Date: November 07, 2026
Ref. No.: KDL/SE/069/2026-27

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 and half year ended September 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 Tuesday, November 03, 2026 at 12:30 Hrs. (IST) to discuss the Unaudited (Standalone and Consolidated) Financial Results for the quarter and half year ended September 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: 2026.11.07 18:59:03 +05'30'

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

“Krsnaa Diagnostics Limited

Q2 & H1 FY27 Earnings Conference Call”

November 03, 2026

MANAGEMENT: **MR. RAJENDRA MUTHA – CHAIRMAN AND WHOLE TIME DIRECTOR – KRSNAA DIAGNOSTICS LIMITED**
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
MR. SUJOY BOSE – HEAD SECRETARIAL LEGAL AND COMPLIANCE – KRSNAA DIAGNOSTICS LIMITED

MODERATOR: **MS. SHRUTI VASANI – STELLAR INVESTOR RELATIONS**

Moderator: Ladies and gentlemen, good day and welcome to Q2 and H1 FY27 Earnings Conference Call of Krsnaa Diagnostics. 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 touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Shruti from Stellar Investor Relations. Thank you, and over to you, Ms. Shruti.

Shruti Vasani: Thank you. Good afternoon, everyone and thank you for joining us today for the Q2 and H1 FY27 Earnings call. We have with us the senior management team of Krsnaa Diagnostics Limited represented by Mr. Rajendra Mutha, Chairman and Whole-Time Director; Mr. Yash Mutha, Managing Director; Mr. Mitesh Dave, Group Chief Executive Officer; Mr. Chandra Prakash, Interim Chief Financial Officer and Mr. Sujoy Bose, Head, Secretarial, Legal and Compliance.

The management will be sharing the key operating and financial highlights for the quarter and half year ended September 30, 2026, followed by a question-and-answer session. Before we proceed with this call, I would like to mention that some of the statements made in today's call may be forward-looking in nature and may involve risks and uncertainties.

The company also undertakes no obligation to update any forward-looking statements to reflect developments that occur after the statement is made. Documents relating to the company's financial performance, including the investor presentation have been uploaded on the stock exchanges and the company's website. Trust you have been able to go through the same. With this, I now hand over the call to Mr. Yash. Thank you, and over to you, sir.

Yash Mutha: Thank you, Shruti. Good afternoon, everyone, and thank you for joining us today. I would like to begin with an important milestone in Krsnaa's journey. For the first time, Krsnaa Diagnostics has crossed INR500 crores in revenue in the last 6 months, achieving INR507 crores in H1 FY '27.

Despite the natural completion of certain contracts, Krsnaa has delivered an impressive 27% year-on-year growth. Had some of these contracts continued, our year growth would have been around 37%. This demonstrates the strength of our execution and more importantly, our ability to consistently create new growth opportunities that more than compensate for contracts completing their tenure.

For me, this milestone is not simply about crossing a financial number. It reflects the journey we have undertaken, the business we have built and the conviction with which we continue to move forward. Since our listing in 2021, in the last 5 years, Krsnaa has grown continuously, expanded its presence and strengthened its position in India's diagnostic sector.

And we have achieved this despite the natural life cycle of our business wherein certain government contracts complete their tenure, projects transition and new opportunities emerge.

We've always believed that individual tenders do not define Krsnaa's growth. What defines us is our ability to continue grow beyond the life cycle of any single contract.

Contracts will come in, mature and eventually conclude and new opportunities will emerge. That is the nature of our PPP business, but the infrastructure that we have built, the experience we have gained, the technology we have developed and the trust we have earned do not disappear with the completion of a particular contract.

They became the foundation for our next opportunity. And I believe our performance over the years is a reflection of precisely that. We have been among the pioneers in successfully scaling diagnostic services through the public-private partnership model in India. We've established statewide diagnostic networks within government hospitals, including in some of the remotest part of the country, where operating healthcare infrastructure is challenging and access to specialized diagnostics has traditionally been limited.

