November 09, 2026

National Stock Exchange of India Limited,
Compliance Department,
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai - 400051,
Maharashtra, India

BSE Limited,
Compliance Department,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001,
Maharashtra, India

Subject : ***Transcript of the Earnings Call held with Analysts/Investors on November 06, 2026 to discuss the Unaudited Financial Results of the Company for the quarter and six months ended September 30, 2026***

Stock Code : ***BSE – 539787, NSE – HCG***

Reference : ***Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015***

Dear Sir/Madam,

Please see attached herewith the Transcript of the Earnings Call held on November 06, 2026, with Analysts/Investors to discuss the Unaudited Financial Results (both Standalone & Consolidated) of the Company for the quarter and six months ended September 30, 2026.

This is also available on the website of the Company - https://www.hcgoncology.com/investor-relations/

Kindly take the intimation on record.

Thanking you,
For **HealthCare Global Enterprises Limited**

SUNU MANUEL ABEY
Digitally signed by SUNU MANUEL ABEY
Date: 2026.11.09 15:01:38 +05'30'

Sunu Manuel
Company Secretary & Compliance Officer
Encl:a/a

HealthCare Global Enterprises Limited

Q2 & H1 FY27 Earnings Conference Call

November 06, 2026

Moderator: Ladies and gentlemen, good day, and welcome to the HealthCare Global Enterprises Limited Earnings Conference Call. Please note that this conference is being recorded. I now hand the conference over to Mr. Anoop Poojari from CDR India.

Anoop Poojari: Thank you. Good afternoon, everyone, and thank you for joining us on HealthCare Global Enterprises Q2 and H1 FY 2027 earnings conference call. We have with us Dr. Manish Mattoo, Executive Director and CEO of the company, Mr. Sanjeev Kumar, Chief Financial Officer, and Mr. Ravi Gothwal, Head of Investor Relations. We would like to begin the call with opening remarks from Manish, following which we will have the forum open for an interactive question-and-answer session.

Before we start, I would like to point out that some statements made in today's call may be forward-looking in nature, and a disclaimer to this effect has been included in the earnings presentation shared with you earlier. I would now like to invite Manish to make his opening remarks.

Manish Mattoo: Thank you, Anoop. Good afternoon, everyone, and thank you for joining us for HCG's Quarter 2 and H1 FY27 earnings call.

I am pleased to share that we have sustained our growth momentum into the second quarter, supported by healthy patient demand and improving revenue mix, and steady progress across our strategic and operational priorities. As highlighted in our previous earnings call, our strategic priorities remain centered on profitable growth, improving asset utilization, strengthening clinical differentiation, and optimizing our revenue mix.

We are encouraged by the progress made during the quarter across all these areas. Coming to our financial performance, I would like to highlight that all financial figures presented today exclude the Milann Fertility business, which was divested in June 2026. The corresponding prior-year figures have also been adjusted accordingly to ensure a like-for-like comparison.

In Quarter 2 FY 2027, HCG delivered revenue of INR 7,318 million, representing a growth of 16% year- on- year. Revenue growth, excluding our North Bengaluru new hospital, was 14%

year- on- year. The growth was broad-based across our operating clusters, primarily driven by a 9% increase in patient volumes, while average revenue per patient increased by 7% year-on-year.

The improvement in ARPP was supported by a favorable payor mix and an increasing contribution from high-complexity oncology treatments. This included a 37% year-on-year increase in robotic surgeries, alongside growing adoption of other advanced therapies and surgical procedures across our network.

As we have consistently emphasized, our objective is not merely to drive higher patient volumes, but to enhance the quantity and quality of our revenues through a greater contribution from complex oncology procedures and improved payor mix, superior clinical outcomes, and higher productivity across our specialized oncology ecosystem.

In line with this strategy, we continue to focus on expanding our non-institutional business while progressively optimizing our exposure to lower-realization segments. These efforts are yielding encouraging results, with non-institutional revenue growing by 21% year-on-year, resulting in an improvement of over 300 basis points in its revenue share to 69%.

