R. Vidhyashankar:** Yes. And I look forward to a robust performance in the coming year because investments have been made. So they should be resulting in quite a decent upward movement. And we will be -- investors will get rewarded as equal stakeholders. All the best for the future. Let's have a healthy future.
- Amit Pathak:** Thank you.
- Moderator:** The next question is from the line of Rajakumar Vaidyanathan from RK Investments.
- Rajakumar Vaidyanathan:** Yes. Sir, if I just look at the segmental information and if I kind of look at your 3 levers, that is your stand-alone health hospital business, then your Sanar and then your manufacturing of implants, right? So if I look at these three segments and if I see your Q4 performance, all your three kind of verticals have not performed well.
- And unfortunately, see, even in the previous quarter call, you mentioned that the hospital segment is down due to some one-off cost of INR6 crores to INR8 crores, and that will kind of get removed in the upcoming quarter. But in Q4, you have done worse than Q3. So I mean, I would be happy if you are kind of more forthcoming in terms of -- I think you just mentioned that you have added some doctors, the costs have gone up and all that.
- So I mean it's -- the surprises is not kind of good for the investors community and if you want to attract institutional interest, there should be some kind of a predictability in what you are saying. I would kind of request if you see a bad quarter, I'm sure you will have a good visibility in terms of at least 2 to 3 quarters. So it would be helpful if you could educate the investors upfront rather than throwing a bad results quarter after quarter? That's my first request, sir.
- Amit Pathak:** Sure. So thank you for the question. If you can see the segment on the consolidated basis, where the PBT has come down, that is mainly into the implant. And you can understand implant, we have a long-term growth strategy, and this is the year and the coming year, we are doing a lot of investment.
- So you can see last quarter, we had INR8 crores of the loss into the implant versus INR16 crores into this quarter, which has been majorly impacted this business. Whereas in the health care, if you can see the overall basis, INR4 crore-plus kind of losses has been there. In that, around INR2.5 crores is due to Sanar because Sanar it was the first year of operation.
- We continue to have some kind of losses on the EBITDA level wherever -- just to correct my answer, this is on the PBT level. So apart from that, also, we have the losses thereafter. So you have seen this losses, close to around to INR3 crores kind of thing.

On the hospital front, some losses -- I will not say the losses, because once the doctor is getting onboarded, it took around 3 to 6 months of time to deliver on the pace. And again, I don't want to commit anything in terms of the forward-looking point of view. But definitely, FY '26 looks promising on the hospital front.

**Shanay Shah:**

So I have to add to that. If you look at the Sanar Hospital, which has been -- I mean, you divided the businesses into 3 buckets. If you look at the Sanar Hospital, the acquisition, that has done decently well for us in terms of the growth in terms of the numbers. So if you look at the IP count, we have grown by 20%. If you look at the day care count, it has gone up by 40%. If you look at the OP count, it has gone up by 25%.

And in any hospital, you see a gradual increase in growth, and these are high growth numbers. In terms of profitability, I agree with you that we have been negative INR7 crores on EBITDA in this year. But the revenue has definitely gone up. And since it's just going to be the second year of operations, and we are pretty confident that we are not even going to breakeven, but kind of positive EBITDA in the Sanar Hospital in this year.

In terms of the PAT levels, yes, the depreciation is high at that hospital. So it will take probably a year or 2 years to kind of be PAT-accretive over there. But we'll be EBITDA positive from this year onwards in the Sanar Hospital business. In the stand-alone hospital business, as Amit said, I agree with you that the performance could have been better in the stand-alone hospitals. But the EBITDA, I mean, we have invested significantly in new talent and buying doctor practices, and that has hit the quarter 4 of this year for us, particularly.

So all of that will play out in the coming quarters. We're not going to give projections or guidance, but it will play out in the coming quarters. The implant business has shown significant growth across the U.S. business, India business as well as what we have done in Indonesia. And although the P&L numbers are not showing it right now because of the scale at which we are operating, we are confident that in the next 12 months to 18 months, we'll be seeing a different picture for the implant business as well.

