Ref: 51/SE/LC/2026-27 **Date: November 12, 2026**

Scrip Code BSE: 544122
NSE: ENTERO
ISIN: INE010601016

To,

Head, Listing Compliance Department
BSE Limited
Phiroze Jeejeebhoy Towers Dalal Street,
Mumbai - 400001

Head, Listing Compliance Department
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra - Kurla Complex, Bandra (East),
Mumbai - 400051

Dear Sir/Madam,

Subject: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 - Transcript of Earnings Call / Conference Call

In continuation to our letter dated October 28, 2026, bearing reference no. 45/SE/LC/2026-27 and pursuant to Regulation 30 and Regulation 46(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the Earnings Call / Conference Call held on November 05, 2026, at 13:30 (IST) to discuss the Company's Unaudited Financial Results for the quarter and half year ended September 30, 2026, is annexed herewith.

This is for your information and records.

Yours faithfully,

For **Entero Healthcare Solutions Limited**

SANU VISHAL KAPOOR
Digitally signed by SANU VISHAL KAPOOR
Date: 2026.11.12 18:43:11 +05'30'

Sanu Kapoor
Vice president – Group General Counsel,
Company Secretary & Compliance Officer

Encl: as above

"Entero Healthcare Solutions Limited

Q2 FY '27 Earnings Conference Call"

November 05, 2026

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 05th November 2026 will prevail.

MANAGEMENT: **MR. PRABHAT AGARWAL – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER**
DR. BALAKRISHNAN KAUSHIK – GROUP CHIEF FINANCIAL OFFICER
MS. AKANKSHA GUPTA – HEAD, INVESTOR RELATIONS

ANALYST: **MR. NITIN AGARWAL – DAM CAPITAL ADVISORS LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Q2FY27 Earnings Conference Call of Entero Healthcare Solutions Limited, hosted by DAM Capital Advisors Limited. As a reminder, all participants will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

Please note 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 are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

I now hand the conference over to Mr. Nitin Agarwal from DAM Capital Advisors Limited. Thank you, and over to you, sir.

Nitin Agarwal Hi, thank you. Good afternoon, everyone, and a very warm welcome to Entero Healthcare Solutions Limited Q2FY27 earnings call hosted by DAM Capital Advisors. On the call today, we have, representing Entero Healthcare Solutions, the management team comprising of Mr. Prabhat Agrawal, Managing Director and CEO, Dr. Balakrishnan Kaushik, Group CFO, and Ms. Akanksha Gupta, Head of Investor Relations. I will hand over the call to the management team to make the opening comments, and we will open the floor for questions. Please go ahead, sir.

Prabhat Agrawal: Thank you, Nitin. Good afternoon, everyone, and thank you for joining our earnings conference call to discuss the performance for quarter two FY27 and first half of the year. I am joined by Dr. Balakrishnan Kaushik, Group CFO, Ms. Akanksha Gupta, Head Investor Relations, and SGA, our Investor Relations Advisors on the call. I hope everyone had an opportunity to go through the financial results and investor presentation, which are uploaded on the stock exchanges as well as on our company's website.

I am pleased to share strong and well-rounded performance in the first half, building on the momentum from the first quarter. We continue to gain market share, outpacing industry growth. We continue to build sustainable business model led by high growth, better margin mix, along with working capital discipline.

I will now brief on the performance during the quarter. Consolidated revenues grew by 32.9% to INR2,087 crores. On a like-for-like basis, adjusting for the impact of revenue recognized on a net margin basis and the divestment of a subsidiary in the base period, growth was 34.7%. Organic growth was strong at 18.2% and 20% on a like-for-like basis. Calendarisation of the acquisitions completed in the previous year contributed to inorganic growth of 14.7%. There were no acquisitions done in first half of this year.

Gross margin expanded 126 basis points year-on-year to 11.5%, and EBITDA margin expanded 135 basis points to 5.3%, and EBITDA grew by 78% year-on-year. Margin expansion was driven by three levers: scale-led procurement economies, a growing share of revenue from MedTech business, and the deliberate exit from certain low-margin accounts.

