CHANDAN HEALTHCARE LIMITED

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Date: August 20, 2026

To,
National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor, Bandra-Kurla Complex,
Bandra (E), Mumbai – 400051.

Sub: Submission of Transcript of Q1 FY27 Earnings Conference Call

Trading Symbol: CHANDAN
ISIN: INE0B2N01016

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the transcript of the Company's Q1 FY27 Earnings Conference Call held on August 18, 2026.

The transcript is enclosed herewith and is also available on the Company's website.

This is for your information and record.

Yours sincerely,
For Chandan Healthcare Limited

RAJEEV NAIN
Digitally signed by RAJEEV NAIN
Date: 2026.08.20 16:17:02 +05'30'

Rajeev Kumar Nain
Company Secretary & Compliance Officer

"Chandan Healthcare Limited

Q1 FY27 Results Conference Call"

August 18, 2026

MANAGEMENT: **DR. AMAR SINGH –CHAIRMAN AND MANAGING DIRECTOR –CHANDAN HEALTHCARE LIMITED**
MR. RAJEEV NAIN–CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY – CHANDAN HEALTHCARE LIMITED

MODERATOR: **MR. PARTH ACHARYA –KIRIN ADVISORS PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Q1 FY27 Results Conference Call of Chandan Healthcare Limited. 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 this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Parth from Kirin Advisors. Thank you and over to you, sir.

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

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

Amar Singh: Thank you. Good afternoon, everyone. I am Dr. Amar Singh. On behalf of Chandan Healthcare Limited, I welcome all of you to our Quarter 1 FY27 earnings conference call. Thank you for taking the time to join us today. Before I discuss the quarter, I would like to briefly introduce Chandan Healthcare, established in 2003.

We are one of India's leading diagnostic and healthcare service providers and a key entity of the Chandan Group. Over the years, we have built a growing diagnostic platform offering a comprehensive range of pathology as well as radiology services through our network of owned and franchise centers across multiple geographies all over India. And coming to our performance for the quarter, we delivered healthy growth across key financial and operating parameters.

The quarter was characterized by continued expansion of our diagnostic network, healthy growth across our business verticals, and steady progress across our partnership-led initiatives. Our network expansion gained significant momentum during the quarter. We have already added 134 franchise centers during the quarter, taking our franchise network up to 264 centers.

And in addition, we added one comprehensive diagnostic center, which is dealing with all type of diagnostic services under one roof that includes pathology, radiology, and other services, and 2 diagnostic centers that deals with pathology lab services and radiology services, and 3 standalone laboratories doing only laboratory work, pathology work.

With these additions, our overall network has already reached 327 centers, and that includes franchise centers also. Our franchise network continues to scale well, enabling us to extend our reach in capital-efficient manner. We are working towards building a network of 1,000 franchise centers in this financial year as we progressively deepen our presence across existing and new markets. We are exploring new markets also.

And from a business mix perspective, we witnessed healthy growth across all major verticals during the quarter. Our B2B business has grown by 94% year-on-year. Government, that is B2G business, that has grown by 22%, and B2C, it is comprising of referrals from the doctors and online business, and it has grown by 20%. Patient volumes also continued to expand. General referral and online patient volumes grew by 29% year-on-year.

Corporate volumes increased by 24%, while government patient volumes grew by 14%. The broad-based nature of this group reflects the increasing scale and reach of our network across customer segment. Preventive health checkup has also grown by 29% this year. And preventive health checkup program is focused in Tier 2 and Tier 3 markets. We are focusing more in Tier 2 and Tier 3 markets in this year.

In Quarter 2, the coming quarter, we further expanded our geographical presence. We commenced our first diagnostic operation in Gujarat also through our Vadodara center. And it is offering pathology and multiple diagnostic services. We have already built a network of 375 franchises till date.

We also strengthened our presence in New Delhi through our acquisition of Nishkam Imaging Center in Yamuna Vihar. This center we have acquired in the month of April, further enhancing our radiology and pathology capabilities in the region. Now we have 2 centers in Delhi. Our partnership-led expansion also continues to progress well.

The rollout of diagnostic services across Jeena Sikho hospitals and clinics, it is advancing, and we intend to progressively expand our presence across additional partners' facilities. We are exploring more and more partners in future also, and few partners we have already added in this quarter also.

More recently, in August, we announced the divestment of our entire 53.56% shareholding in Chandan Pharmacy Limited for a consideration of approximately INR16.77 crores. And this transaction is aligned with our strategy of sharpening our focus on the higher margin diagnostic business.

It will simplify our business structure and allow greater management attention and capital to be directed towards expanding our diagnostic network, which has more bigger margins, adding capacity and improving utilization across our existing infrastructure.

The proceeds are proposed to be redeployed towards higher return diagnostic assets and network expansion all over India, further strengthening the growth profile of our core diagnostic operations.

This is our primary aim for divestment of entire stake of pharmacy business. And because it is a trading business and it has no future because it has a very low margin, that's why we have divested all the shares and now we will utilize this money for future expansions.

Looking ahead, our priorities remain very clear. We will continue accelerating the franchise rollout towards our 1,000 center ambition in this year. Although in previous meetings, I have told 1,000 franchises in 3 years, but now we will have 1,000 franchises in this year itself. And it is expanding our own diagnostic network in attractive markets, new markets, scaling partnership-led opportunities, and strengthening our B2G business also.

We are already working on 8 comprehensive diagnostic centers in this year, which will start in next 3 to 4 months. They are nearly complete, and one by one we will start, and in next 3 to 4 months all the 8 comprehensive diagnostic centers will be operational. Together with comprehensive diagnostic centers, we are in process to open more than 6 diagnostic centers. These centers will have lab and radiology work.