And we have done this while offering services at substantially affordable prices, which are significantly lower than the prevailing market rates. Think about this, what it means. We are making advanced diagnostic services available to the patients who might otherwise have to travel long distances, incur significantly lower than prevailing market rates -- sorry, incur significantly out-of-pocket expenses or delay essential investigations.

We are bringing together 3 things that are often difficult to achieve simultaneously, accessibility, affordability and internationally benchmarked quality. I believe very few companies in India have built such an integrated platform at our scale. That is our differentiation, and that is what gives me confidence in Krsnaa's long-term prospects.

Moving on, as I mentioned in our previous earnings call, the implementation of large projects, particularly Rajasthan, could lead to some moderation in our EBITDA margins. However, I'm pleased to mention that whilst we have seen this moderation, encouraged by the operating efficiencies that our teams have achieved, we have helped contain the impact even as our revenue base has expanded significantly.

During the first half alone, we have generated livelihood opportunities for approximately 5,000 local people to support our expanding operations, particularly in Rajasthan. This naturally had an impact on our operating costs and our margins as the newly established networks continue to ramp up.

What is encouraging is that despite the significant expansion in manpower and operations, we have been able to maintain healthy EBITDA margins through better resource utilization, cost discipline and operational efficiencies across our existing business. As the patient volume increases and newer projects mature, we expect to drive greater operating leverage from this expanded network.

Our focus remains on improving utilization, controlling costs and generating better returns for the infrastructure we have already established. Mitesh, our Group CEO, will elaborate on our operating performance and retail businesses, while Chandra Prakash, our Interim CFO, will take

you through the financial results in greater detail. I would also like to address an important area that has been a subject of discussion with our investors, our receivables.

Our receivables have increased to approximately INR470 crores as of September 30. primarily reflecting the expansion in our business as well as attributable to certain delays in fund allocation and payment disbursements from certain government authorities. We recognize that the collection cycle has extended and improving it remains one of our highest management priorities. However, I would also like to share an important development.

Based on our ongoing discussions and communications with authorities, with various state governments, we currently have visibility on potential collections of around INR200 crores during Q3. Our senior management teams continue to engage directly with the relevant authorities, and we are closely monitoring collections across all major projects.

There is also an important shift in the business mix that I would like the investors and the community to appreciate. Our strategic focus on increasing cash-based revenues is already delivering encouraging results with a steadily rising cash contribution to our overall business. This reflects a deliberate management strategy driven by expansion of our retail operations as well as increasing focus on our cash-based PPP projects.

By the end of FY '27, we expect our cash-based revenues to contribute almost 40% to 45% of the overall revenue mix, aggregating to approximately INR400 crores for the year, further strengthening cash flows and working capital efficiency. Continuing this strategy, we are actively pursuing additional cash PPP opportunities with some tenders currently in pipeline.

We look forward to sharing further developments as these tenders processes conclude and awards are finalized. We are, therefore, not only growing our business but progressively strengthening the cash-generating characteristics of that group. There is an additional development that I would like to highlight.

As promoters, we have always approached Krsnaa with a long-term perspective. We understand the opportunities ahead, the investments required and the responsibility that come with building a health care platform of this scale. And when we look at our existing business, the projects under implementation.

Our pipeline of opportunities and the direction in which diagnostic industry is evolving, our conviction in Krsnaa's long-term potential remains strong. It is with this conviction that is reflected in the recent allotment of convertible warrants to our promoter group, representing a potential investment of approximately INR92 crores.

Of this, INR23 crores has already been contributed with the balance payable upon conversion of the warrants. I consider this as an important expression of our confidence in the business we have built and the opportunity that we see ahead. As promoters, we continue to back our long-term vision with our own capital.

