

Date: November 14, 2025

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To, BSE Limited Corporate Relationship Department 25th Floor, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001 Scrip Code: 543328	To, National Stock Exchange of India Limited Exchange Plaza, Plot No. C-1, Block G, Bandra Kurla Complex, Bandra (East) Mumbai – 400051 NSE Symbol: KRSNAA
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Dear Sir/Madam,

Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for Transcript of Earnings Call for quarter and half year ended September 30, 2025.

Pursuant to the Regulation 30 and 46 read with clause 15 of Para A of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the earnings conference call held with the analyst and investors on Monday, November 10, 2025 at 10:00 Hrs. (IST) to discuss the Unaudited (Standalone and Consolidated) Financial Results for the quarter and half year ended September 30, 2025.

The above information will also be made available on the website of the Company.

Request you to take the same on your records.

Thanking you,
Yours sincerely,

For Krsnaa Diagnostics Limited



Sujoy Sudipta Bose
Company Secretary & Compliance Officer
Encl: as above



“Krsnaa Diagnostics Limited Q2 FY '26 Earnings Conference Call”

November 10, 2025



MANAGEMENT: **MR. RAJENDRA MUTHA – CHAIRMAN AND
WHOLETIME DIRECTOR, KRSNAA DIAGNOSTICS
LIMITED**
**MR. YASH MUTHA – MANAGING DIRECTOR, KRSNAA
DIAGNOSTICS LIMITED**
**MS. PALLAVI BHATEVARA – EXECUTIVE DIRECTOR,
KRSNAA DIAGNOSTICS LIMITED**
**MR. MITESH DAVE – GROUP CHIEF EXECUTIVE
OFFICER, KRSNAA DIAGNOSTICS LIMITED**
**MR. PAWAN DAGA – CHIEF FINANCIAL OFFICER,
KRSNAA DIAGNOSTICS LIMITED**
**MR. VIVEK JAIN – HEAD (INVESTOR RELATIONS),
KRSNAA DIAGNOSTICS LIMITED**
MODERATOR: **MR. SURYA PATRA – PHILLIPCAPITAL (INDIA)
PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Krsnaa Diagnostics Limited Q2 FY '26 Earnings Conference Call.

As a reminder, all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing '*' then '0' on your touchtone phone.

I now hand the conference over to Mr. Surya Patra from PhillipCapital. Thank you, and over to you, sir.

Surya Patra: Thank you. Good morning, everyone. I, on behalf of PhillipCapital, welcome you all to the Q2 FY '26 Result Conference call of Krsnaa Diagnostics Limited.

Joining us today on the call are Mr. Rajendra Mutha – Chairman and Whole-Time Director, Mr. Yash Mutha – Managing Director, Ms. Pallavi – Executive Director; Mr. Mitesh Dave – Group CEO, Mr. Pawan Daga – Chief Financial Officer; and Mr. Vivek Jain – Head (Investor Relations).

I would like to hand over the line now to Mr. Yash Mutha for the opening remark, subsequent to which we will have the Q&A session. Over to you, sir.

Yash Mutha: Thank you, Mr. Surya. Good morning, everyone, and thank you for joining us.

Today, when I look at what we built at Krsnaa, it feels less like a company and more like a mission taking shape. A mission to make high-quality diagnostics accessible, affordable, and reliable across every corner of India.

Let me start with what really matters. Despite being in one of the most capital intensive segments of healthcare, which is radiology, and despite offering our services at prices that are 40% to 60% lower than the market rates, or let's say truly pocket-friendly rates for the patients, Krsnaa continues to deliver steady growth and healthy margins that stands shoulder-to-shoulder with the best in the industry. This in itself is a huge differentiator. There is honestly no one quite like us.

Radiology requires heavy upfront investment, specialized talent, and deep operating backbone. Most players don't even venture into it at scale. Yet Krsnaa has built and scaled one of the largest integrated diagnostics network across India, spanning 18 states and union territories. And today, based... On our deployed and under-implementation equipment, we operate the largest fleet of over 200 CT and MRI centers across India, making us one of the largest radiology service providers in Asia.

But beyond size and numbers, what makes this story meaningful is its impact. The scans and the tests performed at our centers don't just produce images; they change and save lives. Because of our reach, even people in the remotest parts of the country are now getting access to early diagnosis. That means illnesses are being caught sooner, treatment costs are coming down, and the pressure on the tertiary hospitals is also reducing.

To put it simply, Krsnaa today conducts radiology scans of more than 10 million patients every year, covering a significant population across the states where we operate. We are not just present. We are making a measurable difference in the public health outcomes. And along the way, a model has also created employment opportunities, not only in the metro cities, but even in the remotest corners of the country, enabling skilled healthcare jobs where they were once rare.

And we have done this without compromising an inch on quality. Our operations are backed by India's first 36 NABH accredited radiology centers, 57 NABL accredited labs, India's first CAP accredited pathology lab in a government facility, and India's first ACR accreditation for a tele radiology hub.

No other diagnostics company in India, public or private, has achieved this combination of scale, access, and quality within government partnerships. These accreditations, supported by our rigorous processes, firmly establishes Krsnaa's position as India's leading quality driven diagnostics company, a benchmark in the public healthcare delivery.

Now despite some of our PPP contracts completing their initial tenure, where one might have expected the revenues to dip, we not only bridged this gap, but achieved an impressive 11% year-on-year growth. This proves the resilience and self sustaining strength of our business model. It shows that the foundation we built continues to compound even without new tender inflows.

On the financial side, this quarter's performance speaks to that mission. The Q2 FY '26 demonstrated both scale and profitability. The revenue stood at Rs. 2,060 million, up 11% year-on-year. The EBITDA came in at Rs. 602 million with a healthy 29% margin.