And our very special genome lab is slated to open in next 6 months at Lucknow, Jankipuram area. And we are also going to start 2 PET scan machines at Kanpur and Gorakhpur, and these machines will start in next 2 to 3 months. At the same time, we will remain disciplined in capital allocation with an increasing focus on deploying resources towards higher return diagnostic assets and driving better utilization across our network.

Our objective is to build a wider, more accessible, and integrated diagnostic platform through a balanced mix of owned centers, these are company-owned centers, franchise centers, and institutional partnerships. We believe the combination of network expansion, improving business mix, and a sharper strategic focus on diagnostics provides us with a strong foundation for sustainable growth over the coming years.

We currently operate in 15 states. We have already covered 15 states and planning to cover three more states. And we are working with 2 central referral labs, one at Lucknow in UP and another is Haldwani at Uttarakhand, 23 comprehensive diagnostic centers giving all type of services under one roof, and 18 diagnostic centers covering pathology and radiology services.

24 standalone labs having pathology services only, we are working with 24 standalone labs also. And we are having 15 radiology centers. And at the moment, 325 plus franchise have already been added in last 4 months.

We have started massive geographical and partnership-led expansion. We have successfully penetrated high-growth metro and regional markets. As we step forward, our strategy is very clear and it is aggressive yet deeply disciplined.

Moving into the next quarter, our growth will be based on 3 core pillars. We are concentrating on these 3 things. The one is, 'One District One Lab'. We are executing a focused blueprint to establish one district one lab across the entire Uttar Pradesh and Uttarakhand first within the next 2 years, and thereafter we will cover other states also.

And the second thing is exponential franchise scaling. We have set a very clear target to scale up to 1,000 franchise in this financial year and 3,000 franchise in next 2 years. And digital and preventive healthcare transformation, because we have started from this year, we have started online home collection business and online business also, and it is taking off very good.

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

And now I will hand over the proceedings to our CFO. He will give you the detailed financial results for Quarter 1 2026-2027. And thank you all again.

Rajiv Nain: Thank you, sir. Thank you very much. So, good afternoon, everyone. Now before moving to Q&A, I will quickly go through the financials for this quarter. As explained by sir, we have done a great expansion of late, so as a result of that, we have registered a very good growth in terms of sales and margins also in this quarter. And we have started financial year 2026-2027 with a great momentum.

So, this quarter we have registered a sales of INR82.26 crores, consolidated sales of INR82.26 crores, with a growth of 19.62% year-on-year. EBITDA stood at INR20.98 crores this quarter, with a growth of 42.27%, and this EBITDA has registered upside of 4.6 basis point with a margin of 25.51%.

PAT remained at INR7.5 crores this quarter, with a increase of 29% as compared to last year. PAT margin stood at 9.11% with a increase of 17 basis point as compared to last year. I'll quickly share the standalone results also, financials also. In standalone diagnostics, we have done top-line revenue of INR49.75 crores, and this is a 35.85% growth as compared to last year.

EBITDA of standalone diagnostics stood at INR18.19 crores, with a growth of 47.36% as compared to last year. EBITDA margin was 36.57% with a growth of 285 basis point. PAT stood at INR6.7 crores with a margin of 13.48%. In standalone, the contribution of segment was -- B2C was 38% out of total sales, B2B was 32%, and B2G was 30%. If I talk about vertical-wise, pathology did 74% out of total sales, and rest 25.86% was done by radiology.

So now I hand over to Parth for the Q&A.

Moderator: Thank you. The first question is from the line of Priyanshu Jain from GrowthX Infinity. Please go ahead.

Priyanshu Jain: Hi. Am I audible?

Amar Singh: Yes, sir. Welcome, sir.

Priyanshu Jain: Hi, Amar sir. Hi, Rajiv ji. Congratulations on a good set of results, especially on the diagnostic side. And really appreciate the move you have taken for the divestment from the trading business. I think that may just about to call it in this call or through Rajiv ji only, but only after that the decision came. Really appreciate that.

And I have few questions. So first will be on the radiology and the pathology side business. Sir, like in this quarter we have done somewhere 75% and 25%. Going forward, how we are planning to maintain the revenue mix or it will be 50-50 or like again on the pathology will be a much higher in terms of revenue mix?

Amar Singh: Yes, sir. Actually, sir, as far as margins are concerned, more or less both the division have equal margins. But still, because B2C market is basically radiology part is more and B2B market pathology part is more. And when we get any government contract for radiology part, then radiology part will increase. So it will not make much difference whether our pathology will remain 75% and radiology 25%, it will hardly make a big difference.

But still, we are concentrating more on B2C segment, so that cash business should raise. That is the our main aim. Whether it is radiology or pathology, but the mix may be 75-25 and it may be different from here on, but we will concentrate more on B2C market and B2B market rather than B2G. And that is our primary aim.

Priyanshu Jain: Great. So, on the balance sheet side, so what is the total cash as of today, if you can tell, and what is the capex for this entire year which our comprehensive diagnostic centers and other us business verticals which we are doing?

Amar Singh: Sir, regarding the capex side, we have already acquired one center in the month of April. And most of the centers which are under construction at the moment, we have already invested most of the money till date. And in next four to five months, we will open all the comprehensive centers and our labs. So major part of the investment we have already done, but still there is a space for nearly INR10 crores plus, we will invest in this financially more.

And that will be from our internal accrual, and if we require anything, we can go for debt also. We don't have any reservation and we can go for debt also if we need. But we will complete all the expansion plan for this year, and which has eight comprehensive centers and more than five-six labs, and we are going to have two PET scans and one genome lab, that is all -- we will complete all the expansion plan before December this year.

Priyanshu Jain: Great, sir. So, on the government side business because which we got from Assam, Punjab, how we are getting the traction over there as of today. If you look at it a little bit...

