

Date: August 19, 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 ended June 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 Tuesday, August 12, 2025 at 12:30 Hrs. (IST) to discuss the Unaudited (Standalone and Consolidated) Financial Results for the quarter ended June 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 Q1 FY-26 Earnings Conference Call”

August 12, 2025



MANAGEMENT: **MR. RAJENDRA MUTHA – CHAIRMAN AND WHOLE-TIME 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. AMEY CHALKE – JM FINANCIAL**

Moderator: Ladies and gentlemen, good day, and welcome to the Krsnaa Diagnostics Limited Q1 FY '26 Earnings Conference Call, hosted by JM Financial Institutional Securities Limited.

Before we begin, I would like to remind all participants that today's call may contain statements that are forward-looking statements, including, but without limitation, statements relating to the implementation of strategic initiatives and other statements relating to Krsnaa Diagnostics' future business developments and economic performance. While these forward-looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual development and results to differ materially from our expectations.

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. Please note that this conference is being recorded.

With this, I now hand the conference over to Mr. Amey Chalke from JM Financial. Thank you, and over to you, sir.

Amey Chalke: Thank you, Sandhya. Good afternoon, everyone, and welcome to the Q1 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 Bhatevara – our Executive Director; Mr. Mitesh Dave – Group CEO, Mr. Pawan Daga – Chief Financial Officer; Mr. Vivek Jain – Head (Investor Relations).

I would like to hand over now to Mr. Yash Mutha for his 'Opening Remarks'. Thank you and over to you, sir.

Yash Mutha: Thank you, Amey. Good afternoon, everyone, and thank you for joining Krsnaa Diagnostics Q1 FY '26 Earnings Call.

Diagnostics in India is in the midst of a multi-year up cycle. Radiology is set to grow even faster as advanced modalities penetrate beyond metros, translating into rising volumes, greater formalization and a clear opening for scaled tech-enabled platforms to win share. Krsnaa is uniquely positioned to lead this growth.

We operate across 18 states and union territories, delivering integrated radiology, pathology and teleradiology services, the only listed company of scale running a nationwide PPP engine. Our quality edge is unmatched with 54 NABL accredited labs, 31 NABH accredited radiology

centers, and India's first CAP accredited pathology lab in the government facility and the country's first NABH accredited teleradiology hub.

In terms of our Quarter 1 FY '26 performance, which demonstrates scale with profitability, the revenue stood at INR 1,930 million, which is a 13% year-on-year growth with the EBITDA at INR 524 million at about 27% margin and the PAT stood at INR 205 million, which is about 11% margin. We achieved this by serving 5 million patients and processing almost 16 million tests at our various facilities.

On the retail side, our retail momentum is accelerating. Our touch points have surged from 362 to 2,414 on a year-on-year basis, and the retail revenue has grown sharply. Our B2C contribution has increased meaningfully. The retail now contributes 6% of our overall group revenues, compounding quarter after quarter.

Our moat is clear. We offer high-quality diagnostics at 70% to 90% below the prevailing market prices and still deliver margins which are comparable to the peers, powered by a PPP and retail hybrid shared infrastructure and disciplined execution.

In terms of our strategic priorities, PPP as a compounding engine, which continues. We are proud to announce the Rajasthan award, which is a transformative achievement with 42 mother labs, 135 satellite labs and 1,300-plus collection centers across all districts targeted for full operations by FY '26 with material revenues starting from FY '27.

Retail, where we are strong, we are scaling rapidly in Maharashtra, Punjab, Assam and Odisha, leveraging the PPP hubs for logistics, QA and the brand trust.

Radiology scale and the teleradiology leverage. On completion of our current order book, we will be operating 200-plus CT scan MRI centers ranking among Asia's largest. The NABH accredited teleradiology hub enables rapid, high-quality reporting to the remotest sites.

In terms of cost leadership, our cost leadership with quality is intact. Our PACS, LMI solutions, automations and the shared infrastructure across PPP and retail drive enduring cost advantages without compromising on accuracy or the turnaround times.

In summary, we are structurally advantaged platform with diversified revenue streams, contracted growth from long-term PPPs and accelerating high-margin retail. This is a business designed not just to grow with the market, but to take share from it consistently and profitably.

With this, I will now hand over to Mr. Mitesh Dave, our Group CEO, to take you through RPL's momentum and the growth unfolding in our focus states. Thank you.

Mitesh Dave:

Thank you, Mr. Yash, and a very good afternoon to everyone. This side, Mitesh Dave.

I am absolutely delighted to share the encouraging progress we have made in our journey to build India's most affordable, accessible and integrated diagnostic service platforms spanning across radiology and pathology both, keeping quality at its core.

Over the past year, we have significantly strengthened our presence in retail diagnostic space. Our growth is backed by both value and volume, driven by high patient satisfaction, which is a true testament to our scalable model, sharp execution and vast untapped potential that lies ahead. At the heart of our success is our asset-light capital-efficient model, enabling us to expand rapidly without compromising agility or service quality. Today, with 2,400-plus Krsnaa touch points, clocks around 7x increase in just 1 year.

We have created one of the most widely distributed diagnostic network in India. Our leadership in the public-private partnership further strengthens our reach and gives us foundation to scale retail even more faster. We are on track to have retail contribution from close to 5% to 8% to total revenue by FY '26 with clear levers in place to accelerate beyond that.

