Operator: Ladies and gentlemen, good day and welcome to Rainbow Children's Medicare Limited Q1 FY27 earnings conference call hosted by IIFL Capital. 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 being recorded. I now hand the conference over to Mr. Rahul Jeevani from IIFL Capital. Thank you and over to you, Mr. Jeevani.

Rahul Jeevani – IIFL Capital: Hi, good morning everyone. This is Rahul from IIFL Capital. I welcome you all to the first quarter earnings conference call of Rainbow Hospitals being hosted by IIFL. From Rainbow, we have with us today Dr. Ramesh Kancharla, Chairman and Managing Director; Mr. Abbrar Ali Dalal, Group CEO; Mr. Vikas Maheshwari, Group CFO; and Mr. Saurabh Bhandari, Head of Investor Relations. Over to you, sir, for your opening comments.

Management: Thank you, Rahul. Good morning everyone, and thank you for joining us for Rainbow Children's Medicare Limited earnings call for the quarter ended June 30, 2026. FY27 has begun well for Rainbow. We delivered another quarter of healthy growth driven by sustained demand across all our core specialties and balanced contributions from both our mature and newly commissioned hospitals. More importantly, this performance reflects that the investments we have made in expanding the network, strengthening our clinical capabilities, and building leadership across the organization are translating into consistent growth.

Revenue grew by approximately 33% year-on-year, driven by balanced contributions from our mature hospitals and the new facilities. Our key operating metrics, including inpatient admissions, outpatient consultations, and deliveries, continue to witness healthy growth. We also maintained a healthy EBITDA growth of 29.9% year-on-year, supported by operating discipline and improving efficiencies.

Our expansion journey is also gathering further momentum with the signing of definitive agreement for 100-bed brownfield hospital in Malad, Mumbai. We expect the hospital to commence operations in Q1 FY28. This marks our entry into Western India, an important strategic market where we see significant long-term opportunities. We are also strengthening our presence in Andhra Pradesh through the acquisition of 70-bed Prime Children's Hospital in Nellore, along with an additional 30-bed maternal care block expected to commence operations in 6 months' time. We have also signed a long-term lease for a 50-bed brand new hospital ready to operate in Guntur, and this facility will commence operations in a couple of months' time. With these additions, the bed capacity in Andhra Pradesh will reach to 500 beds.

One of the clinical milestones that made us particularly proud during this quarter was the successful rescue of an 8-year-old child from Guwahati who was critically ill with a severe influenza pneumonia and an acute respiratory distress syndrome. With the ECMO being the only option for survival, our ECMO retrieval team flew over 1,800 kilometers to Guwahati, initiated ECMO, and stabilized the child. Our team meticulously planned and executed airlifting of this child over 3 hours of flying to the Hyderabad Rainbow. The child remained on ECMO for 36 days before making a remarkable recovery and returned back to Guwahati. This mission stands among the longest

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pediatric ECMO air retrieval undertaken in the country, and it's a powerful example how the timely intervention and advanced critical care and seamless multi-disciplinary teamwork can transform what once seemed impossible into a life-saving reality. We were humbled to receive an appreciation from the honorable Chief Minister of Assam for recognizing the efforts of Rainbow in saving this child.

In another case, defying all the odds, a 13-year-old boy with an accidental fall from the fifth floor of a residential building arrived in our emergency with a short notice. On rapid sequence assessment, the child was found to be in shock and in a coma. He was resuscitated and commenced on ventilation while addressing the shock. Very soon, he was further discovered to have a sustained thoracic aorta tear, lung injuries, pancreatic bruises, and multiple fractures. Our pediatric cardiologist made an extraordinary decision to address the bleeding aorta by placing a stent graft through an angiogram. The bleeding stopped with the graft stent placement. The rest of the organs were addressed by different teams subsequently. The child spent about 5 weeks in the hospital to make a full recovery. Though it was a devastating emergency, our multi-disciplinary team worked like a perfectly choreographed stage show. This is how it appears once the child was recovered and the people presented in the clinical meeting. The boy came back with a smile to present a handmade artwork made by himself to the team of doctors. Extensive coverage was received for this big save and also the team received huge appreciation from the public. These challenges made us robust and ready to deal with the most complex emergencies over the decades.

Rainbow now is entering an exciting phase of its growth journey. Over the next 5 years, we plan to add 2,500 beds to expand our network capacity to 5,000 beds through an estimated capex of investment around 2,200 crores. We already have visibility of 1,200 beds under various stages of development, giving us confidence in our expansion roadmap.

Regarding our projects and progress, we are on track to commence operations in Indore hospital in Q3 FY27. Our regional hub hospital in Coimbatore and a spoke hospital in Gurgaon Sector 56 are expected to commence operations in Q3 FY28, followed by our hub hospital in Gurgaon in Sector 44 in Q1 FY29. Development is in progress with the Pune hospital of 150 beds and a spoke hospital in Bengaluru, Sarjapur, both are expected to commence operations in FY29. We will continue to strengthen our established network across Southern India, while selectively expanding into high-potential markets across Western, Central, and Northeast of India. Our entry into Mumbai marks an important milestone in this journey. We see significant opportunities to further strengthen our presence in the city over the coming years.