**Rajakumar Vaidyanathan:** Sir, my concern is, see, if you could at least give one slide where you can put these three buckets and give a range that will kind of educate the investor what to expect from Shalby because otherwise, we are just shooting in the dark kind of from an investor standpoint. So because your stand-alone business used to do very well, even that has started deteriorating, and that is really a concern that is still not addressed. So that is one point. And also, there are some slides, if you could please maintain consistency because last time you gave maturity-wise hospital performance, that slide is missing.

In fact, I said in the last call, it is a good slide. So that slide is missing. And even on the Shalby Advanced Technologies, last time you gave revenue and EBITDA details now only revenue numbers are given in this. I mean, the slides are going up and -- I mean, back and forth. So if you could just maintain the slide, it gives a continuity. Otherwise, if you keep on changing the slides, it doesn't kind of convey something good to the investors, sir. That's my humble request.

**Amit Pathak:** So your point well taken. And definitely, maturity-wise and other things, definitely we will do. And as Shanaybhai has mentioned that implant, a lot of things is happening. So we want to update the investor with the movement, the positive movement and other movement which is happening in terms of the implant business.

So you are going to see a lot of addition of the slides also into the coming quarter into the investor presentation because we have to keep updating the investors on the newest thing which is happening into the organization. But point well taken. We'll try to keep the summarization as much as possible now.

**Rajakumar Vaidyanathan:** Yes. Sir, if you could give some range so the 3 buckets that we spoke about, where do you see all these 3 buckets firing in terms of the next year? Or if you could give a medium-term view, 2 years? That would be really helpful as an investor.

**Shanay Shah:** See, what we can only tell you is that the hospital business has been growing in double digits for the last 5 to 7 years. And you can expect that kind of growth going forward because we have unutilized capacity. Sanar business is a newer business. So that business will grow at higher double digits. And you've seen that trend. I just spelled out some of the numbers how we have grown in the last year. So it has the potential to grow at similar levels or higher going forward, at least until we exhaust capacity.

And for the implant business, we've kind of grown 4x in Indonesia from the last year. We have grown almost 35% to 40% in U.S. We've grown almost 2.5x compared to last year in India. So as the base is small right now, it is in a high-growth trajectory. So you can expect a much higher growth levels in the implant business. But beyond that, very difficult for us to give you projections.

**Rajakumar Vaidyanathan:** Okay. So you were -- at least for FY '25-'26, will it be better than the '25 numbers, what you have reported on an overall basis, both for the health care and manufacturing and the implants put together?

**Amit Pathak:** So definitely, look, we totally understand on the stand-alone basis on Y-o-Y basis, we grew by around 5% to 6%. But as you mentioned, historically, we have grown by around -- into the double-digit kind of thing. And that is the way we are expecting into our hospital business.

We have already mentioned regarding the implant because it is just into the initial phase. The base is pretty low, but we have grown really rapidly fast, and we expect the growth to continue into the similar fashion. So we're going to see the good growth in terms of the top line in the current financial year compared to the last year.

**Rajakumar Vaidyanathan:** Sir, last one question on the tax rate. So last call, you mentioned that you will be moving to the new tax regime in FY '25-'26. So is that -- that holds now or you -- the MAT will be fully utilized as of March or you'll be still remaining in the old regime?

**Amit Pathak:** So it's almost utilized. So we are going to move into the new bucket from this financial year.

**Rajakumar Vaidyanathan:** So it will be from Q1?

**Amit Pathak:** Pardon?

**Rajakumar Vaidyanathan:** So it will be from the next Q1 onwards, right?

**Amit Pathak:** Yes, yes.

**Rajakumar Vaidyanathan:** Thank you so much sir, and sorry if I sounded a bit negative, I just wanted to be as -- call spade as spade. So the idea is not to demotivate the team.

**Amit Pathak:** I appreciate.

**Rajakumar Vaidyanathan:** Thank you very much and all the very best for the future.

**Moderator:** The next question is from the line of Kashish from Elara Capital.

**Kashish Thakur:** Hi Thank you.. Sir, so like first question is just on tax rate. So our FY '26 tax rate will be somewhere around 25%?

**Shanay Shah:** Sorry, can you repeat?

**Kashish Thakur:** Our FY '26 tax rate will be somewhere around 25%?

**Amit Pathak:** Correct.

**Kashish Thakur:** Understood. Sir, so like as you have said in the hospital business, there has been quite a few additions. So this additions -- the addition of talent, is it in the -- like maybe in the higher management side or how it is like? And have you seen any attrition that's why you have done addition? Or like can you just spend some time on it, like why it is done? And what was the whole scenario behind it?

