GPT Healthcare

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Operator: Good morning, everyone. This is the second day of the Bharat Connect Conference 2026 September edition. I welcome you all to the call of GPT Healthcare Ltd. Today, from the management, we have Mr. Atul Tantia, who is the promoter of the company. Before I hand the call over to management, I will outline the flow of the event. We will start with opening remarks from management and then move on to the Q&A round. Any participant who would like to ask questions can raise their hand or put them in the chat box. First, we will take questions from participants who have raised their hands and then move on to the chat box. If time permits, we will take the questions that I have received from clients who were unable to participate. I will now hand over the call to management. Over to you.

Atul Tantia – Group CFO: Good morning, everyone. I am Atul Tantia, and I am the Group CFO of GPT Healthcare Ltd. We are a Kolkata-based hospital chain. We are in the business of owning and operating hospital assets in the eastern part of the country. Eastern India, as you are aware, has only 14 beds per 10,000 people compared to 40-45 beds per 10,000 people for the larger part of the country. It is a very underpenetrated market for good-quality healthcare. We started this network of hospitals in July 2000, primarily as a workplace for Dr. Om Tantia, our Chairman and MD. Dr. Om Tantia is a renowned laparoscopic surgeon and a surgeon of repute in this part of the country and nationally as well, and has won various accolades.

Today, we have about 750 beds across five hospitals. These hospitals are in the densely populated neighborhoods of the eastern part of the country. We have two in Kolkata, one in Howrah, which is a twin city of Kolkata, another in Raipur, and the fifth one in Agartala in the northeast. There is a sixth one coming up in Jamshedpur in the next 6 months. We position these hospitals as neighborhood tertiary-care setups with two or three quaternary-care services, depending on the needs of the market. These hospitals offer the full bouquet of services to patients and serve the needs of the neighborhood within a 3-4 kilometer radius.

Our brand is ILS Hospitals, and it has become quite popular in this part of the country. We believe in operating for that neighborhood, so 90-95% of our patients are cash and insurance patients, and only 5-10% come from government schemes and corporate tie-ups. Our cash-to-EBITDA conversion is also north of 80%, and we have good cash reserves and balances. We are also growing the business with the target of becoming a 1,000-bed chain in the next couple of years. We are in the process of adding a couple of more assets in the eastern part of the country, especially in cities such as Cuttack, Guwahati, Siliguri, and Banaras, among others. This should take us to the 1,000-bed mark, as I said, in the next couple of years.

Our Board is also quite diverse and independent. The audit committee is 100% independent. The NRC is also 100% independent. We have a good set of auditors, S.R. Batliboi and Company, and EY. We have a clean balance sheet, hardly any debt on the balance sheet, and our debt-equity ratio is less than 0.1. As I said, we have good and strong cash-flow conversion, with 80% EBITDA conversion of cash flow from operations. We also have a good dividend-paying track record. Approximately 30% of PAT is paid out as dividends every year. With that, I will open the floor for questions. Thank you.

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Operator: Thank you. We can start with the Q&A session. The first question is from Anchal Maheshwari. Please go ahead.

Anchal Maheshwari: Hi. I wanted to understand whether the area of the country in which we operate makes it very difficult to find good doctors or medical staff. Is it difficult to procure good talent in that area?

Atul Tantia – Group CFO: No. The eastern part of the country has historically had very good doctors, and there is no particular challenge in terms of getting good medical talent. We have been fortunate that our attrition rate, especially for doctors, is less than 10% overall. For nursing staff, it is slightly higher, but that is the nature of the market. We also have our own nursing school and college in Agartala, from which we can source talent for our paramedical and medical staff.

Anchal Maheshwari: Looking at the ARPOB, what would you reckon would be the higher side for the ARPOB of our hospitals or upcoming hospitals?

Atul Tantia – Group CFO: The ARPOB for the network as a whole is around 40,000–42,000. It is a conscious decision of management to keep this ARPOB below the national peer ARPOB of approximately 60,000 plus. We have targeted our ARPOB to be 30% lower than that of most national players. The ARPOB would remain at this level even in the newer markets. For example, a hospital such as Raipur has a similar ARPOB of approximately 40,000.

Anchal Maheshwari: Looking at the specialties, what is the specialty mix that we currently have, and are we looking to change it to more complex specialties in the future?