On the profitability front, EBITDA for the quarter, including North Bengaluru loss of INR 61 million, was INR 1,425 million, representing growth of 17% year-on-year, with EBITDA margins improved to 19.7% compared to 19.2% in Q2FY26.

While we continue to benefit from improving revenue quality and operating efficiencies, margin expansion during the quarter was partly moderated due to incremental employee cost amounting to approximately INR 60 million on account of revision in Karnataka Wage Act 2026.

If you really look at it on a like-to-like basis, excluding the wage revision impact, EBITDA growth was over 20% year-on-year. North Bengaluru, our newest hospital, continued to make good progress, with its EBITDA loss reducing to INR 61 million during this quarter. Our focus remains on accelerating clinical ramp-up, improving capacity utilization, and progressively reducing operating losses.

Let me now take you through the performance across our operating clusters.

Starting with the South cluster, the revenue stood at INR 2,941 million. Delivering a strong growth of 18% and contributing to 40% of our overall revenue. Growth was supported by a 14% improvement in ARPP and a 4% increase in patient volumes, with a strong contribution from our Bengaluru Center of Excellence and the progressive ramp-up of our North Bengaluru hospital.

ARPP improvement across the cluster was also aided by a favorable payor mix and higher contribution of high-end procedures and therapies.

Moving to the West cluster. Revenue stood at INR 3,147 million, registering 10% year-on-year growth and contributing 43% to overall revenue. Growth was primarily driven by a 7% increase in patient volumes, while ARPP improved by 3%, supported by a favorable payor mix.

The Maharashtra region delivered a strong performance with a mid-teens growth, driven by healthy patient demand and improved realization, led by a favorable payor mix shift. This was partially offset by relatively moderated growth across our Gujarat centers, largely on account of deliberate rationalization of institutional mix to improve profitability.

Turning to the East cluster. Revenue stood at INR 928 million, representing 23% year-on-year growth and contributing 11% to our overall revenue. Growth was led by a 18% increase in patient volumes, while ARPP improved by 5% year-on-year. Growth was broad-based across the region, led by a strong performance at Ranchi. Our international Kenya operations, the revenue stood at INR 302 million, registering approximately 54% year-on-year growth during the quarter.

Performance was supported by stronger patient inflows across radiation oncology, aided by the addition of a new radiation therapy machine, as well as increased medical oncology therapies following the addition of 13 new beds.

I would also like to highlight some of the key developments during the quarter.

During Q2 FY 2027, we added 25 operational beds across our network, comprising 13 beds in Kenya, seven beds in Kolkata, and five beds at Nagpur. With these additions, we have operationalized a total of 146 beds in H1 FY 2027, further strengthening our capacity across existing and newer facilities.

Alongside capacity expansion, we continued to invest in advanced medical technologies. During the quarter, we operationalized the MR-LINAC, a highly advanced adaptive radiation therapy system at our North Bengaluru hospital, and added a cardiac surgical robotic system at our multi-specialty hospital in Ahmedabad, further strengthening our technology-led treatment capabilities.

On the clinical front, key milestones included the first CAR T-cell therapy at HCG Ahmedabad, the introduction of a robotic breast surgical system at KR Road, Bengaluru, robotic spine surgery at HCG Rajkot, and transoral robotic surgery at HCG Vadodara. We also launched a 1,212-gene liquid biopsy panel and introduced two new nuclear medicine tracers at KR Hospital, Bengaluru, enhancing our precision diagnostics capabilities. Our clinical expertise is also reflected in several complex cases managed across our network.

These included a limb-saving surgery in a 28-day-old infant, precision radiosurgery using CyberKnife to reduce a tumor encircling the optic nerve without any vision loss, and complex shoulder tumor reconstruction using customized 3D-printed titanium implants. These cases demonstrate our ability to combine multidisciplinary expertise with advanced technologies to manage complex cancers while prioritizing organ preservation and patient outcomes.

Lastly, I would like to briefly address the recent regulatory developments concerning trade margins on non-scheduled anti-cancer drugs.

