KRM Ayurveda Limited

H1 FY27 Earnings Conference Call

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Vaishnavi Vaity: Good evening, everyone. I'm Vaishnavi Vaity from AKMIL Strategic Advisors Private Limited it is my pleasure to welcome you all to the H1 FY27 Earnings Conference call of KRM Ayurveda Limited. Today we are joined by Dr. Puneet Dhawan, Promoter and Managing Director, and Mr. Sachin Sharma, Chief Financial Officer. With this, I would like to hand over this session to Puneet Sir, to tell us more about the company's growth. Over to you, sir. Thank you.

Puneet Dhawan: So, good afternoon, everyone. Good afternoon, everyone. A warm welcome to all. A warm welcome to all the investors, analysts and participants joining us today for KRM Ayurveda Limited H1 FY27 earning call. I would like to begin by thanking you all for your continuous interest in the company and for taking the time to be a part of this discussion. At KRM Ayurveda, our journey has been centered on building a structured and integrated healthcare platform around Ayurveda. Our approach goes beyond operating hospitals. We are focused on bringing together hospital-based treatment, Panchakarma, and daycare services, clinical expertise, telehealth and wellness products under a broader healthcare ecosystem. Over the years, we have steadily expanded our presence and strengthened our service capabilities. As of September 30th, 2026, our network comprises of around 8 hospitals and 10 daycare centers with an overall capacity of around 326 bed and forthcoming 170 beds for which news will be broadcast to NSE soon. And you would appreciate with this addition, your company will meet its target of 500 beds as communicated in the previous earning call. We also continue to build our digital presence, enabling us to connect with a wider audience and create a greater awareness and around Ayurvedic healthcare.

The first half of FY27 has been an important period in this journey with progress from across, with progress across both our infrastructure and business capability. We commenced operation at our new daycare centers in Janakpuri, New Delhi, in Vashi, Navi Mumbai and Ghaziabad, Uttar Pradesh. We while also strengthening our hospital network with an addition of MSS hospitals in Pitampura. These additions reflect our continued effort to improve access to organized Ayurvedic healthcare across key markets. We have also received NABH accreditation for four of our Panchakarma daycare centers. We consider quality, standardization and patient care to be the important pillar as we expand our network. Another significant development is the commencement of 80 bedded hospital at Sector 47 Gurugram. With our existing hospital at Sector 41 facility operating at high occupancy level, this expansion will add capacity to our Gurugram operations and strengthen our presence in an important market. In addition to expanding our healthcare infrastructure we have taken a strategic step towards broadening our business portfolio through the acquisition of Karma Nutravedics Private Limited as a 100% subsidy for caring of our business in the sale of products on e-commerce platform. This marks our entry into the nutraceutical and wellness segments and complements our existing healthcare services. We see this as an opportunity to build a more comprehensive platform across treatment, preventive healthcare and wellness. Our broader objective is to develop KRM Ayurveda into an

integrated healthcare platform with a strong physical network, complementary services, and a wider range of wellness offerings. As we move forward, our priorities will remain focused on disciplined expansion, strengthening our existing facilities and maintaining quality standards and building complementary business verticals. We believe that a measured approach to growth supported by operational capabilities will be important in creating sustainable long-term value. With that, I would like to invite our CFO, to take you through the financial performance for the first half of FY27 and discuss the key numbers in greater details.

Sachin Sharma: Hello, good afternoon, everyone. Let me take you through the financial performance on the KRM Ayurveda Limited for the second quarter and first half of FY27. The company has reported a strong performance during the first half with total income growing by 40.1% year on year to ₹6,816.50 lakhs. More importantly, EBITDA and net profit have grown at a faster pace, reflecting an improvement in profitability during the period. Starting with the H1 FY27 numbers, EBITDA stood at ₹2,382.40 lakhs, registering growth of 79.81% over the corresponding period last year. EBITDA margin expanded by approximately 772 basis points to 34.95%. Net profit increased by 109.55% to ₹1,723.09 lakhs, while PAT margin improved by approximately 838 basis points to 25.28%. Earnings per share for the half year stood at ₹8.10. Moving to the quarterly performance, total income for Q2 FY27 stood at ₹3,529.95 lakhs, reflecting year-on-year growth of 48.08%. EBITDA increased by 63.60% to ₹1,126.33 lakhs, with an EBITDA margin of 31.91%. Net profit for the quarter stood at ₹814.64 lakhs, registering growth of 95.37% year-on-year. EPS for Q2 FY27 was ₹3.83. A key highlight of the period has been the growth in profitability relative to income. Both EBITDA and PAT growth have outpaced revenue growth, accompanied by a meaningful expansion in margins. This reflects the improvement in the company's operating performance during the first half. On the operational front, the company continues to expand its healthcare network and invest in additional capacity. Our focus remains on ensuring that this expansion is supported by operating efficiencies and a disciplined approach to financial management. Going forward, we will continue to focus on strengthening profitability, improving operational efficiencies and maintaining a balanced approach towards growth and capital allocation. With that, I would like to conclude the financial overview. I would like to hand over the call to our MD and moderator for further comments. Thank you.