Atul Tantia – Group CFO: We are not dependent on a single specialty for any of our hospitals, nor on a single star doctor. We are well diversified. The top 10 specialties contribute almost 80% of the overall business. Some specialties, such as nephrology, cardiac care, and internal medicine, outperform the others, but it is a well-diversified mix. We are moving toward more complex surgeries and procedures, such as robotic surgeries and oncological services. These services are also coming up in our Agartala hospital and in the Raipur hospital. This will increase the complexity of the procedures we undertake and will obviously improve the case mix.

Anchal Maheshwari: We do not have any compulsory government schemes, and we are not enrolled under any compulsory government schemes?

Atul Tantia – Group CFO: Our Agartala hospital has a commitment that 10% of our beds will be provided to BPL patients at 50% of our rates. That is the only compulsion we currently have.

Anchal Maheshwari: For the other hospitals, your payer mix remains more toward cash and insurance, correct?

Atul Tantia – Group CFO: Pardon?

Anchal Maheshwari: For all the other hospitals, the major contributor to the payer mix would be cash and insurance.

Atul Tantia – Group CFO: Correct.

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Anchal Maheshwari: Thank you very much. Those were my questions.

Atul Tantia – Group CFO: Thank you.

Operator: Thank you. The next question is from Chiranjib Kohli. Please go ahead.

Chiranjib Kohli: Thank you for the opportunity. I have a few questions. First, could you provide some detail on oncology? You mentioned that Agartala has an oncology tie-up. What about the other hospitals? Do they also have oncology, or are you going to introduce these services there?

Atul Tantia – Group CFO: Medical oncology is present across our network. Services such as LINAC and radiation oncology are available in Agartala and are also being set up in our Raipur hospital. The three hospitals in Kolkata do not have sufficient space to set up radiation oncology. Chemotherapy and immunotherapy are provided across our network at all the hospitals. Radiation oncology is not available at the three hospitals in Kolkata.

Chiranjib Kohli: My next question is regarding the medical tourism opportunity. You mentioned it in your presentation as well. I have some exposure to the Bangladesh market, and I understand that many people from Bangladesh travel as far as Chennai. Good services in eastern India could therefore be beneficial and represent a significant opportunity. What specific steps are you taking to penetrate that market or attract patients from there? Could you elaborate on that? I noticed that you have also listed Nepal and Bhutan, but I know the size of the Bangladesh market, which is why I am asking this question.

Atul Tantia – Group CFO: Our Agartala hospital is quite close to the Bangladesh border, approximately half an hour away. At the Agartala hospital, we see a significant number of patients from Bangladesh. Nearly 10% of our overall patient volume is from Bangladesh. Many people who have visited us historically continue to come for their medical needs, and we address those needs from the Bangladesh market. Recently, when there were issues relating to visas with Bangladesh, this led to a temporary dip for the Agartala hospital, but the situation has now stabilized and has resumed.

In our Kolkata-based facilities, occupancy levels are generally quite high, except at the Howrah hospital, so we do not see much occupancy from the Bangladesh market. When I say “not much,” it is less than 5%. The hospital in Agartala is therefore the primary hospital that sees patient volume from Bangladesh. In addition, the hospitals in Kolkata are positioned as neighborhood tertiary-care setups. People within a 3-4 kilometer radius generally come to these hospitals rather than people from outside that neighborhood.

Chiranjib Kohli: What I wanted to check is whether you have any proactive measures to establish your brand so that people in Bangladesh know about it. People who travel to Agartala for other reasons are generally from lower-income groups. The main markets, such as Dhaka and Chittagong, fly to Chennai. Are you taking any specific proactive measures to increase your brand penetration in Bangladesh?

Atul Tantia – Group CFO: Honestly, as we understand the law, you are not allowed to actively market yourself in Bangladesh. Therefore, those proactive measures are not visible. We attract

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patients more through word of mouth and through associations with certain doctors there. Other than that, we cannot undertake active advertising or active marketing in Bangladesh.

Chiranjib Kohli: Thank you. All the best.

Atul Tantia – Group CFO: Thank you.

Operator: Thank you. The next question is from Vedant. Please go ahead.

Vedant: [inaudible] Am I audible?

Atul Tantia – Group CFO: Vedant, we cannot hear you.

Vedant: Hello. Am I audible?

Atul Tantia – Group CFO: Yes, you are audible.

Vedant: Thank you for the opportunity. I wanted to check what percentage of our revenue comes from medical value tourism.