We recognize the importance of making cancer treatment more affordable and accessible. This aligns with HCG's philosophy of treating cancer right the first time, which emphasizes delivering high-quality, comprehensive cancer care with the best possible clinical outcomes. The regulatory measures apply to a specific subset of oncology drugs, with implications varying depending on the drug portfolio, pricing arrangements, and payor mix.

Based on our assessment on an absolute basis, we estimate a mid-to-high single-digit percentage impact to EBITDA on an annualized basis. While we anticipate some near-term impact as the regulatory framework takes effect, we remain confident in the strength of our underlying growth drivers. Rising cancer incidence, along with improved screening and affordability, is continuing to support sustained demand for high-quality cancer care.

We remain focused on serving this opportunity through continued growth in patient volumes, improved asset utilization, revenue mix optimization, and identified operational improvement levers across our network. We believe these initiatives will support sustainable long-term growth and value creation for our stakeholders. With this, I would like to hand over the call to Sanjeev, who will briefly take us through our H1 FY 2027 financial performance, following which we will open the floor for questions.

Sanjeev Kumar: Thank you, Manish. Good afternoon, everyone. Let me take you through our financial performance for the first half of FY 2027, along with an update on our balance sheet. We delivered healthy financial performance during the first half, supported by revenue growth, improving quality of revenue, and operating efficiencies.

Consolidated revenue for H1 FY 2027 stood at INR 14,100 million, representing growth of 15% year-on-year basis. This revenue growth was driven by a 9% increase in patient volume and 6% growth in ARPP. The improvement in ARPP was largely supported by a favorable payor mix and an increasing contribution from high-end procedures, including robotic surgeries.

Adjusted EBITDA for H1 FY 2027 stood at INR 2,740 million, registering a growth of 18% on year-on-year basis. Adjusted EBITDA margin improved by 84 basis points to 19.7% compared with 18.8% in H1 FY 2026, reflecting continued improvement in the quality of revenue and operating efficiencies.

During the quarter, we also recognized an ESOP expense of INR 29.8 million arising from the grant of ESOPs in September 2026. Please note that this is a non-cash expense. Now moving to other financial items. Depreciation and amortization expenses for H1 FY 2027 stood at INR 1,365 million as compared with INR 1,176 million in the corresponding period last year, showing an increase of 16%, primarily reflecting investments in capacity expansion, including North Bengaluru.

Finance costs declined by 11% year-on-year to INR 775 million as compared to INR 876 million in H1 FY 2026, supported by debt repayments of INR 1,700 million during the first half of this year. At the bottom line, adjusted PAT after normalizing the impact of extraordinary expense was INR 287 million in H1 2027, representing a growth of 30% year-on-year basis. Now turning

to our balance sheet.

Net debt excluding capital leases stood at INR 5,751 million as of September 30, 2026. During the first half, we also incurred a capex of INR 1,279 million, primarily towards capacity expansion, medical equipment, and infrastructure upgrades across our network. We remain disciplined in our approach to capital allocation, balancing investments in growth with prudent debt management and a continued focus on improving returns on capital. With that, we would be happy to open the floor for questions. Thank you.

Moderator: Thank you, sir. We will now begin with the question and answer session. We have the first question from the line of Aditya Chheda from InCred Asset Management & Alternative Investments.

Aditya Chheda: Hi, on the price cap exposure, could you walk us through the rough math on how we can arrive at this mid-to-high single-digit EBITDA impact? My second question is about the EPCG provision impact. I think the total contingent liability is about INR 75 crore. So how much of the further impact is left, and what is the cash flow impact from the same?

Manish Mattoo: Thanks, Aditya. On the first one, we have to understand that these 137 drugs which came under the capping represent a small subset of the overall oncology portfolio, the medical oncology portfolio. That is point number one. While it will be difficult to get into very minute details on how we have arrived at impact, suffice to say that on an annualized basis, this is going to be mid-single digit to high single digit.

More importantly, I think how we are thinking about this, there are several levers that we have at play so that we can address this in the near to medium term through the trade channel optimization. Patient volumes will expand. There is then going to be an improved asset utilization. Revenue optimization has continued to deliver for us the last couple of quarters, and that will continue to remain on track.