Beyond diagnostics, we also see meaningful opportunities in the broader health care ecosystem through a strategic association with Apulki Healthcare. I'm pleased to share that Apulki has

commenced operations in its hospital in Pune, marking an important milestone in its journey as well as progress its hospital PPP initiatives across Borivali, PCMC, KDMC and the Chembur-Govandi region of Mumbai.

Together, these projects represent a hospital platform of approximately 2,000 beds. For Krsnaa, our core focus remains diagnostics. But at the same time, we believe our association with health care infrastructure platforms like Apulki can create opportunities for greater integration, patient access and long-term value creation.

Looking ahead, as I look at Krsnaa today, I see a company entering an exciting new phase of growth. Our established network continues to grow. New projects are gaining momentum and opportunities in advanced diagnostics, specialized diagnostics, cash-based PPPs, retail and our association with Apulki are opening new avenues for the future.

What gives me confidence is that not any single project, but the strength of the platform we have built and our ability to grow beyond individual contracts and the changing market conditions. For our shareholders, our focus is clear to translate our growing scale into stronger cash flows, improved returns on capital and sustainable long-term value creation. With that, I now hand over to Mitesh to take you through the business developments. Over to you, Mitesh.

Mitesh Dave: Thank you, Mr. Yash. A very warm good afternoon to everyone. I would like to take you all through the key operational developments and our priorities for the coming quarters. Starting with our PPP and institutional business. Krsnaa has built an integrated diagnostic network across 19 states and union territories.

As of quarter 2 FY '27, our network comprised 259 pathology laboratories, 196 CT and MRI centers and over 8,400-plus patient touch points. Our network now spans over 334 districts across the country with approximately 75% of our centers covering rural areas of India. This reflects the important role we play in extending access to quality diagnostic beyond major urban centers, particularly in underserved and remote geographies.

With a strong infrastructure based in place, our focus is now shifting towards improving utilization, increasing patient volumes and strengthening operational efficiencies across the network. Over the coming quarters, we will focus on stabilizing newly operationalized projects, improving the productivity of existing centers and ensuring consistent service quality as volume scales up.

Moving to radiology. As of quarter 2 FY '27, our 196 CT and MRI centers were supported by a network of over 350 radiologists and NABH-accredited teleradiology capabilities for X-ray CT MRI. We will continue to focus on improving center utilization, reporting quality and turnaround times. Quality remains central to our operations. As of quarter 2 FY '27, we had 57 NABH-accredited pathology labs and 75 NABL-accredited radiology centers.

We remain committed to maintaining consistent quality standards across our network. Talking about retail, I'm pleased to share that momentum of building network, revenue generation from network and integrated diagnostic services through the unique initiatives has helped RPL to register quarter-on-quarter strong and robust growth momentum.

The unique advantage and key operating leverage is that we can utilize our existing laboratories, pathologists, radiologists, logistics and technology to expand our reach directly to the consumer without having to build the entire infrastructure from scratch. During quarter 2 FY '27, generated revenue of around INR23.5 crores, registering year-on-year growth of approximately 35% Patient volume has increased by 45%, while test volumes grew by 48%.

Retail now approximately 9% of overall group revenue. During the quarter, we continued strengthening our consumer engagement through the wellness camps, digital marketing and improved center vending activities and further engaged 10,000-plus through conferences, webinars, meetings during quarter 2 FY '27 and which is helping us in stellar and consistent growth quarter-on-quarter.

We are also expanding our preventive health care and specialized test offering across areas such as cardiac care, oncology, metabolic health and obesity. Going forward, our focus will be on widening our partner network, improving patient experience, building stronger doctor relationships and increasing awareness of our retail services. while increasing retail contribution to our overall business.

Beyond our existing portfolio, our entry into specialized PET/CT diagnostics through the PPP route is an important milestone and step towards expanding our capabilities in specialized diagnostics. We are also leveraging digital platforms, data analytics and automation to improve operational coordination and enhance the overall patient experience.