Atul Tantia – Group CFO: As I said to the previous caller, medical value tourism is a very minimal part of our business. It is less than 5% of our overall revenue. It is not something that we are primarily focusing on. We are instead focusing on neighborhood tertiary-care setups.

Vedant: Given that we are currently primarily focused on eastern India, other than the upcoming hospital in Jamshedpur, are we planning to further expand our geographic scope?

Atul Tantia – Group CFO: We are targeting areas such as Cuttack, Siliguri, Guwahati, Banaras, Ranchi, Kharagpur, and others, as I mentioned earlier. We are hopeful that we will finalize something in the next couple of months.

Vedant: We have around 700-plus beds, which are expected to scale to 1,000 beds in FY27. Beyond that, what kind of expansion are we going to see in terms of greenfield and brownfield projects? Is there any thought process regarding this?

Atul Tantia – Group CFO: We expect to add approximately 10-12% beds, on average, every year. This translates into a new hospital every 18 months, and that is the current thought process. We intend to grow the business from there and hopefully have three more hospitals over the next 5 years after this.

Vedant: Will the majority of this be greenfield or brownfield?

Atul Tantia – Group CFO: We are open to both acquisitions and greenfield hospitals. It is a question of valuation and how the market develops. Obviously, we would like the valuations to be accretive to our numbers. As we speak, we are in active discussions regarding an acquisition, but nothing has been finalized and no term sheet has been signed. We will come to the market once everything is documented.

Vedant: Understood. Thank you.

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Atul Tantia – Group CFO: Thank you.

Operator: Thank you. The next question is from Rohan. Please go ahead.

Rohan: Hello. Am I audible now?

Atul Tantia – Group CFO: Yes.

Rohan: My first question is regarding the August conference call. You said that the Raipur branch had utilization of approximately 17% and generated a loss of 3 crores. Our target for this year was approximately 30% utilization. What is the progress on that, and is it profitable?

Management: The target of {? 30% ?} was not the average for the full year. It was a month-on-month target. We still expect that to happen by March, and I think we remain on track to achieve that by March.

Rohan: Around March, can we expect Raipur to be profitable?

Management: Correct.

Rohan: My next question relates to the previous speaker, Vedant, who discussed growth. You mentioned a few locations, but what are we actually targeting in terms of adding new hospitals? I believe the locations you mentioned are only locations that we are scouting, where it would be beneficial for us. What is our target for adding hospitals after Jamshedpur? Are we looking at two or three more? I wanted to understand that. In addition, how will we fund that growth? Will it be through equity or debt?

Management: As I mentioned, the target is to add a new hospital with approximately 150 beds every 18 months. This will be funded through a healthy mix of debt and internal accruals. We do not expect to dilute any further from here.

Rohan: What kind of long-term CAGR are we expecting by FY30? What is our target? I believe you had also mentioned improving the margin to around {? 21% ?}. What kind of margins are we expecting in the long term up to FY30 or FY31?

Management: In terms of growth, we expect a CAGR of approximately {? 15-17% ?} for the next 4-5 years. This would be in line with the overall growth of the market. In terms of EBITDA margin, after factoring in the initial losses of the new hospitals, an EBITDA margin of {? 21% ?} would be a good level to achieve.

Rohan: My next question relates to Jamshedpur, which we are going to open in 6 months. What kind of occupancy are we targeting in the long term, and by when do we expect it to be profitable? We incur losses in the early days, so—

Management: We are targeting a long-term trajectory in which occupancy reaches close to {? 70% ?} over the next 5 years once the hospital is operational, with an EBITDA margin close to {? 22-23% ?}. There will be some initial losses. We will quantify them and provide an update in the next couple of quarters.

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Rohan: What kind of overall occupancy do we currently have across all our hospitals, and what is our peak revenue potential?

Management: Right now, occupancy is close to {? 50% ?} on an overall basis. Obviously, it depends on the hospital, but the peak revenue potential would be close to {? 800 crores ?}.

Rohan: Understood. That was all from my side. Thank you very much.

Operator: Thank you. The next question is from Anubhav. Please go ahead.

Anubhav: Hello, am I audible?

Management: Yes, please go ahead.

Anubhav: Thank you for the opportunity. For the four older hospitals, excluding Raipur, what kind of occupancy ramp-up do you expect? In the past, there was a phase when we worked on reducing ALOS, which led to stagnation or a decline in occupancy. Are we past that phase, and could you provide some color on how you see occupancy at the four older hospitals ramping up to perhaps 70-75%?