Of course, several operating efficiencies that will be at play, which will help us be on track as to our earlier estimates that we have continued to give. I request Sanjeev to address the EPCG question.

Sanjeev Kumar: Yes, hi. We recognize an exceptional expense of INR 116 million towards provisioning related to the EPCG. This follows a detailed assessment of all our export obligations, and we believe the necessary provisioning has been now adequately accounted for. Accordingly, we do not anticipate any further material provisions in the near term. I hope I have answered this question.

Aditya Chheda: Got it. Was there an equal cash flow impact because of the same from Q1 and Q2? We had almost INR 16 crore.

Sanjeev Kumar: At present, there is no cash impact as of now.

Aditya Chheda: Okay. On the first question, Manish, which you answered, what I was seeking is that, say, whatever the 137 drugs were, where, let us say, 15% or 20% of revenue and the margins earlier would have been X, and now it would be, let us say, 30%. Any math around that, but if it is

possible. Otherwise, we can discuss later. Thanks.

Manish Mattoo: Yes, we can discuss that later, Aditya.

Aditya Chheda: Okay, thank you.

Moderator Thank you. We have the next question from the line of Devang Patel from Sameeksha Capital.

Devang Patel: My first question was on the new Bengaluru hospital so, that had some negative impact on the margins this quarter. How long do you expect that drag to continue?

Manish Mattoo: Devang, as we had communicated in Q1 also, the revenue ramp-up is happening as per the expectations. The revenue is obviously on a run rate basis improved from Q1 to Q2, and the losses are narrowing. In Q1, we had a loss of INR 7.5 crore for the quarter. In Q2, it has come down to about INR 6 crore. As stated earlier also, we are on track to hit monthly EBITDA breakeven by end of Q4 of this financial year. There is no change there.

Sanjeev Kumar: Actually, we are referring to the monthly EBITDA breakeven.

Moderator Thank you. We have the next question from the line of Sumit Gupta from Antique Stock Broking Limited.

Sumit Gupta: Hi, Manish. With respect to the growth part, I want to understand, as of now, the growth rate is around 16%. When can we expect it to reach around 18% level?

Manish Mattoo: Sumit, our guidance has been around mid-teens growth, coupled by high teens to 20% EBITDA growth, and we continue to stay on track as far as that is concerned. Of course, if there is any inorganic opportunity over and above this is all, of course, organic growth. Anything over and above this will add to that growth. But as of now, the guidance remains the same.

Sumit Gupta: Okay. With respect to Gujarat, basically the West cluster, we did write Gujarat is giving a sub-performance. By when can Gujarat be normalized, and we can expect it to grow in the future?

Manish Mattoo: I think Gujarat should be back to the mid-teens growth by Q4 of this year. That is what we are anticipating.

Sumit Gupta: Okay.

Manish Mattoo: Because we have deliberately cut down on the low-margin business because we are seeing the impact of curtailing this or moderating this revenue growth in our EBITDA margin expansion. I am not so concerned right now about that as long as the margin expansion is happening as per our plans.

Sumit Gupta: Right. If that were not the case, and if Gujarat was also living on a good growth path, how much would the normalized growth be? As of now, it is 13%. Can you be like, how much can it grow from here?

Manish Mattoo: Very difficult to quantify that impact. Overall, I think we are confident of delivering the mid-teens revenue growth that I have stated earlier. I think most of the clusters are doing well, and

that should help us get to where we are aiming to go.

Sumit Gupta: Understood. Another question on the onco drugs.

Sumit Gupta: Basically, of the overall onco drugs set that you utilize for the operations, so how many are under the trade margin cap?

Manish Mattoo: I think majority of the drugs are under the trade margin cap now, barring, I think, immunotherapy, where the margins in any case are lower than the 30% cap. So technically, everything is under the 30% cap now.

Sumit Gupta: Understood. Thank you.

Manish Mattoo: Thank you.

Moderator Thank you. We have the next question from the line of Gopal Bhatt from Baroda BNP Paribas Mutual Fund.

Gopal Bhatt: My first question is just regarding the, you guys mentioning the impact of these trade margin caps. Are you going to see the impact from, have you seen some impact already, or is it now going forward for this year and 2028?

