Date: August 19, 2026
Ref. No.: KDL/SE/034/2026-27

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

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, 2026.

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 analysts and investors on Friday, August 14, 2026 at 13:00 Hrs. (IST) to discuss the Unaudited (Standalone and Consolidated) Financial Results for the quarter ended June 30, 2026.

The above information will also be made available on the website of the Company at https://krsnaadiagnostics.com/investors.

Request you to take the same on your records.

Thanking you,
Yours sincerely,

For **Krsnaa Diagnostics Limited**

Sujoy Sudipta Bose
Digitally signed by Sujoy Sudipta Bose
Date: 2026.08.19 16:20:53 +05'30'

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

“Krsnaa Diagnostics Limited
Q1 FY27 Earnings Conference Call”
August 14, 2026

MANAGEMENT: MR. YASH MUTHA – MANAGING DIRECTOR – KRSNAA DIAGNOSTICS LIMITED
MR. MITESH DAVE – GROUP CHIEF EXECUTIVE OFFICER – KRSNAA DIAGNOSTICS LIMITED
MR. CHANDRA PRAKASH – INTERIM CHIEF FINANCIAL OFFICER – KRSNAA DIAGNOSTICS LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to Krsnaa Diagnostics Limited Q1 FY27 Earnings Conference Call, hosted by Equirus Securities. As a reminder, all participant 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 the conference call, please signal an operator by pressing star, then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Yash Mutha from Krsnaa Diagnostics Limited. Thank you, and over to you, sir.

Yash Mutha: Thank you, Sumit. Good afternoon, everyone, and thank you for joining us. As we begin the FY27, I want to start with the larger vision behind what we are building at Krsnaa Diagnostics. We've always believed that diagnostics is an essential part of India's health care infrastructure.

Our ambition is simple: to make quality diagnostics accessible to every Indian, irrespective of where they live or their ability to pay. The purpose has taken us to parts of India where building and operating health care infrastructure is not always easy. Think about what happens in Rajasthan today. A patient gives a sample in a remote location. The sample may travel significant distances across the state before reaching our laboratories, where it is processed, validated and reported back to the patient.

Behind that one report is the infrastructure network, logistics, technology, clinical expertise and execution working together. If serving these markets were easy, health care access in many parts of India would have already been solved. Someone has to go there. Someone has to build the laboratory network or the imaging network.

Someone has to establish the collection centers. Someone has to create the logistics network and connect the technology and the clinical expertise. Krsnaa has chosen to be that someone. And what excites me today is that purpose is increasingly translating into business performance.

Our revenue grew approximately 22% year-on-year in Q1. More importantly, our like-to-like projects grew approximately 12%. That number matters to me. It demonstrates that Krsnaa's growth is not dependent only upon winning the next project. Infrastructure that we have already established continues to serve more patients and generate more businesses.

On the same lines, I'm also pleased to share that Krsnaa has recently been awarded the Himachal Pradesh CT project for 34 CT scans across the entire state. This is

particularly significant for us because Himachal Pradesh is where Krsnaa began its PPP journey almost 12 years ago with just 12 centers.

Our performance and service quality over the years have earned us this opportunity to expand our footprint from 12 to 34 centers. And predominantly, most of this project is going to be a cash paying project. This is a strong validation of something we have consistently communicated.

Execution excellence and quality of service create the foundation for repeat business and long-term partnerships. With this award, we are further strengthening our revenue visibility in the state for the next 10 years and giving Krsnaa the opportunity to serve the people of Himachal Pradesh for almost 25 years in total. There is also a third dimension emerging. Our retail business grew approximately 64% year-on-year.

Our retail network has expanded to more than 4,000-plus touch points, and we are seeing increasing contributions from home collection, wellness camps, digital channels and our partner networks. For many years, Krsnaa's strength has been its institutional business.

We are now building a second engine alongside it, the consumer-facing cash paying business. One gives us scale and reach. The other gives us diversification and a direct relationship with the consumers. And increasingly, innovation will connect both. We are also looking beyond the conventional diagnostics packages and asking a different question, how can diagnostics become a part of the consumers' broader health. I am particularly excited about what comes next.

Very shortly, we will be launching what we believe is the first-of-a-kind proposition in India, bringing together preventive diagnostics and financial protection in a single offering. We believe this can create an entirely new dimension of how consumers engage with Krsnaa and with preventive health care.