Amar Singh: Yes, we have 12 radiology centers in Punjab and one in Haryana. They haven't yet provided us with space for Haryana, so no work has been done on that yet. However, we have secured eight of the twelve spaces in Punjab. So, we've secured these eight spaces, and we'll have all our centers operational within the next two to three months. And the Guwahati center, that will also -- we are going to start few radiological services in this month, and rest of the services we will start in next three months.

So, Guwahati project will be completed in next three months and eight diagnostic -- eight radiology centers in Punjab will be started in next three months. And few centers will take some time because government has not provided us space for that. And they are trying to give us space, and probably before December, we will get all the spaces and then we can start these four or five places also.

So, everything is online, and all the centers will be operational in this financial year. Even all the government projects also will start in this financial year. And what we are doing, eight comprehensive centers, these are company-owned centers, all these eight centers will be started in next three months. This will definitely give us a big boost because these comprehensive centers immediately starts giving results.

Priyanshu Jain: Right, sir. Great, sir. So lastly on the franchise business, as we are very bullish on this business for this year because you've set us. The target is set a bit further out, but we have planned the franchise business for this very year -- specifically regarding the 1,000 franchises and the partnerships involved. Could you please shed some light on that?

Amar Singh: Actually, if you were present in our last few meetings, we decided to have 1,000 franchises in three years. But we are getting very good response from the public. And even in last month, we have crossed 102 franchise in a month. And this year also -- this month also we will cross more than 100. So, this year, we will definitely cross 1,000, then we have reduced our duration of our target. So, this year, we will have more than 1,000.

Still, we have taken a target of 3,000 in three years, but I am very hopeful to complete this target within two years. We are very bullish in franchise, very bullish. Because now people are accepting us, and more and more people are coming and taking franchise and it is very encouraging. And in four or five states we have already entered and in next two-three years, we will have franchise all over India. And we are very bullish. And whatever target we will set, definitely we will complete before time.

Priyanshu Jain: Great, sir. Could you shed some more light on this -- for instance, regarding the franchise business where we don't have any capex? If someone wants to take up your franchise, what would the revenue mix look like? Also, do we have to pay any kind of fee? I recall attending the last call and noting a few points, so if you could just clarify that...

Amar Singh: Yes. Most of the time, I tell you, these are the phlebotomists. They are working in some other labs and they want to start their own business because they have some connections in the locality and they have some family relationships. What is happening, they take the franchise and they pay us some advance, which is INR25,000 plus, because whatever samples they will provide us, basically, we always take money first and then it is reduced from the advance money. So, our capex is zero.

Rather we get some money before the start of any franchise. The success part of this is we are contacting the phlebotomists. They are working in other labs and they want to start their own business. And in last four months, we are having few franchise which are having a business of INR4 lakhs plus. That simply means, these phlebotomists are earning more than a lakh a month. And we are very hopeful, and we will definitely go this franchise business all over India and we are getting very good result also.

Because the only reason is we are putting one lab one district. That simply means our samples will come to our main lab and we can report in a very timely manner. And that is the plus point people are contacting us and taking franchise. But our capex is our capex is zero in this case. We don't have to invest anything. These franchise holders are investing everything, and rather they pay us some advance money so that they can start the giving samples.

Priyanshu Jain: And sir what is the…

Rajeev Nain: Margin we share maximum 50%

Priyanshu Jain: Sorry.

Rajeev Nain: Margin. As you asked about the margin, we share maximum 50%.

Amar Singh: Okay. It varies from 30% to 50% in the hands of franchise owner, and we get 50% to 80%. Most of the time it is 50% plus. And our basically consumable part in this is 15%. So, if we get 50%, 35% of the MRP we get the margins. Just because we are getting 50%, that simply means we are having more than 60% margins in franchise business.

Priyanshu Jain: Okay. And so, after paying you INR25,000, what is the capex otherwise they have to do anything apart from this or like that INR25,000 is there, and then you have to like make sure that you provide certain things to those owners?

Amar Singh: We don't provide, we just give some branding materials and we just support them for marketing. Our marketing team support, but most of the time they are working their own. Because they are working in their vicinity and collecting the samples from their own relationship, previous relationship, because they are working in the area where they are already working. So, getting a sample of INR1 lakh to INR2 lakhs in a month is a very easy job.

And moreover, our marketing team supports them to get the health checkups and suppose that if we are having online or through our telecaller any business in the vicinity of franchise owner, we transfer the registration to franchise owner, so that they are also benefited through our online business and telecalling business, as well as our marketing team also supports them and they provide some material also, so that they can go and meet the doctors and get the samples from them.

Priyanshu Jain: Great, sir. I have few more questions, but I will join back at the queue. Thank you. Thank you. All the best.

Amar Singh: Sure. Thank you, sir.

Moderator: Thank you. The next question is from the line of Taher Hyderabadwala from GrowBiz Fund. Please go ahead.

Taher Hyderabadwala: Hi, sir. Thank you for the opportunity. Sir, I have just set of questions. First on the guidance side. We have earlier guided around 30%-35% kind of growth on consolidated level including both diagnostic and pharmacy business. But we see that we have already discontinued, I mean, divested the pharmacy segment. So what kind of growth will you be targeting for next two to three years? Would INR350 crores of revenue by FY28 still be achievable or anything on that front?

Amar Singh: The way we are expanding our business, I'm expecting more than 50% year-to-year growth for next three years at the moment. Whatever plans we are having and the way we are expanding whole of the India, 50% will be a very achievable figure for next three years, top line.

As far as profitability is concerned, you will get quarter-to-quarter growth, but it is difficult to explain at the moment how much EBITDA will be there, but quarter-to-quarter basis you can see there will be a growth in EBITDA also. But top-line growth will definitely be more than 50% for next three years. It is a definite because we have already expanded in this manner.