Alongside our expansion, we will continue to strengthen our clinical systems, attract and mentor the best clinical talent, and build robust medical leadership across the network, so that every new hospital delivers the same standard of care across the group. With a strong balance sheet and a differentiated care model and proven execution capabilities, we remain confident of delivering sustainable growth and creating long-term value for all our shareholders. With that, I now hand over the mic to Mr. Abbrar Ali Dalal, our CEO, before passing the mic to Mr. Vikas Maheshwari for the financial update. Thank you.

Management: Thank you, Dr. Ramesh. Good morning everyone. We have started FY27 with strong momentum, delivering broad-based growth across our hospitals while maintaining healthy

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operating margins. This performance reflects the strength of our differentiated care model and our continued focus on disciplined execution, operational excellence, and sustainable profitable growth.

We have entered FY27 with a significantly expanded operating footprint. Over the past year, our total bed capacity has grown by 26% to 2,435 beds, while our operational bed capacity has increased by 22% to 1,862 beds. This expanded platform, coupled with disciplined execution across our hospitals, has enabled us to deliver growth while maintaining healthy operating margins. This reflects in our operating performance: occupancy improved to over 41%, inpatient discharges by 28%, outpatient consultations by 25%, and deliveries by 23%. We also delivered a 6% improvement in ARPOB while maintaining an efficient average length of stay. Together, these metrics demonstrate our ability to scale the business while improving productivity and operating leverage.

Over the last quarter, we have worked closely with our hospital leadership teams to strengthen our operating rhythm through structured business reviews, sharper performance monitoring, and greater accountability. These initiatives are helping us identify opportunities earlier, close operational gaps faster, and drive greater consistency across our hospitals, resulting in quicker decision-making and improved execution.

I am particularly encouraged by the continued performance of our newer hospitals, which are ramping up well and contributing meaningfully to the overall growth of the business. At the same time, we remain focused on seamlessly integrating our recently acquired hospitals into the Rainbow ecosystem by embedding our clinical protocols, operating systems, and culture while steadily progressing them towards our profitability benchmarks.

Technology continues to be an important enabler of this journey. During the quarter, we further strengthened our digital ecosystem through enhancements of our CRM platform, patient conversion capabilities, and digital engagement initiatives. These investments are helping us create a more connected patient journey, improve operational visibility, and enable faster data-driven decision-making across the organization.

Another key point has been strengthening collaboration across our clinical operations, nursing, marketing, and corporate teams. As our network expands, sustained performance depends on every function working towards common goals with clear accountability and shared ownership. We have made good progress in building this operating discipline, and I believe it will become an increasingly important competitive advantage as we scale.

Looking ahead, our priorities remain unchanged. We will continue to drive profitable growth, accelerate the maturity of our newer hospitals, successfully integrate acquired facilities, strengthen our digital capabilities and execute our expansion pipeline with the same discipline that has defined Rainbow's growth over the years. Supported by a strong balance sheet and an experienced leadership team and a differentiated operating model, we remain confident of delivering sustained long-term growth and creating value for all our shareholders. With that, I now hand over to Vikas for the financial update. Thank you so much.

Management: Thank you, Abbrar. A very good morning to everyone and thanks for joining us today for the earnings conference call for the first quarter ended June 30, 2026. Our operating revenue for the quarter stood at 470 crores, reflecting a robust 33% year-on-year growth driven by healthy

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contribution from both our mature, acquired and newly commissioned hospitals. Our EBITDA for the quarter amounted to 134.6 crores, registering a 30% year-on-year growth. Despite the initial operating losses at the newly commissioned hospitals, we maintained a healthy EBITDA margin of 28.6%. This demonstrates the resilience of our operating model, disciplined cost management and ability to manage growth without significant stress on balance sheet or return ratios. A profit after tax for the quarter stood at 62.5 crores, reflecting a 16% year-on-year growth. Operational performance remained strong during the quarter. Inpatient discharges, outpatient consultations and deliveries grew by 28%, 25%, and 23% respectively. This broad-based growth reflects sustained patient demand across our network including acquired units and continued ramp up of our newly commissioned hospitals. Our payer mix continues to remain balanced and resilient. Cash and insurance contribution contribute approximately 48% and 42% respectively and remained consistent as in the past quarters. The company continues to maintain a strong balance sheet and healthy liquidity with cash, cash equivalents and the investments standing at 613 crores as of June 30, 2026. This provides us the strong financial stability and flexibility to fund our ongoing capital expenditure program, support our expansion pipelines and pursue strategic inorganic opportunities while continuing to execute all planned investments through internal accruals. During the quarter, we invested approximately 56 crores towards capital expenditure, primarily focused on expanding and strengthening capabilities across our existing hospitals and upcoming projects in line with our long-term growth strategy. With these remarks, I conclude my financial update. We will now be happy to take your questions. Thank you.

