Management Discussion

Parth Acharya - Analyst, Kirin Advisors Private Limited
Thank you. Good afternoon, everyone. On behalf of Kirin Advisors, I welcome you all to the conference call of Chandan Healthcare Limited. From the management team, we have Mr. Amar Singh, Chairman and Managing Director; Mr. Rajeev Nain, CFO and Company Secretary.

With that, now I hand over the call to Mr. Amar Singh. Over to you, sir.

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Thank you, sir, and good morning to everyone. I'm Dr. Amar Singh, Chairman of the company and Managing Director, and on behalf of Chandan Healthcare Limited, I welcome all of you to our quarter two and H1 FY '27 earnings conference call. Thank you for joining us today.

And before I discuss the quarter, I will give you a brief introduction of Chandan Healthcare. It was established in 2003, and we are one of India's leading diagnostics service providers since then and a key entity of the Chandan Group. We offer a comprehensive range of pathology and radiology services through our owned and franchise centers across multiple geographies. Following the divestment of our pharmacy business, we are now a very much focused diagnostic company, and the quarter saw healthy growth in revenue and operating profit, rapid expansion of our network, and steady progress on our strategic initiatives. Since Chandan Pharmacy Limited is no longer our subsidiary, the results are presented on a standalone basis, and last year's figures are also standalone. So the comparison will be like for like. And Mr. Rajeev Nain, our CFO, will take you through the financials.

And let me start with the franchise business, and it is very attractive. And recently we started six months back, and where we are very happy with the response. The network has grown rapidly. We added 410 franchise centers during this quarter and taking the total to 685 on 30th September 2026. And today we have touched more than 930 franchisees, and this quarter will be definitely better than the last quarter as far as enrollment of franchise are concerned. And these centers are the collection points that need no capital from us. The franchise partner bears all the local cost and the transfer of samples, and all the samples are routed to our nearest laboratory. This may be standalone laboratory or maybe comprehensive diagnostic center, and which adds volume to our existing infrastructure.

At the moment, about 80% of the network is in Uttar Pradesh, and the next phase, it is -- it will be replicated in newer geographies because we have already entered in 15 states. And we are working towards 1,500 franchisee centers by the end of FY '27 and expecting more than 4,000 centers by the end of FY '28. I'm talking about the franchisee centers at the moment.

We are equally happy with the response to our digital initiatives, online bookings, home sample collection, preventive healthcare and the Chandan 24x7 application. Already we have more than 3,000,50 members already in our app, and they are being used by more patients every month, and we intend to keep expanding them. We are adding at least 5,000 to 10,000 apps [Phonetic] every month, and our own network has also grown. As on 30th September, we are already operating 25 comprehensive diagnostic centers which provide pathology, radiology, and so many other services like BMD, PFT, FibroScan, like that, and all under one roof. And we have 19 diagnostic centers which are giving pathology, X-ray, and ECG services.

We also have 25 standalone laboratories, and they are dealing with the pathology services only. And we do have 16 radiology centers giving only radiology service, either CT or MRI. We also have two

central laboratories at the moment, one at Lucknow and one at Haldwani, which support the network, and one more in process at Delhi center. We are expecting, within six months, we will open one central reference lab at Delhi also, because Delhi will be connected all over India. That's why we are putting one central reference laboratory at Delhi also, one at UP, one at Uttarakhand, and now one will be at Delhi so that we can cover the whole India. And at the moment, we are present in 15 states and planning to enter in three more states in next three months.

On 25th September, we have already acquired two units of Ansh Diagnostics and Healthcare in Ghaziabad at Indrapuram and Ahinsa Khand. Ansh is an established provider of pathology and radiology in that area, and which includes CT and MRI and all pathological services. And this acquisition reflects our approach of entering new markets through established units, because basically making a center and taking it towards profitability takes more time when we establish our center. That's why we are putting organic and inorganic, both type of growths, in our business. And alongside our own center openings, it also adds to our presence in Delhi NCR region. And we are already having two centers in Delhi, and one center at Gurgaon is going to start in next two months. So we are concentrating Delhi and around cities now so that it is a central point of India, and we are covering the whole NCR.

The divestment of our entire 53.56% shareholding in Chandan Pharmacy Limited for approximately INR16.77 crore, and it was completed on 1st September this year. Pharmacy, as you people know, pharmacy is a lower margin trading business, and whereas diagnostic offers higher margins and longer growth runway. And this proceed will fund now diagnostic centers. And the quarter's result include a one-time gain from this sale, which Rajeev will explain. Basically on the sale of this pharmacy division, the profit -- about the profitability, Rajeev will explain in details.

As far as our partnership, our rollout across Jeena Sikho hospitals and clinics, it is continuing. And because we have a five-year exclusive arrangement with them, and now the monthly revenue has gone above INR1.5 crore, and definitely with them we are adding more and more cities in future also. And on the government side, under our 10-year PPP contracts in Punjab, 11 of the radiology -- 12 radiology centers, we have already been handed over to us and machine installation is underway. In Guwahati, civil work and PNDT approval and machine installation is going to be completed very soon. And in Haryana, the handover of -- at Rohtak is -- we are still waiting for that. And we expect all these projects to start contributing progressively with the impact visible from quarter four. And next year, we will have a full impact of all these 12 radiology centers.

And looking ahead, we have a very aggressive plan of 11 comprehensive diagnostic centers which are nearing completion. All 11 comprehensive diagnostic centers will be open in next three to four months. That simply means, in this financial year, we are going to add 11 more comprehensive diagnostic centers, and six diagnostic centers also for laboratory services and X-ray services. And all these will be commissioned progressively over the coming months. And our prestigious genome laboratory at Jankipuram, Lucknow, and PET scan centers at Kanpur, Haldwani, Jodhpur, Bhopal, Raipur, and Gorakhpur, you can see in four, five states, we are going for PET scan installations, and these are planned, and we will update you as soon as they will start. At Gorakhpur, we are going to start in next two months. This will be our first PET scan at Gorakhpur in UP, and then we will have Haldwani, Jodhpur, Bhopal, and Raipur in other four states.