Vaishnavi Vaity: Thank you, Sachin, sir. Thank you, Puneet Sir. Shall we start with the presentation?

Puneet Dhawan: Yes. so, this is the quarter two FY27. All right, so we are going to start off with the quarter two and H1 FY27 results.

Yes. On that slide, at the top, for you. Okay. So

Please start from the beginning once. I will keep explaining as we go. So, this is Q2 FY27. All right. We are going to start with Q2 and H1 FY27 results. Let's move ahead. Yes, results highlights. These are the results highlights, and if we go by Q2 FY27, year on year there is a jump of around 40–48%, a 48% jump, and EBITDA has also jumped here, has jumped. Along with that, the EBITDA margin is 31.91%. And our net profit was ₹814.64 lakh. The net profit margin was 23.08%, which is growing year on year. EPS was 3.83. And along with that, in H1 FY27 our year-on-year was 40%. EBITDA was also around 79%. EBITDA margin is 34%. Our net profit was 109% year on year. Net profit margin was 25%, and EPS is around 8.10.

So, these, these are all our percentages. It is in tabular form. PAT is also included. So, our PAT also increased from H1 FY26 to H1 FY27 by 109%, a 109% increase. And here in Q2 as well, from FY26 to FY27, Q2 PAT increased by 95%. In the same way, every, every parameter is on the greener side, whether income, EBITDA, EBITDA percentage, PAT margin or EPS.

Along with this, if we look at H1 FY27, this is our product and services sales mix. We have a mix of products and services. Now in H1, services are around 62% and products are 37%, whereas in financial year 26 they were 53 and 46. So if we talk about product sales, there were ₹25 crore of product sales and 41 of services; in H1, our services sales were ₹41 crore. In FY26 these figures were 47 and 54, meaning our total full-year top line was 101, and the sales of services and products were a mix of 47 and 54. Now in H1 products are 25 and services 41. Similarly, if we look at it, it has grown year on year.

So, this is our Q2 and H1 reflecting a strong presence for KRM Ayurveda, driven by our focus on profitable growth and operational efficiency. Total income is growing 40.10% year on year, around ₹68 crore. EBITDA and PAT are increasing by 79% and 109%. EBITDA and PAT margins have also increased by 772 BPS and 838 BPS, reflecting improved profitability.

Alongside financial growth, we continue to strengthen our healthcare infrastructure, with the addition of 80 beds in Gurugram, where we opened a new hospital at Sector 47, plus Pitampura, Janakpuri and Vashi. In Pitampura we have a hospital. We opened daycare centers in Janakpuri and Vashi. NABH accreditation has come for our five Panchakarma centers. And as mentioned, we have also started Nutravedics. Through this we will advertise on online platforms and generate revenue from there.

So, with this, our numbers stand at around now, in 2019, our capacity, we were established. Now, alongside the multispecialty Ayurvedic healthcare ecosystem and telemedicine, we have 10 daycare centers across India, 10, and we are running 8 Ayurvedic hospitals. Within this, our service segments are also different. Our current capacity is 326 beds, while current occupancy is around 60%. Our YouTube subscribers are constantly increasing. There is growth on social media too, and our employees now stand at 500-plus.

So, we have made this into a kind of timeline: since we started in 2019–2020, and then we started the first hospital in 2021; in 2022–2023 we started NABH accreditation; in 2024 we increased capacity; in 2025 we filed for the IPO and planned expansion; in 2026 we entered the public market, and since then we have continuously expanded our presence physically and also, and also digitally.

So, at KRM Ayurveda, we believe true healthcare is not just about curing illness. Here we work on both wellness and illness. Illness means those who are sick. There are many wellness patients who come to Ayurveda, who come regularly. Health is never a destination but a continuous journey towards physical, mental, social and spiritual well-being. We work on all four of these aspects. When a patient comes, we pay attention to all four aspects while treating them.

So yeah, our directors, Managing Directors, I being the Dr. Puneet Dhawan and then Tanya Dhawan and then Sanchit Hans is old Whole-time Director and Tanya is Non-Executive Director. So, this is our core team at KRM Ayurveda. Physical hospitals, daycare centers and online telehealth, IPD & OPD centers, Panchakarma, wellness, integrated wellness, supportive healthcare products, we have our own manufacturing in Sonipat, Kundli, Haryana. We have about 550 classical and proprietary products. We have now started D2C. We are receiving a lot of positive response. We started with educational content, so the market response is good, and we have started this new subsidy.

So, in business updates, we have added two new hospitals. One is an MSS hospital in Pitampura; we already had a hospital in Pitampura and added another. In Gurugram too, we had one hospital and added another. Here one is 23 beds and the Gurugram one is 80 beds. We have started three daycare centers. Janakpuri, New Delhi, and New Delhi, on a 9-year lease. We have done this in Vashi, Navi Mumbai, on a 5-year lease, and it recently started in Vashi Sector 17. And in Ghaziabad we started in Nehru Nagar, where we also started a daycare on a 9-year lease. Our NABH accreditations in Gomti Nagar, Noida, Patna, Dwarka, all these have come through.

