"Paras Healthcare Limited
Q2 & H1 FY27 Earnings Conference Call"
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MANAGEMENT: **DR. DHARMINDER KUMAR NAGAR – MANAGING DIRECTOR – PARAS HEALTHCARE LIMITED**
MR. DILIP BIDANI – GROUP CHIEF FINANCIAL OFFICER – PARAS HEALTHCARE LIMITED
MR. VINEET AGGARWAL – GROUP CHIEF OPERATING OFFICER – PARAS HEALTHCARE LIMITED

MODERATOR: **MR. ABIN BENNY – JM FINANCIAL LIMITED**

Moderator: Ladies and gentlemen, we welcome you all to Q2 and H1 FY27 Earnings Conference Call of Paras Healthcare Limited, hosted by JM Financial. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions, and expectations of the company as on date of this call. These statements do not guarantee the future performance of the company and may involve risks and uncertainties that are difficult to predict.

I now hand the conference over to Mr. Abin Benny with JM Financial. Over to you, sir.

Abin Benny: Thank you and good evening, everyone. I am Abin Benny, and on behalf of JM Financial, I would like to extend a warm welcome to all of you on the second quarter and H1 FY27 earnings call of Paras Healthcare Limited. At the outset, I would like to thank the management of Paras Healthcare for giving us the opportunity to host the call. We look forward to having an engaging and insightful discussion on the company's quarterly performance and the outlook.

From the company, we have with us today Mr. Dharminder Kumar Nagar, Managing Director, Mr. Dilip Bidani, Group Chief Financial Officer, and Mr. Vineet Aggarwal, Chief Operating Officer.

With that, I would now like to hand over the call to the management for their opening remarks. Over to you, sir.

Dharminder Kumar Nagar: Good evening to each and every one of you. Thank you all for joining Paras Healthcare's first Earnings Call as a listed company. Wishing you all a happy Dhanteras, happy Diwali, and my apologies for keeping you all engaged with our call, given that the holidays are here and everybody must be eager to go back to their homes and start the celebrations.

We were listed on the NSE and BSE on 28th of October. On behalf of our Board and our teams, I want to thank every investor who's placed their trust in us. Thank you also to our doctors, nurses, and staff across our hospitals. These results essentially are their hard work. With me is Mr. Dilip Bidani, our CFO, and our Chief Operating Officer, Vineet Aggarwal. Paras Health has been built exactly in the last two decades on a single idea.

We wanted to solve for North and East India's accessibility issues. Quality and tertiary healthcare should not be a privilege of few and in few metros. We built and run hospitals in Gurgaon, Patna, Darbhanga, Ranchi, Udaipur, Panchkula, Srinagar, Kanpur, with a single belief that patients should not have to travel far, pay a lot for complex care. It should be delivered where they live. Our promise is partners in health, accessible, affordable, high-quality, and compassionate care close to home.

Coming to our Q2 results, it clearly demonstrates why our model is working. Revenue from operations was INR 511 crores, up 23% year-on-year. Operating EBITDA was INR 120 crores, up 47%. Margin expanded by 390 basis points to 23.5%. Profit before tax was INR 54 crores, that is 2.7 times last year's. Profit after tax was INR 40 crores, 3.3 times last year.

For the half year, revenue grew 25% to INR 981 crores. Operating EBITDA grew 58% to INR 225 crores. Where has this growth come from? We are currently managing three clusters of our hospitals. The mature hospitals, Gurgaon, Patna, Panchkula, and Darbhanga, revenue grew 8.5%. Margins rose to 29.5%.

Emerging hospitals, Ranchi and Udaipur, revenue grew 27%. Ranchi had an exceptional quarter. New hospitals, Srinagar and Kanpur, revenue grew 2.4 times last year, and the cluster moved from an EBITDA loss last year to about a margin of 19% in the H1. Q2, Kanpur and Srinagar are now profitable at EBITDA level. That has happened faster than our earlier hospitals, and it is clearly showing a playbook that can be repeated a number of times.

What drives the next phase of our growth? The ramp-up of newer hospitals, because we have tremendous capacity and we have room to grow. What else is happening? Better clinical and surgical mix in every hospital, more complex specialty work, and we are tracking that by hospital and by the doctor-wise.

Moderator: Ladies and gentlemen, the line for the management has been disconnected. Please stay connected while we reconnect the line for the management. Ladies and gentlemen, thank you for patiently holding. We have the line for the management reconnected. Yes, sir, please go ahead.