To summarize, our priorities for the coming quarters are to improve utilization across our PPP network, stabilize and scale new projects, strengthen and expand our specialized diagnostic capabilities, while maintaining high standards of quality and operational efficiency. With that, I would now request our Interim CFO, Mr. Chandra Prakash, to take you through the financial performance of quarter 2 and H1 FY '27. Over to you, Mr. Chandra

Chandra Singh: Thank you, Mr. Mitesh, and good afternoon, everyone. I will now take you through the financial performance of the company for Q2 and H1 FY '27, respectively. Starting with our consolidated Q2 FY '27 performance. Revenue from operations stood at INR271 crores compared with INR206 crores in Q2 FY '26, registering a year-on-year growth of 32%.

This is our highest ever quarterly revenue, which reflects the contribution from newly operationalized projects, continued growth in our existing business and expanding retail network. EBITDA before CSR and ESOP expenses stood at INR72 crores compared with INR60 crores last year, registering growth of approximately 20%.

The EBITDA margin stood at 27% compared with 29% in Q2 FY '26. After CSR and ESOP expenses, EBITDA stood at INR71 crores with a margin of approximately 26%. Profit after tax stood at INR25 crores compared with INR24 crores in corresponding quarter, registering a growth of approximately 3%.

The PAT margin stood at 9%. While revenue and EBITDA have grown, profitability is impacted temporarily due to upfront operating costs associated with recently implemented projects, along

with higher depreciation and finance costs -- as these projects mature and utilization improves, we expect to derive better operating leverage from the infrastructure created.

Now coming to H1 FY '27. Revenue from operations stood at INR507 crores compared with INR399 crores in H1 FY '26, reflecting a growth of approximately 27%. Our growth is increasingly being driven by multiple business segments, reducing our dependence on any single project and providing a more diversified and sustainable growth base.

EBITDA before CSR and ESOP expenses stood at INR131 crores compared with INR113 crores last year, registering a growth of approximately 16%. The EBITDA margin for H1'26-27 stood at 26% compared with 28% of last year. PAT for the first half stood at INR41 crores compared with INR45 crores in corresponding period last year with a PAT margin of approximately 8%.

The moderation in profitability was primarily due to upfront operating costs, higher depreciation and finance costs associated with our expanded network. To conclude, H1 FY '27 reflects healthy revenue growth and an expansion in our operating scale. Our focus going forward will be on improving asset utilization, maintaining financial discipline, managing working capital and translating our infrastructure investment into stronger profitability and cash generation. We thank our investors and analysts for their continued confidence and support. With that, I will hand over to the moderator to open the floor for question and answer. Thank you.

Moderator: Thank you. We will now begin the question and answer session. The first question comes from the line of Dhwanil Desai from Turtle Capital.

Dhwanil Desai: So my first question is if you can call out the Rajasthan revenue for the quarter in terms of operating cost and depreciation, have we kind of taken the entire thing now passing through P&L or is there more to come going forward? And are we on course to do INR250 crores at least on a run rate basis from Rajasthan by Q4?

Yash Mutha: Sorry, there were three questions, if I understood. First question was with regards to Rajasthan revenues. So Rajasthan is in the ramp-up phase. In terms of the specific project revenues, we'll share those details offline. What was the second question on depreciation and amortization, please, if you can repeat that.

Dhwanil Desai: I think we were kind of going through a cost-based setup for Rajasthan entire operation. So is that already kind of passing through P&L or is there any additional operating cost which is likely to come? And also complete depreciation kind of part of the P&L today?

Yash Mutha: Yes. So I think on the cost base, majority cost has already come into the P&L. What will be there is only to an extent the incremental cost for certain manpower and consumables as the revenue ramp-up happens. As regards to depreciation, I think majority of the depreciation has already come into the books.

There's some -- since some of the sites are yet to be completed in terms of the lab deployments and the collection centers, there's been additional depreciation, but again, as I said and I've been maintaining previously, we're trying to time the revenue ramp-up and the expenses to go in hand

in hand. So there's no kind of a major debt on the P&L or the margins in the coming quarters as well.