Operator: Thank you. We will now begin the question and answer session. Anyone who wishes to ask a question may press star and one on your touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question comes from the line of Sunny Diar with Unicorn Asset. Please go ahead.

Sunny Diar – Unicorn Asset: Hi team, good set. A couple of questions. Firstly, now that we are on 1,862 operational beds and given the pipeline that we have, we are looking for, after the acquisitions, is it right to understand that by the end of this financial year our operational beds should be around 2,050 plus? First is that. And second is if you can share the strategy we are looking for this year or next year for further acquisitions and given our presence that we are trying to build in Northern India as well. So are we also looking for something say in Noida or something in the West near NCR region, say Jaipur, that kind of strategy. Thank you.

Management: So, given the overall roadmap, we have visibility of 1,200 beds. Those are the ones which are already in the execution phase. We are also exploring opportunities in the geographies you clearly mentioned about Noida and the central parts of India. Having signed in Mumbai, I think this is the first opportunity for us to get into Mumbai. This is a great strategic move for us. We believe Mumbai is a great opportunity for us to expand ourselves to a larger network in the years to come. That is how we look at it. Also, there are a lot of growth markets like Bhubaneswar, Raipur and those regions, we are exploring opportunities where there is a need for children's healthcare where Rainbow can play a significant game. Like we went to Guwahati, I think it is doing very well and we are trying to strengthen our footprint further in the Northeast area. Once we get into the geography, we try to play a larger game. This is how we do it because that is a place where we can

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actually have a better operating model and our clinical as well as operating model can actually be strengthened.

Sunny Diar – Unicorn Asset: Great, just a follow-up on the same thing. I was looking from the churn perspective. I think the strategy and the kind of work that we do in child healthcare is tremendous and I think the churn would be more from the perspective of how can we explore into a high ARPOB or I don't want to quote in the terms of ARPOB, say high in the terms of revenue models that we can do. Because if we see logically something like Gurugram when it comes in or Mumbai when it comes in or say something we do in Noida or some other territory like that, that eventually will lead to higher revenues per patient for us other than what we can organically do. I was looking from that perspective and also that should we see going forward as the operational efficiency improves, we can reach higher EBITDA margins from here as well. Thank you.

Management: Certainly, when we go into markets like Gurugram and NCR, definitely your price points will be better and ARPOBs will be better. Abbrar?

Management: Hi. Specifically talking about Gurugram and Mumbai, Gurugram already is a very high ARPOB market because there are large players in multi-specialty there, you know who they are. When we enter Gurugram, our large strategy is going to be around quaternary care. Our hospital there is going to be equipped with high-end tertiary and quaternary care like liver transplant, kidney transplant, and we are going to do oncology. These itself are high ARPOB, high ARPP procedures. Also, Gurugram is a large international medical tourism market and almost 10% to 15% of that market is pediatrics, which currently does not lie captured because there is no real specialized pediatrics expertise there. So with us coming in, I think that is something that will happen and we will see a lot of these pediatric international or medical tourism patients coming to us. So it is going to be a very high ARPOB market. If you look at Mumbai again, our hospital being in Malad drains almost Kandivali, Dahisar, Borivali. There is a lot of need for specialized pediatric care in Mumbai. Rainbow comes with a very differentiated approach. We are outreach driven, we go and we look at transporting babies. So our NICU and our PICU will be very highly intensely operational in Mumbai. Again, these are high ticket high ARPOB procedures. So that makes us believe that Mumbai and Gurugram automatically will be higher ARPOB driven markets.

Sunny Diar – Unicorn Asset: Great, that really helps. Just trying my luck on the last one. So now from the next quarter we will have a higher base for the revenues part. Should we expect similar kind of mid-20s growth or should we look for lower numbers?

Management: As I said in my earlier speech, we are really leveraging our operational capabilities, digitizing, and doing a lot of lead driven conversions. I think the first quarter growth was very good, but we will surely be in the range of 20% for sure in quarter two. Not less than that.

Sunny Diar – Unicorn Asset: Great, that is very helpful. Thank you. Have a good one.

Operator: Thank you. Next question comes from the line of Prithvi Raj with Unifi Capital. Please go ahead.

Prithvi Raj – Unifi Capital: Hi. I just have a couple of questions. The first one, till a year back we used to be predominantly in Chennai, Bangalore and Hyderabad. But now we got into Northeast, we have

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plans for the NCR and then Mumbai. So how should we look at Rainbow say in the next 5 years given that you have another 1,200 beds to be announced over the next few quarters? Is the company going to enter new metros in North, West, or will it add more spoke hospitals in South? How should we look at the business model from a geography standpoint?