Dharminder Kumar Nagar: Apologies, everyone. I think we dropped off the call. As I was stating, what is the next phase of growth? Where does it come from? Essentially, we're talking about four levers. Ramp-up of our newer hospitals, which have room to grow in their capacities, better clinical surgical mix in every hospital, more complex specialty work, tracked by hospital and doctor by doctor.

Growth in outpatient and inpatient volumes. Disciplined new capacity. We are building new capacity in Golf Course Extension, Gurgaon, and very, very selective expansion that is going to come up in the future, Ludhiana being an immediate expansion of 500 beds coming in next year.

Our balance sheet has strengthened. Of the INR 500 crores of fresh issue, INR 375 crores has already gone to repay and prepay borrowings. Of course, this lower interest cost should support profit growth from here. And of course, not every hospital of ours has performed this quarter. Udaipur was softer, and of course, the teams will talk about it, our operations will talk about it.

I will now hand over to Dilip, our CFO, who will take us through detailed numbers. Thank you.

Dilip Bidani: Thank you, Dr. Nagar. And a very warm welcome to all on our earnings call for Paras Healthcare. I will take you through the financial numbers, and before I give you some of the numbers, some of which at the cost of repetition, I will repeat. A detailed presentation has been uploaded on the stock exchange as well as the company's website for your benefit, and a great number of details would be available to you there as well.

Speaking of our consolidated financial numbers, our revenue for Q2 stood at INR 511 crores, a growth of 23% on a year-on-year basis. Sequentially, the revenues for Q2 grew by 8.6% over Q1 this year. For Half 1 FY27, revenues stood at INR 981 crores, a great growth of 25% year-on-year. Including other income, our total income for Q2 stands at INR 517 crores and at INR 996 crores for Half 1.

The EBITDA for Q2, which includes other income, stood at INR 126.6 crores, an increase of 42.5% on a year-on-year basis. The EBITDA for Half1 stood at INR 240 crores, a growth of 54% from Half 1 last year. Operating EBITDA, that is excluding other interest income, was INR 120 crores for Q2 against INR 81.7 crores last year.

For Half 1, the operating EBITDA stands at INR 225 crores versus INR 142 crores recorded last year, a growth of 58%. EBITDA margins for Half1 '27 stood at 24.1%, an increase of 4.6 percentage points over 19.5% last year. Operating EBITDA margins stood at 23% this year versus 18.1% last year.

Most of the gains in margin improvement were a result of improvement in material cost by over 3%, which was again a result of procurement efficiencies, formulary compliances, and case mix. Doctor cost improvement of 70 basis points was a function of operating leverage kicking in, despite an absolute increase in doctor cost due to new hires in all across our hospitals, and particularly in the new hospitals. Employee cost and other expenses have largely been at similar levels.

The bottom line obviously improved as the margin percentage also improved. Just to relate some of the numbers on depreciation and finance costs for the quarter, they were INR38.7 crores and INR33.8 crores respectively. Our PBT, profit before tax, in Q2 improved by 12.7% over the previous quarter, which is from INR48 crores in the previous quarter to INR54 crores in this quarter.

Whereas last year in Q2, the PBT was only INR19.8 crores. The PAT this quarter, in Q2, was INR 40.3 crores against INR 12.4 crores last year. This has resulted an EPS of INR 4 per equity share of INR1 each. The profit after tax, which was INR44 crores for the full-year in FY26, is now INR 90 crores in Half1 FY27. PAT margins for FY26, which stood at 2.7%, is now 9% for Half1 '27.

Dr. Nagar touched upon a bit on our borrowings. Our gross borrowings as of September were INR 979 crores. We held INR 360 crores of cash as well, giving us a net debt of INR 620 crores as of end September. Post the IPO of INR 500 crores and net of expenses of the IPO, our balance sheet has become much, much stronger.

We have already repaid INR 375 crores of the term debt, which is as per the offer proceeds, the usage of offer proceeds. Our pro forma net debt post-repayment would be INR 143 crores. The OCF, operating cash flow, for Half 1 was at INR 68 crores, despite working capital movement of a negative INR 172 crores. Receivables have increased from INR 350 crores in

March to INR 518 crores. This is with the payor mix change, settlement cycles, and lumpy payments from certain payor groups.

This is certainly a management priority, and we would be looking at it. Our DSOs at about 92 days on a blended basis are, however, very much under control with us. Halfl capex has been at INR 90 crores invested across various units, as well as payments for our new Gurgaon 2 unit.