Profit after tax for the quarter was INR61 crores, up 66% year-on-year, with a PAT margin of 2.9%. Profit after tax attributable to owners was INR46 crores, up 44% year-on-year. Non-controlling interest stood at around INR15 crores for the quarter, approximately 25% of profit before minority interest.

Net working capital days were at 64 days due to timing in trade receivables on certain government contracts. This was on account of funds being reallocated due to drought situation in Maharashtra. I would like to mention that collection has been received in November, and adjusting for that, NWC days would have been 61 days, which is similar to the previous quarter. Our return ratios continue to show improvement in the quarter. ROCE and ROE were 22.0% and 22.4%, respectively.

Next, I will cover our performance during first half. Our revenue growth was 35% year-on-year to INR4,028 crores. Gross profit was INR461 crores, with a margin at 11.5%. EBITDA margin in first of the year was 5.2%. NWC days improved to 66 compared to 68 in the comparable period last year. Operating cash flow was negative INR46.5 crores. As I mentioned before, NWC days and consequently OCF were impacted on account of reallocation of funds by the government due to the drought situation in Maharashtra. Had this money been received on the due date, our H1 operating cash flow would have been positive. Lastly, ROCE and ROE were 21.8% and 21.3%, respectively.

Our performance during first half of this year has been ahead of internal expectations. We remain confident of sustaining the momentum in second half of the financial year and are in a comfortable position to deliver better than our stated FY 2027 guidance - which is consolidated revenue growth of approximately 23% (excluding any contribution from new acquisitions), alongside an EBITDA margin of 5% and EBITDA to operating cash flow conversion of 50%.

We are very excited with the evolution of our differentiated business model, where we continue to gain traction from both our customer and principal companies that we serve. In H1, we served over 92,200 retail customers and more than 2,900 hospital customers, spread in approximately 500 districts in more than 20 states and union territories, and distributed over 90,400 SKUs sourced from more than 3,200 healthcare product manufacturers. This scale and the two-way network effect it creates between our supplier base and our customer base remains in our view, the core and extremely difficult to replicate moat that anchors this business.

The Indian healthcare product market remains largely fragmented and is expected to continue growing at a healthy double-digit pace. We believe these characteristics create a compelling opportunity for organized scale distribution platforms like Entero to consistently gain market share through a combination of organic expansion and industry consolidation. Our ambition, however, extends beyond strengthening our position in pharmaceutical distribution.

We are progressively expanding our addressable market by building capabilities across the broader healthcare products ecosystem, particularly in MedTech. The MedTech distribution market shares many of the structural characteristics of pharmaceutical distribution, including fragmentation, the importance of manufacturer relationships, and the need for efficient market access and distribution infrastructure. At the same time, it offers opportunity for portfolio

expansion, value-added services, and an improved margin profile. We are encouraged by the progress of this business and its increasing contribution to our overall growth and profitability. More importantly, we see significant opportunities to grow this vertical organically through the addition of new product categories, deeper penetration of existing markets, and stronger partnerships with leading medical technology manufacturers. We believe the combination of pharmaceutical distribution and MedTech will allow us to leverage our existing customer relationships and infrastructure, while progressively expanding the range of products and services we offer to our customers.

Our performance in the first half reinforces our conviction that Entero has the right business model, scale, and execution capabilities to capitalize on the significant opportunities ahead. Our long-term ambition is to establish Entero as India's leading integrated healthcare product distribution company, creating sustainable value for our customers, principal companies, employees, and shareholders. With this, I conclude my opening remarks and would be happy to take your questions. Thank you.

Moderator: Thank you so much. We will now begin the question- and- answer session. The first question is from the line of Bhargav Buddhadev from Ambit Asset Management. Please go on.

Bhargav Buddhadev: Yes, good afternoon, team, and congratulations on a good set of numbers. Sir, my first question is that if you look at your revenue growth in the first half, it is already more than 30% on a YoY basis. Did I hear correctly that you said that the guidance of 23% revenue growth can be easily achievable? Are you upgrading your guidance?