**Dr. Nishita Shukla:** So the addition are a few units, a few big units, say, at Indore, we have hired a big GI team who is well known at Indore and at Asia level also. So there are 8 doctors who are hiring in GI team, and we have started that vertical of GI and hepatobiliary disease as well as liver transplant department.

So it is on high-end procedures and super specialty work. That is how we are going and hiring and it is a strategic decision to go in with high-end procedures and high-end surgeries. So same way is with Surat, same way is at other hospitals. So if you see in this quarter, say, Jan, Feb, March, we have hired 40 doctors at different hospitals, which are into super specialty work development.

**Kashish Thakur:** Understood. So there was no attrition as such, if I'm right?

**Amit Pathak:** There is no attrition. As we mentioned, we have started the new segment, the GI segment and lever segment into Indore. So there is no attrition.

**Kashish Thakur:** Understood, sir.

**Nishita Shukla:** Like small hospitals, say, Vapi, Jabalpur there are attrition. At the small places, we replace with regular team with an experience of 3 years and say, general surgery and MT, ophthalmology. But say, at Ahmedabad, at Indore, at Sanar, we are going with very high- end doctors. So we have already practiced a footfall of, say, 40 to 50 patients per day in OPD as well as a few surgeries per month. So to bring in practice, we are buying out practice, sir, in short at big hospitals, at metro cities.

**Kashish Thakur:** Understood. Understood. So next question is towards, Naresh, sir. It is more for implant business. I heard in his commentary that we are planning to launch two new products in this financial year, if I'm not wrong. So what can be the opportunity size of the 2 new products which we are planning to launch? No, I know it is very difficult to answer, but if you can just throw some light at how it is going to be, how we are planning to progress through it? It will be very helpful, sir.

**Deepak Anand:** So the two new products approximately at an annual level should contribute anywhere between INR40 crores to INR50 crores extra.

**Kashish Thakur:** Understood. Understood, sir. And revenue to start from this financial year only, right, sir?

**Deepak Anand:** Yes. We are waiting for some regulatory approvals. It will start in this financial year for sure, but that is exactly the reason why the regulatory is not fully in our control. So it could start -- we might get 9 months of this year, we might get 6 months of this year, it's -- that's where it is. But both of these should contribute about INR40 crores to INR50 crores.

**Kashish Thakur:** Understood, sir. And sir, apart from these 2, what are our long-term goals, so like how many products are we planning to launch in the next 3, 4 years?

**Deepak Anand:** So if you look at the -- so a product gestation period in this business is roughly 3 years, if you have to do it all the way from scratch till launch, okay? We had started some of them last year, which might see the light of the day by end of this year. But in the meanwhile, we have also initiated certain local partnerships for each country where we can do like a low lift, where these are products which are already available in the market.

And if we can figure out to do exclusive tie-up and OEM and stuff like that, which we are working out. So from a long-term standpoint, just to let you know, we have, at this point of time, 5 to 6 products, including the 2 that are getting launched, which are already in pipeline in some

form of the other, which is either in development stage, some in regulatory stage, some in testing stage, some in start of the production stage and so on and so forth.

**Kashish Thakur:** Understood, sir. So, sir, so just want to understand when we launch a product, so like first it is launched in the domestic market, then it goes to the RoW market, then U.S. or how we launch it simultaneously on in all the markets?

**Deepak Anand:** So products that would come out of the -- because our -- what we manufacture right now, everything is manufactured and developed out of the United States office. So when we launch there first and then from there, whatever time it takes for us to get the regulatory approvals in each of the countries that we will be going is the time taken to launch in those countries.

But in the meanwhile, like I said, there could be some local partnerships that we would explore for each country, which could give us like a technology push or any of those things. Those products, we will not -- we will -- it will be region-specific or country-specific and not necessarily global.

**Kashish Thakur:** Understood, sir. Understood. That was from implant business. One question on Sanar business. So Sanar as we are -- like we have seen approximately somewhere around 23% -- 20-ish percent of occupancy in last financial year. And we are heavily dependent on international business going ahead, right? So what kind of international patients do we witness in Sanar? Is it from Asia, Africa or how it is?