Our geographical presence: in Delhi our hospitals include one with 30 beds and one with 23 beds, then Gurugram 95 beds, another with 80 beds; in Jaipur we have 20, 30 beds; Udaipur 30 beds; Lucknow 18 beds. Our daycare centers are in Bengaluru, Patna, Mumbai, Lucknow, Delhi, Noida, Delhi, Ghaziabad, all these places. We are already doing international exports. We currently have a presence in 7 states and 10, 10 cities, and are already doing international exports. So, these are, these are photos and glimpse of our, uh, clinics and hospital Mumbai, Udaipur, Delhi, Udaipur, Udaipur, Jaipur, Dwarka, Mumbai. These are the pics of some of our clinics and hospitals, Bengaluru.

So, we are committed to increasing the occupancy rate. At present average revenue per occupied bed is ₹8,400, ARPOB also, and bed occupancy is 60%. In terms of demographics and health awareness, we have all kinds of patients, all kinds of audiences. In daycare centers patients come in and out; they come, receive Panchakarma daycare and leave. In terms of competition and location, our locations are highly preferred locations. We have opened our new daycare centers in premium locations so that commuting is comfortable.

Right now, we are having forty plus Ayurvedic doctors and physicians with working with us along with 71+ therapists, and this number, uh, has recently been increased. We have also started, uh, this, uh, therapist, therapist number constantly increase hospitals and daycare are increasing.

And also, if you go by inpatient and outpatient Ayurvedic care, we work on chronic elements everywhere. Everywhere we have specialties in supportive healthcare too. We also work in integrated wellness and Panchakarma. Everything, kidney, musculoskeletal, stress, lifestyle, PCOD, PCOS, liver, digestive issues, we have expertise in all these. People come for Panchakarma for chronic issues, chronic issues. Panchakarma gives very good results.

These are our top selling products across clinics and hospitals. This is an orthopedic product, Relaczole Oil, and K-Pure, and we have a skin product; along with that, kidney products are among our top sellers, as are liver products and, along with liver, gut-related products.

These are our YouTube channels. On our YouTube channels, across our, these things are there. Subscribers are increasing across all channels. Patient testimonials, continuously, patients' testimonials are also coming in and being posted on YouTube and at multiple locations.

So, this is, uh, I'm a, I'm a TED speaker also, and we have done a lot of conference. I've won also, uh, Young Entrepreneur Award in 2024. These are some of the accreditations we have recently received. NABH Accreditations, CGHS and ECHS accreditation have also been completed. We have had all these accreditations for a long time, and we have cashless insurance, insurance panels and TPAs with us.

So, if we talk about the industry overview, India has 13 hospital beds per 1,000 people. Highlighting significant healthcare infrastructure demand. The hospital market size was USD 122 billion in 2025. The projected hospital market is USD 197 billion. Forecast CAGR is 5.29%. Medical tourism is very big. India has a favorable pharma landscape, favorable worldwide for pharmaceuticals. Ayurvedic medical tourism in India has always been in high demand. The healthcare sector is also projected to be around USD 50 billion by 2033. So, AYUSH is gaining popularity, AYUSH is gaining popularity worldwide. You can move to the next slide.

So, AYUSH has seen 15x growth over the last decade, from 2015 to 2025, 15x growth, reflecting strong industry movement. Yoga, holistic services, products all have grown. Every sector of AYUSH has boomed. If you go by AYUSH market size, in FY24 it was around 50 and now it has become USD 200 billion. The Ayurvedic product market also grew at 19.3% CAGR from 2022 to 2028.

We are talking about our future strategy also. We have expanded digitally in healthcare, expanded to more new locations. We are focusing very strongly on medical tourism. We are starting training courses for therapists. We have started expanding our product portfolio. We have already launched quite a few products. Our product sales have also increased, and we are launching more.

So, we benefit from rapid industry growth, and there is also an integrated healthcare ecosystem, a demonstrated financial growth track record, healthy margins and strong return ratios in Ayurveda. A strategically located healthcare network, strong digital presence and patient engagement are very important, and our doctors do this regularly. Multiple long-term growth drivers are also very, very important. High occupancy supports revenue visibility because hospital costs are always fixed, so we need higher occupancy. We have backward-integrated manufacturing capability right from end to end. We manufacture our products ourselves, and our hospital patients also use our products.

Move to the next slide. All right, this is all from my side, and thank you so much, everyone

Vaishnavi Vaity: Thank you, Puneet sir. Participants, the floor is now open for Q&A session. To ask a question, kindly raise your hand and unmute your line when prompted, or drop your questions in the chat box. Thank you. So, we have first question from Vidhi. Miss Vidhi, you can go ahead and ask the question.

Vidhi Mangla: Yeah, Hi everyone. Hi sir congratulation on good set of numbers.