Management: I think we are almost past the phase of ALOS reductions. If you look at most of our hospitals, their ALOS has come down to below 3, which is a very good level. During COVID and otherwise, it had increased to approximately 5-5.5. As you rightly said, it was a conscious decision to reduce ALOS, and I think that makes the hospital business much more profitable compared to what it was earlier.

We expect occupancy to start ramping up again. Dumdum and Salt Lake should reach the {? 70% ?} mark in the next couple of quarters. Agartala should move closer to {? 60% ?}, and Howrah is already at approximately {? 50% ?} and will hopefully reach {? 55% ?} in the next couple of quarters.

Anubhav: On the ARPOB, do you have a target in mind for reaching an optimum ARPOB? How will that ramp up?

Management: ARPOB is expected to increase by approximately {? 6-7% ?} every year, through a combination of inflation and case-mix changes. There is no particular optimum ARPOB that we aspire to achieve. We would like to keep our hospitals affordable and correctly priced so that we have minimal disputes and do not overcharge our patients.

Anubhav: We had plans to open a hospital in Ranchi in the past. Has that plan been shelved? Could you provide some color on that?

Management: That particular project has been shelved, but there is another project in Ranchi that we are evaluating to replace it. We will hopefully be able to bring something on board in the next couple of quarters.

Anubhav: Thank you. I will get back in the queue.

Management: Thank you.

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Operator: Thank you. The next question is from Vedant Rathi. Please go ahead.

Vedant Rathi: Hello, am I audible?

Management: Yes, please go ahead.

Vedant Rathi: Thank you for the opportunity. You previously mentioned that you like to keep your ARPOB {? 30% ?} below the national average. Is there any specific reason for that? Is it specifically related to the eastern region? What is the ARPOB of other peers there?

Management: Even the national chains in eastern India have a much higher ARPOB compared to us. The primary reason is to ensure that we are able to serve a large middle- to upper-income section of society that aspires to receive quality healthcare but is reluctant to visit larger corporate chains because of their higher ARPOBs. This is a way to ensure that our ARPOBs meet patients' needs and remain affordable. Despite that, we generate good EBITDA margins and good cash flows. There is no other specific reason. The market can absorb higher ARPOBs, but that is not something we aspire to achieve.

Vedant Rathi: Could you name two or three peers that are large in the eastern region?

Management: Eastern India has all the national players. There is Manipal, Apollo, Peerless, and Fortis. There is nothing more specific than that.

Vedant Rathi: Is there any criterion in mind when we open a new hospital? For example, do we look at the TAM in that region or whether there is an IT hub nearby? Is there any such criterion?

Management: The criteria primarily involve evaluating the market and the competition within a 3-4 kilometer radius. We also look at the availability of consultants and medical staff, as well as other ancillary facilities, including residential facilities for our team members. We also consider the paying capacity of patients.

Vedant Rathi: On the ARPOB side, is the {? 6-7% ?} increase you guided for due to an increase in case mix, a reduction in ALOS, or the price hikes we take every year?

Management: As I said, it is a combination of inflation and case mix, and we expect the increase to come from both factors.

Vedant Rathi: Thank you very much. That is all from my side.

Management: Thank you.

Operator: Thank you. The next question is from Vishal. Please go ahead.

Management: Can we move to the next question? I think he is not there.

Operator: One moment. Vishal, please go ahead.

Vishal: Am I audible?

Management: Yes, please go ahead.

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Vishal: If we look at the Indian market, there is significant bed addition across India, both within the industry and specifically from corporate hospitals. Could you discuss how you see this impacting us in the micro-markets in which we operate, and specifically what is happening in the eastern and central parts of India?

Management: As I said, eastern India has only {? 14 beds per 10,000 ?} compared to {? 40 beds per 10,000 ?}, and there is a huge requirement for good hospitals in this part of the country. Bed additions are required, and there is sufficient demand for good-quality healthcare. We operate in an underserved market, and we do not see the addition of beds as a challenge. We hope that it will also improve the quality of services offered to patients.

Vishal: Would you have the same view about Kolkata, or is it different from Raipur and Jamshedpur, where we are trying to scale?

Management: It is the same across eastern India. There are various pockets in every part of a city or state where there is underpenetration. You have to look at specific pockets; you cannot comment on the entire state or the entire city as such.