Management: The point is the country is one, India. The opportunities, when you look at it overall, the South is a demand premium, while the North is an opportunity. That's how we look at it. When you look at the Northern four states which are Uttar Pradesh, Bihar, Rajasthan and Haryana, put together they produce about 62% of India's births, which is about almost 28 million babies who are being born. So obviously that is the market where there is a need for children's healthcare. There is a need for acute care. So obviously we need to explore much more significantly. And also the cities which we have been looking at like Indore, Raipur and Bhubaneswar, all these cities are actually buzzing and growing significantly. There is a significant improvement in the economic status and those things. If you look at our multi-specialty players, people have entered into these markets and done very well. Obviously we being the leader in children's healthcare, for us boundaries are within the country for the moment. Wherever there is an opportunity, we went to Guwahati, I think what we were able to do is actually on an existing platform we were able to build more capability. Now we are looking to make it a much larger multi-specialty hospital and in the years to come we will try to do some spoke hospitals also. Geographically there may be difficulty in operating models, which we do understand, and we try to play our game and execute the playbook.

Prithvi Raj – Unifi Capital: Okay, that's great. And just a follow-up on this, does this mean the payer mix will eventually change as you get into new geographies? Because right now it's predominantly cash and insurance, but to get some footfalls in new geographies, will you consider looking at government scheme patients at some point of time?

Management: We are working on it. When there is excess bed capacity available, we are exploring to have some portion of the government business which will depend on the price points. Because we are not a surgical specialty, we are more of a medical specialty, we will be careful on that front. While improving occupancies and doing a service for a larger number of people, we need to be conscious about price points, service delivery and outcomes as well.

Prithvi Raj – Unifi Capital: One final question from my side. could you give some sense on the profitability of the new hospitals, say the Assam, Rajahmundry and the new Bangalore one, how it is doing with respect to EBITDA?

Management: Yes, see, these are new hospitals though Guwahati is an acquisition and is well established. I don't think there is any margin issue there, it is doing well. If you look at some of our new hospitals like you mentioned in Bangalore and Rajahmundry, we are still building capacity there. Having said that, our top lines are doing good and occupancies are increasing. There will be some margin pressure given that these are new hospitals, but we don't look at a very long timeline to actually neutralize this and drive positively.

Prithvi Raj – Unifi Capital: Is it possible to give some number for Rajahmundry and the new Bangalore one on the margin?

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Management: Rajahmundry is sort of break-even right now. Electronic City will take a couple of months or 3 months before we break-even there. So we are not far from break-even there.

Prithvi Raj – Unifi Capital: Okay. Thanks, that's all from my side. Thank you.

Operator: Thank you. Next question comes from the line of Balamurali Krishna with Oman Investment Advisors. Please go ahead.

Balamurali Krishna – Oman Investment Advisors: Good morning. Thanks for the opportunity. On the bed addition front, you have given a guidance of 2,500 beds over the next 5 years, which comes out to around 15% CAGR. So how do you think this will translate to top...

Management: Your voice is a little unclear. If you can speak a little louder. Is it okay now? Better, better, yes.

Balamurali Krishna – Oman Investment Advisors: On the bed addition front, you have given a guidance of 2,500 beds over the next 5 years, which comes out to around 15% CAGR. So how do you think this will translate to top... Revenue projection if we were to add 2,500 beds in the next 5 years, what is the revenue growth that you are looking at 5 years hence? That's the question.

Management: I think the way we are looking at it, we will probably go past way beyond 2,000 beds by the end of the year. From that point of view, it will double in 4 years. This is how we look at it, evaluating the trajectory of our past growth, the pace of our next phase of bed additions, and the geographies involved based on all those things. Ballpark, I think we will have to come back to you a little later on the business plan more clearly.

Balamurali Krishna – Oman Investment Advisors: Okay. So on the ARPOB front, sir, normally in these other specialty hospitals, when they do very critical specialized related treatments, the ARPOB will increase. But how will it improve in our case in maternity and childcare? How will ARPOB be driven as we grow?

Management: As I said in the earlier question, as we are adding larger cities like Gurgaon or Bombay, and we are looking at continuously driving into quaternary and tertiary care and larger procedures for pediatrics like pediatric liver transplant, pediatric kidney transplant, and pediatric cardiac surgeries, automatically the ARPOB will be driven because of the case mix. So it is a question of getting into newer geographies and driving more of these procedures.

Balamurali Krishna – Oman Investment Advisors: Okay. Usually, when we start the new hospital, how big are the ARPOB levels and when it becomes mature, say 5 years down the line, what will it look like? Any numbers, ballpark number?

Management: Let us put it this way, we are the pilot project in the country for pediatrics. Every number we have demonstrated and delivered so far is a fresh number. Can you compare it with adult hospitals apple-to-apple? You cannot. So we are discovering ourselves. For example, at this point in time, if you look at Rainbow's ARPOB compared to any other adult peer groups, we are not far behind. We are in the top four or five organizations. What drives the ARPOBs for us is the quality of the hospital, what proportion of intensive care beds there are, what is the traction of those patients, and how much of the obstetrics mix comes in with that. In the later stages, during the

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building stage of the super specialties, the ARPOBs will be further driven up because of the high ticket items. This is how we look at it.