Our growth strategy blends company-owned centers, franchisee touch points, collection points, deep digital integrations, ensuring affordable and accurate diagnostic wherever patients live, work or seek care.

Under our retail brand, RPL, we are redefining what patients can expect from diagnostics. A 24/7 accessibility, industry-leading turnaround times, transparent and affordable pricing. Our expansion in Maharashtra, Punjab, Assam and Odisha reflects a thoughtful approach, leveraging our PPP backbone, while addressing fast-growing B2C demand in both urban and rural markets.

Digital innovation is centered to this transformation. From seamless test booking to rapid, reliable result delivery, our platform improved turnaround times, enhance clinical decision-making and make diagnostics more patient-centric.

We are also building a strong B2B B2C ecosystem, partnering with corporates, insurance companies, hospitals and independent labs as well as offering home-based diagnostics and preventive wellness services. This omnichannel approach ensures we are present wherever health care needs is there.

Across everything we do, trust remains our most valuable currency. The trust of millions of patients inspires us to push boundaries, grow responsibly and continuously improve the way we deliver care. The opportunity in front of us is enormous, and we are ready to capture it.

With our strong execution capability, deep diagnostic expertise, and the growing credibility of RPL, we are poised to lead the next wave of retail diagnostic in India.

Our mission is straightforward and ambitious, to be the doctor's most trusted partner and the patient's first choice for affordable anytime, anywhere quality diagnostics.

With that, I am signing off and handing over to the Mr. Pawan, Chief Financial Officer, to take us through the financial highlights. Thank you.

Pawan Daga:

Thank you, Mr. Mitesh. Good afternoon to everyone. Let me take a moment to briefly walk you through our financial performance for the quarter. Revenue for Q1 FY '26 stood at INR 1,930 million, reflecting a robust year-on-year growth of 13%, driven by sustained momentum in both radiology and pathology segments.

Our focus on cost leadership and operational excellence has translated directly to our profitability. EBITDA grew by an impressive 19% year-on-year growth to INR 524 million. This performance resulting in a 120 basis point expansion in our EBITDA margin, which now stands at 27%.

The profit after tax increased by 15% year-on-year to INR 205 million with a margin of 11%. This demonstrates our continuous ability to not only grow the top line but also deliver the bottom line. Earnings per share of INR 6.25 for Q1 FY '26, up from INR 5.46 in the same quarter last year, making a 14% year-on-year growth.

Our receivable for Q1 FY '26 are at around 120 days. We are also pleased to share that we have started receiving long over dues payments from Himachal Pradesh and Karnataka. Furthermore, we have received official confirmations of the pending amount from these and other states.

Thank you. Would you now like to open the floor for the question-and-answer session.

Moderator:

Thank you very much. We will now begin the question-and-answer session. (Operator Instructions) The first question comes from the line of Surya Narayan Patra from PhillipCapital. Please go ahead.

Surya Patra:

Thanks for this opportunity, sir. And congratulations for the Rajasthan PPP contract. My first question is relating to the Rajasthan contract. So, obviously, a large set of labs as well as the collection center visibility that's now coming from this PPP contract. So, if you can give some idea about what is the investment required here? And in terms of the timeline of implementation, over what period this would be implemented? And is there any scope of any delayed implementation here the way that we have seen in case of radiology centers or not? So, that's the first point that if you can address.

Yash Mutha:

Sure. Thanks Mr. Surya Narayan. So, couple of questions. In terms of Rajasthan, firstly, the Rajasthan project, which we won recently after a hold that was there for various reasons. This project is a significant project for us in terms of the scale, the size. So, we look at CAPEX in the

range of about INR 200 crores to INR 250 crores, which will help us achieve revenues in the range of about INR 300 crores to INR 350 crores on an annualized basis.

In terms of the project ramp-up, we expect the ramp-up to start in the next couple of months, which will probably take about 6 to 9 months, and the revenue will start flowing from the next financial year.

Surya Patra:

Okay. So, basically, over a 9-month period, all this 137 labs will be implemented. That is how one should believe it. Okay. So, generally, we had seen that, okay, whenever there is a new PPP contract, the cost equation, the revenue equation could be different from the earlier ones. So, given this center additions, so it is almost like double the number of pathology center that we are currently having. So, what impact that we can see to the revenue per test for pathology business, whether it would be similar to the existing trend or it would be better, lower? Can you give some sense?

Yash Mutha:

So, in the current setup, Rajasthan tender, the revenue per test would be more or less in the similar ranges. But as the tender matures, the project matures, we expect the revenue per patient also to increase. And as I said, the test menu is different from compared to current different tenders. So, the pricing will be slightly differentiated. But I think on a broad-based basis, it should be in line, and we hope to see this revenue increasing in the subsequent quarters.

Surya Patra:

Sure, sir. My second question is about the RPL, the retail business venture. So, is it possible for you to share also what is the test volume that you would have achieved in the current quarter as well as the previous quarter, which was the first quarter of our real RPL business. That is one. And also regards can we use this Rajasthan PPP contract also to expand our B2C reach here?

