CHANDAN HEALTHCARE LIMITED

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Date: November 20, 2025

To,
The Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra- Kurla Complex, Bandra (East),
Mumbai - 400 051

Sub: Transcript of the Earnings Conference Call with the Investor(s)/Analyst(s)
Trading Symbol: CHANDAN
ISIN: INE0B2N01016

Dear Sir/Madam,

Further to our intimation dated November 07, 2025, please find enclosed herewith the transcript of the Earnings Conference Call with the Investor(s)/Analyst(s), which has also been hosted on the website of the Company at *https://chandandiagnostic.com*.

We request you to kindly take the above on record in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Yours sincerely,

For Chandan Healthcare Limited

RAJEEV NAIN
Digitally signed by RAJEEV NAIN
Date: 2025.11.20 14:41:34 +05'30'

Rajeev Kumar Nain
Company Secretary & Compliance Officer

Encl.: as above.

"Chandan Healthcare Limited H1 FY'26 Results Conference Call"

November 17, 2025

MANAGEMENT:	**MR. 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 Chandan Healthcare Limited H1 FY'26 Results Conference Call.

As a reminder, all participant lines will be in 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 '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Parth Acharya. Thank you and over to you, sir.

Parth Acharya: 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. Rajeev Nain, Chief Financial Officer and Company Secretary.

With that I now hand the call to Mr. Amar Singh.

Amar Singh: Helo. I am Dr. Amar Singh – Chairman of the Company and good morning to all the shareholders and all my colleagues. I am happy to present our performance for the first half of the Financial Year 2025-2026. And I am pleased to share exciting updates on our strategic expansion initiatives.

I am pleased to report that we have delivered robust financial results for the first half of the year, demonstrating the resilience and effectiveness of our core business model. Our key financial metrics, including revenue growth and EBITDA margins, are in line with or have exceeded our projections what we have given in previous meetings. This strong performance is proof to the hard work of our dedicated team of 45 top management and the increasing demand for high-quality, comprehensive diagnostic services in India. A cornerstone of our strategy is providing end-to-end diagnostic solutions under one roof. I am proud to announce that we have successfully opened and fully operationalized six new comprehensive diagnostic centers during this first half across key markets. And the first was Patna in Bihar. We acquired Patna center in the month of April. And then we started Ashiana Lucknow in UP. Then Ayodhya in UP. And then Lakhimpur in UP. And recently, we started in Delhi and Bhopal in Madhya Pradesh. And each center is equipped with state-of-the-art facilities, including a core laboratory along with advanced imaging services like X-ray, ultrasound, CT scans, MRI, and various other essential diagnostic equipment.

This integrated model enhances patient convenience, improves clinical efficiency, and solidifies our position as a leader in full-service diagnostics in the northern region. One more comprehensive diagnostic center in Jaipur is slated to become operational within the next month. Furthermore, our expansion is continuing at a pace. One more comprehensive diagnostic center with a super-specialty lab at Jankipuram, Lucknow is slated to become operational within the next 6 months. With this, we will have 20 comprehensive diagnostic centers and 40 labs in 7 states. And this number is increasing with each passing days. It is just the beginning for Chandan Healthcare. And we are ready to move much faster in the years to come.

Looking ahead, we are investing significantly in next-generation diagnostics. We are making a critical step in advanced personalized medicine with the upcoming installation of a dedicated molecular genome lab at our Delhi facility. This lab will allow us to offer high-end genetics and molecular testing services catering to specialized clinical needs and unlocking new revenue streams in the future of healthcare.

To support our rapid growth and ensure pan-India reach, we have already secured prime real-estate property for new major processing laboratories in three critical metropolitan areas in this month, in the month of November. And the first was Mumbai, and then Chandigarh, and now Calcutta. These three places we have already acquired for our specialized labs. And these upcoming labs will act as regional hubs, significantly increasing our testing capacity in the region, improving turnaround times, and reducing logistic costs across the country.