We are also expanding the use of artificial intelligence and technology across consumer engagement, X-ray reporting and business analytics. So when I look at Krsnaa today, I see something very different from the company we were a few years ago. I see an existing health care infrastructure that is growing organically.

I see new projects adding another layer of growth, and I also see consumer business emerging as a second engine, and I see technology and innovation creating new possibilities on top of this network. As regards our margins, as mentioned in the previous quarters, due to the project implementations, they also carry their full fixed cost base from the very first day in laboratory equipment, the manpower and the logistics, while still operating below mature utilization levels, and therefore, you see

compression in the margins. However, if we set these projects aside, our like-to-like business delivered stable and consistent margins broadly in line with the previous quarters.

So the moderation you see is largely a function of the infrastructure that we have recently built and now are in the process of fulfilling it rather than any pricing or structural pressure in the core business. A related point on capital, ours is an infrastructure-led model and by nature, the capital expenditure is front-ended.

We build the laboratory or the diagnostics network, install the equipment and put the team in place before the volumes arrive. That front ending creates a drag on the margins in the initial quarters, which is essentially what you are seeing in the quarter's numbers.

As these projects ramp up and utilization improves, that drag evens out and the incremental revenues begin to flow into an asset base that is already in place. That is the rhythm of our business rather than a departure from it. And it is worth reading our margins across a few quarters rather than any single one. Our group CEO and CFO will take you through the business and financial performance in detail. But I wanted to leave all of you with one thought.

Every diagnostic test ultimately has an economic consequences beyond Krsnaa. When somebody is diagnosed at the right time, gets treated and returns to his family, his work and that productivity returns to the economy. So this is the impact that Krsnaa carries on, on a larger aspect. And this is where I believe our purpose and our business models come together.

The more people our infrastructure reaches, the more patients we serve, the more our existing infrastructure is utilized, the stronger the economics can become. And as retail technology and new services grow, that infrastructure and the opportunity becomes larger.

So for us, building a healthier India and building a stronger Krsnaa are not 2 different objectives. And our responsibility now is to translate this platform into a sustainable growth and long-term value for our shareholders.

With this, I will now hand over to Mitesh. Over to you Mitesh.

Mitesh Dave: Thank you, Mr. Yash, and a very warm afternoon to all of you. Quarter 1 FY27 has been a quarter of execution, transformation and importantly, transition from infrastructure creation to revenue generation operations. Over the last several quarters, we have invested significantly in building foundations for our next phase of growth.

This quarter, we are beginning to see those investments translate into the live capacity, stronger market presence and a broader platform for sustainable growth. Let me brief and apprise everyone on the key operational developments in Rajasthan projects to begin with. As Mr. Yash highlighted, Rajasthan has now moved decisively from implementation phase into the go-live and operational phase. Our Mother laboratory, hub laboratory and collection center network is now substantially operationalized across the state.

As of end of quarter 1 FY27, Rajasthan had 31 Mother labs, 62 hub labs and 1,228 collection centers are being operational and this significant milestone considering the sustainable future growth.

More importantly, this network gives us the scale and infrastructure to progressively drive volumes, improve utilization and unlock the operating leverage embedded in the model. And what lies core to everything is non-negotiated quality standards. Along with such large scale-ups, we remain extremely focused on maintaining high-quality standards across and ever.

In radiology, we continue to make strong presence and progress against the pipeline order of 17 MRI centers, 8 MRI centers in Maharashtra have been inaugurated and made operationalized during the quarter. Work on balance centers is in progress, and these are expected to go live by end of quarter 3.

With each new center, we are strengthening not just our geographical footprints, but also our ability to offer comprehensive diagnostic services under one integrated platform. Further to add, in Q1, we added 12 new NABH Accreditations, taking our overall accreditation counts, including NABL, CAP and ACR to 124. And it further double takes our commitment to society and scale cannot come at the cost of quality.

We are building a network where quality, standardization, clinical excellence, technology and accessibility grow together. Talking of our retail business, that also continued its strong growth trajectory. Our network touch points have now expanded to more than 4,000 across 7 states.

We continue to build this business through the differentiated combination of asset-light franchisee models, Krsnaa Business Associates (KBAs), Krsnaa Referral Centers, KRCs, strategic alliances and our existing PPP infrastructure.