Puneet Dhawan: Thank you so much.

Vidhi Mangla: Sir I just want to understand in previous earning call you gave two growth plans like first one is 500 beds and 30 clinics by FY 27 and 200 beds and 100 clinics in three years.

Puneet Dhawan: Absolutely, absolutely right. And our beds have also been expanding very rapidly. We have already reached 326 beds. Within this, in Pitampura, because occupancy was full, we added another hospital there. And in Gurugram, too, our occupancy was full, so we planned another hospital there. We added 80 beds in Gurugram and another 30 beds, 20 beds in Pitampura. So, in Pitampura our total beds became 50 and in Gurugram our total became 180. We have added

these hospital beds. Including these, we have reached 326 beds. Plus, wherever our hospitals are filling up, we are expanding there, because, see, we must ensure our PAT margin is also maintained. So, before a new city, we want to fully utilize places where occupancy is already full, where there is already a waiting list, where we have no marketing cost. Our fixed cost is already fixed at that level, plus it rises by 10%. If we increase bed capacity, fixed cost does not expand much more, so our PAT margin is higher there. Our focus is to expand our current hospitals and locations more.

Vidhi Mangla: So that means we are on the track.

Puneet Dhawan: Yes, we are absolutely on track, and we will easily reach 500 beds, and we will do it very soon. We can do it easily. It will happen very well; the 500-bed target will easily be met.

Vidhi Mangla: And what about 2000 beds?

Puneet Dhawan: Our plan was 1,500 beds in three years, a three-year plan. Our target is to achieve it earlier. If we close even one large hospital deal, we can very easily reach that number. We will do it ahead of time. In three years, our target was 1,500 beds. In one year, it was 500 beds; in two years, 1,000; in three years, 1,500, as I said on the last call. We are proceeding accordingly and are absolutely on track. There is no deviation in this.

Vidhi Mangla: Yes. Daycare centers also, and daycare centers also?

Puneet Dhawan: Our daycare centers have also expanded. We are increasing daycare centers too. But our focus is more on hospitals than daycare, because revenue is higher there. When a patient comes to a hospital, they stay for a long time. In daycare, the patient lives nearby, comes and goes. So, we focus more on hospitals than daycare. Hospitals are our greater focus.

Vidhi Mangla: So, we can achieve the target number 100 clinics in three years?

Puneet Dhawan: We will absolutely achieve the target number, because, look, in a daycare center a patient comes in the morning, stays for two hours, and leaves. When a patient comes to a hospital, they can come from far away, even from another state, because they get accommodation, food and everything there. So, our hospital expansion is absolutely on track. We are planning to reach 500 beds as quickly as possible and will also reach 1,500 beds as soon as possible. That was our three-year target. We will close it earlier. We will fill, fill the 1,500-bed capacity earlier; we will take it to 1,500. What happens is that right now going from 200 to 400 beds takes 100% effort. Going from 500 to 1,000 will take 100%. So, this, this arithmetically becomes easier. When we reach a certain level and our systems are established there, expanding in that city or state becomes easier. We have manpower and all kinds of staff who can manage it. So, expansion in

that particular state, in that particular city, is easier for us. PAT margins remain good, and operational revenue does not increase very much. Considering all this, we will achieve our numbers very soon.

Vidhi Mangla: Okay okay. Thank you, sir. Thank you.

Vaishnavi Vaity: Thank you. Next question is from Miss Nupur. Miss Nupur you can go ahead and ask the question.

Nupur Karnani: Yeah, so firstly congratulations to the management on good set of numbers. So, we have seen a phenomenal growth not just in the top line but in the EBITDA margin and PAT margin as well. So, for the H1 27 it's 35% roughly EBITDA margin with a 25% PAT margin. So, moving forward so moving forward just want to understand two things. Firstly, our revenue mix has changed like our we are more inclined towards services than products. So apart from this is there any other reason key drivers behind the expansion of margins and in the long run whether these margins are sustainable or from here also we are you know planning or we are thinking of some expansion in the margins.

Puneet Dhawan: Absolutely right. This margin is sustainable because the hospital industry is very large. Ayurveda has not expanded yet to the extent of the market. Hospitals will keep increasing, but products will also grow simultaneously, because a patient who comes for services, that is, is admitted to hospital, also needs medicines. They need medicines on discharge too. They need oils. All these medicinal products of ours are also sold there, also sold with services. So, moving forward, definitely this, this, this EBITDA margin is very much sustainable, because our advertising costs for hospitals are relatively low. So, this is sustainable, managing hospitals this way. And so far, we have only expanded in cities where we are already present. We have not even entered the rest of the cities. Earlier we had one center in Mumbai, in Andheri; now we have planned another in Vashi. After that, we will be planning a hospital in the coming time. So, we will build a good base of patients. This way we believe very good growth is possible in multiple cities across the country. Some states are also offering various benefits specifically to promote Ayurveda. Many, many, many sorts of benefits are there in different states. And discussions are ongoing about Ayurveda under the Ayushman Bharat scheme. That would open a very large market. Plus, our various insurance and government empanelments, if they are all accepted, the number of beds would fall short. We are also pursuing empanelment with many PSUs. We are in talks with GAIL and the Telecom Regulatory Authority. We have recently signed an MoU with FCI, the Food Corporation of India. So, we are also turning to PSUs. We are already doing many things with PSUs. I don't think there is any limit to expansion. There are many things to be done, and the product market is also very large. Since we create a lot of educational content across multiple sectors, product sales are also being pushed by it. I do many podcasts and educational content, and that also drives product sales.