This concludes the financial summarization, and I will hand it over to Vineet to take care of the business performance and more details about the cohorts that he will talk about.

Vineet Aggarwal: Thank you, Dilip. Wishing everyone a very happy Dhanteras and a happy Diwali. Moving on to our cohort performance. Let's start with our matured hospitals, Gurgaon, Patna, Panchkula, and Darbhanga. Revenue for our matured hospitals grew by 8.5% in Q2 FY27 and 9.1% in H1 FY27.

Our operating EBITDA grew by 23.1% in both Q2 and the half year, with Q2 margin being 29.6%, that is closer to 30%, a growth of 360 basis points compared to last year. At the half year, we stood at 28.9% with a growth of 330 basis points. Our occupancy for the matured hospitals for the H1 of the year stood at 76.5%.

Coming to our emerging hospitals, Ranchi and Udaipur. Our emerging hospitals grew by 27.2% in terms of revenue in Q2 and 43.2% in the H1 of FY27. EBITDA grew by over 46% in Q2 and 110.9% in the H1 of FY27, showing a very positive movement in our emerging hospitals.

Our EBITDA margins have grown by 230 basis points over Q2 last year and 586 basis points over the H1 of the last year. Our overall margin for the H1 of FY27 for emerging hospitals stood at 18.3% compared to 12.4% of the H1 of the previous year, showing a positive movement and also showing the progress that we can make once our emerging hospitals move into the matured cohort.

Our occupancy for the H1 of FY27 for the emerging hospitals stood at 68.6% compared to 49.1%, an increase of 1,950 basis points, showing a very positive movement on our occupancy levels. Talking about our new hospitals, Srinagar and Kanpur, they have shown tremendous growth over the last year. Revenue has increased by 139% in Q2 FY27 and 147% in the H1 of the financial year on a year-on-year basis.

Our operating EBITDA, which was negative of INR 13 crores in FY26, has become positive of INR15.8 crores in Q2 FY27. And for the H1, it has surpassed INR 25 crores in terms of operating EBITDA. Our margins, which were negative, have become closer to 19%, to be precise, 18.7% in the H1 of FY27, showing a room of improvement further as we move into emerging and the matured cohorts.

This was possible, and we have highlighted earlier that initially when the occupancy is low for new hospitals, the stabilization and operational cost impact the profitability. As we have been

able to increase occupancies, increase specialty treatment, increase both our OPD and IPD footfalls, we have been able to deliver sharp turnaround in our growth and profitability. For H1 FY27, our occupancies for the newer hospitals stood at 68.4% compared to 27.8% in the H1 of FY26, an increase of 4,060 basis points.

Now, coming to a few consolidated operational KPIs, our ARPOB for H1 FY27 stood at 48,900 compared to 48,400 in the H1 of the previous year, showing improvement in our ARPOBs. Our ALOS has gone down from 2.9 previous year H1 to 2.8 days in the H1 of FY27. Our occupancy for Q2 FY27 stood at the group level at 76.3% compared to 62.5% in Q2 of FY26, an increase of 1,380 basis points.

For H1 of the FY27, our occupancy stood at 73% compared to 59% the previous year, an increase of 1,400 basis points. Correspondingly, our occupied bed days have also grown on a year-on-year basis by 23.9% from 162,000 to 201,000. Our volumes, both in terms of inpatient and outpatient volumes, have grown by 27.3% and 20.4% respectively in the H1 on a year-on-year basis.

Our CONGOR specialty stood strong at 74% in H1 of FY27. Our payor mix in H1 FY27 stood at 32% as cash or self-pay, as we call it, 24% insurance, and remaining 44% coming from the government schemes and the PSUs. Effectively, if we look at the operating leverage in terms of all the three cohorts that we are performing in, the broader message is that our volumes, our occupancies, our ARPOB, our ALOS, all are bringing us operating leverage that we have shown in all the three cohorts of ours. I will stop here.

Dilip Bidani: We can now open the floor for questions. This session concludes the management presentation, and we are open for Q&A.

Moderator: Thank you very much. We will now begin with the question-and-answer session. Anyone who wishes to ask a question may press * and then 1 on their phone. If you wish to remove yourself form the question que, you may press * and then 2. Participants are requested to use handsets while asking a question. Ladies and Gentlemen, we will wait for a moment while the question que assembles. Again, to register for a question, you may press * and then 1. The first question comes from the line of Neha Manpuria with Bank of America. Please go ahead. Neha, your line is unmuted. Please proceed with your question.