One of our key competitive advantage is that we are not building retail in isolation. We are leveraging an ecosystem that already includes labs, pathologists, radiologists, technology, logistics and technicians. This allows us to serve customers efficiently while keeping our customer acquisition costs structurally lower than those of pure-play

retail competitors. And as this network compounds, we believe the benefit of scale will increase exponentially and visible.

This is our initial market research and evaluating findings to cast out the model that serve not just the existing ecosystem, but even large working that exist across India. Our proposition remains differentiated as we bring together quality, accessibility, assurance and affordability through 360-degree diagnostic platform supported by 24/7, 365 days service window.

This is particularly relevant in India where access to high-quality and affordable diagnostic remains a significant unmet need and having high demand. Our ambition is not merely to participate in this market, but is to help and redefine how diagnostic services are delivered across India at a scale with consistency and with trust.

We are also deepening our specialty and wellness offering. Our uniquely designed packages combining pathology and radiology across both wellness and illness are generating encouraging results. I'm particularly pleased to share that our specialized test portfolio has also evolved as customized and specialty-driven health care packages covering areas such as oncology, cardiac care, obesity, metabolic health, gastro-related wellness testing as well as routine and basic health care.

We are also preparing to launch a new set of innovative packages in the coming months, and we believe these offerings have the potential to resonate strongly across both ends of our customer base from our PPP beneficiaries, including senior citizens and Ayushman Bharat beneficiaries to our growing retail and Gen Z audience.

This is an important part of our strategy to make diagnostics more relevant, more accessible and more closely aligned with the evolving health care needs of India. Our strategic partnerships have also begun to deliver meaningful results. To that, I'm happy to share that Apulki Hospital, Pune, has commenced operations.

Under this partnership, Krsnaa has exclusive diagnostic rights for both radiology and pathology, including super specialty segments such as oncology, cardiology, alongside from basic routine diagnostic services to genetics.

More importantly, this relationship provides us a platform to strengthen our presence across Apulki hospitals over the next 30-plus years. This is exactly the type of partnership we value, long duration, high visibility revenue opportunities that complement our core PPP business and create sustainable value over long term. The infrastructure has been built, the network is scaling and now we are entering the phase where we are expected to invest investments to increasingly translate into the operating leverages and financial performance.

We remain confident in our underlying strengths of our business model and opportunities ahead. Our focus for coming quarters will be on execution, utilization, profitability and sustainable growth. We believe and now well established that the platform we have created gives us a strong foundation to participate meaningfully in India's rapidly evolving diagnostics and health care opportunities.

We are building for scale, but we are equally focused on building for quality, profitability and longevity. With that, I'll hand it over to our Interim CFO, Mr. Chandra Prakash, to take you all through the financial highlights of the quarter. Thank you, Mitesh.

Chandra Singh: Thank you, Mr. Mitesh. It is my privilege to walk you through our financial performance for the quarter. If I talk about revenue from operations for Q1 FY27, it stood at INR2,355 million against Q1 FY26 revenue of INR1,930 million, representing a year-on-year growth of 22%.

EBITDA for the quarter stood at INR588 million with an EBITDA margin of 25% against 27% in Q1 FY26. As guided in our previous call, this quarter did carry an element of upfront cost, largely around 4,000 manpower onboarded in Rajasthan logistics across collection center ahead of full revenue realization from the project.

This cost has largely been absorbed within the quarter, and we expect the impact to normalize further as Rajasthan revenue scales through the rest of the year. PAT for the quarter stood at INR166 million, translating to a margin of 7%.

When I talk about retail business, I am pleased to inform that in continuation with our focus on retail, our retail revenue for the Q1 FY27 stood at INR193 million against revenue of INR118 million in quarter 1 FY'26, growing at impressive year-on-year growth rate of 64% and contributed approximately 9% of overall group revenue.

With the road map ahead and leveraging the various levers as highlighted by Mr. Mitesh, we are confident of becoming EBITDA positive by Q2. With this, I would like to conclude the CFO opening remarks. We are deeply grateful for your continued confidence in Krsnaa journey. I would like to now invite the moderator to open the floor for questions. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Raman from Sequent Investments.

Raman: I just have 2 questions. First of all, one of the question is pertaining to the increase in fee to hospitals during the quarter. There is INR41 crores expense under fee to hospital during the quarter, which has significantly shot up on sequential quarter as well as year-on-year basis. Yes. So the increase is -- can you just provide an explanation why...