Nupur Karnani: Yeah. So, uh, as you know, we are on track and we will be able to achieve a target of 500 beds by the end of this financial year. So currently our bed occupancy is 60%. So, by the end of this financial year, what is the expected bed occupancy?

Puneet Dhawan: We are focusing very heavily on increasing bed occupancy. Our older hospitals in Pitampura were full, and Gurugram was full. So, we added another, another hospital at those places, and these will fill up quickly. Without much effort on infrastructure and without much financial effort, not much marketing will be needed, because one hospital is full and we opened another nearby. The overflow patients from there will come here. So, occupancy here will improve very, very quickly. It fell from 69% to 60% because we added new hospitals. That is why this happened.

Nupur Karnani: So, by the end of this year, please continue.

Puneet Dhawan: Yes, please, you speak.

Nupur Karnani: So, I was just saying by the end of this financial year can we expect occupancy rate of somewhere in the range of roughly 75 to 80 % something like that.

Puneet Dhawan: Look, we make every effort to keep occupancy as high as possible because our costs are fixed. Whether there are 60 patients or 100, the fixed costs remain the same for us. They do not increase. So, we make every effort to work at maximum occupancy. That is why, rather than opening in a relatively new city, we opened in a city where we already had patients, so we could increase occupancy. We are already working on this a lot and making every effort to maximize it.

Nupur Karnani: Understood just one question from the front of financials. So, there is a surge in the amount of receivables if we compare it from the FY 26 figures. So earlier the ratio of receivables to sales was somewhere around 20-23 % but it has increased substantially. So can you paint some color like what is the reason behind you know surge in the receivables or there is some change in the collection policy or.

Puneet Dhawan: Basically, receivables look a little higher because some are export receivables, some are government receivables, and we also work with insurance agencies. When a patient comes to the hospital, they do not make an upfront payment. In allopathy, they use insurance or a Panel. Insurance payments take 15 days to two months. Panel payments take 3 to 4 months. So, as our services grow, this cycle grows too, though not very much. Some of it is exports and some other receivables. There are substantial receivables from insurance companies and from the government.

Nupur Karnani: So, moving forward what receivable days we are expecting. What will be very receivable days?

Puneet Dhawan: Our receivable days, our maximum government receivables are 3 to 4 months. Insurance is less, and export receivables are even less. So, all these receivables are a maximum of 4 or 5 months. Recently there were some challenges with government payments, so they may appear a little higher. This is now becoming smoother. The government is also getting aligned and has started clearing them a little faster.

Nupur Karnani: Understood this one last question with respect to the acquisition of Karma Nutravedics. So, from this company we are expecting to enter in the vertical of nutraceuticals and wellness segment. So, moving forward in next 1 year, two year what revenue, what margins we are expecting from this company?

Puneet Dhawan: Basically, we already have the FSSAI license on our premises, and demand is already very huge. We want to maximize this, and our content is also going out. So, we are also working on content commerce. Our focus is very much on converting content into e-commerce; we are linking the two. Growth here will be substantial. And we are planning that further product growth will come from this sector, while services will grow as our hospitals expand. Major product growth will come from here. This will be aligned with whatever gap we need to fill in the coming period, expecting 50% revenue growth. So, we will fill that gap from here. 50% in products and 50% in services, so the 50% in products will grow from here is growing

Nupur Karnani: Understood. That was from my side. Wish you all the very best. Thank you.

Vaishnavi Vaity: Thank you. Next question is from Achuth Prabbath. I also request participants to limit their questions to two each and get back in queue. Thank you.

Achuth Prabbath: Hello sir firstly I want to congratulate on great set of numbers. Sir my first question is on the acceptance of Ayurveda sir like are people really happy with the treatment or is there any positive word of mouth or I mean even like what is a treatment timeline sir do people need to join for multiple days? I mean also the major insurances like HDFC, ICICI do they are they giving insurance for these treatments?

Puneet Dhawan: All the TPAs, all the TPAs are aligned with us, HDFC, Niva Bupa, ICICI and this aggregator of four companies, GIC, GIC. There is now an aggregator of 25–30 companies, GIPSA, an aggregator of four government insurance companies. We have GIC at all our hospitals. So, we have provisions to take all kinds of patients. Many insured patients are also coming. And now the government has made it mandatory for insurance providers to include AYUSH coverage in insurance policies. All new policies have mandatory AYUSH coverage. In allopathy, beds are full partly because many people have insurance. Now insurance has come here too, and you will

see the number of beds respond accordingly. Acceptance is very, very high. Acceptance is very high because Ayurveda, the AYUSH sector, is already growing. Acceptance is very high, and patients benefit in both wellness and illness treatment. Many come for wellness, many for services, body Panchakarma, Shirodhara; many come for all these.