**Naresh Kapoor:** So I'll take that. Yes. So thank you for your question. So basically, in Sanar, we get almost about 60% business from international, and they are divided into 3, 4 regions. One region is Middle East from where we get almost 50% patients. Then we get patients from Africa and also from CIS countries like Uzbekistan and Kyrgyzstan and Kazakhstan, etcetera.

Also, we get patients from SAARC countries like Nepal, Bangladesh and Afghanistan, etcetera, out of which Afghanistan is not working right now, but Nepal and Bangladesh, we get regular patients. And other than that, we also get patients from Fiji islands, some patients from Indonesia, some more patients from Pacific Islands and small patients from other countries. But majorly, these 4 buckets or these 4 regions from where we get the patients.

**Kashish Thakur:** Sir, so any pressure are we seeing from Bangladesh issues?

**Naresh Kapoor:** So Bangladesh per se, if you see, has not been that volume in North India as compared to what it was in the East India. So maximum patient used to go to the Eastern part. But North has not been that great volume. Our major volume comes from Africa and Middle East and also CIS. So these are growing steadily. And Bangladesh now of last 1 month, I think the visas have started coming. So it takes about 1.5 months to 2 months to get the visa, medical visa there. But now patients are trickling in. So whatever volume we do, the patients are trickling in now from Bangladesh also.

**Kashish Thakur:** Understood, sir. Understood.

**Naresh Kapoor:** Yes.

**Kashish Thakur:** Just last one on consolidated revenue. You said our consolidated revenue for FY '26 will be better than FY '25. So just to quantify it may be in the somewhere around single-digit kind of a growth, high single-digit kind of a growth?

**Amit Pathak:** Can you just repeat your question? I just lost.

**Kashish Thakur:** Yes, it's okay. Sir, so I just asked about our -- the statement which we made about our FY '26 consolidated revenue to witness a better growth as compared to FY '25, just not to quantifying it. I just wanted a broad range. So we can see a higher single-digit kind of a growth in FY '26?

**Amit Pathak:** So we have already mentioned, we cannot quantify, but segment to segment, we have already given the indication that the hospital will continue to grow into the double-digit kind of thing. The similar kind of things we are seeing into the implant business also. And being a lower base, it will be the higher double-digit kind of growth. And because this year also, we have grown by around 50% on the 12-month basis on the consolidated basis in implant. So we are going to see the good growth into the implant and hospital will deliver the double-digit growth.

**Kashish Thakur:** Understood, sir. I have one or two more questions, I will just come back in the queue.

**Moderator:** The next question is from the line of Ranodeep S. from MAS Capital.

**Ranodeep S.:** **Thank you for the opportunity... sir,** Just wanted to check any update on the Nashik and Mumbai hospital? I think it's been more than 5 years that we've been waiting for this -- an update in terms of opening up. Any thoughts around that?

**Shanay Shah:** Yes. So for the Mumbai projects, we have -- the trust had gone to the Charity Commissioner. And basically, they wanted to kind of essentially get a correction on the approval. And essentially, they have received the approval. Now we are broadly okay and it is as per our contract. Now we are waiting for the trustees to kind of send us the final agreements, etcetera. So we are waiting for them to share the details with us.

And after that, we will be filing and doing the registration for the O&M agreement that we have signed. So we are okay and good to go from the Charity Commissioner and the regulatory perspective. Just some internal work has to be done by the trust so that they can share the documents with us, which need to be further registered. So that is the update, after which we'll be proceeding to get the plans approved by the BMC and the other formalities, which will have to be completed.

**Ranodeep S.:** It's been a while, right, that we've been tracking and we've been waiting to hear an update. And parallelly, if you look at your peer group hospitals, I think they have been on an expansion spree. So are we at the risk of losing market share given this delay?

**Shanay Shah:** Well, I will not comment about others. But if I talk about our company, Shalby, I can tell you that we are expanding capacity into the businesses which are ROCE accretive. Last 15 months has seen one large acquisition to the tune of almost INR300 crores. So I would not say we are not in the expansion spree. We are also expanding. We are also adding a hospital in Mumbai. We'll be investing a little over INR250 crores in that asset.