Yash Mutha: So actually, the -- whilst the accounting nomenclature is fees to hospital, this is also -- the actual increase is on account of Rajasthan project. So for a project like Rajasthan or even other PPP projects, we have certain partners that we work in these remote locations. And there's a certain revenue share amount that goes to these partners.

So what you see as an expense is because of like the manpower and certain of the operations that they handle and that expense goes in that line. So the increase is probably because of Rajasthan and projects like Manipur and where we have these partners providing us different kind of services.

Raman: And can you quantify how much of the revenue has been booked with respect to Rajasthan PPP during this quarter? And going forward for the entire year, how much do we expect will be coming from Rajasthan PPP.

Yash Mutha: Rajasthan revenue, I think we have reported around INR26 crores. And from an annualized basis, I think even if you just multiply this by 4, what number we are expecting is about INR100 crores to INR150 crores of Rajasthan for the full year.

Raman: Okay. So you are expecting this INR26 crores to come for every quarter going forward?

Yash Mutha: And it will grow. I mean since this is the first quarter of implementation as the labs and other centers go live, the revenue will, of course, double up in the coming quarters. And this is how we expect the business to grow up.

Raman: Understood. Sir, I think in the earlier call, you mentioned that you plan to do around INR200 crores to INR250 crores from Rajasthan PPP in FY27. So I just want to understand, is there any particular -- is this guidance intact because you have mentioned that we will be doing only INR150 crores.

Yash Mutha: No, as I said, from a guidance perspective, we'll prefer to be on a conservative basis. As an aspiration, of course, we want to achieve the numbers that we stated earlier. But if I have to give a guidance, this is something that we have a clear visibility in terms of the revenues that I quoted earlier.

Raman: Understood, sir. And...

Mitesh Dave: Mitesh this side, further to add, like we are hoping to get our revenues doubling up in the coming quarter for the Rajasthan I'm talking about. And on a steady state, when we are looking at it, it would be somewhere closer to 150, 175. And further basis the ramping up, the overall numbers that we have suggested or the previously stated still stand.

Raman: Understood, sir. My second question is on the fundraise part. I think promoters has infused funds via warrants. Can you quantify what was the fundraise for?

Yash Mutha: Could you just repeat the question, please?

Raman: So I think the promoter has infused funds via warrant issue. So can you specify why there was a fundraise why there was a promoter infusion.

Yash Mutha: Yes. it's the warrants was proposed as contribution from the promoter. Two reasons. One is, of course, the funds will be utilized for certain capital expenditure for projects and certain acquisitions that we have in mind, and that was the reason why the funds have been raised.

Moderator: The next question is from the line of Surya Narayan Patra from PhillipCapital India.

Surya Narayan Patra: Sorry. Am I audible?

Moderator: Yes, Mr. Surya, you're audible.

Surya Narayan Patra: My first question is on the radiology revenue share possibly that since we have implemented new centers now for this quarter, what could be the kind of revenue share that we should be seeing? Can you just let me know that would be the first question.

Mitesh Dave: Okay. Mitesh this side. Yes, as we have added new centers in the radiology as an MRI and certain more are into the pipeline. However, revenue contribution considering radiology and pathology more or less would be in the same line as pathology project for the Rajasthan, which is a huge one, is also getting ramped up.

And parallelly, the MRI, which is getting operationalized is also going to ramp up. So for now, we don't see much of a variation coming into the radio versus patho. However, in the coming quarter, we're going to have an detailed understanding how the overall operations are shaping up.

Surya Narayan Patra: Okay. So then if I just take the earlier quarters' understanding, sir, let's say, around 48% to 50% kind of range for the radiology, then we are seeing a kind of a really strong growth for the radiology business, which is higher than the kind of overall growth that we would have reported. So then should we anticipate kind of a stronger growth for the entire of the year led by radiology, which is generally believed to be a high-margin business?

Yash Mutha: Yes. So Mr. Surya, our focus is on driving both radiology and pathology together. In terms of the overall contribution, whilst currently, the numbers would be 45%, 55%. I think the way at which Rajasthan would eventually ramp up, if it takes a faster pace, the balance might tend to go towards pathology.

But both the engines, both radiology also we are focusing. And now with MRIs getting operationalized, we also see the MRI business is ramping up and therefore, the contribution also will come from the MRI business.