Achuth Prabbath: So, sir the growth momentum you are having is it sustainable sir going forward for next couple of years?

Puneet Dhawan: Definitely yes, as I already told you, a lot remains to be done. In AYUSH the big players have yet to become established. The numbers have not yet reached the sector's potential, because there are not many developed chains of multiple hospitals. Some are emerging, but we also feel there is a lot of scope. We can build very large hospitals, even 4 or 5 hospitals. We are focusing on major metro cities, particularly Lucknow and Patna. Delhi NCR is already dense for us and we want to make it denser. We are also focusing very strongly on Mumbai.

Achuth Prabbath: Okay sir.

Puneet Dhawan: There is a lot of potential in AYUSH.

Achuth Prabbath: Okay okay sir my second question is on the occupancy like in a newly opened hospital what is occupancy sir I have seen that the overall overall capacity I mean utilization is around 60% bed occupancy. But what about the newly opened hospitals and newly opened hospitals what is the current occupancy rate sir?

Puneet Dhawan: In a newly opened hospital, such as the one we just opened in Gurugram, occupancy is relatively low because everything is still being set up. NAPS is still pending and its documents are being finalized. It is a 80-bed hospital, so occupancy is relatively low. Cash-paying patients come initially. Then insurance will gradually start, the insurance panel will come, and occupancy will automatically triple and ultimately reach 70–80%. Right now, it would be around 20%. With insurance it becomes 50%, with panel empanelment it goes to 70%, so it keeps increasing gradually. After that seasonality comes in, and 70% is maintained; some reach 80%, some 90%, some 70%.

Achuth Pabbath: Okay, okay sir. Thank you, sir,

Vaishnavi Vaity: Next question is from Mr. Aniket. Mr. Aniket, you can go ahead and ask your question.

Aniket Chokhani: Sir, congratulations on the good numbers. There is just one thing I find a little dicey: trade receivables are continuously rising and operating cash flow has been negative for quite some time, including this time. So, when are we planning to generate cash flow from financial activities, and when can we see the company become cash-flow positive at the operating level?

Puneet Dhawan: Our trade receivable cycle has increased temporarily because we have opened many new hospitals. That is why it looks negative to you. We have opened a hospital in Gurugram, and a premium hospital in South Delhi. We have already made the hires, a lot of hiring, because opening a hospital needs a lot of manpower and infrastructure. That is why it looks negative. Otherwise, it remains positive. And government receivables are coming in within 3 to 4 months, because none of our trade receivables is from any state government; they are either from the central government or a large central agency. So, our trade receivables also come in a three-to-four-month cycle.

Aniket Chokhani: Right, I understood that. One more thing I have been tracking: recently I was monitoring one of your competitors. They went from 25% government work last financial year to just 5, 4-5% this financial year, because government payments are technically very slow; they can take one or two years. So, my question is, if a company that has tried and tested this is avoiding it, what are we planning to do about government business where payments are slow? And my second question concerns the AYUSH scheme being discussed: what is your opinion on when it might come, and its impact? I am sure it would have a big impact on bed occupancy, as you said; we would then have too few beds. What is your opinion?

Puneet Dhawan: Look, number one, regarding government business, we do not actively push it. Patients come on their own, and if we have an empty bed, we give it to them; otherwise, we first take an insured patient. If a bed is not empty, we do not take the government patient. But leaving a bed empty just because we do not want a government patient does not sound nice. A patient comes without marketing, buys medicines on departure, pays cash for those, and gives us four referrals who may come privately too. So, we save marketing costs and gain multiple benefits. Secondly, what was your second question?

Aniket Chokhani: It was about the AYUSH scheme, what is your view?

Puneet Dhawan: Regarding the AYUSH scheme, what you said about payments taking years happens with some state governments, not the central government. We do not do any business with state governments. And the AYUSH empanelment you mentioned depends on the government. Whenever it comes, it comes; we are not dependent on it because we are strongly pushing insurance and private cash-paying patients. We are pushing those. And because we were empanelled in the pilot run at many places, patients come on their own; they find us and come.

Aniket Chokhani: Right, right, I understand.

Puneet Dhawan: If we get 100% occupancy from insurance, only then will we take government patients.

Aniket Chokhani: Right, right. My last question is about expansion. You were saying you are looking at Lucknow, Maharashtra and cities where we already perform well. Are we looking at fundraising again in the future, since we are already facing a cash crunch? Maybe it is because of expansion, I understand that, but are we looking to raise funds to manage this? Because, in the end, borrowing or bank loans would affect the balance sheet. Are we considering a rights issue or something like that so we can grow without affecting the balance sheet?