Neha Manpuria: My first question is on Udaipur. You mentioned that Udaipur was soft this quarter, while overall you have definitely given a very solid performance. Just wanted to understand what is the reason for soft performance in Udaipur?

Vineet Aggarwal: Hi, Neha. Vineet Aggarwal, let me take this question of yours. In Udaipur, rather the entire region of Rajasthan or the state of Rajasthan, the state government scheme is being reviewed. That is being reviewed by the state government, that is being reviewed by the central government, and it has been temporarily suspended across multiple hospitals in Rajasthan.

However, at the same point in time, when we are looking at Udaipur from a Paras context, our overall cash and insurance business has grown in terms of absolute numbers, and we have

recovered almost 30%-40% of what we were in terms of the entire state government business. However, looking at the state and the territory, we are hopeful that in future the scheme will be started again across the different hospitals operating in Rajasthan, we being amongst one of them, and the leverage will kick in.

Neha Manpuria: Got it. Sir In that sense, would it be fair to assume that even the revenues could be lower by a Y-o-Y for Udaipur?

Vineet Aggarwal: So Neha, as I mentioned, in terms of our overall increase, our overall CTC mix has improved, our payor mix has improved, and we are continuously working on further improving our payor mix. There are multiple initiatives that we are taking in future, specifically for Udaipur and across our units to ensure that our dependencies on the government schemes business is reduced.

Neha Manpuria: Got it. Sir, my next question is on Kanpur. Could you help us understand how the ramp-up in Kanpur has been for you?

Vineet Aggarwal: So Kanpur ramp-up has been quite positive. We have been moving quite positively in a direction where our EBITDA margins have improved from - 22.8% to 15.6%. Our occupancies have improved, and our overall revenue has further improved. In terms of Kanpur, it is a combination of obviously one operating leverage.

Obviously, it is a factor of we taking certain initiatives in terms of adding more empanelments in Kanpur, also a factor of adding more and more clinicians in Kanpur to cater to a very clear specialty-focused mix and the kind of treatment, the tertiary care and the quaternary care treatment that we want to move into.

Just to give you an example, our occupancies in Kanpur have ramped up from 22.7% in the H1 of FY26 to 78.4% in the first half of FY27These are very strong signals in Kanpur, and we hope to continue this growth journey in Kanpur in future.

Neha Manpuria: That is very encouraging to hear. Sir, in Kanpur, have you operationalized all the beds, or is it still happening?

Vineet Aggarwal: We are yet to operationalize more beds. We will be opening more beds in Kanpur by the end of this financial year.

Neha Manpuria: How many beds could that be?

Dilip Bidani: I will take that question. We had opened half the beds, so there are two more wings which are yet to be opened. And out of the capacity of 435 beds, we had opened roughly half the beds, and half the beds are yet to be opened.

Neha Manpuria: Okay. And in terms of empanelments, is Kanpur empanelled in all insurance as well as government schemes, or is that process still underway?

Vineet Aggarwal: No, so all empanelments in terms of insurance and government schemes are completely done, Neha.

Moderator: Thank you. The next question comes from the line of Madhav Marda with MLP. Please go ahead.

Madhav Marda: Hi, good evening. Thank you so much for your time. My first question was, I think at the network level, our occupancies are quite strong. If I picked it up right, you said about 76% occupancy in Q2. I wanted to understand, given that occupancies are quite healthy already, how much scope do we have to optimize the payor mix, to shift more to cash and insurance business in the coming one or two years?

Vineet Aggarwal: No, good question. Basically, there is definitely a scope to improve on our payor mix, and there are multiple steps that we are taking. We have to understand one thing first. In terms of our newer hospitals, which is Srinagar and Kanpur, our strategy obviously was to have beds being filled faster, and hence we were looking at empanelments then. Now that they are complete, we do have scope for improvement.

In terms of the overall piece that we look at, there is still Srinagar is operating at 60.4% of occupancy as of H1 of FY27. Now in terms of improving the CTC mix, there are a lot of marketing initiatives that we are taking in terms of ensuring that our overall input funnel, they improve, which subsequently kind of converts into admissions, which is the IPD footfall that we are talking about. So the entire focus is in terms of improving our CTC consults so that we have enough and more input funnel to look at.

Madhav Marda: Understood. With this healthy occupancy, I am assuming even the case mix, we would have sort of enough opportunity to keep optimizing and sort of improve care as well. Is that a good assumption to make at this point?