As far as our growth is concerned, it will rest on three pillars. One district, one lab, with a laboratory in every district of whole India. At the moment, we have taken UP and Uttarakhand first. Uttarakhand we have already covered in 13 districts. We have labs in all the districts. In case of Uttar Pradesh, we

are expecting to complete the whole Uttar Pradesh in next two years. That simply means in Uttar Pradesh and Uttarakhand, we will have 1 lakh, 1 district -- 1 district, 1 lakh. And then we will cover one by one to other states also, because we are taking Uttar Pradesh and Uttarakhand first, because our presence in Uttar Pradesh and Uttarakhand was already very high. And now we will cover one by one the whole India.

And we will stay disciplined in capital allocations because we will get some part of the warrant money also in future. And because we are not going for government contract renewal and we will get a handsome money from the -- our NHM project also. And all these money will be utilized in a very disciplined manner to get more and more diagnostic business.

And with that, I would like to conclude my remarks. I thank our employees, our doctors, our technicians, partners, and the entire Chandan Healthcare team for their commitment, and our shareholders and all participants on this call for their trust and support.

Now I will hand over to Mr. Rajeev Nain, he is our Chief Financial Officer, to take you through the financial results for the quarter and a half year ended 30th September '26. Thank you very much, all of you.

Rajeev Kumar Nain - Chief Financial Officer & Company Secretary, Chandan Healthcare Limited
Thank you, sir. Good afternoon ,everyone. So before we move to questions, let me quickly take you through the financial results for the quarter and half year ended 30th September 2026. As we know, and as Dr. Singh just mentioned, Chandan Pharmacy Limited ceases to be our subsidiary during this quarter. So the numbers I will discuss are therefore standalone, excluding pharmacy.

So starting with the quarter two, revenue from operations was INR57.94 crores, which is up 45.04% on Y-o-Y basis. And total income was INR59.36 crore, up 44.78%. EBITDA during this quarter was INR22.12 crore, up 54.79%. And EBITDA margin improved by 241 basis points to 37.26%. EBITDA was -- percentage was 37.26%. As compared to previous quarter ended 30th June 26 -- the previous quarter, total income grew 19.3% and EBITDA grew 21.57%, with margin up 69 basis points. And profit after tax was INR18.61 crores with a margin of 31.35%.

So as we know, profit also includes gain on sale of Chandan Pharmacy Limited shares, which was INR10.23 crores net of tax. Excluding this one-time gain, profit after tax would be about INR8.3 crores for this quarter, up around 46% from INR5.74 crores of last year, at a margin of about 14.1% against 14% of last year.

And for the half year, revenue from operations was INR106.61 crore which is up 41.16%, and total income was INR109.12 crore with increase of 40.56%. EBITDA for H1 was INR40.31 crore, up 66.52%, with margin of -- with margin up around 576 basis points. Profit after tax was INR25.37 crore for this H1, which is up 256.72% at a margin of 23.25%. And if I exclude the one-time gain on sale of shares, the profit would be about -- net profit would be about INR15.14 crores for this H1, which is up 113%. Last year it was INR7.11 crores.

And if I talk about the segment mix, for the quarter two this year, the B2B has contributed 36.7% of revenue, which is 106.5% increase. B2C contributed 34.5% of total revenue, which is 23.8% up as compared to last year. And likewise, B2G contributed 28.8% of total revenue, which is up 17.2%. And talking about verticals, pathology contributed around 75% in this quarter and radiology the balance 25%.

This concludes my remarks. Now we can open the floor for questions. Thank you.

Questions & Answers

Operator
Thank you very much. [Operator Instructions] First question is from the line of Harshit Khadka from RoboCapital. Please go ahead.

Harshit Khadka - Analyst, RoboCapital
Hello, am I audible?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Yes, sir.

Harshit Khadka - Analyst, RoboCapital
Yes, sir. Thank you for the opportunity. Sir, right now, we are doing quarterly revenue of INR60 crore, so we are on a track to do INR240 crore to INR250 crore annually. So given a guidance of 50% year- on- year growth, is it fair to assume that we will do around INR350 crores of top line in FY '28 with around INR120 crores, INR130 crores of EBITDA?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
There is some correction. actually, because we are not going to renew our government contract of NHM, so we are leaving few labs gradually because we will not renew this center. Of course, we are covering this business with the acquisition and our franchisee business. So maybe it will range between 40% to 50% in the years to come. Yes, definitely.

Harshit Khadka - Analyst, RoboCapital
Sir what was the quantum of this business that you mentioned?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Quantum of government business, or...

Harshit Khadka - Analyst, RoboCapital
Yes, yes.

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
At the moment, it is 22% NHM, and rest of the government business will continue because CGHS, ECHS, and [Indecpherable], all these will continue because we don't have any problem in receivables in these sectors. But in case of NHM, we have decided not to continue, and we have also decided not to take any government new project because these receivable factors basically disturb us. And we are leaving gradually all these government projects. At the moment, we are having 350 collection points of NHM in Uttarakhand. We have already closed 100 units, and gradually we are closing. And probably in next two or three months, tender will come, and we are not going to apply again.

And in the meantime, we are covering all this business through our franchisee because we are going aggressively in franchising. And last month, we have added 280 franchise in October, and this number will gradually increase. And we are going for so many acquisitions. At the moment, we are having around 10 diagnostic centers under acquisitions. So we want -- because we will get the money from this government business and we will use this money for acquisitions and we will get the growth through our franchisees, and we are hoping to increase the number of franchisee every

month, month by month. And last month we have added 280.

Harshit Khadka - Analyst, RoboCapital
Okay, understood.