As I put it clearly, in the next 5 years, we are going to reach 5,000 beds with the five hub hospitals along with Hyderabad, Bangalore, Chennai, Gurgaon, and Guwahati. These are all the hub hospitals. They will drive the complexity and the higher ARPOB business mix. At the same time, our spoke hospitals wherever we have done them, they will do very high ARPOB business because of the rapid churn, high outpatient footfalls, short ALOS, high obstetrics and deliveries, and neonatal intensive care which drive the ARPOBs. So this is our understanding of our business and how the numbers and ARPOBs bear out. If you look at our CAGR over the last 5 years, our ARPOBs have grown about 5% to 6%. That is how we look at it.

Management: And also if I can add here, if you look at our presentation, we have given the breakup of our ARPOB for the new units and the old units. New units or mature units, if you look at our definition, is 5 years. If you look at the ARPOB difference, it is roughly 18% for the first quarter. For the new hospital which is around 5 years, it is 59,000 ARPOB, whereas the matured which is more than 5 years is 70,000. So the answer you are looking for is that whether the ARPOB will grow disproportionately when the new hospitals mature, the answer is yes. As the hospitals continue to mature, the complexity of the business they handle is expected to push the ARPOB up, which we have demonstrated over a period of time.

Balamurali Krishna – Oman Investment Advisors: Okay. Thanks a lot for the response.

Management: Thank you.

Operator: Thank you. Next question comes from the line of Damayanti Kerai with HSBC. Please go ahead.

Damayanti Kerai – HSBC: Hi. Thank you for the opportunity. My question is on your Mumbai market entry. You spoke about your focus segments etcetera. I just want to understand your thoughts on the potential challenges in this market which you can face, and you can also elaborate a bit on the doctor engagement model which you intend to do for this market. After a few years down the line, should we assume the Mumbai market will be as profitable as your home market of Hyderabad? How should we look in terms of profitability profile for this part? Thank you.

Management: Damayanti, we have a fairly good understanding of the Mumbai market. I know it is a high-priced market, and the HR costs are high, doctor costs are high. The pricing will also be different in Mumbai. The important thing is that, being in Mumbai, we can add huge value there. That is definitely for sure, number one. Number two is that the clinical play we can execute is way different from any other people who are currently in Mumbai. When you are able to play your strengths in Mumbai, obviously you will become a premium offering.

In terms of driving the profitabilities and margins, we will have to study multispecialty hospitals because it is a high-priced, high-cost model. I am not very sure at the moment to put a clear number onto it. I am sure it will be upwards of 20%, but I don't know exactly where it will stand. I think that requires some time for us to understand. This is how I see it now, but we are very excited about our Mumbai opportunity and that opens the doors for us to build on much stronger in

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Mumbai.

Damayanti Kerai – HSBC: Sir, and the doctor engagement model, will that be similar where doctors will be on Rainbow's payroll or will it be something different than your usual model?

Management: We always try wherever it is to ensure that the doctors who need to be on a full-time model will be full-time. Because to run an efficient children's medical hospital, you require the large set of doctors to be full-time. There could be some hybridization at a different level for obstetrics and some of the super specialty doctors, but the core team always has to be full-time.

Damayanti Kerai – HSBC: Sure, that's helpful. And then I wanted to check on one of the markets where you entered a few years back, Chennai. How has the experience been there? Is that turning out to be the way you expected when you entered the Chennai market?

Management: Yes, Chennai has done well initially and then there was a dip two years ago, but it is building on well now.

Damayanti Kerai – HSBC: Okay. And my last question is your plan for the digital ecosystem. In the initial comments we heard about your initiatives there. What kind of spend do you foresee to build this part of the business, and how soon can we see the system which you are working to achieve?

Management: Most of our infrastructure is already in place as we speak. What we have done in the first 3 months, as I said earlier, we have gone and closed a CRM. So we have a CRM and we have a lead management software in place. We have increased our spends into digital acquisition that is getting more and more patient-facing digital applications. We have a conversion system in place. The architecture will largely be differentiated into an HIS and a SAP model, and the patient interface will be connected through a middleware; that is what we are working on. We are looking at a BI and a data lake which will streamline our data and improve our reporting efficiency. As I said, we have already embarked on this mission, and I think in the next 3 or 4 months, we will perfect it.

Damayanti Kerai – HSBC: Sure. In terms of the EBITDA margin profile, how should we look at say FY27, FY28 numbers, given the kind of spends which are currently ongoing?

Management: Presently, we have added a lot of beds, almost 40% of the beds we have added in the last 2 years' time. That is why you see some margin pressure which I already indicated to the market in my last earnings call. But overall your EBITDA pool has increased. There will obviously be some margin pressure, but throughout to the end of the year, we will still come back between 24% and 25% pre-IND AS. That is what we have always guided for and that's what we look at.

Damayanti Kerai – HSBC: Okay. Thank you for your response and all the best.

Management: Thank you Damayanti.

Operator: Thank you. Next question comes from the line of Rahul Jeewani with IIFL Capital. Please go ahead.

Rahul Jeewani – IIFL Capital: Hi, sir. We are now expanding aggressively into markets outside South India. We have Guwahati, Indore, Pune, Mumbai and then Delhi NCR commissioning as well. Given

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that we are now aggressively going outside our core markets, what kind of management bandwidth have we put in place or are targeting to put in place to manage expansion across these diverse markets?