Mitesh Dave:

Hi, Mitesh this side. Yes. To answer your first question, maybe we would like to take it offline, and Vivek will get in touch with you to share the patient volumes as requested. However, to answer your second query, wherein along with the Rajasthan PPP project, are we geared up or are we looking to expand our retail win? Yes, we are very much in line with the same for taking up retail along with the PPP Rajasthan project.

Surya Patra:

Thanks. Just one point, sir, here. If I see the segment details what you provide for the retail revenue mix, so it looks like that the B2C is really expanding significantly over the period, whereas the B2B is relatively lesser. So, practically, initially, I believe that, okay, it would be your B2B initiatives that would be helping you drive it. But what really is the focus? And how do you want to really have the split between the B2B and B2C here?

Mitesh Dave:

Hi. Again, Mitesh this side. So, while as our philosophy goes with the leveraging our overall PPP infrastructure that we have and which is more towards the direct-to-consumer or direct-to-patient approach. So, B2C has always remained core to us. However, and that was our focus as well and which is shaping up the way in line you are seeing the revenue. And parallelly, B2B

looking to the most qualitative, affordable and accessibility, it is also adding up to what we have really envisaged at that point of time.

Surya Patra: Okay. So, in terms of the quality of the revenue, both would be almost similar. There is no difference that you mean to say. In terms of revenue.

Mitesh Dave: Yes. So, B2C is on a higher side as compared to B2B. But B2C is what we had envisaged at the point of a time when we started. And B2B is adding up to our accessibility, quality and affordability.

Surya Patra: Sure. Okay. Thank you, sir. I will possibly be in the queue.

Moderator: Thank you. The next question comes from the line of Lokesh Manik from Vallum Capital. Please go ahead.

Lokesh Manik: Yes. Hi, good afternoon, Yash and team. My first question is on volume growth, which has been quite subdued compared to what we have seen at industry level at 10%. We are at about 4%, whether it be patient volume or test volume, however you look at it. So, what are the factors that are driving this? If you can please elaborate?

Yash Mutha: If you see the volume that you are referring to subdued is majorly which if you compare on a like-for-like, it was the BMC, which was in the past. But also, there are some of the projects that we suspend the operations, these have resulted. But now if you see on the retail side and overall holistically, there's still a lot of growth that is coming through from the overall business as well.

Lokesh Manik: Okay. So, Yash, if you can just give a sense of broadly utilization levels on pathology and radiology, so just if you can give us an idea in terms of what is the growth expected going forward? Or will this 4%, 5% be the growth for the entire year? So, just get a sense on that.

Yash Mutha: So, our growth in terms of overall growth, of course, as we have been maintaining, it will be higher than the industry peers, and that is what we aspiration working towards it from the different initiatives that we have done. So, we expect the growth in the coming quarters also to be much better than what it has been shown today. From a utilization perspective, those details, I think we will ask Vivek to share the details with you offline.

Lokesh Manik: Sure, sure. And for this year, the radiology and pathology, how many centers or labs you are planning to implement, excluding Rajasthan tender?

Pawan Daga: Hi, Pawan this side. So, in this quarter, we operationalized 3 labs and 2 CTs and 3 MRI, all put together. And in the coming quarter, certainly, the remaining 7 or 8 MRI sites in Maharashtra, including Madhya Pradesh and one will be in the UP will be getting implemented. And the

remaining centers of Jharkhand, 1 radiology, 1 CT and MRI and the pathology will get implemented in Q2.

Lokesh Manik: Got it. Got it. That's it from my side. Thank you so much.

Pawan Daga: Thank you, Lokesh.

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

Ayush Chaturvedi: Thanks for the opportunity. And congratulations on a good set of numbers. My first question would be if you could throw some light on the working capital situation this quarter. So, also, if you could contextualize it with the ramp-up in the retail that is happening, although it may seem a little modest, but then on an annualized base, I think, on a 6% to 7% revenue contribution from revenue, likely having a negative working capital cycle, how would that sort of impact the overall working capital situation?

Yash Mutha: So, on the working capital side, like Pawan mentioned, we have been receiving payments from the projects that were overdue. We have also received confirmations, and the money has started flowing in after there were some hiccups, procedural challenges that the governments were facing. And those are coming through. And therefore, from a working capital, I think we are back in the levels that we normally believe are comfortable, though our aspiration is to further improve on the working capital side.

On the retail side, the retail, of course, that business is also scaling up rapidly, which also further helps us in terms of the cash flows, most of these are cash paying customers. So, if you see from a blended basis, this gives us a good position to be in, and scale on with the current network and infrastructure that we have built over the years.

Ayush Chaturvedi: Sure. Yes, that's where I am coming from. Just wanted to understand the impact that it could have on an overall working capital, because I am beginning to understand it's become sort of an overhang on the returns. Obviously, the higher margins also from the segment would help. But yes, if I could see that this would help in a bigger way in the working capital situation.

Yash Mutha: Yes, of course, as retail expands, it will certainly also help us from the overall return ratios perspective. But as I said, Krsnaa, fundamentally, if you see the model is PPP driven, retail will scale up. And eventually, both the engines when they come to a meaningful contribution, that will also certainly result in better return ratios overall.

Ayush Chaturvedi: Right. So, that's all from my side. Thanks.

Yash Mutha: Thank you.