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Gradually, we will get out of this government business completely, and we'll be based on B2C business,

Harshit Khadka - Analyst, RoboCapital
Right. So on the franchisee point, sir, so I just wanted to understand like what is the average revenue and EBITDA that a franchisee can give us? And sir, the 1,000 franchises that we have planned, so what can be the peak revenue and EBITDA from these centers once they mature -- from these 1,000 franchisees?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Because we are adding franchisees in last -- during the last six months, definitely all these franchisees are new, but more or less you can assume after six months of working, all the franchisee gets around more than a INR2 lakhs business. For us, it is a INR1 lakh -- nearly INR1 lakh business because rest of the money they hold. So we are getting around INR1 lakh per franchisee. And the EBITDA part is -- in fact, there is no expense in this. And basically we should talk about the margin rather than EBITDA because there is no expense in this. Our margins are nearly 75% in franchisee. Even after giving a 40% to 50% discount to a franchisee, we get nearly 75 % margins.

Harshit Khadka - Analyst, RoboCapital
Okay. It will be our portion, right?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Yes, yes, it is ranging between 50% to 55 % in our case, because all the franchisees are not at the same discount. Those franchisees who are doing much better business, they are getting 50 % discount. Those franchisees which are new may get less than 50% discount. But even after getting 50% of the total MRP, we are getting 75% -- around 75% margin. And that is -- basically it is all against the advance because we are working on rolling advance. We don't bill the franchisee. We get the money before the start of any test and we work on rolling advance. That is the reason we are expanding in franchisee business, aggressively. And we are leaving government business, and we have one opportunity because we are getting money from the receivable part of the government business, and we will use this money to acquire various centers. We have already acquired three centers in this year, and one is also -- will be declared very soon in this month. So four has already been completed, and we are trying to get at least four or five acquisitions more in this financial year. So we will cover the whole government business through acquisitions and franchisees.

Harshit Khadka - Analyst, RoboCapital
Okay, sir, understood. And since you are growing very rapidly and we are also doing some acquisitions, so just wanted to understand what will be our debt outlook for FY '27 and '28?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Sir, in case of franchisee, we are not investing anything because all the capital is taken by the franchisee. As far as acquisition is concerned, right now, we are having money, we are doing

acquisitions, and whenever we need, we may go for debt also. But the debt part is not increasing because whatever money we are paying on debt, what we are going to take the debt may be equal. So our debt part will not increase.

Harshit Khadka - Analyst, RoboCapital
Okay, sir. Thank you. All the best.

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Thank you, sir. Thank you, sir.

Operator
Thank you. Next question is from the line of Nishita [Phonetic] from Sapphire Capital. Please go ahead.

Nishita - Analyst, Sapphire Capital
Yes, thank you for taking my question, and I had a few follow-up questions on the previous participant's question. So you mentioned that we can expect 40 to 50% growth. So this is for -- like can I assume that we can achieve this growth in FY '27, FY '28 both on a standalone basis?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
In the H1 we have already achieved 46% and we hope to finish the year 40% plus definitely. And from next year definitely, we will be having at least 40% to 50% growth because we are aggressively going for franchise business and all these franchisees will start giving fruits next year because we have started six months back, and that is the reason next year we will have a very good response from franchisee as well as acquisitions. And all these two businesses will definitely give us a growth of 40% plus, definitely.

Nishita - Analyst, Sapphire Capital
Understood. And franchisees, you mentioned that our margins are 75%, this is on the EBITDA level, right? Or PAT level?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Actually, we don't have any expense in this unless -- only the reagent part is used, because all the expenses are borne by the franchisee. We just get the samples at our center and we do the test at our center, and only the margin -- 25% is our consumable part and rest of the 75% is our margin.

Nishita - Analyst, Sapphire Capital
Okay, okay, understood. And so the franchisees, can we assume that they take around six months to mature, and then after six months, we can expect INR2 lakh revenue per month from these?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Most of the time franchisee crosses INR2 lakhs business. A ctually, a franchisee does INR2 lakhs business, our business is INR1 lakh because nearly we get 50% of the total collection. And after maturity, it will hardly grow 10% to 15% every year because that franchisee becomes -- basically, they are saturated, they are satisfied with the income of INR50,000 plus because all these franchisees are run by the phlebotomists. And usually these phlebotomists are earning nearly INR15,000 to INR20,000 as an employee in any diagnostic center. Once they start getting INR50,000 plus, they feel saturated. So we calculate the range between INR1 lakhs to INR2 lakhs per month per franchisee, even after maturity.

Nishita - Analyst, Sapphire Capital
Right. So as we reduce our government business and we increase our franchisee business, our margins will also improve quite a lot. So If you could give some sort of outlook on our EBITDA margins for FY '28?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Definitely -- as far as you are talking about the FY '28, our margins will definitely improve just because of franchisee business. But still, even in government business, we were having good EBITDA margin. But because of receivables factor and so many other interference in this business, we are leaving it and we are going for the cash business. And that will definitely improve our cash flow, and that will definitely improve the growth of the company, and we can go for acquisitions and more and more centers and franchisees. That is the reason. Definitely, as far as EBITDA percent is concerned, that may not be a big difference because even in government, we are having good EBITDA percent, but because of receivable factors and so many interferences, we are not -- we are leaving it and we are not going to government business in future.

Nishita - Analyst, Sapphire Capital
Right. So like, can we expect our margins to reach around 40% level in FY '28?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
It will be definitely 30% plus, but at the moment, I can't -- because we are aggressively making so many centers, so many PET scans. We are going to have five to six PET scans in next six months. We are going to have 11 comprehensive diagnostic centers in next three months. We are going to have six diagnostic centers in next three months. Maybe it may affect some EBITDA, but definitely it will range between 30% to 40% because we are managing the business in the way it cannot go -- it should not go less than 30%. So it may be -- at the moment, in H1, we have already given more than 36% EBITDA. Hopefully. But as far as commitment is concerned, guidance is concerned, I will say it will range between 30% to 40%.