Taher Hyderabadwala: And this will be under standalone basis only the diagnostic segment will grow around 50% plus for the next three to four years?

Amar Singh: Yes. That is the reason, we have divested this pharmacy business because we want to focus on diagnostic business and that is running very well. And we have already -- you are seeing in the last six months or so, we are expanded from 3 states to 15 states. And all these expenses all these expansions will give us result for next three years not less than 50% on top line. That is a definite case.

Taher Hyderabadwala: Okay, sir. And second, sir, I wanted to just get a modeling inputs for the unit economics level for like per lab revenue, per radiology center revenue, per comprehensive center revenue, and per pathology center revenue which we are generating currently?

Amar Singh: Although it varies from different-to-different centers and different to different places and age of the center, but whenever -- I will tell you three types of centers we are working for three types of centers. One is comprehensive centers. Normally what we are seeing basically within six months or so, during the last three-four centers what we have seen, within six months to one year we cross the break-even. And the mature centers usually crosses INR10 crores a year. This is the story of last one year. And in case of lab...

Taher Hyderabadwala: INR10 crores per center?

Amar Singh: Yes. In case of lab, the basically lab business will grow with the franchise business. Because footfall in case of standalone lab is not much. But of course we are getting government businesses, corporate businesses, that definitely and Jeena Sikho also at some places. But lab business grows with the number of franchise. And comprehensive diagnostic center grows with the referral business as well as franchise also. So, when we go for lab, it varies from INR1 crores to INR3 crores in a year. Because it is not a constant for every lab.

It all depends how many franchise are in available in that vicinity. And that is going -- that is increasing every day. So it will be very clear in future how much a lab can cater in a month or in a year. But the capacity of a lab is more than INR10 crores a year as far as capacity is concerned. But it all depends how many franchise are in that vicinity.

Taher Hyderabadwala: Okay, sir. Thank you. I'll get back into queue if I have anything. Thank you.

Amar Singh: Thank you, sir. Thank you.

Moderator: Thank you. The next question is from the line of Vivek Gupta from Advent Consulting. Please go ahead.

Vivek Gupta: Good afternoon, sir.

Amar Singh: Good afternoon.

Vivek Gupta: This is taking forward the previous question. You mentioned that a lab has a capacity of INR10 crores.

Amar Singh: Yes, yes. Lab has unlimited capacity because whenever we want, we can increase the number of machines, and it has no limit actually. But it all depends you can collect the samples in a vicinity only otherwise your reports will be delayed. And in the vicinity how many franchise we are having, that will give the result how much business we can do.

But the capacity is unlimited definitely. Because we can increase the number of machines and we can do any number of test. But the only question is in that vicinity how much samples we are getting.

Vivek Gupta: Right. So currently what is the average revenue per lab?

Amar Singh: Because previously we were having only comprehensive diagnostic centers. In the last one year, we have started we have started installing our lab business just because initially for Jeena Sikho purpose, and now for franchise purpose. So many labs are doing INR6 lakhs to INR7 lakhs in a month, many labs are doing INR20 lakhs in a month.

So, the age is not much because we have started installing labs in last one year. And every month we are putting more than one or two labs. And in the future it will be very clear, how much samples a lab can cater in a month or in a year.

Vivek Gupta: And what is the break-even level of sales at PAT level for the lab?

Amar Singh: Usually in case of lab we get the break-even within three to four months because of the moment we put the lab we start giving the franchise and most of the most of the places we are having Jeena Sikho work also and that work basically making us EBITDA positive from the very first one or two months.

Basically, it is a strategic expansion because we are having a confirmed work from the Jeena Sikho and then we go for NABL certifications and start getting corporate work and then we go for franchise allotments then we start getting work from franchise. So as far as basically EBITDA positive is concerned, it is a matter of three to four months in case of labs at the moment.

Vivek Gupta: But my question was on the PAT level, sir. On the PAT level how much time it takes to break-even, become PAT positive?

Amar Singh: Basically, you cannot take the PAT level in case of individual units. You can you can think about the EBITDA positivity in case of individual unit because we are having more than 260 units. So we are not maintaining the each and every unit for net profit at net profit level. Because that we take consolidation in a consolidation manner.

Vivek Gupta: No, but you must be having a unit level operating, it's not the data. I'm saying that how much revenue should be there to break-even at the PAT level for one center. I'm not asking how much what they are performing.

Amar Singh: Okay. Okay. In case of comprehensive center, it is INR30 lakhs a month. And in case of individual labs, it is INR3 lakhs a month.

Vivek Gupta: Okay. Okay. So, then it is break-breaking even at the PAT level also within three-four months, that means.

Amar Singh: Yes. Yes. Yes. And it is all because of Jeena Sikho and our franchise business.

Vivek Gupta: Okay. Are there any centers which are not performing and how do you remove these centers or what is the process?

Amar Singh: We have never closed even a single center since last 25 years. Never. Because that situation never comes. Usually, sir, sir usually we go for lease for 20 years. Whenever we go anywhere, we go for 20 years lease. Because we know we will never close the centers.

Vivek Gupta: Okay. Okay. That's very good, sir. But any guidance you'll give on the company-wide level of sales, like you mentioned 50% growth every year for the next three years.

Amar Singh: Yes. That is the definite case because...

Vivek Gupta: Yes, sorry, sir.

Amar Singh: Basically, the expansion which we have done and we are planning to do in next two years, that will give us more than 50% top-line growth for next three years. And as far as PAT is concerned, you will see quarter-to-quarter growth.

Vivek Gupta: Okay. So, and by when do you expect to reach about 40% EBITDA at company level?