The profit after tax was Rs.239 million, translating to a 12% margin. Our EBITDA and PAT growth reflect the maturity and consistency of our model. And as we have said in the past, we aimed to deliver sustainable improvement in EBITDA margins, profit margins, and the return on capital employed. I am pleased to say this quarter's number show we are walking the talk, with ROCE now trending towards 15% and continuing to strengthen in the quarters to come.

Now let's talk about where we are headed. The Rajasthan PPP project, which is India's largest diagnostic PPP project, is progressing right on schedule. We are set to operationalize 10 labs in

November, 25 labs, and over 500 collection centers by December, and the balance 152 labs and 1,100 collection centers by the end of Q4.

These will add a significant layer of growth and further reinforce Krsnaa's nationwide reach. And this is not just about Rajasthan. Several marquee PPP projects are under implementation, and with these all going live, we expect meaningful revenue accretion from Q4 FY '25 onwards and a full-year contribution in FY '27, which will further strengthen our growth momentum.

Behind all of this, there is a strong team of over 350 radiologists and 120-plus pathologists who trust our systems, technology, and processes. Their association with Krsnaa reflects the confidence they have in our quality and reporting standards. No other diagnostics company in India has a doctor network of this scale. And this base continues to grow. It further strengthens our leadership and depth in clinical excellence.

So, when we talk about Krsnaa, it is just not about the financials or centers. It's about an ecosystem that blends scale, trust, and technology to make diagnostics truly accessible. It is this very ecosystem that has made the government's vision of delivering quality diagnostics through PPP model a successful reality. And Krsnaa has been at the heart of this execution.

To summarize, this quarter is a reflection of who we are becoming. A company that invests deeply, serves affordably, delivers profitably, generates employment and grows responsibly. We are proud of what we have achieved. But we are even more excited about what lies ahead. Thank you for believing in our journey and for being a part of Krsnaa's mission to make diagnostics accessible to every Indian. One scan, one test, one life at a time.

With this, I now hand it over to Mr. Mitesh to take you through further updates. Thank you.

Mitesh Dave:

Hi, good morning, everyone. Mitesh Dave this side, Group CEO, Krsnaa Diagnostics Limited. A very warm welcome to all.

Today, I am really pleased to share that Quarter 2 FY '26 has been a milestone quarter for Krsnaa Diagnostics, which is mainly driven by strong execution, disciplined cost management, and commitment towards the operational excellence. Our EBITDA, Rs. 602 million, growing at 18% year-on-year, and taking our margins to 29%. This is a clear reflection of our structural efficiencies, which we continue to unlock across our network.

Over the past year, we have undertaken a focused set of initiatives that are now clearly reflected in our improved profitability and stronger operational leverage. We have enhanced manpower planning across our network, ensuring each center delivering higher productivity and greater patient throughputs, while maintaining strong quality and service standard at the top.

At the same time, we have sharpened radiology utilization further, mainly into the advanced modalities and resulting in superior asset efficiency and a meaningful uplift in both revenue and margins. Our supply chain has been strengthened further, which is enabling us to move faster with a greater precision, reducing installation timelines, minimalizing downtime and accelerating commissioning of new facilities. And all this contributing to faster scale-up and improved capital returns.

Alongside this, our continued investment in technology-led automation is streamlining core workflows from reporting and billing to centralized monitoring and turnaround times. These efforts are enhancing patient experience, taking our NPS to the significantly higher numbers, while driving sustainable and scalable operational efficiency across the business.

A key competitive strength for Krsnaa is people first capability building. We are investing significantly in training and upskilling our workforce from frontline to the technician, to the phlebotomists, radiologists, operational team, lab technicians, and so on and so forth. Today, we have one of the largest and fastest growing pools of skilled and semi-skilled professionals in the diagnostic space, delivering their best, operating seamlessly and across metros and deep rural clusters. These initiatives enable us to do more with the existing infrastructure, delivering better outcomes for both patients and our beloved shareholders.

Krsnaa stands out as one of the most future-ready platforms, uniquely positioned to outpace industry growth by expanding access to our unpenetrated markets, bolstering brand equity, capturing a substantially larger share in the retail opportunity.

The results are already visible on the ground. We are witnessing robust growth, not just in the patient volume, but also in recurring customer behavior, a reflection of rising patient satisfaction, strong unit economics, and operational agility backed by efficiency, with which we are able to deliver a consistent service experience nationwide. Our retail expansion journey in particular is advancing at a remarkable pace, demonstrating the power of our brand and trust we are continually building with the patients.

In the second quarter of this financial year, revenue of our direct-to-consumer businesses surged by impressive 60% quarter-on-quarter growth. Retail has contributed approximately 8% of our revenues in the first half of the year. And this contribution is steadily compounding each quarter as both reach and brand preferences are increasing.

Given the growth trajectory, we see today and expect retail to account for 8% to 10% revenue in the FY '26 to accelerate to the tune and contributing 15% to 20% in the coming financial year, a shift that will not only enhance market positioning but also deliver strong margins accelerations and improved profitability.

Our scale-up has been fast, smart, and deeply impactful. In just one year, we have expanded to more than 2,800 touch points across the country, a testament to the strength of our asset-light partnership-driven strategy. We are strengthening our retail business in regions where we trust and what the patient and the other doctors and the other shareholders are there towards brand recall are deep-rooted including the Maharashtra, Punjab, Assam and Odisha.

Our strategy here is crystal clear. Be present where patients need us the most and elevate the ease which they can access high-quality diagnostics. We are scaling home collection services at pace, widening our preventive and wellness offerings, and building strong partnerships with the local healthcare ecosystem, allowing us to seamlessly integrate into the daily healthcare decisions of our large and diverse communities.