Manish Mattoo: The impact, whatever impact we see will be only seen from Q3 onwards, because this is effective November.

Gopal Bhatt: Okay. Starting Q3, basically for, yes, so for November. You did not see any impact in October. So November whole month and December you will see the impact.

Manish Mattoo: That's right.

Gopal Bhatt: Okay. And if I would just actually step back a bit and ask you a broader question on the regulation as well. I mean, where do you see the Government's intentions with the I mean, actually, sorry, it is rather the Supreme Court-driven thing, but still, where do you see the broader regulatory landscape sort of shaping up, and what do you see, and I mean, an acceptable sort of, say, middle ground or a resolution towards this, or for this regulatory, I mean, in a way, bit of a tussle?

Manish Mattoo: Gopal, I mean, it is evolving, right? As the needs of the country evolve, and so does this regulatory environment. While there is been a lot of investment in the healthcare space over the last couple of years, which comes with its own challenges and impact on pricing, the Government is also obviously conscious of what is right for the patient.

So, I think this is evolving, and I think the right balance will be arrived at through negotiations, consultations, where the Government, which has been open to hearing our perspective too, and taking a balanced stand on that. I think we have seen that also happen. But the focus remains for us is on delivering high-quality care, and I think that itself will make sure that we deliver the revenue growth and margins that we are aiming for. So, I wouldn't be too concerned about it.

I think the inherent demand in the system and need for high-quality care in India will remain to be robust for many years to come, and we are very positive about that. That is where I would

like to leave it.

Gopal Bhatt: Okay. Are you having any kind of discussions? I mean, do you see discussions shaping up towards an independent regulatory body for the industry?

Manish Mattoo: Very tough to say right now. I mean, we are well-represented right now through multiple associations. This has been in the discussion for a while now, but very difficult to say whether this will come up in the next couple of years or so. No idea.

Gopal Bhatt: Okay, got it. Thank you. If I can just move to the financials a bit then. I just see that your cash and cash equivalents have moved quite a bit in the first half of FY 2027. So you are at INR 543 crore, I think now, which is around INR 130. Could you just, I mean, lay out where has the cash been used for?

Sanjeev Kumar: Yes, so actually, there were two or three major uses. One is the fact that we acquired an additional 34% in our Vizag operations, and we used almost INR 150 crore-INR 160 crore in that acquisition. We also repaid INR 170 crore to the banks as part of our debt repayment. So, I think these were the two large uses that we really did. Yes, some of the money that we used for the purpose of our operations as well. But these were the two large uses that really happened.

Gopal Bhatt: Okay, so that made around INR 320 for the two large uses. So, I think you are saying INR 80 crore is rested for all general corporate purposes?

Sanjeev Kumar: That is right.

Ravi Gothwal: Gopal , if you go to slide number 10 of the earnings presentation, you will find the detailed breakdown of the right issue proceeds. So, INR 150 crore, like Sanjeev mentioned, was towards MG Vizag acquisition, INR 170 crore towards debt repayment, and another INR 100 crore for the general corporate purposes. So put together, this has been the utilization for the right proceeds.

Gopal Bhatt: Got it. Okay, very clear. Thank you.

Ravi Gothwal: Thank you.

Moderator Thank you. We have the next question from the line of Nitin Agarwal from DAM Capital Advisors Limited.

Nitin Agarwal: Sir, thanks for taking the question, sir. On the North Bengaluru hospital, what kind of sort of trend line do you see for the EBITDA break-even and subsequent growth for the business?

Sanjeev Kumar: As we have already said during the last call as well, and today also Manish has reaffirmed, that we are very much set to achieve the monthly EBITDA break-even in Q4 of the current year, which is FY 2027. So, between January to March quarter, we will be expected to be break-even.

Nitin Agarwal: Sir, the scale-up of this facility in Bengaluru, I mean, does it really help you in the overall, I mean, does it have any network effect for the overall business in the cluster for you?

Manish Mattoo: Absolutely.

Nitin Agarwal: Is it right to look at it as a standalone facility?