So we are very much expanding. And also I'm sure you know since you are an investor here, we are already -- we have the capability to double the revenue in the existing setup that we have. So we have plenty of growth avenues in the existing hospital business, and we are creating new avenues, as Deepak said, in the newer businesses, which is, in particular, the implant business.

**Ranodeep S.:** Sure, sure. Look forward to hearing on the next step. Second question was on the Sanar, right? I think there was an optionality to increase from 130 to 180 beds. Just wanted to pick your brain in terms of what are the guidelines or any thoughts around this expansion?

**Shanay Shah:** Yes. So we have done our homework in terms of what needs to be done, what will be the kind of the regulatory approvals required, broadly, what would be the cost required. Essentially, at this stage, where we are operating at an occupancy of about 25 to 30 beds on a regular basis, we already have significant capacity to grow in the existing setup.

So we will be doing it in a timely manner based on which we don't have too much capacity, which is unutilized. So maybe at the right time, we will start the project. We believe that this project should not take us more than 6 to 9 months to complete the moment we start it.

**Ranodeep S.:** Sure. My last question was on the franchisee business. I think when we created this model, I think we experimented with a couple of models in the franchisee space. Just wanting to understand now that it's been around 3 years since we've kind of launched the franchisee business, would you like to share like a long-term guidelines?

Because I do recall that there was a guideline of 50-plus franchisees. Are we still holding on to those numbers? If you can just share maybe a 3-year plan in the franchisee space?

**Shanay Shah:** Yes, sure. So see, the franchisee business has been growing. You might have seen the numbers. Of course, the base is small. We have been growing. But over the last 3 years, what we have realized is we have become very picky in terms of who we join hands with because ultimately, we have seen in a couple of hospitals and a couple of partnerships where the right standards and the practices and the protocols were not being followed.

And essentially, that is detrimental to the brand of Shalby. And so henceforth, we have been very picky and we will remain that way. We may not achieve the target of what we've kind of mentioned earlier. But whatever we do, we'll end up working with the right people. And as such, the good part is that there is no significant capital employed in this business from Shalby's perspective. All it takes is a little bit more of management bandwidth here. So that's what I would like to say about the franchisee business.



- Ranodeep S.:** Sure. If I can just squeeze in one last question. This was on the home care business. Somewhere, it looks like in FY '25, the number seems to have stagnated. I think there was just a 1% year-on-year growth in terms of the patients -- number of patients served. This in the backdrop that we kind of cater to the senior citizens group a lot.
- I mean, are we thinking -- is there any special impetus that we're looking at in this business? Because this has an optionality of becoming a big business given by 2030, there are clear projections that India is going to have 300 million senior citizens. So any thoughts around that, Shanay?
- Shanay Shah:** Yes. Of course, I think the opportunity set is huge, and we would like to capitalize on it. However, we have taken it up in two stages. The first stage is to really capitalize on the incoming patients and our existing patients at Shalby. And you see a lower growth because the growth at the stand-alone hospitals has been flat in this year. So from that perspective, we have not seen that kind of growth. But yes, we do understand and we do understand what kind of opportunity -- underlying opportunity is there for the home care business because of the growing population, the middle age population and the aging population. And in the next phase, we will be looking to capitalize on that and also invest in technologies which can enable us to grow faster.
- Ranodeep S.:** Sure. Sure. All the best for the next venture here.
- Moderator:** The next -- follow-up question is from the line of R. Vidyashankar, an Individual Investor.
- R. Vidyashankar:** Thank you gentlemen for giving one more opportunity. One thought that I had in my mind and wanted to understand, is there a competitive landscape that is prepared for the small cap and super specialty? With that category, who are our competitors in this micro category? And what is our strategy from a competition perspective for the next 5 years, product-wise and synergy-wise?
- Shanay Shah:** Sorry, which business are you referring to?
- R. Vidyashankar:** Sir, Shalby Hospital Super Specialty is the core sector, right?
- Shanay Shah:** Yes, so...
- R. Vidyashankar:** And we are in small cap. As of now, we are in the small cap sector from a market capitalization. If we focus on this micro combination, small cap, which is our market capitalization as on date, we look to become a large cap one day. And we look at super specialty. So if we combine these two, can we have a competitive analysis for the next 5 years, what will be the competitive strategy basis this micro competition environment?
- Shanay Shah:** See, I think the strategy is very clear that there are -- orthopedics is key for us because we are not only leaders in India, but global leaders in terms of the market share, right? So we control

over 15% of the organized market share in India. And that market is growing fast at high double digits, and so are we.