Management: I think our managerial bandwidth has significantly improved. This is a company driven by the CEO and the vision of promoters, and you have got very strong functional heads and project teams. Our corporate team is pretty solid and strong, they have been with us for the last 3 or 4 years. We have strengthened it further with the addition of a service excellence head and a new projects head. We have a sales and marketing head, so we are very robust. The regional structures have also been strengthened significantly in Bangalore, Chennai, Andhra Pradesh, and obviously Hyderabad is our home ground. We will be looking at creating regional structures as we move forward in Mumbai and in Delhi as well. So we are very comfortable with an aligned team that is high on execution, and we look forward to seeing a lot more strength coming in.

Rahul Jeewani – IIFL Capital: Sure, sir. In terms of the regional clusters, can you define what kind of clusters these would be? Maybe one for Delhi NCR and one for Maharashtra to manage hospitals across these markets?

Management: So, we will have a very strong frontline of hospital heads who are driving the business, supported by a strong corporate back-end with functional heads like Dr. Ramesh mentioned. Going forth, we will be dividing cities into clusters and hospital heads will be looking at two, three, or four hospitals depending on their maturity. That is how it is going to be. So for a large city which for example has six or seven hospitals, there might be two clusters headed by two cluster heads, who would handle a hospital directly while also looking at two or three other hospitals. That is the kind of structural transition we are looking at.

Rahul Jeewani – IIFL Capital: Sure, sir. And let's say out of these 2,500 incremental beds which we are planning to add over the next 5-year period, we have visibility for 1,200 beds, but for the remaining 1,200 or 1,300 beds, would we go into other cities or look to add hospitals within the cities which we have already identified? Would we go deeper in Mumbai, Pune or Central India, or look to further spread across the country?

Management: That is right Rahul. Anyway 30% of the beds will go into the southern markets to strengthen our hub and spoke model and the new areas and micro markets. The rest of the 35% to 40% of the beds, or 70% of the beds, will be in the new markets. New market meaning Delhi NCR, with more focus on some other northern cities and Central India plus Mumbai. This is roughly where our bed strength is going to be built over the next 5 years.

Rahul Jeewani – IIFL Capital: So, sir, roughly then the new expansion would happen in all these new markets which have already been identified and laid out to the market.

Management: Yes. One more thing is we have always been an organization that wants to go in and address the larger cities. In pediatrics and neonatal intensive care, we look to address the larger cities, large markets more comprehensively and try to build an urban spoke model to do wider coverage of the city. I believe children's hospitals can be efficient both in terms of delivering outcomes to the city and also optimizing managerial bandwidth and costs when built much more strongly. Because it is a medical hospital and a merger-driven hospital. For example in Hyderabad,

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we have close to 1,000 beds. And are these 1,000 beds going to stop there? No, we will continue to add beds in Hyderabad. We will continue to add beds in Bangalore because that is the power of the urban spoke model. Because your reputation is at the highest level, people look forward to having you in multiple places.

Rahul Jeewani – IIFL Capital: Sure sir. And sir, last question from my end. I think you referred to the fact that obviously near-term revenue growth will be 20%, but did you indicate that the target is to double top line over the next 4-year period?

Management: Yes. If we are looking at a growth of 20%, obviously we would double the revenue in 4 years' time.

Rahul Jeewani – IIFL Capital: Sure sir. So essentially 20% is the target for the medium term in terms of revenue growth.

Management: Absolutely.

Rahul Jeewani – IIFL Capital: Yes. Thank you sir. That's it from my side.

Operator: Thank you. Next question comes from the line of Sukrit De Patil with Eyesight Fintech Private Limited. Please go ahead.

Sukrit De Patil – Eyesight Fintech Private Limited: Good morning to the team. I have two questions. The first question to Mr. Dalal is, beyond the regular outlook, I just want to understand what are the top two to three execution priorities you are focusing on in the immediate quarters? Alongside that, what do you see as the biggest risk in patient demand shifts or competitive pressures and how are you preparing to manage them while strengthening Rainbow's position in the pediatric and maternity space? That's the first question, I'll ask my second question after this. Thank you.

Management: One is, two of the main levers that we are looking at currently strengthening—while we are working on all the levers—are tech being a big part of it, and increased investment in social media, which has already borne good results for us in the first quarter. That is one. Second is we are largely looking at increasing our market and having our doctors refer more and more to our hospitals. I think that is one very important aspect that we are working on. We are making our doctors visible to the markets, to the corporates and communicating what we do. So these are the top two levers at this point of time that we are working on in terms of driving volumes.

On the competitive landscape, number one, I really think that we are a niche hospital. I don't think there is real competition in our category. If you look at our business, we are largely pediatric, super-specialty pediatric. We, of course, do participate in mother and child care, but from that point of view, there is no real competition I would perceive.