Amar Singh: 40% EBITDA very soon. Because Rajiv, at the moment how much diagnostic EBITDA at the moment? It is more than 36%. It is already 36%. We will reach 40% very soon. Maybe in few months.

Vivek Gupta: In a few months. Okay, sir. That was about it. For remaining questions I'll come in queue again.

Amar Singh: Okay. Thank you, sir.

Moderator: Thank you. The next question is from the line of Manish Kela from Swastik Investments. Please go ahead. Mr. Manish, your line has been unmuted. Please go ahead with the question.

Manish Kela: Yes. Hi. Thanks for taking up my question. So, sir, what would be our receivable days in the B2B and B2G segment?

Amar Singh: In case of B2G, few contracts have only one to two months and most of the time it is four months on an average B2G. And B2B is one to two months. B2G normally if you see the average, sometimes we get all the payment and two months receivable remains and sometimes we get the payment after six months.

On an average you can you can presume it is four months in case of B2G. And in case of B2B it is one to two months. We get we get it very soon. Because most of the B2B is insurance companies and other corporates.

Manish Kela: Have we seen any concerns with respect to monies getting stuck in the case of B2B business, has it gone for has it converted into a bad debt or something like that?

Amar Singh: No, no. Nothing. There may be some there may be some disallowance factor, but that is a very small. That is very small amount. But there is no bad debt in in general. Not even in B2G. In case of B2G

Manish Kela: Bad debt because it is government, right, so there will be delays but…

Amar Singh: Yes, delay is there, but usually they clear all the test within a month. The moment our monthly bills are presented, they clear all the bills, but the payment we get on an average in four months. But there is no loss of any money in case of B2G or B2B.

Manish Kela: Got it. And, sir, my other questions on the franchise business. I think congratulations for scaling up this business so quickly. So the franchises that we give out is what towards pharmacy or diagnostics or both?

Amar Singh: No, no. In case of pharmacy, we are not giving any franchise.

Manish Kela: Okay. It's only for the diagnostics business.

Amar Singh: It is for the diagnostic purpose only. And now we have divested the pharmacy business to our group company Chandan Hospital because it is synergy they this pharmacy business has some synergy with the hospital, but it has no synergy with the diagnostic business. And we just want to concentrate more on diagnostic business and we want to put all the money all the capitals in diagnostic business just because we have a EBITDA of 36% plus.

That is the reason we are concentrating more in diagnostic and expanding in we have already expanded in 15 states and in next year we will cover three more states and that in that case we will cover nearly all the states where we want to go.

Manish Kela: Got it. And, sir, what would be the franchise fees that we generate per franchise?

Amar Singh: For franchise actually, we just take a one initial money of INR25,000 to INR1 lakh. It depends person to person and place to place. And number two, we don't have to invest anything on this franchise and they have to invest on these franchise, they have to purchase the computer and few equipments and their investment is nearly INR1 lakh.

And out of that INR1 lakh, they give INR25,000 to our company and we just provide them some branding material, some pamphlets and marketing material. And whatever we get business in their vicinity from online business, we transfer the business to them honestly and so that they will survive and they will get the good profit also. And in the in this way we are giving the franchise. Our investment is not there anything.

Manish Kela: Yes, Yes. I understood and I think you highlighted that point earlier as well. So if I'm a franchise owner, are you saying that my maximum cost of setting up a franchise would be say somewhere around INR1 lakh? Okay. It won't be more than that, is it?

Amar Singh: Nearly INR1 lakh is good enough to start any franchise. And moreover, we prefer this franchise should be taken by the phlebotomist so that we don't have to train them much. Otherwise we will we train them for sample collection and everything. But we try to get the franchise to give the franchise to phlebotomist so that our job will be reduced and we just give the promotional material and marketing help.

Manish Kela: Yes, got it. And your share you said say is INR25,000, right?

Amar Singh: No, no. Our share is whatever test they transfer to our lab on MRP we take 50% at least. At least. It depends place to place, but minimum is 50% we get of MRP.

Manish Kela: Got it. And are there any other charges which say we would charge them on a yearly basis, so what would it be look what would it look like from the second year onwards?

Amar Singh: No. We don't even these INR25,000 is a advance money for doing the test. It's not any secure. We don't take any security. We just take advance money so that their payment should not be disturbed. The only thing is they will have to pay money in advance for doing the test, otherwise we don't take any money from the franchise owner. Nothing. We don't take anything.

Manish Kela: Got it. And would these franchise-owned diagnostic centers cover all the tests which come under pathology? Radiology I understand would not be possible.

Amar Singh: That is also possible. If they if they refer the radiology cases to our main center, they get the 50% or so. In case of radiology definitely they are getting less than 50%. They are getting only around 25% or so. But we have allowed them to send the radiology patients also. That is also there.

Manish Kela: No, my question was slightly different, sir. So my point my question was these franchises that you give out, right, because of the investment that you mentioned, I guess it is only pathology and not radiology. So please correct my understanding because radiology would involve significant investment.

Amar Singh: No, no. They are not investing in radiology. They just send the patient to our radiology centers. They don't have to they don't have to invest in pathology as well as radiology. They just have to collect the sample and transfer the sample to our lab. And in case of radiology, they just refer the patient to our lab our radiology centers.

Manish Kela: Got it. Got it. Now it makes sense. So, they don't open a open diagnostic center, it's more of a collection center.

Amar Singh: Yes, yes. It is a collection center, but all the investment belongs to franchise owner. We don't invest anything on franchise. We just take money in advance for doing the test. And then when that money is finished, we again take the money. Because whatever test they are sending to us, the money reduces from their advance money and when the money is finished, they will have to pay more in advance and then it continues.