Our commitment to reaching underserved populations and establishing a dominant national presence remains unwavering. We are launching an ambitious expansion plan targeting 15 states across India. Recently, we have done collaboration with Jeena Sikho, an Ayurvedic company, it's a large, one of the top Ayurvedic company in India, to give diagnostic services to its OPD and IPD patients of their 50 hospitals and more than 100 clinics. And they are spreading in 17 states. And this contract is exclusively for the next five years with us. It will start adding in our sales and profits from next quarter. This strategy will be executed through a powerful dual approach. We are establishing a network of 100 new strategically located collections and processing laboratories to increase our core infrastructure in 17 states.

And in case of franchise growth, we are launching more than 1,000 new franchise collection points to dramatically extend our reach into Tier 1, Tier 2, and Tier 3 cities of 17 states. Previously, we were working in Tier 2 and Tier 3 states. Now, we are covering Tier 1 state also. This expansion will not only drive market share, but also create tremendous value for our patients and most importantly for you, our shareholders. We are coming out Rs. 104 crore preferential shares to accomplish this ambitious project and increase the shareholder value. Strategic investors and promoters are contributing in this preferential issue. We are also contributing in this preferential share. The first half has set a strong foundation for the year. We are executing a clear, aggressive strategy centered on comprehensive care, technological advancement, and deep national penetration. We are confident this path will continue to deliver sustainable growth and superior returns for our investors.

And now, my CFO – Mr. Rajeev Nain, will give you the detailed financial results of the first half of the year. Over to Rajeev Nain.

Rajeev Nain: Thank you very much, sir. Good morning, everyone. I am pleased to share with you the consolidated H1 numbers of Chandan Healthcare Limited.

During this period, we have achieved total sales of Rs. 137.49 crores with a yearly growth of 23.38%. EBITDA during this period was Rs. 29.98 crores with a very good growth of 43.98%. And EBITDA margins during this period was 21.81% with 312 basis points up. Coming to the PAT for this period, it was Rs. 15.6 crores with a growth of 46.59% compared to last period. And the PET margins were 11.35% with 180 basis points up. Over to you, sir.

Amar Singh: I request all the shareholders, you may raise questions. Over to shareholders, they can ask their questions and we are ready to reply.

Moderator: Thank you very much. We will now begin the question-answer session. The first question is from the line of Shyam from MSA Capital Partners. Please go ahead.

Shyam: Hello, Good morning. Thank you for the opportunity and congratulations Amarji for a great set of numbers and we are excited to hear about your rapid expansion plans as well. Welcome, sir. Sir, my first question, I wanted to understand around the predictability of revenue we have from our key customers. What is the nature of revenue? Is it more like project-based or is it recurring in nature?

Amar Singh: Till date, our patients were coming to our centers and all the patients were referring patients till date. And from now onwards, we are going for franchise business also.

Shyam: Okay, sir. Sir, I wanted to understand more on the B2B side. We have those bigger customers, right, that contribute a bigger percent of our revenue. From that perspective, I was asking.

Amar Singh: We are having corporate business through B2B and we have a government business also. And more or less B2C, B2B and B2G nearly 33%-33%-33% at the moment. But now, we are going for franchise business. Definitely, B2B business will increase. It will have a major share in future.

Shyam: Okay, sir. Understood. So, sir, these are the B2B and B2G that we have. They are like contract-based. Are they recurring?

Amar Singh: It's a recurring business.

Shyam: Okay, understood, sir. Thank you. Sir, my next question is about the further B2B and B2C and B2G actually, all three. And since you spoke about franchising model also, so that fourth model as well. Sir, I wanted to understand broadly the revenues, margins and the ticket size for each of the segments.

Amar Singh: More or less, each segment has the same margins. Because the whole diagnostic business has set up like this. The margins are nearly the same in case of B2C, B2B, B2G and franchise, more or less, the margins are same.

Shyam: Okay, sir.

Amar Singh: The only difference is, in case of B2G, we get the volume. In case of franchise business, we get the volume. And in case of B2C business, we get the volume as well as more stability in the business and growth. Because this is not a competitive business as far as B2C business is concerned. Just because we have loyal customers coming regularly and taking services from our centers, this business definitely has more stability and a slow growth. But in case of franchise business and B2G business, in B2G business, half of the business is basically a contractual business and that comes and goes. And it's not a very stable business, but it gives us a lot of volume and the same type of profits also. And in case of franchise, we have a competition also because all the large players, Dr. Lal, Metropolis, Thyrocare, they are based on the franchise business. They are 99% business is based on the franchise business. That's why wherever we go for franchise business, we get competition from these players, large players. But as far as B2C business is concerned, it carries a lot of capital investment, and it takes some time to become profitable. But it is more stable and medium growth, basically. The type of business is different in case of B2C, B2B, B2G, and franchise. But we are in all the segments.