So we would like to maintain that leadership position, which we have for the last 25 years. Over and above that, we have identified fast-growing segments, which are basically a major disease burden for the country right now, which are in the lines of cardiology, oncology, gastroenterology, neurology, nephrology.

And these five segments continue to contribute more than 50% to 60% of the group's revenue. And these are, again, fast-growing segments. So this, along with orthopedics, will remain the fast-growing segments for us, and we will be focusing on this to grow faster in the coming time.

And this will be coupled with the high-end transplants that we do like kidney transplants, liver transplants, bone marrow transplants, etcetera. So that will remain the focus because we believe that this is the strategy for us, which will help us grow faster. And we feel that the competition is quite limited in terms of these segments.

**R. Vidyashankar:** So you are saying all these are high-growth segments and primarily, we are the market leaders in each of them?

**Shanay Shah:** We are not leaders in all of these segments, but these segments offer a significant pathway to growth going forward. So we will continue to grow significantly because of being in these segments. Of course, for orthopedics, we are the global leaders, as I mentioned earlier. But for some of these other segments, I would say that we are among the top two or three in the towns and cities that we work in.

**R. Vidyashankar:** Strategically, we are in the right pocket is what we are trying to say. And it is a capital-intensive sector, which is the very nature of it because of it some projects take a longer time for -- in terms of gestation.

**Shanay Shah:** That's right.

**R. Vidyashankar:** Okay. Okay. Point taken.

**Moderator:** The last question is from the line of Kashish from Elara Capital.

**Kashish:** Sir, just one question. This is regarding our -- again, coming back to our implant business. So can you just give a broad idea how has been the EBITDA contribution from -- region-wise? So like how is the realization in the implant business if you are selling the same products in U.S.? Is it higher as compared to what we are selling the same products in RoW and India market. How it is?

**Deepak Anand:** I'll give you an idea on the margins and top line. So obviously, there are markets globally, if you look at it, it's a \$30 billion market globally divided into primarily 3 categories. There are high-margin countries, there are medium-margin countries and low-margin countries. Right now,

where we operate actively on a month-on-month basis, the different types of business, U.S. and Japan for us right now fall in the high-margin countries.

And Indonesia falls in the medium-margin countries and India falls in the low-margin countries. And just to give you a little bit idea of what is the price difference, it's about 4.5x the difference between what we sell in the United States vis-a-vis what we sell in India.

**Kashish:** Understood, sir. Sir, just one last question or query. We have shifted our everything like every production of the implant business in U.S. So our opex costs might have definitely gone up, right? So wasn't it economically like feasible for us to make our product here and like sell it in the market?

**Deepak Anand:** So there are two ways, and I will answer this. But first to say that and this is what we believe, not without comparing with anybody. We believe that our quality of products and what we want to sell in the market the way we want to, we have not yet been able to see at this juncture that level of precision and quality engineering talent available in this country, okay, right now for the products that we have, okay?

Having said the same thing, right now, within the United States that we are doing over the last 12 to 18 months, there has been a significant amount of improvement that we've done in efficiencies in terms of -- and you will see that even more significant in times to come in the next 12 to 14 months. In fact, you will start seeing month-on-month it's getting better, even between April and May also, it's better.

So you will start seeing that it is getting month-on-month better than what it was the previous month. We will try and get to a great efficiency. But it is also at a stage where we have to build very solid quality at great credibility, good brand and great precision to start with.

And then eventually, when we get a full hang of that technology and that talent available at some point of time for us to migrate and build it, we might look at it from a futuristic long-term standpoint. But at least right now, we feel from a credibility, brand building as well as being a product that we manufacture there is the right strategy for the next at least 12 to 18, 24 months.

**Kashish:** Understood, sir. That's all from my end.

**Deepak Anand :** Thank you.

**Moderator:** Ladies and gentlemen, in the interest of time, we'll take this as our last question. I now hand the conference over to the management for closing comments.

**Amit Pathak:** Thank you, everyone, for joining the call. We will connect again after the quarter 1 results. Thanks for participating. Thank you.

**Moderator:** Thank you. On behalf of Elara Securities India Private Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.