Surya Narayan Patra: Sure, sir. Sir, my second question is about RPL. Congratulations for the kind of a strong progress that you are witnessing in the initial quarter itself. So that is really appreciable. But simultaneously, I just wanted to check whether the RPL is still -- it is in red at the EBITDA level because there is a kind of a drag or there is a kind of a decline only that we have witnessed.

As you have in the initial remarks alluded that this is -- could be because largely because of the Rajasthan. But my question is that, okay, RPL is negative at the EBITDA level or it is already been broken even and contributing to the bottom line.

Yash Mutha: So RPL, it's currently in the quarter 1, it's at negative EBITDA level for reasons because we have deployed manpower. If you see on the retail side, considering our operations in the 5 states, we have to deploy the ground fleet and that is some of the costs. And like I think it was mentioned by Mitesh as well, by Q2, we expect RPL to also be EBITDA positive. And from there on, it will continue it's upward journey.

Mitesh Dave: Yes. So thanks, Surya, for acknowledging the effort that we are putting up towards the RPL, number one. Secondly, just to add, while yes, there is a drag, but drag has come down substantially considering the previous few quarters, and it is at a nominal level considering this quarter as in quarter 1. And as Mr. Yash has just mentioned, by quarter 2, we are looking to be breakeven positive for the entire RPL.

Surya Narayan Patra: Sure, sir. Congratulations for that. And so then, sir, is it possible to give a sense that while we would be seeing relatively lower margin profile for this quarter compared to the kind of the trend that you would have set for our business so far. Here put together led by Rajasthan and led by RPL, what could be the absolute number drag that we would be seeing and which can be covered up in the subsequent period? Can you share that number, sir?

Yash Mutha: Surya, you're asking from an overall for the Krsnaa Diagnostics company as a whole? The margins we expect to improve from quarter-on-quarter, like Mitesh also alluded earlier, with Rajasthan revenue doubling up in this quarter 2 as we expect as well as RPL getting positive. So overall, the drag will be lesser in the coming quarters, and we see an uptick in the margins going forward as well.

Surya Narayan Patra: One point on the CGHS, sir. See, I think...

Moderator: Sorry to interrupt, please join the queue for the follow-up questions. The next question is from the line of Lokesh from Vallum Capital.

Lokesh: Yash, my question was on just a clarification, radio and pathology 45, 55 this quarter?

Yash Mutha: It's 41, 59, sorry.

Lokesh: 41, 59. So, Yash, if you see radio has been flat revenue wise even after the expansion 2 years back from 148 centers to 180 centers, that expansion has not contributed much to the top line of radiology if I go by the revenue mix. What is the problem that you are facing?

Yash Mutha: What you're saying is there is a slight difference in your understanding. The reason is the Rajasthan contribution in this quarter has been significantly higher compared to radiology because the MRI projects have been operationalized over the, let's say, the last 3 months in a staggered manner.

So we've not seen the full utilization or full revenue contribution from the MRI projects. And as these projects get up and coming, you will see a contribution. There was also the overall, if you see some of the radiology projects that we lost in the last quarter, they completed their tenure. So that also impact is there. But directionally, radiology is also improving quarter-on-quarter and pathology, just pathology being a larger project, its contribution, the revenue has been higher and that will continue in the coming quarters.

But as I said, we are aspiration to have both radiology growth in terms of the contribution increasing in the coming quarters as these projects get mature and they get operationalized.

Lokesh: So then is there a change in the mix of your centers where you've added and you've lost some and you've added new. So the matured ones were contributing and now the new ones have come in, so you're kind of flat. Is that the understanding correct?

Yash Mutha: So from a center count perspective, it's not material. - it's not a material project that we've won. The projects are still there. We still have the same number of, if you see even in the network of radiology centers that we have, they continue. We've added more centers and that revenue ramp-up is still underway. The earlier or the existing centers that are there, they are also growing on a like-like, like I mentioned, they have grown almost 12%, and that we expect to continue to grow in the coming quarters.

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

Pooja Sanghvi: This is Pooja Sanghvi. So basically, I wanted to understand the drivers of volume growth versus value growth for this quarter.

Yash Mutha: Yes, Pooja?

Mitesh Dave: Mitesh this side. Volume growth is mainly on account of the expansion that has been carried out, considering in pathology, mainly Rajasthan, in radiology, the new MRI centers, which has been added. Parallelly, in the like-to-like also, it has witnessed a strong growth.