Prabhat Agrawal: Yes, thank you, Bhargav. What I said in my note, that we are in a very, very comfortable position to better than the guidance that we have provided. I am not specifically giving a new guidance right now on the call, but I can very confidently say that we will do better than what we have guided.

Bhargav Buddhadev: Okay, understood. Secondly, sir, there were these some concerns around hospital margins being regulated or sort of hospital MRPs to sort of curtail down. As of now, there obviously is a lot of uncertainty around that. But in the event anything fructifies, is there any risk to our margins as well, in your opinion?

Prabhat Agrawal: This is a question I am sure would be crossing the minds of many of you on the call. So, maybe I will try to answer this more comprehensively. Whatever MRP revisions happen, or whatever new products are being brought into the trade margin cap, okay, it is not likely to impact our margin profile as such. The reason being, we were not making those kinds of extra margins.

The gap between the MRP and the selling price from manufacturers, the large part of that gap was being enjoyed by the final customers, which would be hospitals. So, as a distributor, we were not enjoying those margins. You would have seen it in our results also. Our overall gross margin itself is 11.5%. That includes everything. So, any margin, any MRP reduction is not likely to have any impact on our overall margin structure.

Bhargav Buddhadev: Understood. Sir, our minority interest is, as of now, around 25%. Assuming that there are no acquisitions which we do maybe for next two years, and obviously that may be a wrong

assumption, but if you just assume that we do not do any acquisitions, then what would be this minority percentage maybe two years down the line?

Prabhat Agrawal: From whatever operating cash flow that we are going to generate, we have multiple options to invest that operating cash flow. It could be a new acquisition opportunity; it could be buying up the minority interest. Or it could be deployed for more aggressive organic growth. So, depending on which path we choose, which mix, and which combination we choose, the minority interest percentage would go down. But it is difficult to give a specific number right now on this call because we do not know which opportunities we would deploy the capital on. As I have guided before, we have the call option on minority interest.

Bhargav Buddhadev: Lastly, sir, is it possible to share what is the MedTech revenue and EBITDA in the first half of this financial year?

Prabhat Agrawal: MedTech, as we have guided before, it is in a range of 15%+ of our total revenues.

Bhargav Buddhadev: What would be the margin, sir, on that?

Prabhat Agrawal: Margin specifically, we have not given any number because there are a lot of cost allocations and all that we would have to do in different segments.

Bhargav Buddhadev: Okay, but would be better than the blended margin, right, of the company?

Prabhat Agrawal: Yes, see, again, I think one of the previous calls also I mentioned, the margin profile does not really only depend on the product. It depends on what value you are adding. So, certain parts of the MedTech business could be a plain vanilla distribution, like we are doing in pharma, and certain parts where we are adding more value, like demand generation, there we are enjoying more margins.

But that is the case for pharma also. There are certain parts of our pharma business that most of you would know where we are doing demand generation as well. So there also we are enjoying more margins. So, the margin is more dependent on the value- add that you have provided rather than by the specific product that you are selling.

Bhargav Buddhadev: Sure. Great, sir. Thank you very much, and all the very best.

Prabhat Agrawal: Thank you.

Moderator: Thank you. The next question is from the line of Varun Pinto from Negen Capital. Please go ahead.

Varun Pinto: Hello. Hi, sir. Am I audible?

Prabhat Agrawal: Yes.

Varun Pinto: Hi, sir. Congratulations on a good set of results. Sir, my first question was, do we have any sort of guidance for FY 2027 cash flow, OCF?

Prabhat Agrawal: Yes, we had given guidance that 50% of our EBITDA would get converted to operating cash flow.

Varun Pinto: Understood, sir. Could you also sort of give a guidance on what is going to be the minority interest buyout in FY 2028 and FY 2029? What can we expect the owner's PAT contribution to be in FY 2029?