If you look at the patient demand shifts, people want to come to specialized hospitals for deliveries and pediatric care for their children. Where deliveries are concerned, we are a comprehensive solution, including we also have fertility. If someone wants to come for a complete comprehensive solution, I think we are the place to go right from IVF to birthing to pediatrics, neonatology, pediatric intensive care, and pediatric super-specialty; it is a complete circle. As patients get more and more educated about our comprehensiveness which we talk about, I'm sure the shift will be

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more in our direction. It is about educating the patients more digitally and through ATL activities.

Sukrit De Patil – Eyesight Fintech Private Limited: Thank you. My second question to Mr. Vikas is, along similar lines, from a financial point of view, what key risks or challenges do you anticipate in the immediate quarters and what specific measures have been taken to manage the margins, ensure consistent cash flow and strengthen the balance sheet, especially in areas that are cost pressure intensive and the receivables part and any regulatory compliance issues? Thank you.

Management: Thanks Sukrit. It is a very exhaustive question which you have asked. As far as the cost is concerned, we have added 700-plus beds in the last 2 years' time. We plan to add further beds as we are acquiring and doing so. As the acquisition comes, the first priority becomes the seamless integration and streamlining the system, processes and the cost structure of the new units which we are acquiring. If it is a greenfield, obviously we evaluate how to optimize the cost and make sure that the growth we have planned happens. If it is better than that, we figure out how to streamline the cost accordingly, and if it is less than that, how to manage that cost. The cost management remains a very good part.

As far as another challenge is concerned, because the company is cash surplus, we have sizeable treasury investments. There has been a lot of turbulence in the debt market or the credit market, so we have to optimize how to manage our treasury yield and make sure that liquidity and safety are not compromised while reasonable returns as per the industry standards are maintained. These are the two broader challenges in terms of acquisitions, greenfield and treasury management. Obviously, since the company is investing a lot of money, cost management in terms of the project track record plus the cost of the project management remains among the top four or five priorities.

Sukrit De Patil – Eyesight Fintech Private Limited: Thank you and best wishes.

Operator: Thank you. Next question comes from the line of Vansi Desai with JP Morgan. Please go ahead.

Vansi Desai – JP Morgan: Hi, thanks for the opportunity. My first question is on our expansion into newer markets. I am very keen to understand from you when we have expanded outside our core markets in the past, what has been that single hardest element to replicate in the newer markets? Is it setting up the doctor referral systems or is it creating that brand trust in that market?

Management: I think it is creating the clinical ecosystem, which is the doctors and making a team which are high-intensity teams. Number two is our ability to communicate to the city and educate the young parents of the city on our capabilities. That is where your main challenge is. Of course, getting your doctors to refer patients to you and connecting with them through education programs, CMEs, workshops and various other things being a medical hospital, that is a major thing. Aside from referrals, a children's hospital will always be an emergency care hospital. There is nothing like a predictable number of knee replacements or cardiac operations; those metrics do not work for children's hospitals. It is your quality deliverables and outcomes that are going to determine your success. So obviously when you go to a geography which is completely unaware of you, you will have to put in an extra effort to ensure that you deliver and you communicate.

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Vansi Desai – JP Morgan: Understood. And when we think about setting up these referral hubs outside of South India in say Guwahati or in Delhi, what will make you double down in those markets? What are the things that you look for? Is it just the initial ramp up and success that you receive in your entry projects or is it also a function of availability of say acquisition opportunities?

Management: Developing a multi-specialty children's hub hospital is a journey. It takes its own time to build it. Places like Guwahati already have the platform well set, there is demand, there is a need, and there is an opportunity. But there is a paucity of doctors in the Northeast, which is what we are trying to address. If we are able to get the teams right, there are patients readily available in Guwahati.

In places like Delhi NCR, you will be able to have better teams and you can recruit better teams not only from India, but from outside India. It is a leverage you can take. The market and opportunity are there; how you actually play your clinical model is more important. But I don't think it will take such a long time in those markets compared to the southern markets. In southern markets where it is fragmented because of matured markets and also there are many other trust hospitals competing, we cracked the market by being a pure play private children's hospital high on deliveries. The markets that we are going to enter now offer much bigger and very different opportunities.

Vansi Desai – JP Morgan: Understood. My second question is what is your initial read on seasonality this year given the monsoon is in deficit? We are entering very strong quarters from a seasonality standpoint. If you could comment on that. In the past, you mentioned that we have taken some steps to reduce our mature hospital dependency on seasonality, so will some of those also play out?

Management: If you look at our last two quarters, we have definitely overcome the seasonality to an extent. Seasonality will obviously play a role in a children's hospital because of the disease patterns. But what is important for us now is to become independent of seasons, and we continue to build on that. Seasonality will simply become the icing on the cake.

Management: I agree. We are working on all our levers very strongly and we are not really taking any seasonality into account; it is not a part of our plans. Obviously, as he said, it is icing on the cake. In the last 6 months, we have driven a lot of levers which have actually borne fruition to the volumes that we have been able to garner in this quarter. I am hoping that as we continue pressing on those pedals, we will continue delivering those results in the next two to three quarters. If seasonality were to kick in, it would be great. That is the way we look at it.