Nishita - Analyst, Sapphire Capital
Right. Understood. So since we are opening all these new PET scan and even the diagnostic centers what is our capex that we can expect in FY '27 and FY '28?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Sorry, ma'am, please repeat that question.

Nishita - Analyst, Sapphire Capital
So what do we expect to spend on our capacity, like for the PET scans and for the comprehensive diagnostic centers that you said that we are planning to open in the next few months? So what will be our capex for FY '27 and FY '28?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Yes, yes. As far as H2 is concerned, as I told you, we will have 11 comprehensive diagnostic centers and nearly 80% already we have invested in that. There is hardly any more, investment is basically balanced. And so in next -- in H2 our capex will go for acquisitions only. Normally, what happens, we are going for acquisition only 1.5 times to 1.6 times or 1.7 times. So that depends how many acquisitions we will finalize in H2. As far as our centers are concerned, more than 80% we have already invested, and there is no capex involved -- much capex involved in that.

Nishita - Analyst, Sapphire Capital
Right. And for FY '28?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
FY '28, we will continue to expand through our franchisee, and definitely, as far as acquisitions are concerned, we will continue for acquisition in that year also because we are having funds from our warrants and what money we are going to get through our government business because we have a huge money with them and that money we will get. So in the same manner we will continue in FY '28 also.

Nishita - Analyst, Sapphire Capital
So if you could quantify some sort of capex, like if you could quantify the amount?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
The amount, basically we will have 12 comprehensive centers, and one comprehensive center is costing us around INR8 crore to INR9 crore. That simply means we will go for INR100 crore in comprehensive centers and more than 50 standalone labs. And one standalone lab cost us nearly INR50 lakhs. It ranges between INR50 lakhs to INR75 lakhs, and that simply means nearly INR110 crore we will invest in FY '28.

Nishita - Analyst, Sapphire Capital
Okay, okay.

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
And for acquisition, I cannot tell you because we don't go for -- basically we go for only 1.5 times or between 1 times to 1.6 times we purchase the center. So that I cannot claim how many acquisitions we will do, but we are in definitely search of such type of acquisitions, and so many acquisitions are under plan.

Nishita - Analyst, Sapphire Capital
Right. And another clarification I wanted was, so you mentioned that NHM was 22% of our government business, is that correct?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Our government business total is hardly 28%, and out of that, 22% -- 22% to 23% is NHM, and rest of the business is CGHS and other government organizations.

Nishita - Analyst, Sapphire Capital
Right, right. And in your opening statements, you mentioned that we'll have around 4,000 franchisee centers by the end of FY '28, and in the present [Speech Overlap] 3,000. So I just wanted to clarify that comment.

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Yes, yes, actually we are appointing more and more people, and that's why every month our numbers are increasing. As I told you, in the last month, we have added 280. And that simply means we will cross 4,000 next FY '28 because we are aggressively working on franchise because we have more than 75 labs in 15 states. So we have ample opportunity to have more and more franchisees because our -- previously we were not doing franchisee business and so many labs are vacant for us. So we will go aggressively and maybe in the next con call meeting you will find some

bigger figures.

Nishita - Analyst, Sapphire Capital
Right. And these acquisitions that we want to do, are they going to be in UP state only, or are we planning to expand to some other state?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
No, we are not restricted to UP. We have gone for Delhi, we have gone for Bhopal, we have gone for Jaipur and so many other states also. We are not confined to UP now because we are already having a presence in 15 states. So we are -- we don't have any reservation for acquisitions. We can go in any states. Wherever we get the opportunity, we are going. Once we get one acquisition, one diagnostic center, it creates at least 100 franchisees around that. So, putting more and more franchisee, we need more and more centers. They work as a hub and franchisee work as a spoke. So whenever we make one diagnostic center, we create the opportunity of 100 franchisee. That's why we are mixing our own centers as well as acquisitions also.

Nishita - Analyst, Sapphire Capital
Okay, understood, understood. Yeah, that is it from my end . Thank you for answering all the questions.

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Thank you, thank you.

Operator
[Operator Instructions] Next question is from the line of Vivek Gupta from Advent Consulting. Please go ahead.

Vivek Gupta - Analyst, Advent Consulting
Congratulations, sir, on a good set of numbers. Regarding the franchisee business, wherever there is higher potential, don't you think having a company-owned collection center will make sense, which maybe in the future it can become a lab?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Sir, if company-owned -- if you go for company-owned collection centers, then you cannot go so fast, and moreover, you will have to involve your capex. We are putting our capex in diagnostic centers and acquisitions. We are not putting capex on franchisee because we are getting good number of franchisee every month. I f you go through, for the last month, we have added 280. It is a wonderful number. And till we are getting such kind of numbers in future, so why should we go for putting the capex and owning our own collection points? Because we cannot open the collection centers so fast because you will have to take the place, then you will have a lease deed, then you will do the marketing. So many things. It is not advisable to have collection centers in place of franchising because in case of franchising...

Vivek Gupta - Analyst, Advent Consulting
No sir, I meant not all of them. I meant like, say, 2%, 3% of the franchisees which are setting up can be owned centers which can later become labs if they are big enough.

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
We are putting more and more labs. Every month, we are putting more and more labs. We are

putting capex on labs and centers. And definitely, we are having nearly 800 plus collection points in different hospitals and other places that we are interested in that, but we don't -- we are not interested in putting the capex on these collection points otherwise our EBITDA will be affected, growth will be affected. So we are putting all the money for growth and EBITDA, and owning the collection point is not an advisable thing for getting more and more EBITDA and growth.The better part is put more and more labs, more and more hubs, so that we can have more and more spoke in franchising. And in case of franchisee, we don't have to do anything except some branding we do, and for that, we get the money from the franchisee. And this is the best part. If we are not putting money and getting 200, 300 franchisees every month, I think it is a good proposition. And if anything happens in future, we are not getting such a good number, so then we can think. But today it is -- we are getting good numbers, so we are not thinking of putting our own collection points. We are using their premises rather than we should own the premises or on lease. That is not advisable to -- our growth will be affected, our EBITDA will be affected. So we are putting the hubs and we are getting directly patients at our centers also. There are centers where we are having 400, 500 patients visiting our center. That is a very good proposition because they are permanent. In fact, there are centers where we are having third generation in our centers because these centers are 20 years old, 25 years old. So it is better to put a good hub, very good diagnostic comprehensive center which can give facility for pathology to MRI. And then we should have a network of franchisee all over adjoining areas, and that is working good.