Prabhat Agrawal: So, just the previous person asked me this question specifically, and I replied the same thing: that we have multiple opportunities to invest from our operating cash flow. If we decide to buy more minority interest, then the minority interest would go down. If we decide to do a combination of new acquisition opportunities versus a minority interest buyout, then the number could be different. So, it is very difficult to give specific numbers. Once you know that the company will continue to grow and we will continue to deliver operating cash flow, that operating cash flow has multiple opportunities to be deployed. Depending on where the money will go, the minority interest percentage would change.

Varun Pinto: Understood. Thank you so much, sir.

Moderator: Thank you. The next question is from the line of Akshat Mehta from Seven Rivers Holding. Please go ahead.

Akshat Mehta: Hello, sir. Congratulations on a great set of results. Sir, first I had a clarification. I was thinking that you had some INR12 crores of provision on the subsidiary that happened during the quarter. Is it right to understand that if that had not been there, our margins would have been higher?

Prabhat Agrawal: Yes, the margin would have been higher, if we had not provided the amount in Q2.

Akshat Mehta: Okay. Sir, my question is also on the interest cost. Where should we see that interest cost coming down from INR20 crores to INR25 crores a quarter?

Balakrishnan Kaushik: Akshat, this is Bala here. Currently, we have taken a debt for one of the acquisitions last year. The repayments will commence from Q3. So, as and when we commence the repayment and we reduce the debt over a period of time, you will see the interest cost coming down. The repayment instalments start from Q3.

Akshat Mehta: Okay. Sir, talking about Q3, I was just going to ask you that how should we kind of look at growth in H2 as a whole? Will there be a slower growth than what H1 has been because calendarisation impact will come down now? How should we look at that?

Prabhat Agrawal: Yes, certainly the calendarisation impact will definitely go down until and unless we announce new acquisitions, because it is going to taper off partly in quarter three and more so in quarter four. But we are working on multiple opportunities. So, as and when it happens and crystallizes, of course, we will share it with you through the stock exchange release.

Akshat Mehta: Are we looking at new acquisitions later at the end of the year or somewhere later?

Prabhat Agrawal: Yes, we are looking at multiple opportunities even today.

Akshat Mehta: Okay. No problem. Thank you, sir.

Moderator: Thank you. A reminder to all the participants, you may press star and one to ask questions. The next question is from the line of Chintan Sheth from Girik Capital. Please go ahead.

Chintan Sheth: Hello. Yes, hi. Thank you for the opportunity, and nice numbers for the quarter. I understand we are not calling out specific numbers for the year in terms of growth and margins, but you mentioned that margins will or the performance might likely to stay for the year. I have to assume that the first- half margins can be useful.

Balakrishnan Kaushik: Chintan, we are not able to hear you clearly. Can you please repeat your question?

Prabhat Agrawal: I think whatever I could hear partially is something that somebody asked me before also, because everyone has this question in their mind, I believe, that based on H1 performance and based on the guidance that I had given at the beginning of the year, that is two numbers everyone is more excited to know about.

What I told before is that we are very confident that we would be able to do better than what we had guided before. What I am not doing right now is not giving a specific revised number for H2 or a revised number for the full year. But, you can be rest assured that it would be better than what we had guided before, both on the growth and on the margin.

Chintan Sheth: Got it. Second, the previous participant asked on the acquisitions. You are still looking at a few of the opportunities, but anything which you can call out likely to close by the end of this year or largely everything will spill over to FY 2028?

Prabhat Agrawal: No, we are evaluating some opportunities that can be closed in this year itself.

Chintan Sheth: Okay.

Moderator: Yes. Thank you. The next question is from the line of Nitin from BOI Mutual Fund. Please go ahead.

Nitin: Hello, sir. Hi. Congratulations on a good set of numbers, and season's greetings in advance. Wanted to understand, since we continue to evaluate M&A activities, right now, what would be your top priority, if one were to understand from an external point of view, the kind of acquisitions that you could be evaluating? Which are the columns where it can fit in? Would it be more like bolt-on acquisition? Would it be more like white space, which you think now is the time for you to enter there? If you can give a broad gist of that.