That is based on multiple activations, activities and efficiency that we have brought in. Value growth is mainly on account of the new footfalls, which has added and the repeat cycles followed by the -- or backed by the and overall retail, which has added the overall value growth too.

Pooja Sanghvi: Sir, I have one more question. So can you clarify why the fees to the hospital has jumped to the INR40 crores run rate now?

Yash Mutha: Yes. As I explained earlier, the fees to hospital is nothing but an expense which as Krsnaa Diagnostics, we also partner with certain local partners who have expertise in certain operations, especially considering a large statewide deployment. So there's a certain operations that they undertake. And therefore, there's an expense or revenue sharing that happens to these partners and that expense is sitting in the fees to hospital.

So while the nomenclature might not be appropriate, but it's essentially for the Rajasthan project, when the project got launched up, some of the activities are undertaken by these partners and therefore, there's a certain revenue share that goes to these partners who work alongside with us in the statewide deployment.

Pooja Sanghvi: Sir, lastly on the status on receivables of Himachal and Karnataka.

Yash Mutha: Yes. So on Karnataka, we have received -- the money has started flowing in. There's also approval that we sighted where the state government has approved certain funds and money has started flowing in. Karnataka, it's still not to the expectation that we have. But again, we've received assurances from both the ministries on both these governments, and we are following up in terms of getting the monies.

Moderator: Pooja rejoin the queue for the follow-up questions. The next question is from the line of Deepak Ajmera from IGE India. As there is no response from the line of Deepak, we'll move to the next that is Vivek Kumar from Bestpals Advisory LLP.

Vivek Kumar: Sir, am I audible?

Moderator: Yes.

Vivek Kumar: My question regarding retail, how are you -- because you're doing mostly in your Tier 2, I'm assuming this if my assumption is wrong, please correct me. So if you're doing it in Tier 2, Tier 3 locations, how are you trying to get the customers and their trust

because mostly their customers believe they do not go anywhere unless the doctor is prescribed and recommended by the doctor.

So how are we building the trust or we are partnering with the doctors? So how is the business model for retail more so in the -- please can you -- what percentage comes from Tier 2, Tier 3 and Tier 4 for our retail business, if you can go in little bit detail, how are we winning customers.

Yash Mutha: Yes. So it's a good question. In terms of retail, how we are able to attract these customers. If you see when the places that Krsnaa is present today, like you mentioned, it's in Tier 2, Tier 3 locations, where it's currently not a very strong competitive strength available, number one. Second is when we educate our -- these -- whether it is the franchisees or our touch points that Krsnaa is backed by serving 3 crores patients, having these highest number of NABL, NABH accreditation in the country today and with strong quality practices in our operations.

And that is where the doctors see the value. And of course, then the pricing also becomes an important element as a result of which you have seen the kind of growth that we've been achieving quarter-on-quarter. So as we mentioned earlier, from a DNA perspective, our so-called customer acquisition costs are not significant. We try to rather leverage on the infrastructure, the quality, the accessibility that we build.

Vivek Kumar: So we partner with doctors, right? So that's the understanding.

Yash Mutha: No, no. We don't partner. We educate the doctors that, look, this is a company which has operations in 18 states. These are our quality benchmarks. These are the kind of prices that we offer and of course, then the plethora of the test menu that we have.

Vivek Kumar: But they do not ask for any commission.

Mitesh Dave: Not really. So if you see that in PPP, we have got trust of more than 30,000-plus doctors already existing in our system, right? So our reports, which has been released or authorized for the patient who is coming to a government hospital under any of the NHM scheme the doctor is seeing that and then prescribing the further course of treatment.

That particular report itself speaks out loud around the trust that we carry all across, be it is a doctor practicing in government hospitals or the outside the hospitals, number one. Number two rest all what Mr. Yash has mentioned. Be it is the accessibility, affordability backed by the quality because if you see our overall quality standards pan-India are the highest than the nearest peer.

So all these factors plays a lot. And thirdly, to answer or to support that statement today with the increasing awareness all across and even government health care schemes, making people well aware even in the Tier 2, Tier 3 towns. So they are also equally educated for getting into the illness prescribed by the doctor or wellness of their own.

Vivek Kumar: Sir, I got it, sir, but just clarification normally Tier 2, Tier 3 doctors have their own partnership with diagnostics. So that is why there's a conflict of -- so they get some money from there, right? So how are you able to bypass...