Dhwanil Desai: So this 27% margin that we did, the 2% that we saw, is it safe to assume that from here on, there will be uptick in margins since the revenue will ramp up and cost will not proportionately ramp up. Is that a fair way to look at it?

Yash Mutha: Yes, yes. We are also looking forward to have an uptick in the margins going forward as well, and we'll try to maintain that position.

Dhwanil Desai: Okay. And INR250 crores run rate -- so we were expecting around INR250-odd crores from Rajasthan and then maybe higher if everything plays out according to plan?

Yash Mutha: Yes, on an annualized basis, Rajasthan has the potential to deliver those numbers, and we are working towards it.

Dhwanil Desai: So is it likely to happen next year or by Q4 of this year, we will get that INR60 crores kind of a run rate? Any sense on that?

Yash Mutha: Correct. So if you see, we've started the implementing of Rajasthan in this year. Most of the revenue started coming from Q1. So we see that number coming in the next year, but we'll try to achieve as much as possible during this year as well. But on an annualized basis, majority the number that we said will come in the full financial year for the next year.

Dhwanil Desai: Okay. On the receivables, I think you talked about that there is already INR200 crores kind of visbility and I think we are at INR470-odd crores at September. So we have been kind of trying to reduce the receivable days for a long period of time for some reason or the other, I think that number remains elevated. So what's the confidence level in this INR200-odd crores because our balance sheet really looks stressed, if not for the payable days which have increased. So if you can give some more color to the profitability on this?

Yash Mutha: Yes, in terms of the receivables since we -- in the PPP business, as I said, if you take our receivables and reduce, first of all, the impact of Rajasthan because Rajasthan has started, so the billing process, which is a very standard feature of any PPP model, the invoicing and the payment process takes some time.

If you take away the Rajasthan, then the balance residual receivables are primarily which are overdue for a couple of states, not the entire model. All other states, including Assam, Odisha, for example, are paying on time. There are certain states like Maharashtra, Karnataka and Himachal Pradesh, which you mentioned, there are certain delays.

Now the amount that I spoke about in terms of confidence is because there are _ confirmations we've seen on ground coming from the government quarters directly where some of the payments were supposed to hit our accounts even in the last couple of weeks, but due to some delays.

We are working. And as I said, the management's full priority is on recovering our dues. And we see this money to be collected in the Q3 with a very strong conviction and confidence based on certain confirmations and assurances that we've received from various authorities. I think in this last -- I think whilst these collections in Q3 historically have been -- if you see even the trend, they are a bit on a higher side, but we are pushing the governments to see that our money gets collected by Q3.

Moderator: The next question comes from the line of Surya Narayan Patra from PhillipCapital India Private Limited.

Surya Narayan Patra: My first question is on the test volume itself. We are seeing obviously, on a Y-o-Y basis, there is a kind of strong growth. Similarly on a sequential basis also there is almost near doubling growth that we have seen. And as a result of the revenue per test is also dropping like anything, more than 30% kind of sequential drop. See what is driving this volume number and as a result of which the revenue per test is also kind of getting dragged?

Mitesh Dave: So revenue per test, as such, if you see the way volumes are growing and it's mainly or it's one of the main reason is towards Rajasthan projects getting operationalized right -- and certain radiology projects, which are in the pipeline and are in the ramping up phase. So it's momentarily, it has nothing much to do around. As and when the radiology projects will start getting into their stabilized state and Rajasthan projects getting into the a little maturity phase, the revenue per test will start increasing further.

Surya Narayan Patra: Okay. But still, I'm not able to kind of comprehend, sir. In fact, the kind of volume growth that we have seen Rajasthan is yet to kind of see a full ramp-up -- so hence, the volume impact would not have possibly come -- so then sequential near doubling growth, whether it is coming from some ramp-up in some other PPP contract or what is it? And my second point relating to this is that even for the revenue per test, if you consider whether the Rajasthan project revenue per test is significantly low and hence, our blended revenue per test is getting dragged. Is that the reason?