Vivek Gupta - Analyst, Advent Consulting
Right. So on the returns, the return on capital employed for a comprehensive center, how does it compare with the standalone lab? The standalone lab will be higher or?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
As far as investment part is concerned, standalone labs, basically we are investing INR50 lakhs to INR75 lakhs to start a standalone lab. And in case of a comprehensive center, it is INR8 crore plus. So the first part is the capital is more involved, but definitely, in case of comprehensive centers, we have a huge business. There are centers in our company which are giving around INR8 crores to INR10 crores a year. And when they achieve such kind of sales, then definitely, we are having 60% plus EBITDA in those centers.So in case of a standalone lab, definitely we started hardly two, three years back for standalone. Previously, we were involved only in comprehensive centers. So normally we get a INR15 lakhs to INR20 lakhs business per month through these labs. But now we are adding franchisee, that will change the total scene of these labs also because we have started...

Vivek Gupta - Analyst, Advent Consulting
That's why I was mentioning your returns on the labs will be higher than your comprehensive center. So instead of, say, for example, if you don't set up one comprehensive center, you can set up 20 standalone labs which will increase your reach, get more customers, as well as get higher returns. And at the same time, your earlier strategy of converting, upgrading the center can also work.

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Sir, usually what happens when you have a standalone lab, you do a certain number of tests, but you cannot do all type of tests. So you should have a comprehensive center in that vicinity so that you can cover all the tests and you can maintain the TAT also. So it's a total process: franchisee, standaalone lab, comprehensive centers and central reference lab. All these four work together. So we cannot leave comprehensive center in place of standalone labs. We will have standalone labs,

we will have franchisee, we will have comprehensive diagnostic centers and we will have central reference lab in different places. At the moment, we are having one in Lucknow in Uttar Pradesh and Haldwani and Uttarakhand and now we are going to have a Delhi center. So we can cover the whole India, comprehensive diagnostic centers.Because you cannot perform all type of tests in one center, that is the reason franchisee gives the samples to our standalone lab. And after doing nearly 90% test at standalone lab, 10% test goes to the comprehensive diagnostic center, and then 1% test, super specialty test, goes to the central reference lab so that we can cover all type of tests even at at our deepest level at a standalone lab. So we will have to have all these things together.

Vivek Gupta - Analyst, Advent Consulting
Got it, sir, got it, got it. That was about it, sir, thank you. I'll join the queue again.

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Okay, thank you, sir. Thank you.

Operator
Thank you. Next question is from the line of Sidhaant Lodaya from Sanshi Fund . Please go ahead.

Sidhaant Lodaya - Analyst, Sanshi Fund
Yeah, so I just wanted to know what kind of capex we are envisaging in the genome lab and the PET scan centers that are coming up.

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Basically we have some arrangement with the party who is giving our PET scan nearly INR3.5 crores because these are refurbished units and have a very good profitability. So that is the reason we are going at six places in five states. Otherwise, PET scan costs you nearly INR10 crore, and we have an arrangement with that party, and already that party is installing our CT and MRI also in various diagnostic centers. That is the reason, even in case of PET scan, we can give a very good profitability.

Sidhaant Lodaya - Analyst, Sanshi Fund
Understood. And genome lab?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Besides PET scan, you were asking something more.

Sidhaant Lodaya - Analyst, Sanshi Fund
The genome sequencing lab.

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Genome. Genome lab nearly requires INR5 crore plus.

Sidhaant Lodaya - Analyst, Sanshi Fund
Understood. And I'm just new to the company, so just wanted to understand, in the deck we've written 25 comprehensive diagnostic centers and 19 diagnostic centers. So what is the difference between the two?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Sorry, sir?

Sidhaant Lodaya - Analyst, Sanshi Fund
In the deck on Page 16 -- Slide 16 -- 15, where we've discussed the formats, it says 25 comprehensive diagnostic centers.

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Yes, yes.

Sidhaant Lodaya - Analyst, Sanshi Fund
And 19 diagnostic centers. So how should we look at it?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Basically we are having three type of centers. One is a standalone lab, that does only the pathology part. And there are diagnostic centers that does pathology plus X-ray plus ECG. The reason behind making that diagnostic center is we are getting corporate work, insurance work, and government work, CGHS and all these. We are putting these diagnostic centers. And there are comprehensive diagnostic centers. There are hardly few places where you can have a complete comprehensive diagnostic center which gives pathology, X-ray, ultrasound, CT, MRI, FibroScan, BMD, mammography, all diagnostic facilities under one roof so that we can cover 100% referral cases. So these three type of centers we are making, and basically we see the place, that place requires a standalone lab or that place require diagnostic centers with X-ray and ECG or that place requires a complete center, that is the reason we make a difference Tier 2, Tier 3, Tier 4, such type of things we maintain.

Sidhaant Lodaya - Analyst, Sanshi Fund
Understood, sir, thank you so much.

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Thank you sir.

Operator
Thank you. Next question is from the line of Achyut Prabhatam [Phonetic] from Dushyant [Phonetic] Capital. Please go ahead.