- Moderator:** Thank you. The next question comes from the line of Rucheeta from iWealth. Please go ahead.
- Rucheeta Kadge:** Hello, sir. Very good afternoon. So, sir, my question was pertaining to the Rajasthan contract that we have got. So, I would like to understand the cost bump up that will come post this contract operationalizes. So, we do something like a revenue share to business partners, so which from the last few quarters is stable as a percentage of revenue. How do we see this panning ahead? Because earlier, I think when the Rajasthan contract was there, this was around 20%, 24% of the revenue. So, going ahead, how would this pan out to be?
- Yash Mutha:** Yes. so you are right in terms of Rajasthan project, as it gets implemented, we will of course, be leveraging some of these, what we call as business partners. and there will be an element of revenue share. This revenue share is a fraction of the revenue that has been generated. They handle or support us in various activities. We jointly deliver these diagnostic services. So, the revenue share as a percentage will, of course, increase. But overall, if you see the revenue contribution that Rajasthan is expected to add to our overall top line, which is about in the range of INR 300 crores, INR 350 crores, from that perspective, I think the revenue share as a percentage will not be very significant when you look at it.
- In the ratio as a percentage, of course, it will increase, but that will happen as and when the revenues increase. And it is not like a fixed cost. It's more of a variable in nature as the revenues increase, so do the fees to hospital will be in line.
- Rucheeta Kadge:** Right. So, this 8% can go to what, like earlier, this was like around 24% as well, right? So, this 8% can go to what?
- Yash Mutha:** It will be early for us now because, as I said, we are just scoping out the Rajasthan project, the implementation. Maybe in the subsequent quarters, we will give more clarity, but it will not be significantly high. .
- Pawan Daga:** Yes, Pawan, this side. Yes. So, once the revenue sharing also increases, so some of the component of the variable expenses either in other expenses or an employee, which will be catered in the revenue share by way of a revenue sharing. So, it will not go in overall kitty, the sharing will increase. So, other expenses will remain the same. So, it's in combination. So, whenever we implement a project at an initial level, we basically partner with the business coordinator. Over a period, we start absorbing them and accordingly, the revenue sharing will go down over a period of time.
- Yash Mutha:** So, revenue share basically, when we give, there are also certain cost components that they absorb. So, on a margin basis, on Krsnaa's margin basis, there won't be an impact. we will still be able to drive the margins that we project in terms of sustainable EBITDA margins and PAT margins.

- Rucheeta Kadge:** So, the EBITDA margins would still be at 25%, 26%, even with the increase.
- Yash Mutha:** Yes.
- Rucheeta Kadge:** Is my understanding right, sir? Hello?
- Yash Mutha:** You are right. The EBITDA margins will be the same level. There won't be an impact on the EBITDA because of the revenue share.
- Rucheeta Kadge:** Understood. Understood. And this year, we are planning for what revenue growth, 15%, 16% as in what we have done last year?
- Yash Mutha:** Yes. we are targeting, as I said, better than the industry average, which should be higher than the numbers that you quoted.
- Rucheeta Kadge:** Okay. And the working capital for this quarter, sir, if you could just, because I missed that point.
- Yash Mutha:** So, on the working capital, we have collected our money that was due from various parties. So, the payments have started flowing in. We have also received confirmations. And at the same time, the retail business is also ramping up. So, on an overall basis, the working capital, of course, has improved from the previous quarters, and we look forward to improving it in the subsequent quarters as well.
- Rucheeta Kadge:** Okay, sir. Understood. Thank you so much.
- Moderator:** Thank you. The next question comes from the line of Avadhoot Joshi from Bryanston Investments. Please go ahead.
- Avadhoot Joshi:** Thank you for the opportunity. First question on the RPL side, though the numbers look very promising right now. I think what we have envisaged and the numbers are looking very good. I congratulate team for that. First thing on the EBITDA side of this RPL, where do we stand currently? Our understanding is as we are leveraging the existing infra, we should be at least EBITDA positive. I would like to know what's the current status on that? That's my first question.
- Mitesh Dave:** Okay. Hi, Avadhoot. Thanks first of all. Thanks for encouraging words. So, coming on to the questions which are being asked around the EBITDA margins and looking to the leveraging the existing infra. So, as you know, we have started the operations a year back. So, currently, making a brand available, marketing and putting up various digitization, automation and planning in the processes.
- Initially, it will incur the cost, and that's where we are currently going towards. However, with the given cost, our revenues are promising for future times. Further to that, adding up the further

manpower to the business as a retail business to reach out to the desired audience, it is adding up the cost. But as and when the business will start maturing, you will see the positive impact around the EBITDA margins as well as in total cost structure.

Avadhoot Joshi: Okay. So, at what volume levels do you expect this to happen?

Mitesh Dave: So, market is pretty volatile for now. If you see overall, be it is organized or the unorganized player. However, we are aspiring to be there by FY '26 end or something. But as and when the business and the quarters unfolds, we will be in a better shape and position to give this better.

Avadhoot Joshi: Understood. Understood, sir. Sir, just a small request. We have been discussing on the RPL side for the last year or so time. It would be beneficial if once that a presentation or something comes from your side, what are our plans on that, that would be really helpful for us also to understand how we are looking at it currently.

Mitesh Dave: Certainly, Avadhoot. So, maybe Vivek and if need be, I will get in touch with you to take us through the retail plan ahead for the next 2 to 3 years.