Vishal: My next question is specifically for Kolkata. Since we do not focus on star doctors, how does the price differential between us and the large corporate hospitals compare for the same procedure?

Management: I mentioned this earlier, although you may have joined slightly later. The difference is approximately {? 30% ?} in terms of ARPOB. A similar procedure at Apollo or another large corporate hospital would be approximately {? 30% ?} higher than at our hospitals.

Vishal: Who is our typical patient, and if someone has insurance, would they prefer the large hospitals or would they prefer to come to us? Why would they make that choice?

Management: If you look at our Google reviews, they are approximately {? 4.7, 4.8 ?} across our network. We also have good patient feedback and good patient experiences. The larger hospitals obviously attract many patients, and we also attract an equally good number of patients. A typical patient would be a middle- to high-income patient or family from the neighborhood in which we operate.

Vishal: If we consider the patient's perspective, if they have the money, they may prefer to go to doctors who are well known in the city or in the areas where they live.

Management: All our doctors are very well known. We do not aspire to have star doctors because star doctors can drive {? 25-30% ?} of a particular revenue stream. Our doctors are very popular in the city and in their respective markets. It is not that we operate only with freshers or MBBS doctors. All our doctors are very popular and very well qualified in their respective domains.

Vishal: In smaller markets such as Jamshedpur and Raipur, or if we expand into other cities in Bihar or Jharkhand, there may be a shortage of very well-trained doctors because those doctors have moved to larger cities. How are we planning to address these challenges?

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Management: We use various tools and are attracting a significant amount of good talent. If you look at our hospital in Raipur, we have performed a liver transplant and multiple kidney transplants within the first year of operations, which is quite unusual in any part of the country. We have been able to place good consultants there. We are hopeful that, for all the locations we choose, we will be able to place a good pool of consultants.

Given the brand name we have in this part of the country, doctors are attracted to us because of the quality of services we offer, the ethical practices we follow, and our focus on research and academics. These factors lead doctors to prefer us over others.

Vishal: Have you been able to relocate doctors from larger cities—

Operator: Vishal, we request that you get back in the queue, as there are other participants.

Vishal: Sure.

Operator: Thank you. The next question is from Swati Jain. Please go ahead.

Swati Jain: Am I audible?

Management: Yes, please go ahead.

Swati Jain: I have a follow-up. I could not hear clearly earlier. I wanted to understand whether you were saying that the current occupancy in Dumdum and Salt Lake is {? 70-80% ?}, or whether it is going to reach {? 70-80% ?} soon.

Management: No, I said that occupancy will reach {? 70% ?} in the next couple of quarters.

Swati Jain: Okay.

Management: I did not mention {? 80% ?} at all, because that is not something that would—

Swati Jain: Similarly, for Agartala and Howrah, you said that they would reach {? 60% and 50% ?} in the next couple of quarters, correct?

Management: Correct.

Swati Jain: What is the maximum occupancy that a hospital can reach, specifically in our business?

Management: {? 75 ?}.

Swati Jain: {? 75 ?}. Regarding Jamshedpur, could you help us understand how it is shaping up and by when we plan to start it? Are we on track for Q3 FY27, which I believe is what we guided?

Management: No, we guided for calendar year FY27; it is not Q3 FY27. It should start in March or April of next year.

Swati Jain: I also wanted to understand the role of our founders, Dr. Om Tantia and Dr. Aruna Tantia. Do they practice in our hospitals? Are they involved in clinical practice at any of our hospital units?

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Management: Yes, they are involved at the Salt Lake hospital, only the Salt Lake hospital.

Swati Jain: Only Salt Lake. I have one final question. Could you help us understand what kind of revenue we generate from our top 5 or 10 doctors? I know we do not have a star-doctor concept, but I would still like to understand that.

Management: You can ask this question offline. We cannot provide the number offhand.

Swati Jain: Fine. I appreciate this. Thank you.

Operator: Thank you. The next question is from Sunil Jain. Please go ahead.

Sunil Jain: My question relates to the Raipur hospital. Am I audible?

Management: Yes, please go ahead.

Sunil Jain: Thank you for taking my question. You said that quite a few insurance companies were in the process of getting registered. Could we know the status of that? You also said that Raipur may break even in Q4, while Jamshedpur will commence in Q1, after which the losses of Jamshedpur will begin. Am I correct in understanding that?