Yash Mutha: So, Surya, Yash, this side. Surya, if I --your question regarding there's an uptick in the volumes. The uptick in volumes is a combination of various factors. Like Mitesh also mentioned, it's a combination of both on the retail side as well as on the PPP side on the Rajasthan.

And in terms of the price per test coming down, of course, since it's a blended combination -- blended price coming from PPP as well as the retail side, this is where you see the price

coming down. Having said that, on the retail side, if you see both the volumes have increased because of various activations done by the retail team.

Whether it is ground level activations as well as increasing our channel network. And there also, we are seeing an uptick in both in volumes as well as on the price front as well. But because the larger share of volumes comes overall from PPP projects, you will see some depreciation in the price point, but that's not.

Surya Narayan Patra: Sorry, sir, your voice is breaking. So it is -- whether it is to me or it is for everybody, I don't know, but it is your voice is breaking.

Yash Mutha: Is it audible now? Am I clear?

Surya Narayan Patra: Yes, it is clear now.

Yash Mutha: Okay. So I was saying that if you see the volume have increased because it's a combination of both our PPP as well as the retail. There have been various activations on the retail front, which are also helping us on the volume front. On the PPP side, Rajasthan is also one of the key volume drivers.

And the price that you saw that the price has lowered is also -- it's a blended price coming from a combination of PPP and retail. So on retail in some aspects, the price has increased. But on the PPP side, because it's a large project, there because of the PPP prices that we offer in Rajasthan, on a blended basis, you see price coming down. But overall, directionally, both the volumes and business is growing. If you see importantly, we have delivered almost 35% year-on-year growth, and that's how I would see a reflection of our business.

Mitesh Dave: Furthermore to add, as I was mentioning, the way radiology projects are also ramping up, especially in Maharashtra and MRI projects and all. So as I said, it is more of a momentarily as in quarterly. In the coming quarters, you will see revenue per test will start again going up and rather it will surpass what we are currently at.

Surya Narayan Patra: Okay. But this test volume is the kind of now new normalized quarterly run rate, sir. Test volume?

Yash Mutha: Yes. And this will continue to grow from here on.

Surya Narayan Patra: Okay. My second question is on the cost side. See, whether any cost allocation changes that we have seen in the recent quarters because in the recent quarters, what we are seeing that there is a drop in the other expenses, whereas the fees to the hospital and the channel partners that is rising. So what is the kind of a swing that we are -- or what is driving this swing between the cost elements?

Yash Mutha: Yes. So yes, so you rightly picked it up. What we've done is, as I said, in terms of various cost optimization measures we have done across our consumable cost, reagents costs as well as on the employee cost. The fees to hospital and channel partners is a direct link to our Rajasthan revenues because there, as we mentioned earlier in large PPP projects, we work with our channel partners.

So as and when these revenues ramp up happens, we also see corresponding increase in those line of expenses. But overall, if you see the EBITDA level and from a profit margin perspective, we've kept that intact through a combination of these levers. So it's not an aberration -- it is not something which is unusual. It is only that because Rajasthan project, most of these expenses are managed through our partners or the operations through the partners. And this is where you see the expenses increasing. And the trend will be more or less similar in these lines.

Surya Narayan Patra: Okay. Just one bookkeeping question, sir. Can you share the split between the radiology and pathology and also the number of centers that we would have achieved in RPL currently?

Yash Mutha: Sure. We'll send the details offline to you.

Moderator: The next question comes from the line of Rushabh from RBSA Investment Manager LLP.

Rushabh: If I heard it correctly, you mentioned that you want to increase the B2C project cash base to 40% of revenues by FY '27. And so what is the current blended share of this as on date?