Manish Mattoo: No, not at all. Actually, this works really well, because North Bengaluru is a completely different micro-market. One, I mean, some of the patients who probably were never able to access an HCG facility, now many of them are able to access that in the new market. Bengaluru is essentially not just one market, it is five different markets. So, I am glad that we have another modern hospital in a new micro-market.

And if you see the growth with the North Bengaluru coming up, it has actually had a positive spin-off on our KR Center of Excellence as well. It is ramping up faster than last year. The revenue growth has been faster than last year. We were averaging 16%- 17%, but this year the growth has been 20% + for that hospital. So, I feel that definitely it's going to help us with the network synergy effect.

And then, of course, we have the benefit of using consultants across the two hospitals. Empanelments come in faster. The sales and marketing efforts are well synergized. There are a lot of benefits.

Nitin Agarwal: Right. The ARPP growth that you have got in the South cluster, a 14% ARPP growth, you obviously alluded to the larger use of robotic surgeries and all. But, I mean, is there anything more to really call out? Because it is a pretty staggering increase which is there in the ARPP. How should we think about ARPP increase in this cluster going forward?

Manish Mattoo: I think the ARPP increase, as you rightly mentioned, is on the back of higher robotic surgeries, but it has also happened on the back of high-end radiation therapies as well, high-end theranostics work, which the Bengaluru center is known for, plus the payor mix shift which we have seen. I think all these factors are combining, which has been our thesis right from day one. As we see that impact across the network, we will see ARPPs grow up, improve gradually. Going forward also, I reaffirm the guidance that we have given on the ARPPs, at least ahead of inflation. That is what we are aiming for.

Nitin Agarwal: Since you mentioned that point, when you look at the ARPP increase, obviously there is a combination of more high-end procedures as well as some of the rationalization of the payor mix. On the latter, I think that is a comment you have called out in a bunch of regions. Can you just explain some of the thought process on the payor mix rationalization and how does it really play out going forward?

Manish Mattoo: So, I think payor mix rationalization is an outcome of multiple factors at play. It is, I think, infrastructure enhancement. It is the right clinical talent that we have been onboarding and will continue to onboard. It is the focus on organ-specific work which HCG is known for. It is a clinical differentiation that comes out through clinical outcomes, our tumor board-driven clinical protocols, which we are known for, and also the communication of the same to the patients through a stronger brand and marketing efforts.

And of course, a robust sales and marketing activation on the ground. I think it is a bunch of all those activities to be done consistently with a great focus on execution that is resulting in this

payor mix shift that you have seen.

Nitin Agarwal: So, is it fair to assume that a lot of this, which, I mean, a consequence of this payor mix rationalization that we are undertaking across the board, or sort of it seems to be happening across the board, we should probably lead to some reduction in the corporate sort of share of the business?

Manish Mattoo: No. I think it is applicable for both cash and insurance as well, but corporate is at least two. Because that also, I feel there is an opportunity for us to do better. But I would say it is applicable for cash and insurance and corporate business. Because the levers are the same actually impacting, because all these are favorable payors for us.

Nitin Agarwal: So, if we just push a little bit more, is it leading to this exercise that we are undertaking this I mean, are we sacrificing certain volumes in the I mean, are we letting go of certain volumes in this process?

Manish Mattoo: Yes. I mean, yes. I mean, if you see, that is what I have alluded in my commentary also. Like in Gujarat, for example, we have deliberately cut down on the low-margin payors and all. Of course, there will be from time to time, I would say, moderation of the volumes in an effort for us to be able to service better payors. But that is a conscious call we are taking. But also, it is not that we can abruptly walk out of a payor. So, it is all gradual, mindful of the patient's interest too. But yes, I mean, in some markets, in some quarters, it may result in moderation of the volumes.

Nitin Agarwal: Thank you, sir.

Ravi Gothwal: Moderation in the volume on the institutional business side, not overall. Yes.

Nitin Agarwal: Got it. Thank you so much.

Manish Mattoo: As I would said, for example, the non-institutional growth in Q2 has been 21%, whereas institutional growth has been 5%. I hope that answers your question.