So, neither we are putting any capital on franchise nor we are taking any money from franchise nor they have to invest in their lab or radiology part. They just collect the sample and send the samples to our lab and they can refer the patient who are having radiology test also, they can refer the patient to our radiology centers. So, we are doing mainly we are doing pathology work, but sometimes they are sending radiology work also.

Manish Kela: Understood. Understood with all the explanation that you gave now. Thank you so much, sir, again.

Amar Singh: Thank you, sir. Thank you.

Moderator: Thank you. The next question is from the line of Deepak Poddar from Sapphire Capital. Please go ahead.

Deepak Poddar: Am I audible, sir?

Amar Singh: Yes, sir. Welcome, sir.

Deepak Poddar: Yes. Thank you very much, sir, for this opportunity. Sir, just first up wanted to understand we have divested the pharmacy business, so when will its revenue stop accruing to to this company?

Amar Singh: From 1st September.

Deepak Poddar: From 1st September. Okay. Okay. So, so, now when we say 50% growth CAGR, so we are talking only about the diagnostic business, right?

Amar Singh: Yes. Yes. Yes.

Deepak Poddar: So, which was around let's say INR156 crores last year, so that we expect to grow by about 50% growth.

Amar Singh: Definitely. Definitely.

Deepak Poddar: Okay. And this quarter your pharmacy revenue was close to around INR32 crores, right?

Amar Singh: Yes. Yes.

Deepak Poddar: Okay. Okay. Understood. And regarding franchise, have we worked out any kind of calculation that what is the ROCE that the franchise are able to generate by this model of collection center, right? I mean they are I mean they are just collecting and giving it to you so that your volume increases, right? So your presence all over the India. So that might be your thought process, correct?

Amar Singh: Yes.

Deepak Poddar: So, what would be the return that these guys are able to generate?

Amar Singh: Yes, yes. We try to we try they should get at least between INR1 lakh to INR2 lakhs every month so that they should earn more than INR50,000. Because they are mostly phlebotomist and getting a salary between INR15,000 to INR20,000 a month. So we cooperate them to earn at least INR50,000 a month so that they should continue and survive and get the advantage of doing business on their own. That is our aim.

And we provide them promotional materials and marketing support and sometimes whatever we get through our online registrations we transfer them so that they should also earn at least INR50,000 a month. That is our primary aim. But sometimes they earn much more much more than that.

Deepak Poddar: INR1 lakh investment, they are able to earn INR50,000 per month.

Amar Singh: Yes, yes. And that is a one-time investment only. And that investment belongs to their only for computer and printers and that's all. And some shop renovation. They don't have to invest much.

Deepak Poddar: Correct. Correct. And all those client data that we get, so you then the reports you mail it mail it to them, how does the report gets back to the customer?

Amar Singh: Online. Online. The moment report is the moment report is done at our lab, immediately patient gets the message and patient can see the report.

Deepak Poddar: Okay. And so all the patients' data is in your database, I mean whatever patient comes through this franchise unit?

Amar Singh: Yes. They are registering the patient on their computer, but it is on in our database. It is directly connected with us. The moment they collect the sample, immediately we get the details.

Deepak Poddar: Okay. Okay. And and we are sharing 50% of revenue with the franchises, right?

Amar Singh: Sometimes 50%, sometimes less than 50%, but our aim is to get at least 50% from MRP. That is our aim. Sometimes we get more than that. It all depends suppose that we are putting we are getting more than INR5 lakhs business from any franchise, then we take 50%. If we are getting less work, then we can take 55%, 60%. It depends on the work volume.

But our aim is any franchise should get at least INR50,000 a month very soon so that this franchise should continue and they will continue to give the samples to our lab. That is our primary aim and that our marketing team supports them by giving promotional material and marketing and online registrations, all these through all these parameters we try to benefit them so that they can earn more than INR50,000. That is our primary aim.

Deepak Poddar: Correct. And on the margins, now you said 40% will reach in few months, right? Because now with pharmacy business going away, so your headline reported margin should be close to 40%, right? I mean...

Amar Singh: Yes, yes. It is already 36% in last quarter. And it will definitely increase.

Deepak Poddar: Okay. And plus, because your franchise revenue will have 60% margins, right?

Amar Singh: Yes, yes. More than 60%. And moreover we are not putting any capital in in fact. We are just giving some promotional material.

Deepak Poddar: Yes. No capital and there's no capital involved and just you are the consumables for testing might be that you mentioned is close to 15%, right?

Amar Singh: Yes. Yes. Exactly.

Deepak Poddar: So how would your revenue mix look like? I mean which is this quarter corporate was around 24%, 25%, general was around 38%, government 30%, franchise was 8%, right? So how should this mix look like over next one to two years?

Amar Singh: We are trying for more B2C business. You know this franchise business is a rather you can say it is a B2B business. We are trying to increase this business so that our margins should increase and number two, our capital will be saved. But besides this, we have to increase our comprehensive diagnostic centers also because it is a revenue generating centers and these are I tell you there are centers working for last 25 years and still giving us more than 10% yearly growth.

That simply means their growth is unending. And when we have our labs and comprehensive centers, because of these centers we can have more and more franchise. So there is if you talk about the revenue mix, nearly it depends how much government projects we are doing and how many franchise we are having. More or less we try to maintain one-third, one-third, one-third. That is our aim.

Deepak Poddar: So, one-third for franchise also? One-third for franchise?

Amar Singh: One-third for B2C. At the moment our B2C business is more than 40%, but we are comfortable if we are having 33% B2C, B2B, and B2G business. 33%, 33%, 33% will be okay for us. Because we don't want to increase our B2G business more than 40% in any case, otherwise receivable part will affect us.

Deepak Poddar: Correct. Correct. And just one last one more thing. We are planning to open 1,000 franchise, right, which is a big number. So ideally your...