Mitesh Dave: We would not like to comment on...

Yash Mutha: No. And as a practice, if you see the prices at which we offer and the value, I don't think so there's a need for any of these kind of associations or practices. We rather focus on the quality of the space.

Moderator: The next question is from the line of Deepak Ajmera from IGE India.

Deepak Ajmera: Am I audible?

Moderator: Yes.

Deepak Ajmera: Yes. So on the Himachal Pradesh part, we have added 22 new locations over there. So what are our future plans and revenue guidance over there? And how are we going to execute in these new locations?

Yash Mutha: So currently, as I said, it's a new project giving us the revenue visibility for over a period of 10 years. Like we started with Himachal Pradesh, this additional 22 locations of totally 34 locations is what we will be serving.

Predominantly, we are discussing this to be an entirely cash business. And with regards to the revenue and investment, we'll be giving the details more in the coming quarters. There's still some discussions going on. So I'll be able to have more clarity in the coming days and then we'll update you. Maybe we can also discuss this offline as and when the information comes to us.

Deepak Ajmera: So beyond Rajasthan, how we going to grow in terms of revenue, if you can just highlight that?

Yash Mutha: Yes. So if you see from a growth perspective, the like-for-like business, our existing businesses that -- which were established in the previous years, the infrastructure that we have already in place, that will continue to grow.

Rajasthan is another engine that we've added in terms of the PPP projects that will further add to the existing base. On top of it, the Himachal Pradesh additional centers

as well as there are some more PPP projects in pipeline, which we envisage which should materialize in the coming quarters will also give us an additional engine of growth.

Then there is a third engine, which is the retail business that we've started expanding and that is also showing encouraging results. And we're also launching some innovative products. Like I mentioned earlier, we'll be announcing some new products in the market very soon, which is a blend of diagnostics and some financial protection. So there are these multiple levers, which, in our opinion, should give us a directional growth. And continue the journey upwards.

Deepak Ajmera: Okay. And on the margin front, you said the operational efficiency going to kick in, in Rajasthan. So could you please highlight the margins we're going to enjoy this year?

Yash Mutha: Yes. So from a margin perspective, as I said, we -- once the Rajasthan operation normalizes in terms of the maturity of the operation, we expect the margins to come back to double digits at the end of the year as a whole.

Deepak Ajmera: And on the retail front, we have achieved INR19 crores, INR20 crores kind of a quarterly run rate. How do you see this going forward?

Mitesh Dave: Mitesh this side. So well, it's an emerging business, and it's -- I should still say that it's just scratching up the surfaces. So by the end of this financial year, we are hoping to go exponentially high with the current run rate.

So -- and it's quite encouraging the overall results of the feedback that we are getting it from the market, be it the patients or the doctors and all the differentiators that we have plugged in our system while we were going through the -- going to launch the RPL a year before.

Moderator: The next question is from the line of Rajat from Tata Mutual Fund.

Rajat: Am I audible?

Yash Mutha: Yes, you are audible, Rajat.

Rajat: Yash, just one observation I have is that if I see your employee expenses, right, for the quarter, despite the starting of Rajasthan tender, right, the employee cost seems to be flat both on a Y-o-Y basis as well as on a quarter-on-quarter basis. I don't know if you have answered this before, but I joined the call a little late.

Yash Mutha: No, no. So Rajat, in terms of the employee cost, what has happened is most of the employees what even our CFO mentioned earlier, we came in mostly towards the end

of Q1. And some of the employees are also as part of the partners or the business associates with whom we work, which gets captured under the fees to hospital.

And importantly, as management also, we have done some rationalization of the manpower cost, considering, as I said, multiple ways to ensure that we continue to be driving up our margins upwards. So this is how you see. And whilst on a percentage basis, because it's a percentage of revenue, it sees as a lower percentage. But in terms of absolute, there has been an increase. But still, we've been able to control the expense not to have a very major impact on the financial statements.

Rajat: So going forward, Yash, let's say, next 2 to 3 quarters, do you think employee expenses will be in the similar range? Or as the project ramps up, we'll need to hire more people or the hiring is already done is what I'm trying to understand.

Yash Mutha: No, there will be some hiring because as I said, some of the labs are still yet to be operationalized, but we will be in tandem with the revenue growth as well. Like the revenue doubles up, I don't think so the impact of the manpower will be significant in the coming quarters.