Moderator Thank you. We have the next follow-up question from the line of Devang Patel from Sameeksha Capital.

Devang Patel: Hi. My other question was on how should we look at the first half OCF on a normalized basis? Other than INR 165 crore payout, any other exceptions in there?

Sanjeev Kumar: Are you actually talking about the acquisition of balance 15% in case of Vizag?

Devang Patel: Yes. So, the reported operating cash flow INR 139 crore. The CFO to EBITDA implied is 54%, which is lower than what you have done in the past.

Sanjeev Kumar: Yes. If you actually look at, you are right, CFO to EBITDA conversion is approximately 54% as compared to 80% + in last year's same quarter, I mean, H1. Basically, if you actually look at, if you go through, these are for two things. One is that we got almost INR 35 crore from the AP Government under the Aarogyasri scheme, which is being shown as part of the borrowings at this point of time.

That is one part. The second is that there has been a change in the credit period of one of our major suppliers, which has gone up by almost 30 days, which used to be earlier 90 days. Normalized conversion, if you really look at these two things, it would be approximately within the same range.

Then the other piece is that when we look at the last year, same H1, there was a tax expense. If you actually look at, there was a deferred tax asset which was recognized, which was to almost INR 99.6 crore. Whereas in this quarter, there has been a tax expense of almost INR 30 crore. These are the three or four major reasons why this conversion is at 54%, what it really looks like.

Devang Patel: Is the INR 155 crore payout also impacted the OCF because it could have gone out from your provisions?

Sanjeev Kumar: Which INR 155 crore? I am sorry, I am not clear which INR155 crore you are talking about.

Devang Patel: What you paid for Vizag acquisition, the remaining 34% stake. Would that be lying in provisions and then reversed?

Sanjeev Kumar: No. This INR 155 crore certainly has impacted the overall cash flow. But as we said in the beginning that we had raised a Right issue earlier, which was amounted to almost INR 400 crore, and this INR 150 crore was used out of the proceeds of the right issue. It may not have an impact on the operating cash flow.

Devang Patel: Okay. But you would expect going forward, it would come back to a normal 80%, 85% conversion, as it has this year?

Sanjeev Kumar: Yes. We certainly look at the pickup and improvement in our cash flow from operations because some of these items that I really spoke about would be one-time in nature, and certainly those will get stabilized, and it will have an impact on improved cash flows.

Devang Patel: Okay. My second question was on the volumes for Q2 last year. There is some reclassification that is done now. Is that because of fertility business going out from the base, or is there some other adjustment?

Ravi Gothwal: Yes. All the operational metrics are excluding Milann Fertility, so you will not see any reclassification or adjustment in operational metrics. But all the P&L metrics, revenue, EBITDA, in the presentation have been reported excluding Milann Fertility for the like-to-like comparison basis.

Moderator Thank you. We have the next question from the line of Sumit Gupta from Antique. Please go ahead.

Sumit Gupta: Yes. So just what tax rate should we work with for FY 2027 and subsequently for the next two years?

Sanjeev Kumar: In the near term, we will have to work with a tax rate of approximately 30%-35% at this point of time. But certainly, I think after a year or so, this should stabilize to almost 30%-35%.

Sumit Gupta: Okay. Thank you.

Sanjeev Kumar: Yes.

Moderator Thank you. We have the next follow-up question from the line of Gopal Bhatt from Baroda BNP Paribas Mutual Fund.

Gopal Bhatt: Hi. Yes, thank you for the follow-up. Yes, one thing I just wanted to, I mean, sort of confirm with you that looking at sort of the profile for ARPP growth and volume growth across your clusters, it seems like the South cluster is a little more mature, where you are growing by increasing basically the complexity of the procedures and everything, while you are seeing much stronger volume growth in West and East relative to ARPP. So, they seem to be more sort of relatively newer clusters for you and where you are still gaining on volumes. Is that a fair assessment?

Manish Mattoo: Obviously, the vintage of the hospitals, also the investments we have made in technology, the maturity of the clinical programs, which we are beginning to replicate in the other clusters as well. Particularly in East cluster and now Maharashtra, I mean, we have seen very encouraging volume growth. With the learnings from South cluster, I think we should be in a similar position in all the other clusters. But, I mean, that is a fair assessment that you made.