Amar Singh: Already 375 we have done in last four months.

Deepak Poddar: So, so this 50%, isn't it a conservative number because currently the scale that we are, I mean in terms of our comprehensive units and all, so which is much smaller as compared to the number of franchise we are looking to open, right?

Amar Singh: Yes. I try to give conservative figure always.

Deepak Poddar: Okay. Okay. Okay. I Yes, that Yes, that would be it from my side. Yes. Yes. And just one last one more thing. I mean, so you said you already have 375 franchise, but this quarter our revenue growth was only 19%, 20%, right? So has the franchise not started giving you contribution?

Amar Singh: Yes. I just in fact in the first quarter we had nearly 175 and in the month of July we have crossed 102, this month we will cross 100. It is increasing day by day because you know it is it is a new business for us for the last four months. And moreover, we are also in talk with our UP government and UP government has taken us for their skill development program.

And very soon you will find UP government will promote us for franchise also. And things are getting prepared and it will be released in a month or two and that will create something enormous figure. But I cannot quote at the moment, but we are working on it.

Deepak Poddar: Okay. Okay. That would be from my side. Yes. Wish you all the best. Thank you.

Amar Singh: Thank you, sir. Thank you.

Moderator: Thank you. The next question is from the line of Achyut from Rockstar Equity Research. Please go ahead.

Achyut: Good afternoon, sir. I just want to understand is there any seasonality in your business as generally in pharma and health we will go every quarter, right, but when I see your result I am able to see there are some ups and down quarter-from-quarter. So I just wanted to understand is there any seasonality in business.

Amar Singh: Sir, actually I'm not getting your voice clearly. Can you repeat the question, sir?

Achyut: Sir, I am asking if there is any seasonality in your business. Like I am able to see few quarters, I mean the revenue is increasing and few quarters it is going decreasing, right, quarter-on-quarter. So I mean is this something like we should consider year-on-year or I mean I just wanted to know if there is any seasonality.

Amar Singh: Normally it is a seasonal business and few months give better results and few months give lesser results. But because we are expanding in a huge manner, that is the reason we will not be affected by the seasonal change of business.

Achyut: Okay, sir. Thank you.

Amar Singh: Thank you, sir.

Moderator: Thank you. The next question is from the line of Akshay, an individual investor. Please go ahead.

Akshay: Hello. Am I audible?

Amar Singh: Yes, sir. Yes, sir. Welcome, sir.

Akshay: Yes. Hi. First of all, congratulations for a great set of results.

Amar Singh: Thank you, sir.

Akshay: Most of my questions have been answered. Just few follow-up questions. Just again on the franchise business. Do we have any thought in mind or do we follow any kind of policy or something where how far this our franchise we can give or from our diagnostic centers, from our labs, just not to have overlap of customers. Is there anything we follow?

Amar Singh: Sir, we are expanding in whole India. And I believe we can have lakhs of franchise in next 10 years. There is a unlimited unorganized work that is there in whole of the country. And at the moment nearly 50% business belongs to organized pathology lab and rest of the 50% is unorganized business. And that we have to tap through our franchise business. I think you were asking about this or something else?

Akshay: No, my question is more towards I'm just trying to understand so with this franchise are we getting so let's say whatever new customers we are getting or whatever customer like let's say we are doing INR1 lakh of sale, INR1 lakh of collection. Now I want to understand whether is this the entire new INR1 lakh or this is something where it's more near to the customer and so they otherwise they would have anyway come to us directly.

Is it like a new market share we are getting or is it our own diagnostic otherwise they would have come but since it is just next week to them they have gone there and give it the sample to them.

Amar Singh: Okay. In this case our policy is actually now the time is changing fast. People don't want to travel more than few kilometers for getting the test done. And that is the reason wherever we are opening our centers, we don't give any franchise in the vicinity of three to five kilometers. But beyond three to five kilometers, we are not getting any work because patient doesn't want to go far more than three-four kilometers.

They just want all the facilities in their vicinity. And that work of franchise otherwise we will we won't get. We can get the work in the radius of five kilometer for our main centers. This is the reason we are going for franchise so that we can get the work from beyond five kilometer area. And it is not basically our centers' work is not disturbed because of franchise.

Akshay: Okay. Got it. Perfect, sir. Just one more question. So, for the for the movement of the samples, do they pay for it, do they have to provide the service, I mean do we also the service, how does it work?

Amar Singh: Sorry, sir. Please repeat.

Akshay: So, for the for the movement of samples from the sample collection center or from the franchise center to your labs, right, who this franchise owner...

Amar Singh: Yes, this franchise owner transfers the samples to our main lab most of the time. But if there is a if there is a hospital where we are getting lot of work, then we can use our employee. Otherwise most of the time it is franchise owner, he brings the samples to our center and we report online. There is no need to get the report physical reports from our center. He can print the report from their own unit and patient gets the report through online.

Akshay: And is it by employee of the franchise center who delivers to us?

Amar Singh: Basically, there is a cut-off time and after collecting all the samples, he transfers the samples to us. If there is any emergency, he transfers the sample immediately so that we can report immediately. It all depends what type of samples he that franchise owner is getting and that is increasing every day.

Akshay: Okay. So my question is mostly towards understanding when our whole scale goes to 1,000, 2,000, 3,000 franchise, so because then logistic movement will also be a bigger part. So, whether they'll be doing it...

Amar Singh: That belongs to franchise owner. That belongs to franchise owner. We don't have to, we don't have to invest on logistic part.

Akshay: Okay. Understood. Okay. Understood. Thank you.

Amar Singh: Thank you, sir. Thank you.

Moderator: Thank you. The next question is from the line of Gaurav from Abacus. Please go ahead.

Gaurav: Hello, sir.

Amar Singh: Welcome, sir.