Moderator: The next question is from the line of Pooja from InCred Asset Management.

Pooja Sanghvi: I was just asking that can you give any guidance on the recovery in the Himachal and Karnataka would it be by the end of Q3 or Q4 or...

Yash Mutha: . So Pooja on the recovery side, as I said, with Himachal Pradesh, we've already received communication where certain funds have been allocated and that money has already started flowing in. Karnataka, the conversations are going on. there have been various representations. And along with the recent change in the ministry as well, there has been some delay from a procedure perspective, but we expect money to be collected by Q2.

So apart from if you see HP, Karnataka and a bit of Maharashtra, all other projects are on track in terms of receiving except for these 3 states where the teams are working ferociously to recover the money that is due from the government.

Pooja Sanghvi: Okay. Got it, sir. And sir, retail sales is still 8%. So do we expect the mix to improve going forward?

Yash Mutha: Could you repeat the question, please?

Pooja Sanghvi: The retail as a percentage of sales is 8%. But going forward, do we expect it to improve, like the mix to improve going forward?

Mitesh Dave: Mitesh this side. Absolutely, and that's where we are working towards because what all network which has already been laid out into the market space as well as the network which is ongoing and the network which we will going to further laying out into the market.

Our contribution what we are looking to target this financial year is to be in the range of 10% to 15%. And going forward, it's further continue to add up to the overall contribution.

Moderator: The next question is from the line of Surya Narayan Patra from PhillipCapital.

Surya Narayan Patra: So on the CGHS front, this quarter, we have seen industry peers getting benefited out of it. And possibly for us, it should be a kind of sizable one. Any benefit of that we have seen, sir?

Yash Mutha: No. So Surya, the CGHS rates that has been more on the hospital side. Since our rates are contractually as per the tender rate, we don't see it immediately in the current tenders. But the forthcoming tenders still will be benchmarked to the new rates, that is how -- there might be a possibility of getting the upside, but not for the current business.

Surya Narayan Patra: And just one clarification about the volume growth in fact, while we have seen RPL seeing a kind of robust volume growth, but if we adjust that RPL's volume growth from the reported overall growth, then it looks it is a flat performance for us. So what is impacting whether it is the kind of the effort that you have been following in the last couple of quarters to monetize your receivables, whether those efforts continuing and impacting the volume? Or how should one think this number performance in terms of the volumes?

Mitesh Dave: Mitesh this side. So if you see RPL is a business which has been diversified and has been operationalized to complement the existing PPP. If you see the overall volume growth, it is both ways, be it is RPL showing higher because of the lower base currently we are having and PPP as an overall business, wherein the base is huge and large and where it is growing at an pace where it is with the adding of the Rajasthan and the MRI are driving the major ones.

However, with the existing other businesses, if you see the volumes, volumes are in line with what it should be and adding up to our predefined rates with the government proportionately the values are growing.

Surya Narayan Patra: Okay. So here, we should not map the industry volume growth to Krsnaa's PPP contract volume growth, sir?

Yash Mutha: No. So, Surya, if you see from a volume growth perspective, as I said, in the PPP, the ramp-up sometimes happens exponentially, right, because these are underserved areas. So the volume growth would not necessarily be in the same the way industry moves. Our business model is differentiated. Our presence is in different locations compared to what the peers would have been.

So I wouldn't say it's an apple-to-apple comparison. Yes, but from a direction perspective, both retail and on the PPP side, volumes have grown and they continue to grow. And that also is reflected in both from a revenue perspective. Like what Mitesh also mentioned earlier in terms of the retail, we are seeing a huge uptick in the acceptance and people have started accepting retail wellness packages, illness packages. And similarly on the PPP side with Rajasthan and other the radiology projects, the volumes continue to grow.

Moderator: Thank you. Ladies and gentlemen, due to time constraints that was last question. I would now like to hand the conference over to the management for closing comments.

Yash Mutha: Thank you. Sumit, I hope we've been able to address all your questions today. If there are any queries that remain unanswered or if you require any further information, please feel free to reach out to our Investor Relations teams, and we'll be happy to assist. Thank you once again for joining us today and for your continued interest and support in Krsnaa Diagnostics. We look forward to speaking with you again in the next quarter. Thank you.

Moderator: Thank you. On behalf of Equirus Securities Private Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.