Prabhat Agrawal: Most of the opportunities that we are evaluating are in the space either which leads to a portfolio expansion for us or in product categories that we are not dealing in today or related to new geography that we don't have much presence today. These are the two broad levels of segments that we are evaluating opportunities in.

Nitin: Got it. Any hint, if you can provide, in terms of which side you're gravitating more right now? Is it more of geography expansion or more of…

Prabhat Agrawal: Generally, we are more excited by product expansion. I can just tell you that.

Nitin: Got it. One further bit on this. Size-wise, would it be very different from what you have been doing in past, on the higher side or something, if you can.

Prabhat Agrawal: It will be difficult for you to say if it is in line with historical, because historically we have done INR20 crores acquisition also and INR400 crores acquisitions also. I can tell you that we are not looking at small acquisitions. Now our scale is so much that there is no point in evaluating very small acquisitions.

Nitin: Got it. Last question, on the OCF bit, keeping in mind right now we had certain challenges for the collection, which was more temporary in nature. For the full year, we continue to stay positive on OCF. That should be the prime assumption.

Prabhat Agrawal: Yes. 100%. I am saying that whatever guidance I did for 50%, I am sticking with that.

Nitin: Irrespective of whichever category we move, like maybe hospitals slightly heavy on working capital, but irrespective of—

Prabhat Agrawal: Yes. Because nothing much has changed from the time we gave the guidance to today.

Nitin: Perfect. Thank you and all the best. Thank you.

Moderator: Thank you. The next question is from the line of Govindarajan Chellappa from CSIM. Please go ahead.

Govindarajan Chellappa: Yes, hi. I had a few questions on this write-off that you have taken. Can you just explain what happened? Has all the write-off been taken in this quarter? Which line item it appears in? And INR12 crores is 60 basis points of your sales, which is very significant compared to the margins that you normally make.

Prabhat Agrawal: Basically, the issue is about a customer default from one of our subsidiaries, a customer of one of our subsidiaries. And we have all the legal rights to go for recovery. We even have post-dated checks and security from them. But because of the materiality amount, we chose to disclose it to the stock exchange. Entire amount, as we said in that note, has been provided in, regarding that receivable in our books in Other Expenses line.

Govindarajan Chellappa: Okay. So, if this had not occurred, you are saying your margin would have been 5.9%. Is that the right interpretation?

Prabhat Agrawal: Not all of it. Partial part of it, because part of it was already provided before, so it is part of our opening provision balance. But yes, a significant part of it was provided in this quarter itself.

Govindarajan Chellappa: Okay. The subsidiary annual report as of March 26 suggests that they had a total receivable of INR25 crore, INR26 crore. Half the receivables is gone. Is that the right reading?

Prabhat Agrawal: I don't have exact number of their receivable right now, but the amount that we have said is the number that we gave.

Balakrishnan Kaushik: Yes, INR11.87 crore.

Prabhat Agrawal: It was a big customer and a big receivable. That's the reason we chose to disclose it.

Govindarajan Chellappa: And this customer is, I am guessing, is a pharmacy.

Prabhat Agrawal: Yes.

Moderator: Thank you. The next question is from the line of Abdulkader Poonawala from ICICI Securities. Please go ahead.

Abdulkader Poonawala: Hi, sir. Thank you for the opportunity, and congrats on good set of numbers. My first question is with regards to your organic growth of the 17%-18%. Could you help us understand as to what is driving this growth? I understand that the pharma market growth itself has been a little higher, but apart from the broader market growth rate, anything else to read into it?

Prabhat Agrawal: It is an all-round growth. It includes expansion in customer base, it includes improvement in wallet share from the customers, it includes new product categories, growth coming from new product categories. It is a combination of all three.

Abdulkader Poonawala: Okay. Okay. Sir, I wanted to understand your thoughts on debt repayment. While you talked about M&A and minority interest purchase being one of the priority, is debt repayment something what you are also evaluating when you are talking about a 50% conversion of your EBITDA to cash flow?