Management: Yes, you are absolutely correct. In terms of insurance tie-ups, it is a continuous process. We have already succeeded with one or two companies, and we are in the process of tying up with the remaining companies as well. In the meantime, we are also tying up with organizations such as SECL and Coal India in that market, which have very large employee bases.

Sunil Jain: We heard that competitive intensity in Raipur has increased. Would you like to comment on that?

Management: Competition is temporary. There will obviously be some disruption because new assets are being added in that market, but we are hopeful that things will stabilize over the next couple of quarters.

Sunil Jain: How is the competition in Jamshedpur? Are any new hospitals coming up?

Management: Jamshedpur has Tata Main Hospital, which is the largest hospital in that market. Other than that, there are no national, local, or regional chains.

Sunil Jain: Thank you.

Operator: Thank you. The next question is from Aanchal. Please go ahead.

Aanchal: Hello again, and thank you for the opportunity. I wanted to understand whether there is any reason why our payable days are so high.

Management: Payable days are not very high. I do not know how you are comparing our payable days with very high levels.

Aanchal: From what I can see, they are more than 150 days.

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Management: I think the denominator you are using is incorrect because payable days also include doctor payouts. You need to consider the denominator for payments to doctors and other such payments when calculating payable days.

Aanchal: How many payable days are there, then?

Management: Approximately 40–45 days.

Aanchal: Thank you very much.

Operator: Thank you. The next question is from Charanjeev. Please go ahead.

Charanjeev: Thank you for the opportunity. I have two or three questions. My first question relates to the fact that, as I understand it, this hospital chain does not offer ESOPs or equity to doctors. Is there any particular reason for that? Is it something that will come later, or do you have a policy regarding it?

Management: It is something that we will consider at some point. Right now, we do not believe that it is a constraint in terms of attracting good talent.

Management: However, to be honest, if I am not mistaken, under SEBI guidelines, LODR, and Income Tax guidelines, since doctors are consultants, I am not entirely sure that we can offer them ESOPs.

Charanjeev: Some hospitals do have equity, and doctors have equity, so there could be some arrangement.

Management: They can have equity, but they cannot have ESOPs.

Charanjeev: We discussed expansion being funded mainly through internal accruals or debt. Do you have a threshold in mind regarding the level to which the debt-equity ratio can rise?

Management: Not more than 0.5.

Charanjeev: We also discussed EBITDA margin. Your guidance indicates that the target is to take it to 21%, while it is currently hovering around 18%. Is there any particular—

Management: Q1 has already been at 21%.

Charanjeev: I also wanted to confirm one number. You said that eastern India has 14 beds per 10,000 people compared with a national average of 40, correct?

Management: Correct.

Charanjeev: Thank you very much.

Operator: Thank you. The next question is from Anubhav. Please go ahead.

Anubhav: I had a follow-up. If I look at your capex per bed for the Raipur and Jamshedpur hospitals, it appears to be much lower than the industry average of 1 crore per bed, excluding land. Could you

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explain how you keep capex per bed low while focusing on all therapy segments?

Management: Raipur and Jamshedpur are not correct examples because the land and buildings there are on long-term leases. It is an asset-light model. Our capex per bed for a fully owned asset would be approximately 1 crore, including the capex per bed as well.

Anubhav: I understand the land aspect, but even for—

Management: Land and building. Land and building as well.

Anubhav: Understood. Thank you, that is helpful.

Operator: Thank you. The next question is from Darshil. Please go ahead.

Darshil: Thank you for taking the question. I wanted to understand margins in more detail. We achieved very good margins in Q1, and we expect to reach near-optimal levels in two hospitals. Similarly, we are going to try to reach 60% occupancy in Agartala and Howrah by the end of the year. With this, what mature-level hospital EBITDA margins can we achieve?

Management: At the hospital level, mature assets would have EBITDA margins of approximately 25%. We expect that to be the mature-level EBITDA margin for the larger and older assets.

Darshil: So, 25% for now. By the time the new hospital comes in, there will be more hospitals in the mature category, correct? So even—

Management: Correct. Last year, the margin was 18-19%. This year, we expect it to be above 20%, and hopefully it will grow from there.

Darshil: That is helpful. Are we also considering inorganic acquisitions, such as taking over an existing hospital and modernizing it? Could that help us grow faster? Is that something we are considering?

Management: We are actively looking for such opportunities. In fact, we are in active discussions regarding an asset in the eastern part of the country. However, it also depends on the valuation because we would like the valuation to be accretive to our overall numbers. Hopefully, we will be able to finalize something in the next couple of quarters.