Vineet Aggarwal: No, absolutely right. There are two elements to it, basically. One obviously is that we are looking at high-end tertiary care specialties to deliver for us. Now hence our surgical mixes are improving our procedural mix is improving. Plus, the second point is that we have added quaternary care programs across some of our units.

An example being liver transplant program, which was started with Gurgaon, and now we have extended that program to Panchkula and Patna. Liver transplant is one of the biggest levers where we are seeing enough and more traction across the three units. Kidney transplant is another area that we have been working upon. Bone marrow transplant is another area.

We have also started robotic surgical programs across different units, including Gurgaon, Patna, Panchkula. Recently launched in Ranchi with a very specific ortho-specific robotic program in Udaipur. We are looking at different combinations of also getting deeper into each specialty, introducing and covering it from the start to the end point of that specialty, plus adding more and more quaternary care programs into our ambit.

Madhav Marda: Got it. And then just wanted to get a guidance from you in terms of, how many new beds do we plan to operationalize in the second half of this year and in FY28? What is the plan there?

Dilip Bidani: So, I will take this question. This is Dilip here. As we told you that we have got a couple of wings yet to be opened in Kanpur, and there are some more beds to be opened in Ranchi. There would be about 200 to 250 odd beds which are yet to be opened, which would take up our operational beds, which currently stand at 1,500, will go up closer to 1,800 within the overall capacity. Having said that, we will be having more beds coming up in Gurgaon 2, as well as Ludhiana over the next 12 - 18 months, as we have said that 300 beds are coming up in Gurgaon and 500 beds for Ludhiana in the following year.

Madhav Marad: Understood. Thank you so much. I will come back in the que. Thankyou.

Moderator: Thank you.

Participants, if you wish to ask a question, you may press * and then 1 now.

The next question comes from the line of Sanidhya with Unicorn Assets. Please go ahead.

Sanidhya: Hi Team. Hope I am audible.

Moderator: Yes sir, you are audible. Please go ahead.

Sanidhya: Yes. My first question is on the cash flows. So, if you compare...

Moderator: Sorry to interrupt, sir, but you are sounding slightly muffled. If you are using a speakerphone, may we request to use the handset?

Sanidhya: Yeah. Is it better now?

Moderator: This is much better. Yes, please go ahead.

Sanidhya: Yeah. If we look at the cash flows, then we see that there is almost like INR 300 crores, INR 250 million kind of negative impact, whereas our profits are like almost 4x from last year, H1. How do you explain that?

Dilip Bidani: As you have seen the cash flow, there has been a movement, a significant movement in the working capital. So, INR 172 crores has been a result of working capital absorption with the DSOs increasing from around 79 days to 92 days, which typically rises in the middle of the year and should settle down as we go forward, and the case mix and the payor mix improves over time.

Sanidhya: Sorry, but I did not understand, like how I am comparing from September 2025 over September 2026, so I do not think there should be any seasonal or middle of the year impact that is visible on such, like trade receivables have gone from INR 87.5 crores to INR 124 crores. This is like almost double. So, what changes in the payor mix or whatever you are referring to? Could you explain how?

Dilip Bidani: There are two parts to it. If you look at the 25% jump in the business itself, that itself has been one of the variables. The second is, there has been a greater percentage of empanelments in our newer hospitals. That has also absorbed part of the working capital, and therefore, the overall mix of debtors has gone up from 79 days to 92 days from March to September. I am talking about from March itself this year, there has been a movement.

Sanidhya: Okay. Are you saying that the INR200 crores improvement for H1 of last year versus H1 of this year, almost 50% of that has been reflected in trade receivables?

Dilip Bidani: About, it would be less than that, but yes, directionally you are right.

Sanidhya: Okay. There is one more line item just below the trade receivables, other assets and other financial assets. If you can explain what is that?

Dilip Bidani: You are referring to?

Sanidhya: In this sequence A for operating cash flows.

Dilip Bidani: Other financial assets? This is actually a reclassification of fixed deposits which have been taken for a long-term basis and has to be classified as other financial assets. It is basically a INR50 crores fixed deposit which is classified in other financial assets.

Sanidhya: Okay. Any particular entity to which it is done?

Dilip Bidani: Yeah. It is with our regular bankers.

Sanidhya: Okay. I was just trying to understand, it wasn't there last year, so from which accounting entry has it been reclassified? Either that could be explained, or is it something new then from which entity?

Dilip Bidani: Yeah, I will explain that to you. You will have to go back and at the cost of explaining what happened last year, we had an INR80 crores capital infusion, equity infusion, which came in in April 2025. That gave us some cash, so we took a longer term FD.