Prabhat Agrawal: So, as of now, we are on a very high- growth phase. So, our first option would be to deploy that cash to chase more opportunities rather than to repay debt. Because we believe significant higher ROCE businesses can be created compared to the cost of debt. So, we are basically looking for that kind of opportunity to deploy the capital on.

The board, internally, we have this mandate that we will not exceed 2x net debt to EBITDA ratio. So, within that constraint, we will keep evaluating opportunities, and if we see that those investments will deliver much higher return on capital compared to the cost of the debt, then we will deploy there. If we don't find opportunities, then we will repay the debt.

Abdul Poonawala: Okay. And, sir, with regards to your guidance on achieving, say, INR1,000 crores of revenue from MedTech, if I heard you correctly on the call, your MedTech revenue would be, say, almost INR500 crores or around that number?

Prabhat Agrawal: Not INR500 crore. INR500 crores would mean 25%. We haven't reached that level.

Abdul Puranwala: Okay.

Prabhat Agrawal: I said 15%, right? It's-

Abdul Puranwala: Yes, 15%, and I think the first half you did close to. Okay, so it is, I mean, it's not evenly across. Understood. All right. Yes, thank you.

Moderator: Thank you. A reminder to all the participants, you may press star and one to ask question. The next question is from the line of Avnish Burman from Vaikarya. Please go ahead.

Avnish Burman: Hi. Congrats on a great set of numbers. Prabhat, just one question going back on the trade margin thing. I just wanted to check that we saw a similar kind of ruling by the authorities in 2019 on oncology products. Just your experience on how things panned out at that time. And the related question would be that, given that for the end consumer the prices are coming down, do you also expect some price elasticity? Do you expect for these products for the volumes to go up even though your margins are not affected?

Prabhat Agrawal: Regarding this trade margin cap issue that has been being discussed for the last one month under Supreme Court and the regulatory action that has been taken. It can impact company in two ways. A distribution company like us in two ways. One is it impacts your top-line revenue, if the price is substantially reduced and the price also is reduced by the company itself. So, company sells at a lower price to distributor and distributor also then further sells it at a lower price. In that scenario, like what happens when the product comes under DPCO, generally, the overall prices come down, and then it comes down both for the company, for the distributor, for retailer, everyone. So, this impacts in absolute value on your top line.

And the second is the margin. So, let's say a distributor is supposed to make 10% margins, whether that margin percentage changes. Now, coming to the second one, the margin percentage did not change. It did not change in 2019. It has not changed ever from whenever the DPCO or any MRP reduction happened.

The second part is whether the absolute price for a selling price of a distributor would change or not. That would depend on if the company takes the impact. So, if the company reduces the prices of the product, to the customer, in that case, they will sell at a lower price to the distributor, and of course, distributor will add 10% of his margin and sell at a lower price. And that can have an impact on the distributor's overall sales.

But when I look at my sales, these 137 molecules that has been as of now notified by NPPA, that those molecules total sales in our portfolio is only 2% as of now. Okay. So, I do not see any material impact that can come on this, because most of the MRP reduction would be recovered from the higher margins enjoyed by the hospitals rather than by the companies. But, I do not know if some of it will be passed back to the company and they reduce the pricing later on. But as of now, I do not see much of an impact coming from that.

Avnish Burman: Understood. Thanks. Your first- half revenues are close to INR4,000 crore, and I mean, I think this is carrying on with our question earlier, that if you take 15%, that is close to about INR600 crore. So, was the MedTech revenue close to about INR600 crores in the first half?

Prabhat Agrawal: Yes.

Avnish Burman: Okay. I mean, this INR600, you are still guiding for INR1,000 only for the full year, right?

Prabhat Agrawal: No, of course not. I mean, that INR1,000 crores we said when we acquired certain companies. So, of course, we will be more than INR1,000 crores in this year.

Avnish Burman: Understood. Thank you so much.

Moderator: Thank you. A reminder to all the participants, you must press star and one to ask question. Next question is from the line of Yash Mehta from Duro Capital. Please go ahead.