Now as we advance into our next phase of accelerated growth, we remain fully committed to profitable scale. Our strategy revolves around deepening our leadership in integrated diagnostics, continuously improving operational efficiency and margin profile, driving sustained and diversified growth across both retail as well as PPP, and ultimately building one of the India's most admired healthcare brands, powered by technology's reach, relentless execution.

With that, I would like to hand it over to Mr. Pawan, Chief Financial Officer, Krsnaa Diagnostics Limited, to take us through the financial highlights of the quarter. Thank you.

Pawan Daga:

Thank you, Mr. Mitesh. Good morning, everyone.

Let me take a moment to briefly walk you through our financial performance for the quarter. Revenue for Q2 FY '26 stood at Rs. 206 crores, reflecting a robust year-on-year growth of 11%, driven by sustained momentum in both our radiology and pathology segments.

Our focus on cost leadership and operational excellence has translated directly to our profitability. EBITDA grew by impressive 18% year-on-year to Rs. 60 crores. This performance resulted in 221 basis point expansion in our EBITDA margin, which now stands at 29%.

Profit after tax increased by 22% year-on-year to Rs. 24 crores with a margin of 12%. This demonstrates our continuous ability to not only grow the top line but also deliver the bottom line.

Earning per share of Rs. 7.25 for Q2 FY '26, up from Rs. 5.9 in the same quarter last year, making a 24% year-on-year growth.

On the working capital front, our receivable currently stands around 150 days, which we aim to bring down to around 100 days by year end. The current positions reflect a temporary timing impact largely arising from the implementation of a new central government payment guideline, under which states are aligning their processes and releasing payment through RBI link account.

With this, we conclude our opening remarks. Would now like to open the floor for question-and-answer session. Thank you.

Moderator: Thank you very much. We will now begin with the question-and-answer session. The first question is from the line of Bala Murali Krishna from Oman Investment Advisors. Please go ahead.

Bala Murali Krishna: Regarding this new tender, what is the status of the pending center, radiology centers on the Maharashtra? And after that Maharashtra and the Rajasthan we have received a long back, but there are no new tenders we have received. So, what is the pipeline status as well? Could you please share that?

Yash Mutha: Good morning, Mr. Bala. So, if I understood your question, you were asking question about the Maharashtra and Rajasthan status and about the pipeline. So Maharashtra, we have the MRIs which are under implementation. Almost 15 MRIs are under implementation, 10 are already in the completion stage. And they are yet to be inaugurated by the respective authorities.

With regards to Rajasthan, as we said, we are in the process of establishing around 10 labs soon. And 25 labs and 500 centers will be done by December and the rest through Q4.

With regards to pipeline, there are tenders in pipeline. But like we mentioned in the past, due to the competitive nature of these tenders, we will be disclosing the details as and when we come closer to the concluding of the process of the tendering different stages. I hope that answers the question.

Bala Murali Krishna: Yes, I understood. But one follow-up clarification on that. So earlier, we still have some maybe three, four tenders we are winning every year, three, four to five tenders. So, now there is a big gap between the Maharashtra last tender and I wonder there is no awarded tender. So, is it because of any delay in the tender opening from the state government side? Or our winning rate has a little bit decreased. That's why we have not announced any tender wins in the recent past five, six months ago.

Yash Mutha: So, see, the tendering process, basically, it is not in our hands. There are tenders, which are currently at different stages of execution. You know, there are different moments when the tenders get published and when they get executed. So as of now, as I speak, there are some tenders in the pipeline. As and when they will come, we'll disclose. It is not that the tender pipeline has kind of reduced. It is still there. It does exist. In fact, there are discussions at different states, different authorities. As and when they come, we will certainly share the updates with you all.

Bala Murali Krishna: And on the RPL side, we are targeting about 20% of revenue in one or two years. So, I think maybe that will be achieved in the next one year itself. So, on the OPEX part of the RPL, we

have our own collection center or we need to franchise the collection center again. That is only the expenditure part because we have already infrastructure everything. So, as compared with the normal business, so what could be the OPEX percentage for the RPL?

Mitesh Dave: Mr. Bala, can we please request you to repeat the question. Your voice is not very clear to us.

Bala Murali Krishna: Yes, I will repeat again. So, I am asking about RPL. So, I think we have a target of 20% of revenue in the coming one or two years. I hope we will achieve that a little bit earlier. So, when it comes to OPEX part, so operational expenses in RPL, I think it is very lower side because we already have infrastructure in our hand, pathology and cardiology. So, what could be the OPEX percentage as compared with the normal business or whether it could be 40%, 50% or anything less than that? That I want to know.

Mitesh Dave: Hi, good morning. Mitesh, this side. Well, taking what the question that you have asked is the query around RPL. One is, yes, this year we are hopeful to getting it closer in 8% to 10% of the overall revenue contribution and taking it to the 15% to 20% in the coming financial year. That is correct. And that is where the entire ecosystem is working around.

And secondly, what you mentioned is also correct. Yes, we are going to be a uniquely positioned ecosystem in the retail space along with the PPP where we will have a shared infrastructure to drive the better margins and sharing the cost.

OPEX going to be lower in the coming times. However, for now, it is very important as an RPL where we are looking to build the brand initiatives, how to be most accessible to the needy ones, building higher operational efficiencies and how to build AI capabilities for our overall ecosystem for the better outputs.

So, in that sense, initially, it may be a little slower, but however, it is going to be very robust. And as and when we are scaling the newer heights and building our percentage contribution to the overall revenue, it will come down further.

Bala Murali Krishna: Thanks for that. So, on a maybe four to five years of perspective, so where do you see this revenue contribution, if you can hit a 40%, 50% kind of revenue contribution from RPL?