Shyam: Okay, sir. Understood, sir. Thank you so much. This was very helpful. Just a small follow-up question on this. What is the broad ticket size for each category that we have?

Rajeev Nain: You are asking revenue per patient, right?

Shyam: Yes, sir.

Rajeev Nain: Consolidated, it is around Rs. 650. That includes pathology and everything. And it is a bit higher in case of corporate business. Average, it is Rs. 650 per patient.

Shyam: Okay. Understood, sir. Thank you so much, sir, and all the best.

Amar Singh: Thank you, sir. Welcome.

Moderator: Thank you. The next question is from the line of Rahul from Value Monk Investment. Please go ahead.

Rahul: A great set of numbers, Amarji. I had two questions. One was your partnership with Jeena Sikho and they had put in some money as well in the recent fundraising via warrants. So, I want to understand more on the nature of the partnership. The amount of CAPEX that you are looking to set up the stores. How many stores? How many diagnostic centers are you looking at as a part of this partnership? That is one. And second, I would like to understand the gross margin profile in the pharmacy business. Which you have a 53% stake. And what is the remaining and who holds the remaining stake in that segment? And again, congratulations for a great set of numbers.

Amar Singh: Thank you, sir. As far as Jeena Sikho is concerned, we have a partnership for next five years. It is an exclusive partnership with Jeena Sikho. At the moment, they are having nearly 50 hospitals and 150 clinics. And of course, they have declared they have a planning for 350 hospitals and clinics in next three years. Apart from that, at the moment, we have already started taking collections from 34 places in four states. In Bihar, Patna, Uttarakhand, UP and Delhi. It is just a beginning. In last 10 days, we have started the collection. Our contract is we have to do the test at the rate of what that city carries on an average. That simply means the rate is the same what is prevailing in the market in that city. And what we are doing, we are giving 30% discount to Jeena Sikho patients. And we are paying 20% to Jeena Sikho. And rest of the 50% we are retaining. And out of the 50%, we have a very handsome margin. We are having around 80% margin in that as far as margin is concerned. And just because we don't have to pay the rental, we don't have to pay the electricity bill if we are putting the lab in their setup. But that is only at few places. Most of the places, we are collecting the samples and doing in our own lab. And that is the contract with Jeena Sikho . It is a 30% discount to the patient and 20% to the Jeena Sikho and rest of the 50% we are having. And out of the 50% money, we are having a very handsome 80% margins.

And as far as pharmacy is concerned, your second question is about pharmacy. This year, this first half, we have achieved 5.2% EBITDA in case of pharmacy. And it was hardly 1.2% last year. And our aim is to achieve nearly over 10% EBITDA in next 6 months or so.We have so many businesses in pharmacy. We have a B2G business, B2C business, B2B business. In the same manner, we will achieve more than 10% EBITDA in the next few quarters. And that is our aim. And definitely, that will add up in our diagnostic business rather than pulling behind our diagnostic business or diagnostic results. It will definitely add a huge value to our diagnostic business also and shareholder also. Because these centers, at the moment, we are having around 40 units, retail units. And we are collecting the samples from these units also. That simply means, this is adding to our diagnostic business also. And we are trying to maintain more than 10% EBITDA in case of pharmacy. This pharmacy business itself will have a very good profit margin also. So, it is adding up in diagnostic as well as this itself will give handsome returns.

Rahul: Got it. So, just a follow-up question on the partnership with Jeena Sikho. So, you are saying your net realizations will be 50% net realizations to Chandan of the average pricing which in that city is there. Correct?

Amar Singh: Yes.

Rahul: And the margins are healthy because you do not have similar rental or electricity costs there, correct?