Now that as per auditing standards, cannot be classified as current, and it couldn't be classified as under the bank balances. It had to be classified as an other financial assets under that category of long-term non-current assets. So, that is what it is really.

Sanidhya: Great, really helpful. Thank you so much for patiently answering my question.

Moderator: Thank you. Ladies and Gentlemen, in order to ask a question , you may press * and then 1.

Our next question comes from the line of Vanshi Shah with EVNA Advisors. Please go ahead.

Vanshi Shah: Hello, hi sir, Am I audible?

Moderator: Yes, you are audible.

Vanshi Shah: Yeah. So, my question was, mature hospitals have reported EBITDA margins of around 29% in H1 FY27. So, what is the sustainable EBITDA margin potential for mature hospitals, and how should margins evolve as new hospitals mature?

Dilip Bidani: Yeah. Okay, it is a very good question. If you look at our cohort analysis, which is depicted in our presentation, we have shown that the new hospitals start off as negative, become positive, start hitting mid-teens to high-teens margins, and move into the middle bucket of emerging.

The middle bucket then gradually moves to the leftmost mature bucket, which is currently a blended of mid to high 20% EBITDA range. We expect gradually over a period of time, everything should migrate in a steady state towards that level. And obviously, there will be some new hospitals at all points of time.

The blended EBITDA which we are looking at in the long steady state should be in the mid-20s range. That's the way we are envisaging our business as a model. That's our playbook. I'm not giving a guidance on that, but that is the model playbook which we are looking at. I hope that somewhat answers your question.

Vanshi Shah: Yes, sir. Very well understood. Sir, I have one more question. What other locations are we looking at apart from Ludhiana and Gurugram for expansion, and what will be our expansion strategy, whether it will be greenfield or brownfield?

Dharminder Kumar Nagar: This is Dr. Nagar here. Thank you. Since this is a forward-looking question, currently we're very focused on delivering the new Gurgaon facility at Golf Course Extension and Ludhiana facility. Given this is 800 beds coming on stream, we are focused on delivering rapid growth in these and our newer facilities.

In terms of the medium to long term, just to reiterate the philosophy and the reason for our existence, we want to solve for North and East India's accessibility, quality issues of tertiary and quaternary healthcare. We are very, very focused on that.

In terms of the models, whether they are greenfield, brownfield, M&As, and O&Ms, we are happy and we are very excited to look at all the models at an appropriate time. But currently, we are only focused on these two.

Vanshi Shah: Noted, sir. Sir, I have just one last question. We are particularly present in Tier 2 and three cities. Do we see any challenges in getting medical talent?

Dharminder Kumar Nagar: I think it's a very geographically good question. We have seen that we have beautiful, great talent, let's say, in Kashmir. It's not been a problem. In fact, we've had a problem of plenty. I can give you an example. Even day before yesterday, a professor of urology from U.K. has just approached me for wanting to come back. He's a dean in a university there. That is the depth of talent that is available. Example, even places like Kashmir.

Again, that doesn't answer the whole question. Where we find there is also a lack of talent in tertiary and quaternary care is in places like Darbhanga. We do find that is a challenge. And of

course, as an industry, finding good tertiary and quaternary care specialists is always going to be a challenge. Although, given the government's policies, increasing the undergraduate medical seats tremendously, we are nearly touching 150,000 seats this year.

And of course, more than 50,000 postgraduates, it might be much more. And our own contribution across hospitals where we're producing postgraduates in DNB programs and across most of our units. So, medical education, creating specialists within our system is a core belief of Paras Health, and we continue to focus on it.

Vanshi Shah: Understood, sir. Thank you so much for answering all my questions. All the best to you, sir, and Diwali greetings to everyone. Thank you.

Dharminder Kumar Nagar: Thank you so much. Wishing you everyone a happy Diwali once again.

Vanshi Shah: Thank you.

Moderator: Thank you. Participants, if you wish to ask a question you may press * and then 1 now.

Our next follow-up question comes from the line of Madhav Marda with MLP. Please go ahead.

Madhav Marda: Thank you so much for the follow-up. Just wanted to check, given we have fair bit of new beds coming into the mix in the coming 20-24 months, and case and pay mix improvement opportunity as well. Given it is a first earnings call, is there any revenue or guidance that you would like to share for the network as a whole for the next two to three years? Thank you. Thank you.