Mitesh Dave: Yes. So, over five years, we are looking to having close to 40% to 50% of contribution coming out from the retail straight up.

Bala Murali Krishna: So, lastly on this revenue...

Moderator: Sorry to interrupt, sir, but I request you to rejoin the queue for the follow-up questions as there are more participants left. The next question is from the line of Lokesh Manik from Vallum Capital. Please go ahead.

- Lokesh Manik:** Yash, my first question was we have seen a patient growth of 4% Y-o-Y and a drop in test volumes of 4%. So, what is driving this divergence? Ideally, you would see a drop in patients as well, but you have seen an increase. So, what is driving this divergence?
- Yash Mutha:** Lokesh, could you please repeat the last part of, you know, I couldn't hear you very well.
- Lokesh Manik:** I was saying that we have seen patient growth of 4%, but we have seen the test volume drop by 4%. So, there is a divergence here. What is causing this divergence?
- Yash Mutha:** See, Lokesh, if you see the diagnostic business is something which is dependent on the needs of the patient. So, these test volumes, the patient volumes are all dependent and therefore they go in different directions at different point in time. So, there is really nothing that I would comment on.
- What I would suggest is, if you see overall directionally, we are growing and we will do whatever it means in terms of creating patient awareness, more tests to come through. And this is how we see the business. Yes, Mitesh, also want to add something.
- Mitesh Dave:** Yes. Furthermore, taking up your input, we have also started pouring in wellness care, where the RPTs, what you are talking about, will go up into having further surge in the coming times.
- Lokesh Manik:** And Mitesh, in this, in the retail business, out of Rs. 17 crores, so that would be the proportion for preventive and wellness? How much would that have contributed to wellness to the retail business?
- Mitesh Dave:** Yes, it is too early to be having any bifurcation around the wellness as well as the illness area. However, that is where our focus is now shifting. And in the coming times, we will be able to give you the way crisper bifurcation if need be.
- Lokesh Manik:** My last question on diagnostic industry as a whole. First half sees good results and then second half is a little flattish to subdued. Do you expect a similar trend for yourself as well going forward in Q3 and Q4 on the top line growth?
- Yash Mutha:** Yes. So, Lokesh, this is something industry-wide trend typically in Q3. Because of whether it is the winter, the cold, there are dips in the revenues. And then Q4 onwards, it starts picking in. So that though the trend is there, we, of course, try to see how we can maximize the revenues and continue on the profitability as a growth engine. But the trend does impact across the industry.
- Lokesh Manik:** And the radio centers will be operationalized by when? What is the time line? Like when will you reach 200 radio centers?
- Yash Mutha:** So, by December end is what we are expecting the radio centers to be operationalized.

- Moderator:** The next question is from the line of Anshul Agarwal from Emkay Global. Please go ahead.
- Anshul Agarwal:** Few questions. First, the CGHS benefit that has been conferred to hospitals, does that apply to us? And if yes, if you could just quantify the benefit that could flow in?
- Yash Mutha:** Anshul, the CGHS, if you see, is more for empaneled hospitals. Since we are through a tendering process and the rates are as per their tender, we don't see an impact or benefit coming to us. Though there are discussions going on, but as of now, I don't see any benefit coming to us immediately on this.
- Anshul Agarwal:** Second question on retail. So, any insights on how we have been able to ramp up this retail portfolio so fast? Is it our value proposition? What is it that is working for us so well in retail?
- Mitesh Dave:** Hi, good morning. Mitesh, this side. So retail, unlike the traditional approach or unlike the absolute modern approach, when we started pouring into the retail space, we were very clear, while we have to stick to our roots, the traditional approach that everyone takes up and builds up. But parallelly, we will also have a blend of the modern approach, which is going to be more accessible, AI driven, more patient friendly and the multiple value proposition for the patient.
- So we got a very strong blend of both of this with the existing infrastructure that has been to the truly quality standard all across the nation and then the overall field force that we carry throughout the length and breadth of the India.
- Strategic initiatives that we took are really helping us because we are going with the specific models, which is like asset-light or partnering with the clients or to an extent where the overall value proposition, which is kind of a gap that we identified when we started it.
- Anshul Agarwal:** Thanks, Mitesh. My question would be around B2C business in retail. There, I don't think we will be partnering with any of the technician/doctor network, would be driving this through our workforce itself. Would that be correct?
- Mitesh Dave:** It is a blend of both, right, wherein as I said, it is not going to be a single line approach ever because we want to cover a 360 degree space. And in that, sticking to the older routes with the existing infrastructure, existing premises, existing processing unit, adding up to the layer of the modern way of driving the business, which is more patient friendly, more accessible and offers a value proposition. So, we will not try to give away any of the fees for building our retail and wherein we will have a holistic approach to build it the way it can, and it should be even more faster.
- Anshul Agarwal:** And is our retail business now margin accretive? Is it not loss making anymore that has contributed to the margins for the overall business?