Avadhoot Joshi: Understood. And just a small thing, altogether, Maharashtra on the radiology piece, the implementation altogether 73 centers considering CT and MRI, what's the timeline we are envisaging, though not the 73, but major portion of it, when we will be completing it?

Pawan Daga: So, Pawan, this side. So, by end of Q3, majority of the implementation of the Maharashtra CT and MRI will be getting done. And rest of the sites, , as soon as the site will be handed over by the authority, that will be taken care later.

Avadhoot Joshi: Understood. So, major portion, say, 75% would be done by the Q3 of this year.

Pawan Daga: Might be. By end of Q3.

Avadhoot Joshi: Understood. Thank you so much. That's it from my side.

Pawan Daga: Thank you.

Moderator: Thank you. The next question comes from the line of Rikesh Parikh from Motilal Oswal Financial Services Limited. Please go ahead.

Rikesh Parikh: Thanks for the opportunity, and congratulations on a good set of numbers. First, on the retail side, sir, I just would like to understand that we have reached 6% of the revenue. So, going down the line, where do we see over here in the next 2 years down the line as a percentage of revenue?

- Mitesh Dave:** The way PPP is also growing at a faster pace, and the way retail is also adding up to that, we are looking for close to 5% to 8% of the total contribution in coming 1, 1.5 years' time.
- Rikesh Parikh:** Okay. And just adding up to that, where do you see the breakeven level as such for our retail venture means around reaching INR 20 crores revenue on a quarterly basis or something like that or anything? Where do we see making EBITDA breakeven in the retail venture means INR 20 crores, INR 25 crores on a quarterly basis run rate? Or how do you look at it?
- Mitesh Dave:** So, we are looking to breakeven by the end of FY '26. And for the contribution side, in next 2 years' time, as you asked, close to 18% to 20% of the total revenue.
- Rikesh Parikh:** Okay, thanks. Sir, coming to the Rajasthan contract side, congratulation at least at last we have signed the contract. How will be the rollout phased out for this contract?
- Yash Mutha:** This is Yash. On the Rajasthan project, we are starting the rollout immediately. It's been long overdue. It will happen in phases. Of course, there are multiple labs, collection centers, satellite labs to be established. We expect that rollout to happen over the period of next 6 to 9 months. And again, we are putting aggressive timelines to ensure that this gets rolled out in the next 6 to 9 months, so that we start getting meaningful revenues from the next financial year onwards.
- Rikesh Parikh:** Thank you. That's it from my side.
- Moderator:** Thank you. The next question comes from the line of Aditya Chheda from InCred Asset Management. Please go ahead.
- Aditya Chheda:** My question is, a, on historically, we have seen the investment to revenue turnover is around slightly around 0.7, 0.8. What would be the reason behind Rajasthan delivering almost 1.3, 1.4x of revenue to the investment? And also, if you can talk about the mix of radiology and pathology in the Rajasthan tender? This is my first question.
- Yash Mutha:** So, if I understood you correctly, in terms of the investment versus the revenue, Rajasthan is a purely pathology project, wherein there are pathology labs to be established where pathology collection centers to be established. So, therefore, if you see there the asset utilization or revenue to investment will be higher compared to when you look at blended where there are more of radiology centers or radiology projects.
- Aditya Chheda:** Got it. Sorry, you said this will be entirely pathology, right?
- Yash Mutha:** Correct.
- Aditya Chheda:** Okay. And one question on this specific quarter. We had around 9%-odd value growth. So, if you can call out reasons behind the same, what drove this value growth for us? And also you

already comment on the volume growth, the BMC contract, et cetera. If you can throw some more light on the reason behind the volume growth and your outlook on the same?

Yash Mutha: Yes. So, on the volume growth, there have been various initiatives that as a company or a management, we have taken, whether it is creating more awareness across various doctors who refer patients in terms of Krsnaa's model, which is basically affordable diagnostics where everyone can have access to.

Some of the awareness campaigns or community level initiatives that we have taken have also given fruit, and we are seeing that uptick coming up in the subsequent quarters as well, which was also offset by some of the BMC tender that was not there. Having said that, I think overall, from a direction perspective, and the initiatives we have taken over the last couple of months, those have started bearing fruits, and we see volumes also to keep up driving in the subsequent quarters.

Aditya Chheda: Got it. And last question, you said INR 250 crores of investment for Rajasthan, that would be over the next 12 months and revenues flowing from next financial year, that understanding is correct, right?

Yash Mutha: Correct.

Aditya Chheda: Okay, sir. Thank you, that's it from me.

Moderator: Thank you. The next question comes from the line of Bharat from Equirus. Please go ahead.

Bharat Celly: Hi, good afternoon, everyone. So, just wanted to have a clarity on Rajasthan. So, what is the duration of this contract, whether it is a 5-year or a 10-year contract?

Mitesh Dave: Rajasthan is a 5-year contract.

Bharat Celly: And over here, the timeline for these 5 years will start from the commercialization of the contract or from the period it was first awarded.

Mitesh Dave: It starts from the commercialization of the contracts. So, when the revenues start flowing in, we get certain clearances from the authorities and from there on, it will start.