Operator: Thank you. Ms. Desai, please rejoin the queue for more questions. Next question comes from the line of Anshul Agarwal with MK. Please go ahead.

Anshul Agarwal – MK: Hi, thank you for the opportunity. Would it be possible to strip out the inorganic growth in the current quarter numbers? Could you help me with the organic growth in the current quarter?

Management: When you say inorganic, do you mean acquisitions?

Anshul Agarwal – MK: Yes, that is correct sir. That wouldn't be present in the base quarter basically, so Guwahati and Warangal.

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Management: Guwahati and Warangal are both EBITDA positive. Even Guwahati was an EBITDA positive company, it is almost close to company EBITDA. Warangal is ramping up, and I think it will come to the company-level EBITDA probably a year down the line.

Anshul Agarwal – MK: Sir, I was asking from the top-line perspective, in terms of contribution organically how much have we grown in the current quarter? I understand 33% is the overall reported growth.

Management: I think there is about 20% growth in Guwahati as well as Warangal. So Anshul, if you are looking for a contribution, roughly 38 crore rupees of the revenue came from these acquisitions.

Management: Around 10% EBITDA contribution came from acquisitions. So on the revenue growth, Anshul, if you remove this, we had 24% growth on a like-to-like basis.

Anshul Agarwal – MK: Clear, great. Any particular reason why ARPOBs in the mature cluster have increased by about 10%? Has there been any insurance price hike, case mix or anything to add here?

Management: It is a combination of pricing as well as the case mix. These are the two reasons.

Anshul Agarwal – MK: Got it, sir. Second question, if you could just highlight and quantify the losses that we would have incurred in the Bangalore units in the current quarter...

Anshul Agarwal – MK: ...as I think Abbrar mentioned that we are close to break-even in Electronic City after probably a quarter, whereas our original guidance in Electronic City was roughly 15 months break-even. And again, Hennur losses, considering that competitive intensity in that particular cluster, I presume would be up because of the consolidation in the industry.

Management: The losses are exactly there in the new launches like HSR and Electronic City and these will take time. Our guidance is generally that we break even in Bangalore in about 15 months' time. Some of them come a little early, some of them may come a little later, but within an 18-month timeframe, we break even those hospitals. That is how it is. We have very good doctors in HSR and Electronic City. I think we still need some more doctors, and we are very optimistic about Bangalore. I think Bangalore is going to perform very well for the years to come.

Anshul Agarwal – MK: Right. And the acquisitions that we have relayed yesterday, will those be positively contributing to EBITDA and do we expect any losses from these units going ahead whenever they get commissioned?

Management: Amongst the acquisitions that we declared yesterday, those are running businesses and we do not really see those businesses pulling EBITDA down. Having said that, it may take us some time to ramp up further, but surely these are not units where we will have any EBITDA drain.

Management: For example, Nellore is an existing business and the doctors are well known to us. We can add significant strength to those doctors to build the business on it. Adding 30 beds in 6 months' time will definitely make it a lot more comprehensive. The Rainbow brand is a household name in Andhra Pradesh. In Guntur as well, it is a 50-bed hospital, and at the same time, 40 kilometers away, we have a 135-bed hospital in Vijayawada. This will complement Vijayawada, and

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we will be able to get a lot more deliveries and neonatal care in Guntur while all the emergency care will be sorted out. This 50-bed hospital is a very good acquisition and the great facility will complement Vijayawada. This is how we look at it. There may not be huge losses; it will just take about 6 months' time to settle down and then start firing. Overall, for whatever 5 hospitals we have in Andhra Pradesh, they will do very well by the end of the year.

Operator: Thank you. Mr. Agarwal, please rejoin the queue for more questions. A reminder to all the participants, please restrict yourself to one question. Next question comes from the line of Ankit Shah with White Equity Investment Advisors. Please go ahead.

Ankit Shah – White Equity Investment Advisors: Thank you for taking my question. I have a question on the strategy side. You called out five hub hospitals that we have identified. I wanted to understand your strategy for Mumbai. Do we also plan to have a hub in Mumbai over the next 5 years or so? Like in the case of Gurgaon, we have a proper strategy with a proper greenfield hub hospital coming up to play that market well. Can you shed some light on the Mumbai piece?

Management: We would certainly love to have a hub in Mumbai because it is such a massive city, but all of us know the challenges and opportunities Mumbai possesses. When there is an opportunity, I would definitely do a large hub hospital in Mumbai. We will work on that, we are working on it. But having said that, obviously the first priority will be to strengthen and launch Malad. That is going to be the first priority.

Ankit Shah – White Equity Investment Advisors: Got it. That's it from my side. Thank you.

Operator: Thank you. Next question comes from the line of Sangeeta Savera Kohale with PL Capital. Please go ahead.

Sangeeta Savera Kohale – PL Capital: Hi there. Thank you for the opportunity. My question was on the seasonality actually. For us, Q2 and Q3 are normally strong quarters. How has the start been for this quarter? Could you please highlight?

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