Dilip Bidani: Yeah, there is no guidance as such which we are sharing. However, you have seen the trend of our revenue, and revenue growth is healthy. You got to see how the mature buckets, emerging buckets, and new buckets can shape up. With the new buckets, current new bucket shifting to emerging, and emerging moving into mature gradually, and two new hospitals coming in the new bucket, I think similar trends, similar kind of modelling you can do, but without any specific guidance from our end.

Madhav Marda: Understood sir. Thank you and wish you a very Happy Diwali.

Dilip Bidani: Thank you. Same to you.

Moderator: Thank you. A reminder to all the Participants, if you wish to ask a question, you may press * and then 1.

Our next question comes from the line of Mr. Amey Chalke with JM Financial. Please go ahead.

Amey Chalke: Yeah. Thank you so much for taking my question, and congrats to the management on good numbers. My first question on ALOS. We are operating with almost 2.8, 2.9 ALOS for our aggregate of eight hospitals. This is one of the lowest ALOS I have seen on the listed hospital

space, especially when we have such large-scale hospitals like from Apollo, Max, and Fortis, etcetera.

So, what are the reasons or what are the factors which are leading to such a low ALOS number, which suggests that there is a greater operational efficiency in our hospitals? And do you expect this lower ALOS number to continue even in the future, considering we have so many new hospitals which have already come up, and where typically we are present in Tier 1, Tier 2 hospitals, where also the ALOS number is typically on the higher side, more than 3.5 to 4? So, is it a sustainable number for us going forward?

Vineet Aggarwal: Vineet this side. If we look at these numbers that we have been maintaining, our numbers have always been in the range of somewhere between 2.8 to 3, and we expect that the trend continues for us. Now the reason why we have these numbers obviously is surrounded by the fact the kind of case mix that we carry.

Obviously, in terms of looking at the different case mix of surgical specialties versus medical specialties, daycare versus the midnight occupancies, and the new areas which are developing up in terms of onco radiation being one, chemo being another, robotic surgeries improving the ALOS for the patients. These are certain interventions that have helped us reduce our ALOS, and we expect the same trend for us to continue.

Amey Chalke: Sure. When we open new hospitals, is that considered as a criteria to maintain? Because typically we see that new hospitals are having a higher ALOS because initially the case mix is bit inferior.

Vineet Aggarwal: You are absolutely right. When we open new hospitals, this is certainly not the criteria. For new hospitals, as you rightly mentioned, depending upon the case mix, the ALOSs could initially be higher, and then as and when we introduce new and new medical programs and new technology for that particular unit, the ALOSs typically with improving case mix and the new technology will further taper down.

Amey Chalke: Sure. Second, quick bookkeeping question I had was on the seasonality for our business. Most of the hospitals we have seen having a stronger 2Q and 4Q. It would be helpful if you can mention how the seasonality typically spread out for us on quarterly basis. Especially in this quarter, we have seen the newer hospital reaching to 70% occupancy. Do you expect it to be sustainable for upcoming quarter 3 and quarter 4 as well?

Vineet Aggarwal: See, there are clear factors for it. The seasonality trend also is a factor of where we are operating in, which part of the country we are. We have been focused on North and East India. The trend continues for us as we have seen for us in the past. In terms of improving our occupancy, as we are leveraging, one, the existing capacity. That is one area that we are working on.

The second obviously is the bed expansion that is going to come up, as we had mentioned in the new units and in the existing units. Effectively speaking, as our operating beds increase, we

do have scope and margin of improvement in our existing facilities, plus obviously the new upcoming facilities as well.

Amey Chalke: Sure. Thank you so much. I have last question on strategic question. Most of our hospitals so far have been asset-light. Going forward, we expect to stay asset-light when we add new hospitals. Also, does that mean the acquisition would remain a low priority for us because it will require a good amount of capital allocation versus our typical asset-light business model?

Dharminder Kumar Nagar: Thank you. Let me take this question, Dr. Nagar here.

Amey Chalke: Sure.

Dharminder Kumar Nagar: Our new hospitals that are coming up, whether it's the Gurgaon or the Ludhiana, continue to be asset-light. Our focus is on delivering quality healthcare in the geographies that we want to be in. That is the priority. In terms of the opportunity for M&A, opportunity on greenfield, opportunity on brownfield. We are honestly open for everything.

Currently, given that where we are and given the current commitments, we are very focused on delivering value on those, and that is what we intend to do in the next two years. If the opportunities arose, we will continue to look at them. We've done public-private partnership as well, so even that is an opportunity for us in the future.

Amey Chalke: Got it. Thank you so much. I will join back.