Achyut Prabhatam - Analyst, Dushyant Capital
Yeah. Hello sir. First question is on sale of pharmacy business. In the press release, you mentioned that you sold the pharmacy business for INR17 crores, but we received only INR12 crores in this quarter. So what about the remaining INR5 crores, sir?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
B asically, our arrangement was getting 25% at the time of MOU and 25% after six months. That is going to happen in March. And the rest of the 50% after six months. That's what -- that is the reason we have to -- we have already received INR4 crores at the moment. Yes.

Achyut Prabhatam - Analyst, Dushyant Capital
No, but in this quarter you have mentioned INR12 crores, right, in exceptional items? It means we have received INR12 crores. Right, sir?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
We have taken the full profit in this quarter because the MOU is already done. That is basically a

debtor side, and we are taking 10% interest on that for the balance amount .

Achyut Prabhatam - Analyst, Dushyant Capital
Okay, sir, and second question is on the franchise, like you are targeting around 3,000 franchise for FY '28, and you also mentioned that you will be able to make around INR1 lakh per franchise, so it will give around INR360 crores of revenue only from franchise. So in FY '29, can we expect INR500 crores to INR600 crores kind of revenue, sir, with this 3,000 franchise and your labs as well?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
I think this is not the right time to tell you the guidance for '29, just because six months back we were having only 50 franchisees every month, and last month -- and it started increasing, and last month, we have added 280. We are planning to add 500 franchisees every month, but I cannot give you the guidance we will get it. So it is very difficult to -- it may be much higher, it may be slightly lesser, but we all -- we claim we will have a growth of 40% to 50% basically next 10 years. That's not a problem because we are putting more and more centers and having more and more franchisees. It is not a challenge.

Achyut Prabhatam - Analyst, Dushyant Capital
Okay, sir, thank you.

Operator
Thank you. Next question is from the line of Harshit Khadka from Robo Capital. Please go ahead.

Harshit Khadka - Analyst, RoboCapital
Thank you for taking my question again. Sir, I wanted to understand that from the franchisee business, we will do INR50,000 revenue per month which will be ours and on that we will have 75 % margins. So we are going to do 3,000 franchisees, so that equates to around INR135 crores of EBITDA. So is this math correct?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
A ctually, sir, I told you, normally, franchisee takes six months to one year to achieve INR1 lakh business. And when I talk about INR1 lakh business, that simply means franchisee is having a business of around INR2 lakhs and our part is INR1 lakh. And we have started franchisee business hardly six months back. Definitely FY '29 we will have absolute impact of all the franchisee because at that time most of the franchisee will be having more than INR1 lakh per month business. And whatever test we are getting, we have a margin of around 75% because our consumable part is around 25% in case of franchisee because we are not putting any capex, we are not giving any running expense. And that is why I told you our margins are 75%, whatever test we are doing for the franchisee.

Harshit Khadka - Analyst, RoboCapital
So 75% margins on the INR1 lakh revenue that we are making, right?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Whatever revenue we are getting, whether we are getting INR10,000 business, even then it is 75%. If we are getting INR3 lakhs, even today we are having few franchisees who are giving INR3 lakhs per month business. And even in that case, it is 75%.

Harshit Khadka - Analyst, RoboCapital
Okay. Understood.

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Because I am talking about the margin, not the EBITDA. And margin is on test basis, and our consumable part is around 25%, whatever money we are getting from the franchisee for the test, that is why I am telling you it is around 75% margin for each and every test basically.

Harshit Khadka - Analyst, RoboCapital
Okay, and sir, EBITDA will also be around similar level only, around 70%, 75%?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
EBITDA -- how can EBITDA be 75%? Because company has other expenses at main hub. So we can calculate the EBITDA as a consolidated -- on a consolidated basis. In this H1, we have already given EBITDA around 36% -- 36% plus, and we hope to achieve such kind of performance in future also. But as far as guidance is concerned, we always claim it will be between 30% to 40% because we are growing more than 40%, 50% yearly growth. We are putting more and more hubs so that we can cover the whole India.

So for next two years, it may be towards 30% side, but after two years, definitely it will -- we will achieve nearly 40% plus. But for the next two years, we claim it will remain between 30% to 40% because we are not sacrificing our growth. That is the reason we may have 36%, we may have 35%, we may -- but definitely it will be 30% plus for next two years. After that, definitely our most of the centers will be matured, this franchisee business will become matured. Because after two years, if we are putting 2,000 franchisees in that year and having 10,000 franchisees which are matured, definitely our EBITDA will improve.

Harshit Khadka - Analyst, RoboCapital
Okay, understood. And sir what is our aspiration? Like, by which year we can do INR100 crores of PAT?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Basically, we have planned to cover the whole India. And we want to be on top of this diagnostic business. And when we can achieve INR100 crore EBITDA, you wait. Very soon you will get the picture.

Harshit Khadka - Analyst, RoboCapital
Okay, all right. Thank you.

Operator
Thank you. Next question is from the line of Maya Mehta [Phonetic] from HNI. Please go ahead.

Maya Mehta - Analyst, HNI
Yes, sir, good afternoon. Am I audible to you?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Yes, yes.

Maya Mehta - Analyst, HNI
Yes, sir. So my first question is, according to the FY '26, receivable days were about 103, right? And

what are they at 30 September? And how much the government due is right now?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Right now it is INR50 crore 35 lakhs. I'm talking about the NHM. And now we are basically -- tender is coming and we are not putting for tender. And definitely, we will get this money in next two, three months and we will be -- we will exit from the government business in next three months.

Maya Mehta - Analyst, HNI
Sure, sir. And my next question is, finance cost rose 55% to around INR5 crore. How much is bank interest and how much is lease interest? And what is the average cost of the INR68 crore something of borrowing?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Okay, Rajeev, can you tell the interest factor -- loan interest percentages in different loans?

Rajeev Kumar Nain - Chief Financial Officer & Company Secretary, Chandan Healthcare Limited
Yeah, that is average 8.5%, and since few loans has increased in last one year, so thereby the cost of finance has also been increased. I mean total cost. So this is 8.5% around average, I'm talking.