Bharat Celly: Got it. And earlier, we were indicating that the overall CAPEX for this contract will be around INR 150 crores to INR 200 crores. Now the CAPEX is looking a bit higher. The overall scope of the contract has changed from the initial point of view or how the CAPEX overall estimate has changed?

- Mitesh Dave:** Certainly, there have been enhancement in the scope. So, from previously 33 mother labs, which has now been enhanced to 42 mother labs. The hub labs, which are about 117, they have been increased to 135 and the collection centers, which are about 1,200 have now been increased to 1,335. So, if you see overall, there has been an enhancement in terms of the scope, the footprint that we will be having across the state of Rajasthan, and therefore, the CAPEX has also increased which also basically helps us in terms overall. The revenue contribution from Rajasthan has also increased meaningfully from a prospect perspective.
- Bharat Celly:** And aren't we going for a lease model for the equipment over here, reagent lease or some sort of lease model for the equipment?
- Mitesh Dave:** No. From our experience, purchasing the equipment helps from a strategic perspective. Again, there are certain tender requirements, but we are evaluating both different models, and we will take the right decision as and when it happens.
- Bharat Celly:** Right. And what sort of working capital requirement will be there for this contract, whether it is equivalent to what we are doing currently 120 days or it is higher or lower?
- Mitesh Dave:** No, I think Rajasthan historically had a good working capital cycle. So, we expect within 90 to 120 days.
- Bharat Celly:** Right. And last one, we have seen some disruption in Himachal Pradesh as well as Karnataka revenues over the last one quarter. In this quarter, have we seen any improvement? Or this quarter also, it is broadly the similar revenue run rate, similar to 4th Quarter of last year?
- Mitesh Dave:** No. Of course, there has been some improvement both in terms of the 2 projects, along with the money that has been collected. So, we see things getting normalized now.
- Bharat Celly:** From the peak, how this overall Karnataka and Himachal Pradesh will be looking? It is like 50%, 60% lower from the peak revenues or how it is?
- Yash Mutha:** So, except for Karnataka, Himachal is at a consistent level. Karnataka, there were certain procedural changes done by the government, because of which the Karnataka revenue came down. But Himachal is continuing at the existing levels and in fact, improved. So, there's not a significant drop in the Himachal Pradesh tender. Karnataka, because of the procedural changes, there has been an impact. But overall, it is not a significant impact on the numbers per se.
- Bharat Celly:** Okay. So, revenues have not materially come down there?
- Moderator:** Sorry to interrupt. May I request you to join the queue for a follow-up question, please? The next question comes from the line of Saloni from Val-Q Investment Advisory. Please go ahead.

- Saloni Bavishi:** Thank you for the opportunity. I have 2 questions. One is on the Rajasthan project. So, like you guided, the CAPEX is around INR 200 crores to INR 250 crores. My question is that how do we plan to fund this CAPEX?
- Yash Mutha:** So, we are currently evaluating multiple options, like I just mentioned earlier, it will be a combination of our internal accruals. If required, we are also exploring debt at some very efficient cost of capital as well as certain of these leasing or reagent rental models. Considering the size, we are exploring all these options. And in terms of our past experience of executing large PPP projects, we will try to use the best resource of capital for deployment and ensuring that our margins are intact.
- Saloni Bavishi:** Okay. Thank you. And the next question is, sir, can you give me an idea as to what is our tender pipeline currently that we have applied and we possibly are expecting to win?
- Yash Mutha:** See, for us, we continue to chase tenders and the pipeline does exist, but it will be too early for me to give any details about the tenders. As and when these tenders come up, we will be sharing those details.
- Saloni Bavishi:** Okay. Sure. Thank you. That's it from my side.
- Moderator:** Thank you. The next question comes from the line of Mayur from Wealth Managers India Private Limited. Please go ahead.
- Mayur Parkeria:** Good afternoon, to the management, to the entire team. And congratulations for a decent set. So, 2 questions from my side. One is on the Apulki side, so is it that the equipments which will be required for cancer situations, are they in the region of INR 10 crores and above? Or how is it as far as the CAPEX is concerned, which will have to be done, firstly?
- And is there any change in terms of strategic intent with respect to our stake there, either increase or how we look at? So, that's on Apulki. And if you can also give some color on what the status of where are we on the implementation of where Apulki is on the implementation of 2 hospitals, which was planned.
- Yash Mutha:** Yes. So, there are 3 parts of your question. The first question is in terms of the equipments, what does it entail? So, the equipments or the diagnostics that Krsnaa will be deploying is the same diagnostic equipment, which includes the CT scan and MRI equipment. These are equipments which will also be used to serve the cancer patients that come in there. And that was one of the strategic reasons why we partnered with Apulki. It gives us almost 30 years visibility over revenues.

As you also are aware, cancer and cardiac cases are on the rise. And this also gives us a foot in the door in terms of Krsnaa centers being there in urban dense areas as well as capturing the oncology market, so to speak. So, that is how we are seeing it.

Currently, from a development perspective, the Apulki Hospital in Pune will be hopefully commercial, the operations will start maybe in the next couple of months. And the other hospital, the construction is ongoing. So, both these hospitals are at different stages of completion, which we expect and soon the revenues will start flowing through.

I hope I have answered your questions.

Mayur Parkeria: Yes, so we will not get into PET scan machines and all that. It will be MRI, CT only.