Gopal Bhatt: Okay, got it. Thank you. Sorry, just one minor sort of bookkeeping kind of question. This EPCG provisions which you have made, I just wanted to understand how is the company eligible for this? From what I understood, I think you are availing certain exemptions on import duty based on export obligations, right? So, is this related to the Kenya operation or how are we eligible for this?

Sanjeev Kumar: No. So, it is not only related to the Kenya operations. As part of the Government policy, if you are having an eligible export proceeds, then when you import anything, you are eligible for the reduced custom duty. And when the Government gives you that benefit of custom duty, then as part of the policy, you have to do six times export proceeds within a certain period of time. And actually, this is what the policy applies. This policy applies to healthcare companies as well.

Manish Mattoo So, the international revenue which comes through the MVT process is counted as export earning.

Gopal Bhatt: Oh, okay. So you are saying MVT also helps you qualify for this exemption?

Sanjeev Kumar: That is right.

Gopal Bhatt: Oh, okay. And, okay, so you have basically reassessed that. I mean, so what has been the reassessment on your part for the year?

Sanjeev Kumar: Yes. We did a comprehensive exercise on the entire what we had to do and how much we expected to be done based on our current assessments. We actually, as a part of the conservative accounting policies, we actually decided to make a provision on the basis of what it looks like. Because of the disturbance in Middle East and Bangladesh, which has been prevailing for a while, that's really impacted our projections versus the actual numbers, and hence this one-time-

Manish Mattoo: We decided to make a provision.

Sanjeev Kumar: Yes.

Gopal Bhatt: Okay, fair enough. What would be the MVT contribution, say, prior to all this, say, in FY 2026, and what would be the MVT contribution this year, first half?

Manish Mattoo: MVT as a business is growing at 25% for us. Prior year, it was about 3%. This year, it will be anywhere between 4% - 5% of the overall.

Gopal Bhatt: Okay. So, in spite of the disturbances on the geopolitical side, you have still managed to increase the share in the first half.

Manish Mattoo: Yes. The revenue has grown. The EPCG is a different piece because it is a retrospective, I would say, deficit, which cannot be fulfilled in just one or two years, right? So that is where the gap is.

Gopal Bhatt: Okay. Fine. Thank you.

Moderator Thank you. We have the next follow-up question from the line of Devang Patel from Sameeksha Capital.

Devang Patel: Sir, a follow-up on trade margin cap impact, given that it will have impact on revenues. Does our guidance for revenue growth and margins for this year still stay?

Manish Mattoo: I think maybe for a quarter or two, there may be some impact, minor impact. But as we have called out earlier also, on an annualized basis, it is a mid to high single-digit impact. But looking ahead, I do not think there will be any impact.

Devang Patel: So this single mid to high single-digit impact is for a quarter or it is for the next four quarters?

Manish Mattoo: It is on an annualized basis for this year.

Ravi Gothwal: We are just trying to give you an assessment of the impact today. If you look at it on an annualized basis, probably it will be mid to high single digit. But obviously, for the next half of the fiscal year, it will be proportionate. It will be low mid-single digit kind of an impact. Going forward into FY 2028 and 2029, we believe that we will be able to maintain the growth trajectory of mid-teen revenue growth with high teens EBITDA growth with continued improvement in the margins.

Devang Patel: With a catch-up in margins to what our trajectory was earlier, or does it reset the base lower?

Manish Mattoo: I do not think there will be a material impact, honestly, FY 2028 onwards, and we should be able to catch up.

Devang Patel: Okay. Thank you so much.

Moderator Thank you very much. Ladies and gentlemen, that was the last question. With that, we conclude the question and answer session. I now hand the conference back to the management for their closing comments. Thank you, and over to you, sir.

Manish Mattoo: Thank you, and thank you, everyone, for taking the time to join us today. On behalf of the whole

team at HCG, I would like to wish you and your families a very happy, safe, and prosperous Diwali. We look forward to interacting with you again next quarter. Thank you so much, and have a great weekend.

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