Moderator: Thank you. Our next question comes from the line of Mr. Abin Benny. Please go ahead.

Abin Benny: Hi, thank you. Am I audible?

Moderator: Yes sir, you are audible.

Abin Benny: Thanks for the opportunity. A few questions, sir. Sir, the mature hospitals cluster is at an occupancy levels of almost 78%, which is around 200 basis points improvement year-on-year. How much further headroom do you see that is available to drive this, and are there any white spaces or levers that can be filled to have further uptick from here?

Vineet Aggarwal: Definitely. Vineet this side, let me pick this one up. In terms of our matured hospitals between Gurgaon, Patna, Panchkula, and Darbhanga, we do see there is a possibility of further occupancy increasing in Patna. We do have opportunities there. When we look at, for example, in Gurgaon, the reason Golf Course Extension Gurgaon comes in is because of the simple reason that there is lesser headroom for us in the existing unit.

Yes, we do see opportunities in Patna. We do see some opportunities in Panchkula. We can still have improved occupancies there. But Gurgaon, yes, that's the reason Golf Course Extension comes in.

Abin Benny: Understood. With Darbhanga, even though it's a 100-bed hospital, a small hospital, there are a lot of specialties that are still available that can still come up. Any plans to add more advanced specialties or case mixes there?

Vineet Aggarwal: Let me answer this point in two parts. Obviously, with Darbhanga, yes, there can be a future tech expansion/specialty expansion as we progress. However, a small journey about Darbhanga is Darbhanga was supposed to be feeder to Patna because of its proximity to Patna, and that's the business model that we are operating Darbhanga with. It continues to be a feeder hospital to Patna.

In terms of the quaternary care programs, Darbhanga will constantly and keep on feeding Patna. But in terms of improving some level of tertiary care programs further, diving deeper into those programs, yes, that expansion will still come to Darbhanga.

Abin Benny: Got it. Thank you for that. The other question that I wanted to ask was that the emerging hospitals are at a margin level of around 18.5%-19%. What would be the kind of timeline that you estimate that these would reach to the comparable of mature facilities from your previous experiences, right? How they have been trending?

Dilip Bidani: Yeah, I think it's a good question, Abin. If you look at the age profile, typically emerging should start moving to the mature bucket in four to seven years, after seven years. Once they reach that kind of maturity level, we expect that they should be hitting low to mid-20s, and then they move to mid to high 20s in the mature bucket.

Ranchi is already kind of delivering the mature type of margin profile, and therefore, we will see how soon we would like to classify it as a mature hospital, although it still is in the age bracket which is in the middle category. Ranchi is already delivering mid-20s kind of EBITDA margins.

Vineet Aggarwal: Just to add, Ranchi is already delivering 25.8% in Q2 of FY27 as part of the EBITDA margin. That's what Dilip was mentioning.

Abin Benny: Got it. Thank you, sir. Just one last question. Given that Gurgaon hospital will be commissioned by the year end, and also you had mentioned earlier about adding a lot of advanced specialties in white spaces, what kind of recruitment and what recruitment plans are being taken care of, and what are the kind of new doctor additions that you're doing?

Vineet Aggarwal: No, very good question. Obviously, in terms of when we are looking at the entire clinician hiring/clinician addition plan, there are two things that we do keep in mind. One obviously is the medical programs that we constantly add.

Two, obviously, is the deep dive into a single specialty, how we expand our programs into specific areas. These are the areas where we will continuously attract and try and attract more and more clinical talent and have more and more teams with us. Obviously, it is also a factor of having clinical talent to ensure that whatever specific areas that we kind of come through, we are able to cater that.

Just to also add to that, there is an interesting piece that you should be looking at, that the kind of clinical talent that we have required, we have three Padma Shris with us in Gurgaon itself, Dr. V.S. Mehta, Dr. Padma, Dr. Alka Kriplani. All three are there with us as Padma Shris in our flagship unit itself. Plus, the kind of talent that we have in other units as well. So example, Dr. John Mukhopadhaya in Patna, he is a prominent figure and a name there.

Abin Benny: Got it sir. Thank you for taking my question. That's it.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. As there are no further questions from the participants, I now hand the conference back to the management for closing comments. Over to you, sir.

Dilip Bidani: Yeah, thank you all for attending this conference call, our first conference call, and we look forward to interacting again with you in future. Thank you, and good night.

Moderator: Thank you. Ladies and gentlemen, on behalf of JM Financial, that concludes this conference. Thank you, everyone, for joining us, and you may now disconnect your lines. Thank you.