Puneet Dhawan: There is currently no such plan, no issue plan, nor are we planning loans. We have opened two hospitals, mostly from our generated funds. The manpower and rental costs have already begun. Since it is a premium hospital, rent is ₹25 lakh, but revenue from it has yet to come. Hiring is complete, but revenue is pending. In Sector 47, too, rent is ₹22–23 lakh. ₹23.5 lakh rent. We have rent of over ₹50 lakh, including GST, over ₹50 lakh. Along with that, we have completed hiring for the 80-bed and 50-bed hospitals. Our payroll has increased. This burden has arrived before the revenue. So definitely the revenue will come and cash flow will become positive.

Aniket Chokhani: Okay, okay, makes sense. All right. Thank you, thank you so much.

Vaishnavi Vaity: Thank you. Next question is from Mr. Varun Nagpal. Mr. Varun, you can go ahead and ask the question

Varun Nagpal: Yes, good evening, sir. You mentioned the Karma Ayurvedics acquisition in your presentation. Sir, that appears to be a related party. At what valuation did we acquire it?

Puneet Dhawan: Good evening, Varun. Book value book value we have done this on book value.

Varun Nagpal: Okay, because you also transferred a little goodwill; I mean, including goodwill of ₹1.5 crore, so what would its book value be?

Puneet Dhawan: Sachin ji is telling.

Sachin Sharma: Hello, yes, sir, it is not ₹1.5 crore; it is only ₹1.95 lakhs.

Varun Nagpal: Okay, sir, what would be the book value of this Karma Ayurvedics?

Sachin Sharma: Book value is around 1lakh

Varun Nagpal: Okay, for the entire company, sir. And second, sir, in your investor presentation you mentioned signature therapies. I just wanted to know whether these signature therapies are exclusive to Karma Ayurveda or what?

Puneet Dhawan: Look, in Ayurveda there are dozens of types of therapies described. If we create a separate signature therapy of our own, it would not be sustainable, because Ayurveda already describes so many good things that if we perform them properly, that is best. We do not need to go right or left beyond that. In our therapies we use our own oil. That is the signature. Our signature, our secret sauce, is that the medicines are ours. The composition of the oil, what goes into it and how, is patented by us. So, our signature is the material we use in the therapy.

Varun Nagpal: Right, sir. In September 2025 net profit margin was 17%, then it improved to 28%, and now it is 23%. Sir what is the sustainable net profit margin?

Puneet Dhawan: The net profit margin, the current net profit margin of 23%, this PAT margin, will remain around this level. There are chances it will be higher. Because, as I explained, PAT was impacted because we expanded with two large hospitals in prime, posh NCR locations. Both are posh locations. In South Delhi we opened at East of Kailash.

Varun Nagpal: Yes, sir.

Puneet Dhawan: We opened in South Delhi and Gurugram, so both are already, already posh locations. That is why there is this impact. Otherwise, margins would have been better, better. If you remove these, our PAT would be much higher. This quarter's PAT too would have been higher.

Varun Nagpal: Sir, when you open a new hospital, how much time does it take to obtain NABH accreditation?

Puneet Dhawan: See, for NABH accreditation the minimum time frame is approximately six months, because we already have a trained team and everything, so we make every effort to minimize it. But this is the general timeline. After that it goes into automatic mode.

Varun Nagpal: And, sir, last question: would you like to give any guidance for FY28 revenue and profit?

Puneet Dhawan: FY28 revenue and profit will grow in the same way. There will be good growth. In percentage terms, we believe it will be sustainable: we plan around 50% year-on-year revenue growth and at least 50% growth in PAT. That is sustainable for us.

Varun Nagpal: Yes. Thank you, sir, thank you.

Vaishnavi Vaity: Next question is from Mr. Deoarshi. You can go ahead and ask the question. Mr. Deoarshi, you can unmute your line and ask the question.

Deoarshi Pradhan: Hello. Am I audible?

Vaishnavi Vaity: Yes.

Deoarshi Pradhan: Oh. So good, good afternoon, and congratulations on your good set of numbers. My question was regarding the EBITDA margins. In H1 FY27, EBITDA was 34.95, and even in H2 FY26, EBITDA was 33.51. I'm understanding the expansion was an outcome of a bigger share from services, but the quarterly EBITDA margin for Q2 was 31.91. So, could you please explain what are the things that led to this, like, almost three hundred basis point difference on the quarterly basis?

Puneet Dhawan: So, are you asking why there has been a change in our quarterly EBITDA? Are you trying to?

Deoarshi Pradhan: Yes

Puneet Dhawan: Then it has already improved, hasn't it? Our EBITDA margin was previously 28 and now it is 31, the EBITDA margin.

Deoarshi Pradhan: That I agree but like on the half yearly basis it will like the numbers are showing like much better. But then when it comes to quarterly like is it a cyclicality thing or something?

Puneet Dhawan: No, the thing is that in this very quarter we expanded in 2 or 3 locations, so the half-yearly number may look better and the quarterly number lower.

Deoarshi Pradhan: Oh! Okay.