Yash Mutha: Correct. As of now, MRI, CT, and pathology.

Mayur Parkeria: Okay. That's great. Secondly, if you throw some light on we set up a very large lab on the Kurla facility on the Mumbai side. And so we have not renewed this BMC contract. Any particular reason of how of that side? And if you would like to throw some light on that on the BMC side contract?

Yash Mutha: On the BMC side, we had participated earlier, but when the tender conditions, which we believe are not favorable in terms of overall financial viability, and therefore, we did not continue. As we said, what is sacrosanct at Krsnaa is a tender that we participate has to be financially viable, because that is the value creation that we all work towards. And therefore, we decided not to pursue if it doesn't make sense.

The current lab also serves on the retail side, which we are leveraging to enhance volumes through the retail network. There are different tie-ups that we have done. And we continue to utilize those lab for the retail operations as we continue to expand as you have seen on the retail side as well, the growth we have seen, that lab also helps us process these incremental volumes that are coming through.

Mayur Parkeria: Okay. So, to some extent, there will be some delays in the payback period, which will be there. But I should congratulate the risk management you all have entered, and left the project in terms of, I believe so, the reason to leave that would be because, as you said, some of the terms are not in favor. So, it would be a risk management side, so that's a great thing.

But then from a financial side, will it slightly delay the payback or the returns which we were planning, because that was a bigger setup which we had and the collection centers also a lot of centers which we had set up. So, do you think we will be largely able to, over the next 2 years, be able to match that expectation?

Yash Mutha: On the payback front, if you see the volumes that we had processed under the BMC tender had surpassed whatever was budgeted earlier. So, in fact, we did significant volumes, and therefore, the revenues that came through the BMC tender was much higher than what we envisaged even for the setup.

So, from that perspective, I think we are much ahead of the curve. But of course, yes, we try to supplement it to additional sources of revenues to ensure that we further have a shorter payback. And as pathology is normally, if you see from an asset-light perspective, it's slightly less capital-intensive compared to radiology. So, from that perspective also, pathology would have a better payback period, especially for this lab as well.

Mayur Parkeria: Great. Thank you and wish you all the best. I will come in the line for the second question.

Moderator: Thank you. The next question comes from the line of Shreyansh Gattani from SG Securities. Please go ahead.

Shreyansh Gattani: I just had one question on the pricing for the test. I see in the presentation, the competitors versus what our tests are. So, I understand that we have cost advantages on the operational side. But even if I look at the gross margin for the top few listed competitors, like those don't cover up like 20%, 25% is the cost of materials. So, we are not even covering up for that. So, I am trying to understand how we are able to provide pricing at that and also keep up with like profitability? If you could just elaborate. I know this would have been asked earlier, but just wanted to get an idea on that.

Yash Mutha: So, Shreyansh, if you see Krsnaa's model basically is built on certain of these leverages or the cost leadership that we have had over the years. With the PPP, there are certain cost synergies that we are able to, I would say, capitalize on, which includes whether it is rent or the marketing cost.

So, a lot of these cost synergies are available for us. And therefore, along with the volumes that we have with these captive customers that we get at these PPP centers, we are able to have the sustainable margins in spite of our prices being almost 70% lower than the peers. So, this model has helped us scale. It also allows us to scale faster, drive volumes.

And with these volumes, we are able to have these margins, of course, and the fleet of our equipment and assets that also has certain advantages when it comes to pricing. So, overall, we are able to achieve these margins even with these low prices. I hope that answers your question.

Shreyansh Gattani: Got it. So, like we are having an advantage even in terms of sourcing the reagents and stuff like that, because I was thinking that those should be in line with what the other competitors are able to source there.

- Yash Mutha:** No. As I said, there are certain volume that we do compared to the peers. We are at much higher volumes in some of these aspects. Then there are other cost synergies, as I said, in terms of various expenses that we have to incur, whether it is the rent, electricity, if you see our marketing spends are probably the lowest in the industry. All of these help us to pass on the value to the end customer by offering lower prices and still having sustainable margins, which are comparable to the peers.
- Shreyansh Gattani:** Got it. Thank you.
- Moderator:** Thank you. The next question comes from the line of Sagar Sanghvi from ADD Capital. Please go ahead.
- Sagar Sanghvi:** Thank you for the opportunity. Good afternoon to the management and congrats on good set of numbers. Sir, a very basic question on your Rajasthan contract. Sir, when I look at the press release, it mentioned the contract has been won with a consortium partner, TCIL. So, can you explain what is the role of TCIL? What is the revenue share or profit share? How much CAPEX would they incur along with us? Color on that would be helpful.
- And just a clarification, you mentioned INR 300 crores to INR 350 crores of revenue, that is the size of the contract per annum for 5 years.
- Yash Mutha:** Yes. So, 2 parts of the question. The first part on regards to TCIL or Telecommunications Consultants India Limited, that's a PSU, which we had partnered as a consortium partner. There were certain tender conditions wherein they also allowed consortium partners and TCIL met one of those conditions, and therefore, we took them as a partner.
- In terms of the revenue share or the investments, I think I would suggest more we can share offline, because these are privy in terms of the contract structuring. But yes, TCIL is a consortium partner, and they will also have certain revenue share, not very significant, but they will be partnering with us, leveraging their strength as a PSU that we can also use in the PPP setup.
- In terms of the revenues, the INR 300 crores to INR 350 crores annualized revenue is what we expect from the Rajasthan project to come on a mature level basis, which we expect to start in the financial year 26/27 onwards.
- Sagar Sanghvi:** When do we expect the full potential of this revenue over the next 2 years, 3 years or in the first year itself?
- Yash Mutha:** No, in the next 1.5 to 2 years, we expect the full revenues to come through, the full potential.