- Mitesh Dave:** Not really. As I said, we are still not at breakeven for the retail. However, in the coming end of the year or in coming times around one Rs. 100 Cr or so, we are looking to even breakeven and then driving the robust bottom line from thereon.
- Anshul Agarwal:** Ex of retail, if I carve out retail revenues from our overall revenues, our B2G business does not seem to have seen much growth. Is this due to any contracts sort of expiring in the current quarter? Or any indications around why our B2G business has not continued to see the uptick that it used to see?
- Yash Mutha:** So, Anshul, on the B2G side, there has been no major contracts that have gone. There are some smaller drops. But in spite of the drops, we continue to have the growth momentum and which we believe will continue even in the subsequent quarters to come through.
- Anshul Agarwal:** Just one last question, if I may. Our tele radiology center...
- Moderator:** Sorry to interrupt, sir, but I request you to rejoin the queue.
- Anshul Agarwal:** Sure. I will rejoin.
- Moderator:** The next question is from the line of Deepali Bansal from Ventura Enterprises. Please go ahead.
- Deepali Bansal:** My first question is, would you be able to give the mix between how the revenue was divided between matured, semi-matured and newly launched centers between radio and path?
- Yash Mutha:** Deepali, Vivek Jain would be able to provide you this detail offline.
- Deepali Bansal:** All right, sir. Sir, as we have seen that we have rapidly increased our number of radio and Path centers, What would you suggest? How, when can we see like major uptick like because we see that there is almost one year, 1.5 year gestation period for all the centers. When are we expecting that period to, let's say, end for most of our centers newly launched?
- Yash Mutha:** Yes, Deepali, if you see this model, there is a continuous investments on one side, a ramp up on the other side and then retail also going up. So, from a timeline or a quarter-on-quarter performance perspective, if you see, I wouldn't be able to pinpoint that there will be an uptick immediately. Directionally, yes, things are progressing well and what have we been saying in the past in terms of the top line, bottom line, I see that continuing to maintain this momentum even in the subsequent quarters.
- Now from an uptick perspective, yes, FY '27 onwards because with Rajasthan coming in, you might expect that uptick to happen. But I think directionally, we continue to have this growth momentum even in the subsequent quarters.

- Deepali Bansal:** Would you be able to provide some guidance for, let's say, next year or two years down the line? What kind of revenue are we targeting from all the expansion we have completed? And we are going to open a lot of centers from, let's say, Rajasthan and Maharashtra by the end of Quarter 4. So, can you provide some guidance?
- Yash Mutha:** Well, I would wish to, but just to give you a very broad level guidance, we look at expect around higher teens.
- Deepali Bansal:** Sorry, how much?
- Yash Mutha:** We are looking at higher teens. And further details we will ask Vivek to share any more additional granular details for you.
- Deepali Bansal:** All right, sir.
- Moderator:** The next question is from the line of Anand Kulkarni from Front Wave Research. Please go ahead.
- Anand Kulkarni:** Just one question from my end. We can see a uptick in our borrowings and in the past quarter, we have seen very issues with the institutions and analysts and other houses.
- So, as I was saying, we can see a uptick in the borrowings and in the past quarter, we have seen any updates filed that we are meeting institutional investors and analysts and everything. So, any timeline if you can share what is also along with the quantum that we are trying to raise the funds, if you can throw some color on that?
- Yash Mutha:** So, if you see the borrowings largely are mostly on the overall working capital. We have been able to maintain a tight control on the borrowings. As a company philosophy, our approach has always been to leverage these borrowings to the minimum, wherever it is more efficient from our usage of capital.
- Having said that, even for further expansion for whether it is Rajasthan or other PPP projects, as I mentioned in the past, we always look at what is the most optimum or efficient use of capital, whether it is, let's say, borrowing, raising debt or a combination of debt and equity. So, we continue with that approach even in further projects.
- In terms of just to give you a headline of CAPEX, I think as and when we see more clarity with the Rajasthan, we might come back to you with further updates on the debt side. But as of now, we try to maintain the debt within the limits, reasonable limits and ensure that the impact on the financial statements are to the minimum.
- Anand Kulkarni:** So, we are not looking for any expansion on the terms of equity?

Yash Mutha: No, not as of now.

Moderator: The next question is from the line of Aditya Chheda from InCred Asset Management. Please go ahead.

Aditya Chheda: For H1, the volume growth is flat at roughly 32 million. Can you explain us the drivers of volume growth for H1 and drivers for price growth, which is to the tune of roughly 12.5% for H1? And your outlook on the same, what would drive volume or price growth going forward? That is my first question.

Yash Mutha: So, Aditya, in terms of volume growth drivers, like Mitesh also mentioned, across the board, whether it is PPP or retail, there are different strategies that we have deployed. Some of them are bearing fruit in terms of even identifying certain wellness packages even in the PPP space and at the same time creating some awareness about advanced tests that we had in our test menu, which we are now also offering. More granular details, Vivek will provide to you in terms of the numbers separately offline.

Aditya Chheda: And you highlighted that we are expecting the receivables to come down to closer to 100 days. That would imply a roughly working capital release of roughly Rs. 100 crores. That should help you to sort of fund the Rajasthan CAPEX. Is that what you have in mind? And this is in context of the higher borrowing that you have for H1 as of now?

Yash Mutha: Correct. So, as I said, the Rajasthan sorry, the receivable that we expect to collect in the coming weeks or months, it will certainly help us cushion. But we are also exploring if there are debt as a combination because as you see, we also have ongoing various PPP projects. There are some PPP projects in the pipeline.

So, whatever is the best optimum way of looking out capital, whether it is internal accruals or raring maybe some debt, we are evaluating those situations. And we continue to monitor this on a daily basis to ensure that there is efficient use of capital overall.

Moderator: The next question is from the line of Daljit Singh from Roha Asset Managers. Please go ahead.

Daljit Singh: So, my question is regarding the receivables part. We have had some legacy receivables from Punjab and Himachal. What is the status of that? And I see this time almost Rs. 80 crores increase in receivables. So, is it any more the state has gone into that process? Or what happened?

Yash Mutha: Yes. So, Daljit, if you see the receivables, yes, it's been a situation which has not we have seen in the last so many years. And even if you see historically, touchwood till date we have maintained zero bad debts. So, from that perspective and our experience, this receivables is more of a timing issue for now. Even if you see subsequently, we have collected almost more than Rs. 50 crores.

So, things are looking better now with the SNA-SPARSH systems getting the teething issues getting normalized. We do expect some of these hiccups to continue, but we expect to come over 100 days in the coming quarters and maintain that past trends from next year onwards.