Maya Mehta - Analyst, HNI
Okay. And what is the average turnaround time from sample collection to test report? And how does it compare with the second quarter of FY '26?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Sorry, ma'am, can you please repeat the question?

Maya Mehta - Analyst, HNI
What is the average turnaround time from sample collection to test reports? And what is it compared to the quarter second of FY '26?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Basically, it depends from where the sample is -- we are getting. If we are getting the sample through franchisee, then definitely whenever we get the sample in the evening, 2 PM is the cutoff time, and in the evening at 6 PM we report all the tests. And when patient is coming to our center, if patient is asking for urgent, then we can give within one to two hours. Otherwise, normally it takes six to eight hours for the report. But there are some tests which are very super specialty tests, or microbiology, histopathology, that requires more time. Because in case of histopathology, we need at least five days to report, and in case of microbiology, it needs 48 hours. Otherwise, all 99% tests we report immediate -- we can report immediately if it is urgent and patient has given sample at our center. But if the patient has given sample to franchisee, they -- after 2 PM, they transfer the sample to us and at 6 PM around we report all the tests. [Speech Overlap]

Maya Mehta - Analyst, HNI
And right now, what are the patient volumes in quarter two of FY '27 against this quarter two of FY '26?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
You're talking about the growth of the patient volume?

Maya Mehta - Analyst, HNI
I'm talking about -- means total patient volume in quarter two of FY '27 against the quarter two of FY '26.

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Rajeev, you have the numbers for patient? Hello, Rajeev?

Rajeev Kumar Nain - Chief Financial Officer & Company Secretary, Chandan Healthcare Limited
Yeah, hello. Yeah, ma'am, during this quarter, we have served 7,25,300 patients, and last year, the figure was around 5.5 lakh.

Maya Mehta - Analyst, HNI
Okay, okay. Yes, sir, enough from me. Thank you. Thank you so much.

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Thank you.

Operator
Thank you. Next question is from the line of Santosh Singh from HNI. Please go ahead.

Santosh Singh - Analyst, HNI
Good afternoon, sir. Thank you for the great set of numbers.

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Thank you, sir.

Santosh Singh - Analyst, HNI
Am I audible, sir? Could you confirm?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Yes, yes, yes. Thank you, sir.

Santosh Singh - Analyst, HNI
Okay, sir, my question is what has changed in the business that our material cost has dropped to 4% from -- yes once upon a time, it used to have like 20%. Now it dropped to 4%.

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Which cost?

Santosh Singh - Analyst, HNI
Material cost.

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Rajeev, you can explain this thing?

Rajeev Kumar Nain - Chief Financial Officer & Company Secretary, Chandan Healthcare Limited
Yeah, we have INR7 crores -- INR7.64 crores of cost of material this quarter, which is roughly around 13%. So what is your question, sir?

Santosh Singh - Analyst, HNI
Yeah, my question was what has changed in the business that has dropped so sharp?

Rajeev Kumar Nain - Chief Financial Officer & Company Secretary, Chandan Healthcare Limited
The cost of material has dropped.

Santosh Singh - Analyst, HNI
Yeah, otherwise it used to be very high, right?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Maybe it is because of franchisee -- because of more and more franchisee business. We have -- if you go through B2B business, has increased more than 100%. That may be the reason.

Santosh Singh - Analyst, HNI
Yeah, I am hoping so, that should be the reason. Then in that case, employee cost should also come down, right? Or are we not -- are we handling it differently, actually? That was my second question on that actually.

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Actually, we are putting more and more comprehensive and standalone labs, and that's why employee cost has to increase drastically. In this year, basically, we will have more than 18 comprehensive centers, what we have done and what we are going to do. So employee cost will definitely increase all the time. When we will go for 40%, 50% growth, employee cost will increase definitely.

Santosh Singh - Analyst, HNI
Yeah, I was hoping both the costs should actually move with increase in all this, right, expansion?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
No, sir, new centers -- basically new centers doesn't have such kind of business, but you have to set the whole center and you have to appoint all the employees, doctors, and everyone. That is the reason consumable part is not increased as per employee cost because of expansion, because of new centers. It happens. When these centers will be matured, then it will come down definitely.

Santosh Singh - Analyst, HNI
Or are we passing or are they borne by the center owner? Could you just clarify that?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Sorry, sir?

Santosh Singh - Analyst, HNI
Consumable is partly handled by the -- our franchisees? Is it like that?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
No, no, no, franchisees are not handling any consumable part because they are just collecting the samples and they are transferring the samples to our main center. So all the consumables are basically -- we are purchasing consumables at our central warehouse, Lucknow, and we transfer the samples -- reagents to all over India. So there is one purchase point and we transfer and we have 100% control over consumables everywhere because a franchisee has no role in purchasing or handling the consumables.

Santosh Singh - Analyst, HNI
Okay, yeah, that is a clarification I was looking for. My final question would be like why our debtor days are at least 2 to 3 times our industry average? So could you comment on that? That is my final and second question.

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Sorry, sir. What is your question?

Santosh Singh - Analyst, HNI
Debtor days.

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Debtor days? It is all because of NHM. That's why we are getting out of the NHM business, and then it will come down to hardly 34 or 40 days only.

Santosh Singh - Analyst, HNI
That's all from...

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Yes, yes, definitely. At the moment we have INR50 crore plus receivable in NHM, and then we are not going for tendering process because there is a renewal at the moment. So it is only last two, three months we are serving them, and then we are coming out of the government business. And in future also we are not going for any government contracts.

Santosh Singh - Analyst, HNI
Okay, sir. That's all from my side. Have a great day, sir.

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Thank you.

Santosh Singh - Analyst, HNI
Thank you for taking my question.

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Thank you.

Operator
Thank you. Next question is from the line of Amit Mehendale from Robo Capital. Please go ahead.