Amar Singh: Yes. And we have a assured business. Wherever we are opening the units, in fact, on the basis of Jeena Sikho, we are going to have more than 100 labs in 17 states. So, immediately, we will get the work from Jeena Sikho. And from day one, we will get the profit. That is the biggest advantage for Chandan because wherever we open the lab, it takes nearly 9 months to 1 year to become a profitable venture. That's why we have gone for preferential issue also so that we can open more than 100 labs in next 2-3 years. And from day one, it will start producing the profits and sales. This is the biggest advantage with Jeena Sikho.

Rahul: What is the CAPEX that will be required for these stores considering they have the setup already? Is there minimal CAPEX or still we will have to have significant CAPEX on these stores? If you could give ballpark numbers, like average for these 100 stores with Jeena Sikho.

Amar Singh: Yes. What I am talking about 100 stores, we are putting all these 100 stores outside their hospital. Just because we want to do the business even beyond Jeena Sikho, because we have a partnership for 5 years. And of course, it will be renewed after 5 years also because Jeena Sikho has already involved in their investment through the promoters also and through the Company also. That we are expecting. But still, we want to get the business from other franchisees and other doctors also so that we are putting 100 labs outside the Jeena Sikho. There are hardly few labs inside the Jeena Sikho. And when we are putting labs inside the Jeena Sikho, it is an investment of around 30 lakhs or so. And when we are putting labs outside, it carries other things also. Getting some securities and basically when we take a place for renovation. And then it becomes an investment of nearly 50 lakhs. The difference is 20 lakhs when we are putting the lab outside. But definitely we will get lot of business from outside. We are preferring for labs outside the Jeena Sikho. And we want to make it profitable from day one just by getting the samples from Jeena Sikho. That is our policy. That is our strategy. We want to put more than 100 labs in 17 states within 3 years. So, that before this contract expires or renewed, we will be profiting each and every lab in 17 states. That is our strategy and policy.

Rahul: Got it. Very good to know this. Thank you.

Amar Singh: Thank you.

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

Satish: Good set of results. Sir, I have heard you before. The revenue split between our pharmacy and the diagnostic is 45-55. Is that correct sir, today?

Amar Singh: 55 and 45, you are talking?

Satish: Yes.

Amar Singh: Last year, our turnover was Rs. 125 crore in case of diagnostic and Rs. 100 crore in case of pharmacy. But this combination is changing every day. Just because we are giving more importance to our diagnostic business and putting more and more centers and more and more labs. In fact, in next one year or so, this ratio will be entirely different. It may be 65 and 35. And in the years to come, diagnostic business will definitely exceed the pharmacy business.

Satish: Sir, you anticipated my question.

Amar Singh: In H1 itself, the ratio of pharmacy turnover has decreased. Out of total turnover, pharmacy turnover is 60 Cr.

Satish: Okay. So, exactly my question was heading towards that. So, going forward, what percentage we can see? I think sir has given a hint that it may go up to 65-35 and further that can go to 70-30 and 80-20. Can we expect like this in further quarter?

Amar Singh: For 80-20, it will happen only in next 3 years. Gradually and gradually, diagnostic business will exceed. But together with diagnostic, we are putting more and more retail pharmacies also just because through these retail pharmacies, we are collecting diagnostic samples Basically, these retail pharmacies are helping our diagnostic business also. That's why we are putting more and more retail pharmacies also. In spite of that, this will continuously have a different ratio. Today, it is 60-40. Tomorrow, it will be 65-35. And lastly, it will be 80-20 and that will continue.

Satish: Good to hear sir. Sir, last question sir, again related to Jeena Sikho. It is very exciting that we got a 5-year deal. Just curious to know that what made Jeena Seekho? What is the thing that, why Jeena Seekho has done this partnership with Chandan? What did they see in Chandan? It is more of a question to Jeena Sikho. But what do you think, sir?