But these are, as I said, system transition happening across different governments. So, there are some teething problems impacting these collection of the receivables. But from the way we have collected our money, I see this as a positive sign and also what we hear from different quarters of the authorities.

Daljit Singh: So, the reason I was asking was that this situation of floods, et cetera, in Punjab, Himachal, in that area, so has that impacted any collection efficiency?

Yash Mutha: Yes, it's certainly. I mean, not only from the funds flow, but also operationally, there have been challenges with authorities handling the disaster issues. And therefore, they were not there to authorize certain payments. That was one of the issues certainly. But I think as I said overall, we see that this improving in the coming quarters.

Moderator: The next question is from the line of Ranodeep from MAS Capital. Please go ahead.

Ranodeep: My question was regarding there are projections that by 2030, we will have 300 million senior citizens living in India. Now, one of the top competitors, they have already started signing contracts.

I will repeat my question. The projections are that by 2030, there will be 300 million senior citizens living in India. One of our top competitors listed company has already started signing deals with multiple senior living communities. What is the school of thought at Krsnaa's management and in terms of targeting this section ?

Yash Mutha: Ranodeep, so what you see is more on the private side, where I would say they are tying up with these elderly care homes. But if you see in our business, most of the senior citizens across our PPP come across centers because that is the only access that they have, especially considering the free diagnosis scheme or the prices which are very pocket friendly. So, we see this momentum even in our existing patient volumes where you see senior citizens coming up and availing our services.

Having said that, even from the retail side, the kind of value proposition Mitesh mentioned we are offering is much more, I would say, lucrative from a senior citizens' perspective and we are also able to leverage this. So, going forward, of course, are also watching this space, but I think we are already much ahead in terms of our reach, our capabilities. And these elderly care centers, though they are concentrated only in the metros, whereas we are serving populations across the states, across districts, across towns, that puts us in a very different league compared to whatever is happening.

Ranodeep: My second question is in the other extreme end of this cohort, which is the Gen Zs. Now Gen Zs have a growing affinity now for wellness and health checkups, but they want things on the move. So, is there a school of thought at Krsnaa's management to explore D2C product initiatives that can help users track their vitals? Just for a global reference point of view, there is a company called CardiacSense, which launched wearables, which medical grade wearables for monitoring multiple vital signs. Is that something in the roadmap of Krsnaa?

Yash Mutha: Yes. So, just to add further on the previous question, one more point I wanted to add. So, even if you see from the government's perspective, the Ayushman Bharat and senior citizen insurance that the government is doing, so a lot of these government patients come to our centers as well. And therefore, this is another area of improving traction that we see.

Coming to the question of Gen Z, yes, at Krsnaa, even we are watching the space like Mitesh also mentioned earlier, there are various initiatives we are undertaking including technology-led solutions, AI layered solutions, some of the unique test menu that we are curating, targeting to these kinds of audiences and the patients.

But to be honest with you, whilst you hear a lot of this buzz around it, if you see still there is a significant population of patients who are not being served and that is where Krsnaa's sweet spot is.

We are also parallelly taking various initiatives, which eventually will converge and will allow us to leverage both the kind of audiences, whether it is the existing base as well as the new age Gen Z population that you are talking about. But to be honest with you, we are not going to be fully aggressive on it. It is a kind of a very calculated approach in targeting those audiences.

Moderator: The next question is from the line of Ayush Chaturvedi from Arihant Capital. Please go ahead.

Ayush Chaturvedi: Most of my questions have already been answered. But just would like to understand for the sake of curiosity, as we had significant disruptions in the state of Punjab and Himachal due to floods, did we also encounter any sort of impact on our revenues and to what extent?

Yash Mutha: Yes, operationally, there was certainly impact, like some of our centers were also affected. But this also gave us an opportunity to help the patients in need and that is where Krsnaa has always been in times of difficulties, in times of these natural calamities where Krsnaa centers are present, where none of the other players were present, Krsnaa was able to create this impact in the lives of people.

Ayush Chaturvedi: Excellent. Also, we see that there is some bit of uptick in the margins as well. We can see that the revenue segment has been ramping up, but like you mentioned, it hasn't even broken even yet. So, I mean, what sort of benefits, if you could quantify, how much of operating leverages are we deriving? And also once the Rajasthan contract comes into play, and we are going to see

a very big expansion in the asset base as well on the operational side as well, so what sort of an impact do you foresee on the ROCE? And how does this converge with your retail segment ramping up?

Yash Mutha:

So, on the retail side, in terms of the operating leverage, the question that you asked about, if you see, we started this journey just about a couple of months ago and the results have been promising.

Now from an operational leverage perspective, whilst we are leveraging our existing labs or kitchens, like what Mitesh mentioned earlier, there is also certain expenses in terms of putting up these retail outlets or the touch points, the manpower that we have to deploy for sample collection. So, those are the initial costs which are currently impacting the bottom line. But as the volumes grow, as the numbers grow, we see this convergence happening where eventually, like Mitesh also mentioned, the breakevens will happen in the coming quarters.

Now with Rajasthan kicking in, our approach has been, we have been studying Rajasthan closely as well, considering it a big project. We are also trying to ensure that the impact on the financial statements should be minimum. There would be a moment where, of course, we have to deploy manpower and the equipments, which is typical for any PPP project.

But our earnest effort is to ensure that on a quarter-on-quarter basis, the impact will be to the minimum. That is what is our honest effort or endeavor that we are trying to achieve. Now, of course, as the deployment happens, time will tell in the coming quarters, but this is what our effort has been.

Moderator:

The next question is from the line of Mayur from Wealth Managers India. Please go ahead.