Amit Mehendale - Analyst, RoboCapital
Thank you, sir. My first question is on the government business. So from which month the business will become zero?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Actually, basically, our contract has been completed, but maybe -- in Uttarakhand there is an election in January, February. Maybe they'll put the tender after the election. But I don't know whether they will put the tender before election or after election. It may be a matter of two, three months. But what we are doing, those collection points which are not giving good results -- last month, we have closed 50 collection points, and this month , we are closing 50 more. So that -- because we are exiting from government business, we are not bothered about low profitable

collection points. So we are interested to leave, but they are requesting us to continue till the next tender. Maybe it may be a matter of one month or three months, but we have already informed them. And -- but they have given -- they have requested us to continue for another few months before the tender process is complete. So it may be one month or two or three months, but we are getting payments also and ,hopefully we will get all the payments in next three, four months.

Amit Mehendale - Analyst, RoboCapital
Right, sir. And for franchises, what is our like customer -- the franchisee acquisition strategy, like go-to-market for franchisees? How are we acquiring franchisees and how much are we spending? Like for acquiring, say, 280 franchisees, how much money was spent on marketing, advertising, or the entire acquisition process?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
We do have marketing person. Basically, one marketing person goes for three to five franchisees every month. That is their target, five franchisees per month, and they are achieving this target. In the last month, nearly 40 executives were working for franchisees, and we have added 280. It is definitely more than the basically average what we are -- we were asking from them. So if we want 500 franchisees, then definitely we should have at least 100 executives working in 15 states, and that is our target.

Amit Mehendale - Analyst, RoboCapital
Are you also spending some [Speech Overlap]

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
This is the only expense we do in case of getting the franchisee, because rest of the capital they invest, and we don't have any capex involvement in that. Rather, we are doing in rolling advance. We get the money in advance and then we do the test. Whenever they send the test, that money is deducted from their rolling advance. And when the rolling advance is going to finish, they invest more, they transfer the money. So we are working on rolling advance system and we are not putting any capex in that. The only -- our marketing team is helping them and nearly they are adding four or five franchisees every month by each executive. So marketing cost is not very significant because every month, we are getting INR4 lakhs or INR5 lakhs business addition by one executive. Of course, in the initial part of the contract, we don't get such type of business, but in six months to nine months, they start getting more than INR1 lakh per month business with each franchisee.

Amit Mehendale - Analyst, RoboCapital
Right, sir, for these executives who close...

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
We are creating a huge business through franchisees, and it will be reflected every month. It is reflecting every month. It is increasing every month, every year. Sir, you were asking something.

Amit Mehendale - Analyst, RoboCapital
Yes, sir. I was just trying to figure out if you are running any Google ad campaigns, or I mean, these executives who are talking to franchisees, they need some leads, right? To close five franchisees, they may need 50 leads or 100 leads, and those may be generating via internet marketing or whatever. I mean, there must be some cost of acquiring those leads as well?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
No, we don't -- basically, we are not investing in Google for achieving this franchisee. Basically, they are targeting phlebotomists working in different centers and they propose them to become a businessman. You can earn more than INR50,000 a month within six months. At the moment, they are working on INR15,000 or INR16,000. What is our advantage? If they are having some place where they can collect the sample, the advantage is we don't have to train them because they are already phlebotomists who are collecting the sample. We don't have any training program for them because we -- they know everything. We just put our software in their computer and they start collecting the samples. So we don't go for Google or anybody else and getting the leads from them. Our marketing executive goes to different centers and inspire them to have their own business. That is our policy.

Amit Mehendale - Analyst, RoboCapital
Right, sir. U nderstood. And my last question is on capital, like, for growth, are you looking to raise any equity capital in next two years?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
No, we will not raise the capital, not at all.

Amit Mehendale - Analyst, RoboCapital
Okay, okay, sir. Thank you. That's it from my side.

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Thank you, sir.

Operator
Thank you. Next question is from the line of Vivek Gupta from Advent Consulting. Please go ahead.

Vivek Gupta - Analyst, Advent Consulting
Sir, my question was regarding migration to main board in NSE. Since you have paid up capital of INR25 crores and more, so does it become mandatory now?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Sir, we have already covered everything as far as our migration of main board is concerned, but we have to wait for 3 years' time, and now one year three months left. The moment this will be completed, we will apply because we have already inducted everything in our system and accounting system. We are giving quarterly results that is not required for SME listed, but we are giving quarterly results also. We have done everything whatever is required for main board, but we have to wait for one more year.

Vivek Gupta - Analyst, Advent Consulting
No, but since your capital -- paid-up capital is more than INR25 crores, do you still have to wait for three years or you can do it now?

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
We are already -- we have crossed INR25 crore and that is the reason we are adopting all the accounting rules for main board. Rajeev, you can tell about this?

Rajeev Kumar Nain - Chief Financial Officer & Company Secretary, Chandan Healthcare Limited
Sir, since we cross the threshold INR25 crore, so we are already complying with all the regulation applicable on main board companies, but for shifting -- migrating to main board, we have to wait for three years but we have to comply with all the regulations till we...

Vivek Gupta - Analyst, Advent Consulting
But there is some rule that if you cross INR25 crores, then you don't have to wait for three years?

Rajeev Kumar Nain - Chief Financial Officer & Company Secretary, Chandan Healthcare Limited
No there is no such rules. It is time-bound only.

Vivek Gupta - Analyst, Advent Consulting
Okay, okay, fine. Thank you, sir.

Operator
Thank you. [Operator Instructions] As there are no further questions from the participants, I now hand the conference over to Mr. Parth Acharya for closing comments.

Parth Acharya - Analyst, Kirin Advisors Private Limited
Thank you, everyone, for joining the conference call of Chandan Healthcare Limited. If you have any further queries, you can write us at research@kirinadvisors.com. Once again, thank you, everyone, for joining the conference.

Amar Singh - Chairman & Managing Director, Chandan Healthcare Limited
Thank you, sir. Thank you all.

Operator
[Operator Closing Remarks]