Amar Singh: As far as I understand, why they have, basically their presence is in Northern India. And they wanted to have one diagnostic organization which can work with them. Because at the moment their diagnostic references are very fragmented. Basically, so many peers are doing their diagnostic work. And they are not getting the consolidated diagnostic business which is very important for their patients also and for their revenue also. They were not getting the revenue just because doctors were referring the patient outside and they were not getting any revenue. And the quality factor was not there and consistency was not there. That was not good. They were not getting any revenue. Their patients were not getting any discounts which we are getting 30%. There are so many factors for that matter. They must have joined us. And just because of this, they know this association will give fruit to both the companies. That's why they are investing in our Company also, so that we can have more and more labs in whole of the country. They are also spreading in whole of the country. And they want Chandan Healthcare should also spread in whole of the country. Both of us are spreading and going pan India. And that is the reason we can accommodate them, they can accommodate us. And it's a win-win partnership. And both are getting benefits. I believe this may be the thinking behind this coordination.

Satish: Thank you so much sir. Pleasure talking to you sir.

Amar Singh: Welcome sir.

Moderator: Thank you. The next question is from the line of Charchit from Genuity Capital. Please go ahead.

Charchit: First of all, congratulations for good set of numbers. Sir, I might have missed the expansion plan, like by FY'26 how many general labs, center labs and collection centers are we planning to open? By when it will be operational?

Amar Singh: Sir, at the moment, in the first half, we have already opened 6 comprehensive centers. And that includes all the pathology labs, high-level pathology labs, X-ray, ultrasound, CT, MRI and so many other diagnostic facilities. And the 7th one is we are going to start in Jaipur in the next month. So, in this year, we have already opened 7. And the 8th one, we will start at the end of this financial year at Jankipuram, Lucknow. So, in this year, we will have 8 major comprehensive diagnostic centers. And in the meantime, we have already taken space for our lab in Mumbai, Kolkata and Chandigarh at the moment. And we are planning to start at least 2 to 3 labs every month and that simply means 20 plus labs in the next half of this year. And in the next 2 years, definitely, we will have at least 35 to 40 labs every year. So, our target of 100 labs in next 3 years will be completed. This is our future program. And definitely, we will continue to have comprehensive centers also because that is our specialty. We will have at least 2 to 3 comprehensive diagnostic centers every year. Although this year, we have taken 8 comprehensive centers. That is definitely helping us to expand in more than 7 states. And in future also, we will have comprehensive centers. But at the moment, we are focusing on labs so that we can take the work from Jeena Sikho as well as we are going for more than 1,000 franchises in 17 states that will cater our labs. So, we are very fast in installing the labs, at least 2 to 3 labs every month. And this month, we have already taken place in 3 states for 3 labs. And this process is continuing and this will continue very fast for next 3 years. And for that matter, we are collecting Rs. 104 crores as preferential shares. And even promoters are investing and promoter's friends are investing and Jeena Sikho is also investing. All of us together will invest and have at least 100 labs in next 2.5 to 3 years.

Charchit: Sir, the next question is on Jeena Sikho. What kind of revenue we can expect from JV?

Amar Singh: Difficult question, sir. I think let us wait. We have just started collection in 34 units because they are having more than 150 units. And we are, just because they were not having any organized diagnostic setup previously, Doctors were referring the patients outside for the test. Only 2 or 3 places, at 2 or 3 places, they were having the lab. And what I could say, the Lucknow and Meerut lab, both the labs were doing at least Rs. 2 lakhs to Rs. 3 lakhs per day. This is the definite amount we know, we will get it. And rest of the, definitely, now patients have stopped going outside. And we have started collecting the samples. And definitely in the quarters to come, you will get the real picture. How much business we will get. But it's a huge business. We are expecting more than at least Rs. 25 crores to Rs. 50 crores a year.

Charchit: Great. And like we are expecting to getting revenue from Jeena Sikho in coming quarters, in this year only?

Amar Singh: Yes.

Charchit: Great, sir. Thanks a lot and all the best.

Amar Singh: Thank you, sir.

Moderator: Thank you. The next question is from the line of Mr. Prasenjit from 129 Wealth Fund. Please go ahead.

Prasenjit: Sir, my question was on the franchise model. So, as you are now expanding through franchise, can you help me to understand, from your own lab, let's say, as we are reporting around 20%-22% of EBITDA. So, I guess while you are collecting through franchise, that margin will go down?