Yash Mehta: Hey. Hi. Thank you for the opportunity. Just one question. Earlier, you commented that you are not evaluating any small acquisitions anymore. Just wanted to know, are there any meaningfully large acquisitions still left out there? If you can give us some color on that.

Prabhat Agrawal: Yes, there are large acquisitions still available in the market, both in pharma and MedTech space.

Yash Mehta: Do you plan to close one of them maybe this year? Is that what you are trying to say?

Prabhat Agrawal: We are evaluating opportunities there. It is not that we are not engaging with anyone or we are not looking at it. We are evaluating, and I am hopeful something will happen this year.

Yash Mehta: Got it. And in terms of the meaningfully large acquisitions, what would be like a top-line sort of number if you can give us that you are aiming to get? Something that you would target to acquire, basically.

Prabhat Agrawal: We are not looking at something which is lower than INR100 crore.

Yash Mehta: Oh, okay. Thank you.

Moderator: Thank you. The next question is from the line of Simran Thakkar from Beas Capital. Please go ahead.

Simran Thakkar: Thank you for taking my question. I see INR166 crores of acquisition consideration is paid in H1. Considering the fact that there were no new acquisitions in H1, how should we take this? Is it a deferred consideration for FY 2026 deals that we have made? Also adding to it, at March, we could see INR309 crores of deferred consideration balance. How much of it remains, and when is it due ahead, the balance one? How much is it related to put options? Thank you.

Balakrishnan Kaushik: The consideration payouts that you're seeing, you are right, these are deferred considerations. Our agreements have various time periods in which the deferred consideration will get paid. What is paid is out of the amount of deferred consideration that you saw in the March balance sheet. That is one. This is not related to call and put. This is pure deferred considerations that have been paid.

Simran Thakkar: Understood. Okay. Thank you.

Moderator: Thank you. Reminder to all the participants: you may press star and one to ask questions. The next question is from the line of Gautam Malhotra from Financial Information Systems. Please go ahead.

Gautam Malhotra: So, congratulations on a good set of numbers. So, I am a new investor, I may have missed if you have said this earlier, but I had a question related to why have so many subsidiaries and why not

roll them up and merge them? Is there some licensing issue or something? So, I just wanted to understand that, because that leads to related- party transactions.

Prabhat Agrawal: These subsidiaries enjoy local goodwill in the market, local name in the market. So we have retained that. At some point in future, we can evaluate merging them into the parent entity.

Gautam Malhotra: Yes, merger and brand name can be still two different things, right?

Prabhat Agrawal: I mean, brand name in the sense that the customers know them by that name, you know, they have been operating for 30, 40 years on that. We don't want to bring unnecessary disruption at this point in time. The benefits is not, you know, kind of outweighing the cost that might happen.

Gautam Malhotra: Understood. Thank you.

Moderator: Thank you. Next question is from the line of Tinku Moni from SMIA Investments. Please go ahead.

Tinku Moni: My question is that you mentioned wanting to improve cash flow this year, and since customer payments are taking a little longer to come in, what is your plan to get paid faster, and are there delays coming from the hospitals or the local medical retail shops?

Prabhat Agrawal: This quarter, we said that only case was related to certain government contracts. Which were specifically delayed because of, the drought situation in Maharashtra, where funds were reallocated to some other projects, and that led to some delay. We should take that as one-off, and if we account for that, then, the NWC days or working capital days would have been the same as the previous quarter.

Tinku Moni: Yes. How are you going to improve this?

Prabhat Agrawal: I mean, of course, this is our day-to-day job. To keep following up on receivables, try to negotiate better payment days with the companies, as well as, you know, negotiate better receivable days from the customers.

Tinku Moni: Okay. Thank you, sir.

Moderator: Thank you. Next question is from the line of Kumar Saurabh from Scientific Investing. Please go ahead.

Kumar Saurabh: Hello, sir. Congrats on a great set of numbers. My question is around the recent oncology medicine pricing which has been proposed. From an ecosystem perspective, how do you see it impacting you as well as all the other stakeholders in the supply chain, including the manufacturers and hospitals?