Mayur:

So, just a couple of maybe small error, just accounting thing. In the geographical spread of Western Eastern, I think the total tallies to 107% instead of 100%. So, maybe we can just clarify which is the numbers where it stands. So, if you can just look into that maybe a small error.

Yash Mutha:

Mayur, I think if that is an error. Thanks for pointing out. But I will ask Vivek to reach out to you.

Mayur:

Yes. And then on the question side, actually, outside of what you mentioned that the fact of receivables, we will come down to 100 days. What I wanted to understand is the impact of that on the revenue side, if it continues because we have been in a position to reduce the volume where the receivables continue to be higher. So, is that continuing? And is that also one of the reasons why the growth on the B2G side remains lower in the region of 2% only?

Yash Mutha:

So, if you see the, whilst, yes, we are also monitoring the situation and selection. The temporary suspension that we do is not significant. Some of these are mostly seasonal because of also the

rains and whatever. But I don't think so we expect significant drop in the revenues in the coming quarter. It all depends on how the collection proceeds and we will of course, we take certain decisions in terms of suspensions. As and when they happen, I will be able to give you better clarity. But as of now, I don't see a significant impact in the coming quarters.

Mayur:

Just two more questions from the efficiency side. In the past, we had mentioned that our arrangement for capital efficiency in terms of taking the equipments on lease and it's been some time. So, can you add some color on how is it how? Is the experience going? Are we in a position to scale that arrangement and our understanding on that? And when does it actually start to show up efficiency on the CAPEX side, if anything? That is the first.

And secondly, on the retail B2C side, I think our earlier expectation was that as we scale up, the benefit of retail on the margins as well as on the working capital would have flown in much earlier than Rs. 100 crores, which you just mentioned. So, is there a change in some strategy? Are we going a little more aggressive in terms of or are we seeing more costs which have got added compared to our past?

So, what has changed in that strategy? Because earlier, we were expecting some of those benefits to start in much earlier and the impact on profitability would have been much better. So, these two questions on that side.

Yash Mutha:

So, Mayur, on the first question, with regards to the different models of equipment purchase, the deferred payment or leases, those models have already been implemented. They are already reflecting in the financial statement. So, yes, we do get CAPEX equipment on deferred or on lease.

On the lease side, there is an impact of GST and therefore we have not pursued the deferred payment basis that we are doing for larger equipments like CT scan, MRIs where the vendors have given us different lines of credit.

Now, coming to the question of retail on the margin front, from a strategy, nothing has changed. But when we realized the initial successes, we thought it is better to scale up by deploying more manpower, by deploying these additional centers. And therefore, if you see, I could have chosen a path where the revenues are higher in a small region, but we see this momentum and we thought of catching up. And therefore, we are also currently expanding. Mitesh, if you want to add something more to this?

Mitesh Dave:

Yes. So, while having said that, the initial encouragement through not just the numbers, but even with the patients' responses and their trust from the clinicians as well has given us further encouragement to go out and figure out firstly, the gap which all are there and secondly, how to fill those gaps. Still there are so many gaps exist in the overall diagnostic space when it comes to the right to health care for everyone at a most affordable pricing and the qualitative treatment.

So, that is where then we have started getting on to the more brand building exercise, how to be more accessible and to build on to the AI areas where in one of the previous question where Gen Zs are looking on the go as well as the elderly care needs more attention and how can we more friendly and convenience to them.

So, we have started adding all those layer to our entire ecosystem in the retail space. And hence, we are now what we are saying around Rs. 100 crores. But it is going to be certainly soon and that will further add up to our bottom line in a very robust way rather.

Yash Mutha: Okay, fine. I will come back in the queue for next.

Moderator: The next question is from the line of Manoj Dua from Geometric. Please go ahead.

Manoj Dua: Congratulations, sir, on something great with Krsnaa is now being positioned now. So, was my understanding right that you have given a guidance that retail can be 40% to 50% of the sale in next five years?

Yash Mutha: Yes, yes. That is what we are also aiming to.

Manoj Dua: Great. That's super. So, even assuming Krsnaa from after Rajasthan contract Rs. 1,100 crores to Rs. 1,200 crores sale can go to Rs. 1,500 crores to Rs. 2,000 crores sale next in five year in B2G and B2B. So, we are targeting assuming retail to be Rs. 600 crores to Rs. 1,000 crores sale. Is my understanding right?

Yash Mutha: Yes. See, as I said, that's always an aspiration to have.

Manoj Dua: Aspiration, I understand. But it is something which I have heard, maybe there is no miscommunication

Yash Mutha: Yes, it is. Its an aspiration.

Manoj Dua: So, just because retail is growing fast, can we get the number of the last month? It is Rs. 18 crores for the quarter, I think. What would have been last month number?

Yash Mutha: I think I will ask Vivek to share those details with you separately.

Manoj Dua: And when can we reach to Rs. 100 crores, maybe Rs. 25 crores quarter run rate just to get the Rs. 100 crores run rate? It is just a small number because it is going very fast.

Yash Mutha: Yes, I think Quarter 4 is where we see the exit run rate in those numbers.

Manoj Dua: I think this is something very great and best of luck.