Amar Singh: No, sir. Margin will not go down. It will be either same or maybe higher. But the only thing is, whenever we go for franchise system, we will have competition with large players like Metropolis, Dr. Lal, Thyrocare. These three big players, we will get these three players in every city. And what is happening at the moment, most of the franchisees we are getting, initially they are breaking relationship with these big players and they are connecting with us. Just because in the northern India, we are more popular and more comfortable with them. And as far as margin is concerned, it will not be reduced. But we will start getting some competition from the large players. Previously, what we were doing, we were having all facilities under one roof and that business was not having any competition from these large players. Because these large players are working in franchise model and we were working with doctor's reference. We were having a small competition from the unorganized players. But that was easy to compete with them. And now when we will go for franchise, definitely we will have some competition. But no problem. That portion also we will compete and we will win the situation. But the margins will not be reduced.

Prasenjit: Okay. But are you paying some profit share to the franchise partner, some revenue share to the franchise partner themselves?

Amar Singh: Sir, what is happening at the moment? I just want to tell you the franchise system. You may and may not be knowing what these major players are doing. What we do, whenever we collect the samples at the market price. Okay. And after collecting the money, we transfer the money. That depends on the franchise-to-franchise and business volume. We transfer the money around 35%-50% to the franchise. The same thing is doing all these large players also. And what these franchises are doing, they hold around 15%-20% in their pocket. And rest of the money, they transfer to the doctor. So, that doctor, nursing home or somewhere from where they are getting the samples. And this is the model which is adopted by all the large players. What we have to do, we have to compete with the TAT, the fastest and some more discounts. And the majority of the advantage with us is we are a marketing team already. We have a marketing team for last 20 years. And they know how to handle the doctors and nursing homes and hospitals. So, that we can get more and more samples through the franchise. And that is the only competitive point. We are in touch with these doctors. At the moment in UP and Uttarakhand, nearly 30,000 doctors are already enrolled in our business. And there are so many doctors which are distant. They are working in distant places from our major diagnostic center. Through franchise, definitely they can give more and more samples to us. And that is the only difference and that is the only competitive edge with these large players. But the model is the same for every franchise business. Whether it is Dr. Lal, Thyrocare or Metropolis, it is only the execution and the process and the working. Basically the winner is who can really attach with the doctors; Who can really have a better marketing; Who can really ensure the business for the franchise so that they should not change the franchise. All these factors will definitely create some difference among the franchise business owners. But the model is more or less the same. The only thing is execution. And we are ready for execution which is much much better than these large players. That is our focus point.

Prasenjit: Got it, sir. And sir, regarding this Jeena Sikho, how much CAPEX is required to cover all the Jeena Sikho network hospitals and clinics?

Amar Singh: Sir, at the moment they don't have so much place for labs. We are hardly getting 5 or 6 places in whole of India. So, that we are putting the labs inside their campus. But we are going to have 100 labs in 17 states. And most of the labs we are putting outside the Jeena Sikho. just because we will get confirmed samples from the Jeena Sikho and we will get majority of business from outside also, through our franchise and directly from the references from the doctors, and through online and directly patients are coming to our center. If we are putting labs inside the Jeena Sikho, we will not get the patients. Basically, patients will not come inside the Jeena Sikho. That is the reason we are trying to put the labs outside the Jeena Sikho, but in the same city. So, that we can initially get the samples from Jeena Sikho and get the profit immediately. And on this profit, we can develop the business through franchise, through online and directly from the patients and reference from the doctors. And that is the reason we are putting more outside and less inside. It's a blessing in disguise, we are not having space in Jeena Sikho. The moment we put lab inside the Jeena Sikho, our capacity is around 30 lakhs. And when we put the lab outside the Jeena Sikho, our capacity is 50 lakhs. It is just because the real estate property, renovation and security, this amount goes to 50 lakhs. So, we will be more advantageous if we are putting lab outside the Jeena Sikho. But the business we are getting from Jeena Sikho will definitely help us to start the business in India.

Prasenjit: So, how much total investment you may incur to open all the 100 labs across 17 states over the next 2-3 years? Any approx. figure?

Amar Singh: I tell you around 100 labs will have around Rs. 50 crores. And in the meantime, this Rs. 50 crores will be invested in these 100 labs. And definitely we will try to have any strategic acquisition if we get, we will do. And we are going for so many contracts in B2G business. That money will be utilized in that. And we will have at least 8-9 comprehensive major centers in 9 states which can give all type of services under one roof. Altogether we will have an investment of around Rs. 100 crores.