Gaurav: Sir, I have a question related to the pharmacy business. I remember at one point of time you mentioned that your pharmacy business used to be your collection points for the pathology or the diagnostic. And now since that business has been divested, would those still be available for collection?

Amar Singh: Yes, yes. They are working as a franchise. Basically company-owned franchise they are working as a franchise and they are collecting the samples and giving to our diagnostic business. They are also still doing and in future also we have a contract with pharmacy they will give the all diagnostic business to Chandan Healthcare. That is continuing.

Gaurav: Okay. Okay. So second question is I remember that at one point of time you were telling about someone had a question about the franchise and you mentioned that Chandan Healthcare would never go into franchise business. And now since you are entering into, what changed and how is your business model different from others?

Amar Singh: Yes, yes. Actually at that time we were having a comprehensive diagnostic centers only. Because since last 25 years, our main concentration was having comprehensive diagnostic centers. And these centers are not in large numbers. If you don't have large number of labs, you cannot go for franchise business. And now we are having more than 160 labs, that is the more than 75 labs still we are having and in next three years we will have more than 155 labs.

That is the basic reason we are going for franchise business. At that time our business model was different, but things are changing at the moment and people have stopped coming from more than five kilometers away. And we are seeing if we want to grow and if we if we want a growth in our centers, the only possibility is getting the samples from distant area also. That is the reason we have adopted this franchise business.

Gaurav: Okay. All right, sir. That explains. Thank you.

Amar Singh: Thank you, sir. Thank you.

Moderator: Thank you. Ladies and gentlemen, in order to ensure that the management is able to address questions from all participants in the conference, please limit your questions to two per participant.

The next question is from the line of Priyanshu Jain from GrowthX Infinity. Please go ahead. Mr. Jain, your line has been unmuted. Please go ahead with your question. As there is no response, we'll move on to the next question.

Priyanshu Jain: Am I audible?

Amar Singh: Yes, yes. Audible, sir. Yes.

Moderator: Mr. Priyanshu, you can please go ahead with your question.

Priyanshu Jain: Yes. Just on a question on the Jeena Sikho side. I want to know like what is the traction which we are getting as we have planned for the like setup our...

Amar Singh: We are getting samples we are getting samples from their hospital in clinics. Nearly 80.00% centers we have already covered and rest of the 20.00% will be covered in next few months. And wherever they will open any hospital and clinic, this is our association and exclusive partnership and we will definitely put our lab inside the hospital and doing all the pathological job.

So, it is continuing in a very good manner and it is increasing month by month. Last month we have crossed INR1 crore 45 lakhs in a month. And it is increasing month by month. And we are having a very good relationship with Jeena Sikho and that will continue for years to come.

Priyanshu Jain: Yes, sir. So that's all. I just like the numbers as well. All the best for the future.

Amar Singh: Sorry, sir. Sorry.

Priyanshu Jain: That's all from his side.

Moderator: Thank you. The next question is from the line of Vivek Gupta from Advert Consulting. Please go ahead.

Vivek Gupta: So one follow-up question I had is what is the ownership of the Chandan brand?

Amar Singh: Ownership means what do you mean?

Vivek Gupta: Who owns which company owns the Chandan brand? Chandan Healthcare or there are other companies in the group?

Amar Singh: Actually since 2003, I was the founder of this Chandan Group and this Chandan name belongs to my father. He was Chandan Singh. And we created this group by starting a diagnostic center in Lucknow and since 2018 we have started hospital business and in the in between we started pharmacy business also. And basically, I was the founder promoter of this group and...

Vivek Gupta: You must have registered the brand, right? Chandan Diagnostics or Chandan...

Management: The brand is registered with the name of Chandan Healthcare itself. So legally Chandan Healthcare is owner.

Vivek Gupta: Healthcare is the owner of the brand. Okay.

Amar Singh: Yes, yes. Yes. I don't own the brand actually. Brand belongs to the company.

Vivek Gupta: Yes, sir. That was about it, sir. Thank you.

Amar Singh: Thank you, sir. Thank you.

Moderator: Thank you. The next question is from the line of Rohan Jain from Jain Bros & Investments. Please go ahead.

Rohan Jain: Hello. Am I audible?

Amar Singh: Yes, sir. Yes, sir. Welcome, sir.

Rohan Jain: Hi, sir. I just want to know, sir, what is the average revenue per franchise that you are generating right now?

Amar Singh: It is ranging from INR1 lakh to INR6 lakhs even. If you go through after three months' business, it is ranging from INR1 lakh to INR6 lakhs at the moment. Because we started this business in four months back and it is increasing every day.

And whenever we whenever we go for any contract with franchise, franchise owner gives us some advance and they start renovating their shop and starting the business in a month or so and then we start doing the business. Because it is a new business and every day, we are putting three or four franchise, new franchise, and business is increasing with each passing day.

Rohan Jain: And regarding the PAT margin, how much is it contributing to PAT? If we are generating ₹1 lakh in revenue from the franchise, how much of that would contribute to PAT?

Amar Singh: In case of franchise, we are having a margin of nearly 65% on an average.

Rohan Jain: Okay, sir. So, we can expect like a 65% margin on a franchise business.

Amar Singh: Sorry, sir.

Rohan Jain: No, sir. I you answered my question. I just wanted to know the margins, sir, because we are bullish on the franchise model, sir, so a very large percent of our PAT can come from franchise model, sir, with the 65%.

Amar Singh: Yes, yes.

Rohan Jain: Thank you so much, sir.

Amar Singh: Thank you.

Moderator: Thank you. As there are no further questions from the participants, I would like to hand over the conference to Mr. Parth for closing comments.

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

Amar Singh: Thank you, sir. Thank you.

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

Amar Singh: Thank you, sir.