Yash Mutha: So currently, the share is around 35% to 38%. We will continue to maintain that. In fact, some of the recent PPP projects that we have added on, which are on cash as well, we expect that to increase. And overall, if you see by the year-end, with the overall business also increasing, we try to have around 40% to 45% of cash-based PPP projects contributing to overall mix.

Rushabh: So recently, it is a new norm from the government is it selective we are pursuing such projects where the cash-based PPP is a preferred way of doing business for us from the government tender side?

Yash Mutha: No, no. It's a combination of both. Consciously, we also have been selective about choosing certain cash-based PPP projects. And there are certain governments which prefer the cash because when they don't have certain government allocations, they are preferring the cash. So it's kind of working both ways.

Rushabh: So incrementally, the share of these projects go up, how do you see the impact of working capital on the receivable and -- how is it different from the current earlier projects which are not cash based from a one-year perspective.

Mitesh Dave: Correct. I think from a one-year perspective, this is certainly a very positive development because with more cash coming in, the working capital requirements will also reduce. There will be more cash to again use it for further investments and further requirements. And this is also where we are trying to focus our efforts in terms of ramping up our cash with PPP project.

Rushabh: From a three-year perspective, can we take it to more than 60%? Is there a possibility or?

Yash Mutha: Yes. We are working towards it. Our initial -- like I mentioned, initially, the aspiration was 50%, but we are also working seriously to improve it further. In fact, there will be certain announcements on certain PPP tenders, which are in pipeline, which are again cash based. And hopefully, we'll be announcing very soon.

Rushabh: Okay. And you mentioned that we want to improve the ROCE targets. So primarily apart from the -- including the B2C and the PPP cash-based PPP, what other levers do we have? And what is the internal target for improving the ROCE and how much can we -- the next 2, years, how much do we want to improve it to?

Yash Mutha: Yes. Again, it's a good question. As management, we are focused on improving our ROCEs. We have taken certain strategic decisions around that as well. If you see we recently informed that we are looking at a sale leaseback model as well as the cash -- focusing on cash businesses will also help us improve the ROCEs.

And on the same time, from a margin perspective, we are trying to do a lot of cost optimization, which will further improve the bottom and therefore, the ROCEs. So there are multiple levers that we are working towards in terms of improving the ROCEs. Of course, our aspirations are to have it in double digit on the higher teens, and we are working towards it.

Mitesh Dave: Furthermore, what Mr. Yash has mentioned, we have already announced getting the tender for HP CT, 34 machines for HP and the PET-CT project for Punjab. And both these projects are cash based. So having said that, that is one strong lever apart from what Yash sir has mentioned that we will continue to drive it through for building out of the ROCE part to it.

Rushabh: Okay. In terms of margins in cash-based and noncash-based margins are similar or is it higher in cash-based?

Yash Mutha: No. Margins are similar at a project level. However, when you look at it from a company level, of course, it adds to the margin because then the financing cost element kind of goes down...

Moderator: The next question comes from the line of Deepak Ajmera from Elpro International Limited.

Deepak Ajmera: Congrats on the good set of numbers, sir. So my first question is for the next leg of growth. Currently, we are doing great numbers from Rajasthan and other reasons. But for the next leg of growth from FY '29, what are the key levers will play a role in terms of growth?

Yash Mutha: Yes. So Deepak, as I mentioned, currently, Krsnaa has a couple of levers that are in works. The first one is our new PPP projects. We recently won the PPP project for PET-CT in Punjab, which is again a cash-based project. Then there is the Himachal Pradesh 34 CT scans which we announced.

These are, again, 15 years plus tenders with a long-term visibility of revenue. Then there are retail operations which are scaling up with a lot of activations happening on ground. The fourth lever is Apulki where we have a strategic tie-up. And as these hospitals are gearing up, they will also contribute additional revenues to Krsnaa's kitty. So we have multiple fronts through which we are looking forward to have growth coming in and predominantly majority of the growth coming from cash portion of this new business.