Prasenjit: And so last question. So, in this H1 revenue of around Rs. 137 crores, so how much came from diagnosis and how much came from pharmacy?

Amar Singh: From diagnosis it was Rs. 77.63 crores and from pharmacy around Rs. 60 crores.

Prasenjit: Okay. Thank you and wishing you all the very best.

Amar Singh: Welcome sir.

Moderator: Thank you. Next question is from the line of Abhi, an Individual Investor. Please go ahead.

Abhi: Sir, I just wanted to understand that the pharmacy that you mentioned earlier that you use the shops for collections…

Amar Singh: For collections also. These are retail shops and they also collect the samples. Yes.

Abhi: Yes. So, that is used to increase your footprint and pharmacy kind of space for itself. That means it works like this?

Amar Singh: It happens like this sir. Whenever we have a major center in Bhopal. So, normally what happens is that the patient comes directly to you from a radius of 5 kilometers. But if basically these are big metropolitan cities or tier 2 cities, the range is up to 20-30 kilometers. So, you cannot install many major centers in a city. Although in the last 20 years we have installed 5-6 in Lucknow. But we cannot go that slow. Now our situation is that what we do 5 kilometers away, we start installing our pharmacy. And when we install pharmacy, because here is our major center, so instead of giving franchise to someone else, our pharmacy becomes the point of unit collection. Our marketing person goes there and says that our major center is far from you. But this pharmacy is close to us. So, you send pathology work here. And for radiology, you send it to our major center. So, what happens with this is that our units are also doing pharmacy business and they also collect pathology. In which there are health checkups too. And we can collect all types of pathology samples from there. So, in this way, the units of pharmacy are running our pharmacy business. At the same time, it also supports our diagnostic business. And if we take a franchise in that city, then no matter how much we try, in today's date, 25% of the franchises of these large pillars are changing every year. So, at least our pharmacy units will never change in life. So, this is a solid business that is created forever. And the patient also has confidence that this is Chandan's collection. This is Chandan's pharmacy. So, he buys medicines and gives samples there. He knows that he is being tested in their main center. So, he also builds confidence. So, we also keep this model together. And where we have only set up a lab, there we go with the franchise model, because it is not possible that you set up 200 major centers in India because one center costs Rs. 8 crores-Rs. 9 crores. So, if you set up a lab, it costs Rs. 50 lakhs. So, if we want to cover the whole of India, then we will have to set up labs. But where we see a good scope, we set up a major center and collect through this pharmacy and also take the direct patient through our center. And where we are setting up labs, we will collect through the franchise. So, it is a hybrid model.

Abhi: Is this pharmacy profitable?

Amar Singh: Sir, in the first half, we have 5.2% EBITDA.

Abhi: Okay, perfect.

Amar Singh: And we are trying to go towards 10% EBITDA. Because one of the reasons for this is that our pharmacy units also work as stockists. We have a pharmaceutical group company, they also work as stockists. So, when any product moves through them, we get 10% from that. And this pharmacy also does our retail business and it also does our B2G. We have three such units in HAL, UP. in which there is Lucknow, Allahabad, etc. where we also supply our government through them. So, there are so many models. It is also working for B2C, B2B, and B2G. Altogether, we want our EBITDA to cross 10%. So, that this pharmacy never drags the profits of diagnostics. On the contrary, it should also help and create good profits. This is our aim.

Abhi: Perfect. sir, I had one last question. The competition with these big chains, they spend so much money on marketing. How do we compete with them?