- Moderator:** The next question is from the line of Lokesh Manik from Vallum Capital. Please go ahead.
- Lokesh Manik:** Hi, thank you again for the opportunity. Just two clarifications here. The interest expense has increased. So, is there any accrual impact out here due to lease liability?
- Pawan Daga:** Hi, Lokesh. Pawan, this side. This is mainly because of the working capital which we have utilized in the quarter, which is stretched. So, this is an impact of finance cost.
- Lokesh Manik:** And a clarification on the CGHS part, Yash, you mentioned we are not directly beneficiaries since we are tendering and we are not empanelled, the hospitals who are entitled are getting that benefit. Is that understanding right? Or when our contracts mature, then we get the benefit? How is that?
- Yash Mutha:** So, Lokesh, if you see currently the way the notification has come out, it talks more for empanelled hospitals, which are not empanelled or those were empanelled but not serving because they always set the rates so low. So, for these hospitals, the notification is what we understand was issued.
- We are in talks with various authorities. This might impact the upcoming tenders where the new CGH rates could be used as a benchmark. But for the existing because these are contracted rates, I don't see an impact or benefit coming first. But at the same time, we are currently discussing. So, if there is anything which comes for years, which has an upside, we will certainly share this with you all.
- Lokesh Manik:** But do you continue to get the increase due to WPI in your current contracts?
- Yash Mutha:** So, there are rate escalations which are embedded in our contracts. Wherever those are, we certainly get them.
- Moderator:** The next question is from the line of Surya Patra from PhillipCapital. Please go ahead.
- Surya Patra:** Sir, a few clarifications from my side. See, in fact, this quarter, we are seeing a kind of a sequential as it is Y-o-Y improvement on the revenue per test. So, is it driven by, let's say, product mix, possibly higher radiology or incremental contribution what we are seeing from the RPL? Is that the factor and hence more or less sustainable or increasing further? How should we think about it?
- Yash Mutha:** No, Surya, as we said, we had also started focusing on if we could leverage these high priced tests. There are also depending on the patient needs. So, we have been able to generate some benefit out of it. We expect this and then our aspiration is to continue this in the coming quarters where more patient awareness among the doctors that Krsnaa offers these high price, high value tests as well. Even on the retail side, like Mitesh mentioned, team is doing a lot of canvassing

around these kind of tests, whether it is illness or wellness. So we are one thing and we hope we will be able to leverage this in the coming quarters as well.

Surya Patra: Regarding the RPL, so we have certainly seen a kind of almost 5x jump in the touch point. So, could you share, sir, what are the kind of a franchisee mix within that? And how much is the owned touch points that we would be having? Or what is the thought process around the franchisee aspect here?

Yash Mutha: So, Mitesh mentioned earlier, we are kind of pushing the pedals on all the different levers, whether it is franchisee, leveraging the phlebos or the KRC model that we have curated. So, these are different areas of touch points that we are increasing. And we will ask Vivek to share you more granular details about these different aspects, which are there are some franchisees, there are some, we even have some of the COCO centers, but we will certainly share more details.

Surya Patra: And about the phlebotomist fleet also, if you can, what is the thought process number? I can possibly get it later from Vivek. But what is the thought process here, whether we will be building phlebotomist separately for the retail venture?

Yash Mutha: Yes. So, we are currently, see we have phlebos on the PPP side. We are trying to see wherever we could leverage, but in areas where our PPP network is not there, we will have to deploy these phlebos. So, currently, we are looking at both these models and trying to ensure that these phlebos, the incremental cost, which is also impacting the margins as we are expanding. Hopefully, eventually as they start contributing, more revenues will be there. So, we will certainly have to add more phlebos as we go along, but we are trying to balance it out in terms of revenue accretion and impact on the margins. I will ask Vivek to give more granular details, for the number.

Surya Patra: Any important PPP contract in the pipeline? That is one. And secondly, do you find any incremental competition for the PPP contenders given the kind of GST cut as well as the CGHS price size?

Yash Mutha: So, yes, there are some contracts in the pipeline and hopefully we will be able to announce the results soon. We are also awaiting certain outcomes. The competition intensity continues to increase. People are also looking PPP as a model. But as I said, Krsnaa continues to maintain its leadership position because of our deep experience and expertise. So, we welcome competition. Yes, there have been certain challenges along with it. But I don't see a significant impact. Of course, as the time comes and we participate, we try to monitor this as we go along.

Surya Patra: Just last point, sir. So, what is the CAPEX that we have working with for the current year? And out of that, what portion of the CAPEX would be through the vendor finance?

- Yash Mutha:** I think I will ask Pawan to answer.
- Pawan Daga:** Hi Surya. Pawan this side. So, this year apart from Rajasthan, we have planned CAPEX of Rs. 150 crores to Rs. 170 crores. Out of that, we already incurred Rs. 80 crores of CAPEX, which is Rs. 50 crores already in capitalized and Rs. 30 crores is in WIP. So, this is the basis for radiology equipment, which we have capitalized.
- So, as the Maharashtra MRI center will be getting inaugurated in maybe in Q3 or this asset has been procured on a deferred payment where we initially paid only 20%, 25% in overall, not only the equipment apart from the infra and the other small ancillaries equipment. So, this is an outflow. This entirely has not been paid. Balance is still lying in the books, which is payable as in capital creditor.
- Surya Patra:** Just one more point. See, with regards to Rajasthan, I just wanted to check, in this current quarter, whether any cost number is already been factored in our quarterly financials?
- Yash Mutha:** No, Rajasthan has no impact on the current quarter financials, neither on the cost or on the revenue side, nothing. It will all happen from Q3 onwards.
- Surya Patra:** Thanks a lot, sir, for answering all these queries. And there are no more further questions here. So, congrats, I mean, sir, thanking you for the entire team of Krsnaa Diagnostics for giving this opportunity to host the call. And any last comment that you want to have, sir?
- Yash Mutha:** Sure. So thank you, Surya, and thank you everyone for joining our Q2 FY '26 earnings call. Hopefully, we were able to address all the queries. If any questions remain unanswered, please feel free to connect with our Investor Relationships team headed by Mr. Vivek Jain. And looking forward to interact with you in the coming quarters. Thank you. Have a good day ahead.
- Moderator:** On behalf of PhillipCapital, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.