- Sagar Sanghvi:** Okay. And sir, you mentioned TCIL. So, there was a specification in the contract which allows you to partner? Or was there a requirement for a partnership with the PSU?
- Yash Mutha:** There were certain tender conditions having certain documentation support. And then when we identified different companies, TCIL was one of them. And therefore, we decided to partner with them, because they fulfil some of the conditions as a consortium partner, and therefore, we partnered with them and bid for this project.
- Sagar Sanghvi:** And sir, same would be for all these other state contractors Maharashtra or Himachal Pradesh.
- Yash Mutha:** No. If you see all other projects, there were no specific such requirements which required us to go through a consortium. We normally go on our own strength, which is the Krsnaa's history and the credibility that we built over the years. For Rajasthan, when the tender was envisaged, there were certain specific conditions. Basically, we have to look out for a certain partner.
- Sagar Sanghvi:** Perfect. Thank you. I will take the rest of the questions offline.
- Moderator:** Thank you. The next question comes from the line of Manik Bansal from Master Capital Services Limited. Please go ahead.
- Manik Bansal:** Hi, thank you for the opportunity. So, my question is on the cost of material consumed. So, it has increased from 22% to 25% sequentially, which appears to have impacted the EBITDA by approximately 3%. So, with this Rajasthan tender kicking in, so what is the impact do you see on this cost of material consumed, because initially, the revenue pickup will be very slow, which might impact the EBITDA.
- Yash Mutha:** So, on the consumption cost, the uptick that you see in the cost was also because of the factor of our pathology revenue is also increasing. However, from a Rajasthan project perspective, as I said, this is a mega project. We are also trying to see how we can negotiate for better prices as well as the scale up we are planning to ensure that there is to the extent, lowest possible impact on the current existing EBITDA levels, and that is what we are working towards. Hopefully, in the subsequent quarters, we will be able to have better clarity how things unfold and whether it will have, if any, impact on the current EBITDA levels.
- Manik Bansal:** Okay. Thank you. And second question is like if I look at the last quarter's number on net block, like approximately 33% is semi-mature, right? So, is it reasonable to assume that the semi-mature block is largely comprised of radiology machines that we operationalize in Maharashtra earlier? Or if it is not the case, then can you provide the split between radiology and pathology and semi-mature?
- Pawan Daga:** So, yes, Pawan, this side. This is a combination of radiology and pathology, which are the project which has been implemented in the last couple of years, which fall under the semi-mature

category. So, you will get the split of radiology and pathology. We can provide that in an offline way, will be okay for you.

Manik Bansal: Okay. Thank you so much.

Moderator: The next question comes from the line of Amruta from Wealth Managers India Private Limited. Please go ahead.

Amruta Deherkar: Thank you for this opportunity. So, it is mentioned that we added 3 labs in the quarter. And I would like to know where have we added these 3 labs. And in the Q4 presentation, we had talked about adding 1 lab till FY '27. I think that was pertaining to the Jharkhand project. And the earlier comments were that the Jharkhand lab is yet to be implemented. So, have we received any additional tender.

Mitesh Dave: Hi, Mitesh, this side. So, these 3 labs have been added into the private space mainly to give out the more accessibility and the better TAT. There is no as such new tender or something else add up to it.

Amruta Deherkar: Thank you. Do we have a breakup out of the 120 labs that we have, how many of them pertain to the private space and how many are the PPP contract.

Mitesh Dave: We may like to give this information offline. I am saying for this breakup around the private cum government labs, PPP labs, Vivek will get in touch and we will give you the breakup.

Amruta Deherkar: And for the Apulki center, you mentioned that the contract that we have is for CT, MRI. So, do we have a scope for where if the PET scan centers to be added there, we will be given the priority or will there be a separate tender for that?

Yash Mutha: So, we have already executed agreements with Apulki, wherein we will be setting up not only the CT scan MRI, but the pathology labs as well. So, this gives us access to integrated diagnostics inside the oncology hospitals. And as I said, with a 30-year revenue visibility at prices which are slightly better than the existing PPP prices. And these centers are going to be in urban dense areas, which also gives us basically access to the retail side of the business. I hope that answers your question.

Amruta Deherkar: Yes. Thank you.

Moderator: Thank you. Ladies and gentlemen, due to time constraint, we will take this as the last question for today. I will now hand the conference over to Mr. Yash for closing comments.

Yash Mutha: Hi. Thank you, everyone, for joining our Q1 FY '26 Earnings Call. Hopefully, we were able to address to all your queries. If there are any questions that remain unanswered, please feel free to



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reach out to our Investor Relationships Head, Mr. Vivek Jain, and looking forward to interact you again in the subsequent quarters. Thank you. Have a good day ahead.

Moderator:

Thank you. On behalf of JM Financial Institutional Securities Limited, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.