Prabhat Agrawal: Basically, in this product category, there are three people who are involved. One is the manufacturer, the second is the distributor, and third is the hospital, because these products are not sold so much off the counter at the retail level. These are the three major players who are involved.

Now with MRP reduction, we expect the majority of that would come to the hospitals, partly to manufacturer, depending on the competitive intensity and negotiations between the manufacturer and the hospital. But we don't see any major or any impact coming to a distributor, because distributor anyway was not making a lot of margins in this. The bigger margins was being made by the hospital and then the manufacturer.

Kumar Saurabh: Got it. And sir, even in quarter two, the IPM data has been very, very healthy. In fact, at 15% highest. Right now, like based on last month, for Q3, how do you see this trend shaping up? Are we going to have the similar kind of IPM?

Prabhat Agrawal: See, to be honest, you know, I couldn't figure out much what's the root cause of this increase in growth rate because, you know, except for last three, four quarters, historical trend was like, any growth rate between 7% to 10%, right? And now it has gone as high as 15%, right? So I really don't know.

Most of this growth has come from volume growth rather than pricing or new product introduction. So how long is this sustainable, those kinds of growth rates? I don't have any particular view on that. I'm sure, you know, a lot of pharmaceutical companies would have given shared much better view on that.

Kumar Saurabh: Got it. And sir, the 50% of EBITDA to OCF conversion guidance, I hope we are still sticking for the coming financial year?

Prabhat Agrawal: I mean, for this financial year, yes.

Kumar Saurabh: Okay. Wish you all the best, sir. Thanks a lot.

Prabhat Agrawal: Sure.

Moderator: Thank you. The next question is from the line of Alok Dalal from Jefferies India Private Limited. Please go ahead.

Alok Dalal: Yes, hi. Good afternoon. Prabhat, one question, this government business, when did this start, and what is the contribution of this today?

Prabhat Agrawal: I think the total government business would be probably 2%-3% of our total, 3% of our total.

Alok Dalal: When did you start this? Is it a new initiative?

Prabhat Agrawal: No, it has been there before. We supply to a lot of government agencies, PSUs, procurement agencies of the government from the beginning. It is not like a new initiative or something.

Alok Dalal: Okay. Second question, Prabhat, in your opening remarks, you mentioned about one of the growth levers being new product categories. Can you elaborate on which new areas you are targeting?

Prabhat Agrawal: MedTech, we still have a lot of other categories left. Pharma, more or less, we have covered quite a bit. But in MedTech, we still have other product categories still which we are not doing today.

Alok Dalal: Got it. Last question, without any inorganic contribution for FY 2028, are you still well-placed to grow around 20% in revenues with improvement in profitability?

Prabhat Agrawal: Alok, next year's numbers, I will come back in fourth quarter of this year. Because there are a lot of opportunities that we are working on right now. So, whatever number I tell you will be without having a clear visibility on how we are closing on those opportunities in this year. I think we can have this discussion in the fourth quarter.

Alok Dalal: Sure. Suppose there is no acquisition, suppose you are not able to close one of these, then still the company can achieve high teens, 20%+ kind of growth organically?

Prabhat Agrawal: Yes, that will be our endeavor for sure. Organically also, there are many opportunities, not that all the opportunities lie in only the inorganic realm. Even in organic side, we are working on many opportunities.

Alok Dalal: Sure. Okay. Thank you, Prabhat.

Prabhat Agrawal: Thank you.

Moderator: Thank you. The next follow-up question is from the line of Gautam Malhotra from Financial Information Systems. Please go ahead.

Gautam Malhotra: What was the amount, which was deferred by the Government of Maharashtra, which came in November?

Prabhat Agrawal: I think it was around INR55 crore.

Gautam Malhotra: All right. Thank you.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I would now hand the conference over to the management for closing comments. Over to you, sir.

Prabhat Agrawal: Well, thank you again for joining this call, and thank you for your confidence and faith in the company. I wish you all a very Happy Diwali in advance. Thank you all.

Moderator: Thank you, sir. On behalf of DAM Capital Advisors Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.