Puneet Dhawan: That is the difference, because this quarter we have also been hiring a lot, regularly. Everything is ongoing, so that may explain the difference. New doctors are also joining, because a hospital of that level needs well-trained, experienced doctors who can lead such a hospital, and their salaries are accordingly high. Considering all that, EBITDA is positive in both, but Q1 would look more positive and Q2 slightly lower. It is just because of the high-end hospitals we are planning. We have planned the locations and facilities, infrastructure, everything, so they can operate well.

Deoarshi Pradhan: Okay, okay thank you sir. And the other question was like sir regarding the occupancy rate. So, you said the new hospitals usually are running at like 20 and then they shift to like 60-70. So how much time does it usually take for the occupancy rate to like cover that range?

Puneet Dhawan: Occupancy rate look, at the beginning, in Pitampura, where we already had a hospital and daycare, we opened a second hospital there because of overflow. Occupancy automatically rises to 20-30%, and we begin covering costs. In Gurugram too we opened nearby. Already 20-30 beds fill up. And in this way, after NABH is done, insurance will come immediately, everything will come, and occupancy will cross 50%, 60%, 70%. Now compare this with a hospital in another city, where we would have to start from zero, start marketing from zero and build it. Whereas we already have expansion capacity in that city, so expanding in the same city incurs lower costs than expanding in a different city.

Deoarshi Pradhan: So, it might take around one-two years or less than that?

Puneet Dhawan: No, not two years around nine months to 15 months.

Deoarshi Pradhan: Okay, thank you so much sir and all the best.

Vaishnavi Vaity: Thank you. We will take few last questions from Mr. Darshil Jhaveri. Mr. Darshil you can go ahead and ask the question.

Darshil Jhaveri: Hi, thank you so much for taking my question, sir. Firstly, sir congratulations on results sir.

Puneet Dhawan: Thank you so much, Darshil Ji.

Darshil Jhaveri: Just wanted to note that our bed-capacity scale-up will become much stronger from next year. Right now, we are at 326, and perhaps next year we will reach 500. So, going forward, for FY28, is it fair to assume revenue growth will be higher than 50%, because beds will increase so much, sir?

Puneet Dhawan: Revenue growth would be better than?

Darshil Jhaveri: 50%, which we are planning for right now.

Puneet Dhawan: Look, our effort is to maximize revenue growth. But it is better to state a lower number and then deliver higher growth; that sounds like a much better proposition. Secondly, as you mentioned, currently we are opening smaller hospitals in new cities and larger hospitals in big cities where we already operate. So, after a year or so, our market will become established in the cities where we currently have smaller hospitals, and then we will open larger hospitals there. That is why we are planning our bed targets accordingly: 1,000 next year and 1,500 the year after.

Darshil Jhaveri: Okay, sir. Next, I mean, what revenue-growth run rate can you maintain for the next two or three years?

Puneet Dhawan: The minimum, minimum revenue growth we are planning for is around 50% year on year. That is what we are planning.

Darshil Jhaveri: Okay, fair enough. But, sir, another question: as we keep adding hospitals, margins may not expand as much, right? Because new beds bring new costs, and working capital will also remain tied up in this investment, right? So, will we need to raise funds, because we are adding so much? We may need funds from somewhere, right?

Puneet Dhawan: Look, we have already opened the biggest, most expensive, premium hospitals. South Delhi is a very posh area in Delhi NCR, and Gurugram is also among the most expensive. In tier-two and tier-three locations we can get good hospitals at even one-tenth the rental rate, even one-fifth the rate. We will not be going only to places with such high rents now. In our next plans, after doing these, we will also balance things with lower-rent locations. So, I think we will try to do it from these funds only.

Darshil Jhaveri: Okay, okay. That's great to know, Sir. That's it from my side. Thank you so much Sir.

Puneet Dhawan: Yes. Okay, sir. All right, thank you so much. Thank you.

Vaishnavi Vaity: Puneet sir, I think we have covered the majority of these questions.

Puneet Dhawan: Thank you, yes, thank you so much, everyone, and

Vaishnavi Vaity: So, with this we conclude this…

Puneet Dhawan: And all of you, please

Vaishnavi Vaity: Yes, yes sir please go ahead.

Puneet Dhawan: And all of you, please try to visit us and let me know whenever you would like to come to our hospitals, our clinics. We have Panchakarma, Shirodhara, every kind of facility. The therapies are very good; many people also come for wellness. So, I invite the entire investor community to visit our hospitals and experience our therapies. Look, sir, many people may offer therapies, but the quality of services we provide, and our continuous efforts to improve them, are something you should experience once and definitely give us your feedback. Thank you, thank you so much.

Vaishnavi Vaity: Okay, thank you. For any further queries, please feel free to reach out to us at info@akmiladvisors.com. Thank you to all participants and the management team of KRM Ayurveda Limited for joining us today. Thank you, thank you, Puneet sir. Thank you, Sachin sir.

Puneet Dhawan: Thank you, ji, thank you so much,

Sachin Sharma: Thank you everyone, thank you so much.