Deepak Ajmera: Okay. And currently, if you can just bifurcate how the incremental revenue would come from the other reasons and these new projects versus the existing ones. If you can just highlight on this part? And also on the retail, how do you see the retail will grow in 3 years, 4 years as we are seeing a good traction over there?

Yash Mutha: Yes. So with regards to the incremental business since we've just kind of got these 2 tenders and there are a couple of more tenders in the pipeline, the overall impact on the incremental business we'll probably share in the coming quarters. As regards to retail, our aspirations are to grow retail into sizable. Like we mentioned, we want retail to be double digit in terms of the overall contribution to total revenues, and that is where we are working towards.

Mitesh Dave: And we are hoping and we're going to end the FY '27 by a double-digit contribution of the retail. And in coming 2 years to 3 years' time, we are looking for around somewhere near to higher

teens going towards 20-plus kind of guidance in next 2 years to 3 years' time with the multiple initiatives and the overall strategies that we have built on.

Deepak Ajmera: And on working capital days, what can be the sustainable working capital we can see in this 2 years, 3 years as we are -- we will grow with 20% plus growth. And so how we're going to manage this?

Yash Mutha: Yes. So as I said, a combination of, first of all, collecting our dues as well as then with this cash PPP, we are trying to bring back the working capital to the historical around 90 to 100 days kind of limits.

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

Aditya Chheda: Payables went from INR63 crores to INR230 crores. Is this money owed to Rajasthan partners or equipment suppliers or regular suppliers? And second, on the test volume growth, can you break that down into base business growth from Rajasthan and if you are including within that? That would be helpful?

Yash Mutha: Aditya, can you just repeat the second question, please?

Aditya Chheda: On the test volume growth, can you break that 85% growth? What -- how much came from the base business, how much from the Rajasthan -- and if you're including retail volumes also within that, it would be helpful to understand the volume growth better?

Yash Mutha: Aditya, on the first part of the question, on the payable side, it is a combination of various, both our trade creditors as well as some of our creditors towards the project enhancement and capital nature of these payables. On the volume mix, those details we will share with you offline.

Moderator: The next question comes from the line of Anil Gupta who is an Individual Investor.

Anil Gupta: My question is regarding the Rajasthan tender. How much of that tender has been executed, say, 75% or 80% and 20% is yet to be executed kind of thing, if you can give a color to that?

Yash Mutha: In terms of the implementation from the project perspective, the lab perspective, as per the tender conditions, almost majority of the labs have been implemented. There are some additional labs which the government have asked us to implement, and that implementation is currently going on.

Anil Gupta: Okay. But can you give a broad percentage in terms of how much percentage of the labs have been executed overall?

Yash Mutha: 75% to 80% has been implemented.

Anil Gupta: Okay. So my second question is regarding the retail business. Have we come to EBITDA positive in the retail business this quarter or we'll achieve it in the next quarter or the end of the financial year? Can you give a color to that?

Mitesh Dave: Yes, the overall traction and the positive encouragement coming out from the market, we are operationally breakeven in the month of September more or less. But however, it needs lots of brand and the marketing interventions for which it is required to create awareness, which we are doing, and we'll continue doing that. At an overall level, we are hoping to be absolute breakeven with the marketing and the operational front, both put together by quarter 3 and early quarter 4. And we are exiting FY '27 with the sheer positive EBITDA numbers for the retail front.

Anil Gupta: Okay. Thank you for that.

Moderator: Thank you. Ladies and gentlemen, that was the last question today. We have reached the end of question-and-answer session. I now hand the conference over to management for closing comments.

Yash Mutha: Thanks, Siddhant. I hope we've answered all the questions. If there are any questions which remain unanswered, please reach out to our Investor Relationship teams. Thank you, Chorus and wishing everyone a very Happy Diwali. Thank you.

Moderator: Thank you. On behalf of Krsnaa Diagnostics Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.