Darshil: What is the usual scale for an acquisition like this in terms of valuation? I do not know the scale. Would it be a 50 crore—

Management: As I said, valuation is something that is debatable. I would not like to provide a number at this stage.

Darshil: I am asking whether we would need to increase our borrowings substantially. Even a range would be helpful. Could it be 50—

Management: As I said, it will be a mix of internal accruals and debt. Ideally, debt would remain below a 0.5 debt-equity ratio. We therefore have sufficient headroom to take on new debt. We also have cash of approximately 50 crores on the balance sheet, which would help us with this kind of

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acquisition.

Darshil: That is fair. That is all from my side. Thank you very much.

Operator: Thank you. The next question is from Swaichha Jain. Please go ahead.

Swaichha Jain: I have a couple of follow-up questions. My first question is from a strategic perspective. I heard you say that we plan to add new beds and new hospitals, with a 150-bed hospital approximately every 18 months. From an occupancy perspective, once Jamshedpur stabilizes, another hospital will come up. Would this mean that our overall occupancy will always remain subdued? You also said that the maximum occupancy any hospital chain can reach is 70-75%.

I want to understand the growth we are targeting. We want to enter a 150-bed hospital every 18 months. For how long do we plan to continue this growth strategy from an overall strategic perspective? From a long-term perspective, what is the approximate number of beds we are targeting internally, and what is our vision?

Management: You have to maintain a balance. You cannot say that you do not want growth and only want occupancy to increase and the numbers to be present, because ultimately that will affect your future numbers. You also cannot say that you want to add assets every 6 months or every 12 months, which would affect your numbers, cash flow, and management bandwidth. That is why we have balanced it at 18 months. We add a new asset every 18 months so that it does not have an excessively large impact on the overall numbers.

Having said that, I am sure investors are mature enough to differentiate between mature and newer assets and to recognize that newer assets will have initial losses. Mature investors will separate those losses as an exceptional or one-off number for that quarter or year rather than look only at the overall number.

Swaichha Jain: Understood.

Management: That is why, even in our quarterly presentations, we show that number separately so that investors are aware of it.

Swaichha Jain: What is the current occupancy of Raipur? Would you be able to provide that number?

Management: It is approximately 20-22%.

Swaichha Jain: Would you be able to provide the percentage of overall revenue that comes from surgeries and non-surgical revenue? Do we provide that split anywhere?

Management: We do not provide that split. If you require it, you can contact IR or us directly, and we can provide that number offline.

Swaichha Jain: Would you also be able to provide revenue from the top three specialties?

Management: Certainly, it is possible, but I cannot provide it offhand.

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Swaichha Jain: Thank you. I really appreciate this.

Operator: Thank you. Please note that we have only 5 minutes remaining before the session ends, so we will take this as the last question from Vedant Rane. Please go ahead.

Vedant Rane: Thank you for the opportunity again. I have a few follow-up questions. You mentioned that you are targeting occupancy of approximately 70%. What growth levers do you have in mind?

Management: As I said, we are changing our case mix. For example, Jamshedpur has started offering cardiac specialties and certain bypass surgeries that were not available earlier, as well as CTVS. This has become a focus area for us, and we are seeing significant interest there as well.

Every hospital has a different story. In Agartala, we have started radiation oncology and other more complex procedures. In Raipur, we have already performed a kidney transplant and a couple of kidney transplants, as well as offering higher-quality care services. There is also significant focus on the GI department and on ensuring that occupancy ramps up.

In Howrah, there is significant focus on orthopedics through the robot, the neurological program, emergency services, and critical-care setups. All of this is leading to an overall ramp-up in occupancy. On this basis, we are also bringing consultants on board who help us ramp up occupancy.

Vedant Rane: Other than that, compared to other listed hospitals, our dividend payout ratio is quite high. Is there any dividend allocation policy that we follow?

Management: We do have a dividend policy under which approximately 30% of PAT is paid as dividends. I think we are at or around that same level.

Vedant Rane: Thank you very much.

Operator: Thank you.

Management: Thank you, everyone, for this conference. I hope we have been able to suitably address your queries. I thank Arihant Capital for hosting the call. If you have any further questions, you can address them directly to {? MBFG ?}. The representative from {? MBFG ?} is also on the call. You can also address them to us directly. Thank you, and have a nice day.

Operator: Thank you. Thank you.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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