Amar Singh: Sir, the first thing is that our marketing team is very strong. Because in our major centers, whatever business we have done so far, we have done it through the marketing team. We have not done much online. We have connected more with doctors, hospitals, and nursing homes. Even now, if you want to beat the competition, it cannot be online. If you beat it online, your prices will keep reducing so that you don't go towards cash burning. So, you will see that all these large players are living in this trouble today. That is why Metropolis acquires 3-4 diagnostic centers every year. Dr. Lal has also acquired a big chain in this. Because in the franchise business, the rates of the online business are so reduced that their margins are suffering. So, there is a challenge in their sales growth and margins. That is why we were not in the franchise business until now. But now, looking at our branding, our reach, our marketing strength, and we have to run it like a fourth business. Because wherever we are setting up a lab today, we have already been able to use it because of Jeena Sikho. So, we did not do any marketing for it. We did not make any efforts. We did not spend any money. Now, when we have set up a lab on it, we think that we should set up a franchise because our expenses have reduced. The capital that we invested in it, the income has been realized immediately. So, now, in this franchise, we have to create a better franchise than others. That is, the benefits of our franchise should be good. Our marketing should be very strong. Our reporting should be very fast. So, now, in these things, definitely we have a competition. Don't think that there is no competition. Now we will compete with large players. But with better performance, with better execution, definitely we can beat this competition. And as far as margins are concerned, as good as what we are getting in our major centers.

Abhi: Perfect. Thank you so much, sir. Good luck.

Amar Singh: Welcome, sir.

Moderator: Thank you. The next question is from the line of Prabal Jain from SM Holdings. Please go ahead.

Prabal Jain: Hi, sir. Actually, I wanted to understand the specifics of this Jeena Sikho partnership. Yes. The first test, of let's say ay customer, which gets done, so, will the realization of the first test be split 50%-50% in your case or will it remain the same?

Amar Singh: Sir, basically whatever test we are doing, we are doing it on the market rate. And on the market rate, we directly give 30% discount to the patient of Jeena Sikho. And whatever money we receive, whatever money we receive, out of that 20%, we pay to the Jeena Sikho and the rest of the money we retain. And in this business, we are having handsome margins also, because we are doing it on the market rate. Normally, our consumable cost is 10%-15%. So, you can understand, we will have more than 70% margins in this case. And because the overheads will be less in this, because you don't have to do marketing. You are getting confirmed samples. You have a 5-year contract confirmed. It is an exclusive contract. So, all our efforts get over. And if we have a lab inside, we don't have to pay rent or electricity. But most of the time, we invest more outside.

Prabal Jain: Yes, but the machines… I wanted to understand the operating expenses. You said internally that these expenses will no incur, but the machines, which you are going to install, you will have to take depreciation from your books, right?

Amar Singh: Yes. But normally, the machines in a lab cost nearly 30 lakhs. That is not a huge capital investment. When we talk about one center, one lab, it is not such a big investment. And there is not much of impact from depreciation in that.

Prabal Jain: Sir, the main lab that you are going to install, I think, there should be some signature expenditure on the machine, sir?

Amar Singh: The machine is the same, sir. Even if we install a lab outside, the machine of the lab is the same, because we get a lot of machines on rental. That is, it is available on the consumption of our agent, free of cost. So, our total investment, when we install a major lab, where we have Microbiology, Histopathology, and Cancer Markers, in that our investment is more. But that is our major lab. We also have direct patients there. That major lab creates a business of Rs. 8

crores to Rs. 10 crores per year. So, their super specialty tests will be done in that major lab. But the routine tests will be done in that lab. So, all the labs that we are installing, they are connected to some major lab. In which, within 3 to 4 hours or within 6 to 7 hours, we send the super specialty test there. So, that, in the next morning, we get the report. That is not an issue. That is the way to do it. So, it does not take a lot of capital. In this, the machines are of only 30 lakhs. But when we install a center outside, we spend another 20 lakhs. In which, the renovation is done. We have to give some securities, rental. So, it takes 50 lakhs. And here, it takes 30 lakhs. So, as far as the instruments are concerned, our investment is 30 lakhs for these labs.

Prabal Jain: Okay. So, sir, basically, the net-net is that for the patients of Jeena Sikho, the value of the diagnostic tests that you provide, 50% of it will come back to you?

Amar Singh: Yes.

Prabal Jain: And that would happen, right, from the first test? Like customer of Jeena Sikho and have come to Chandan's lab for the first time, so at that point 50% will come to us?

Amar Singh: Yes, sir. We have already started the collection at about 24 places from 1st November.

Prabal Jain: I was just asking because recently I got to know, the first test, I think, is that free, or is there anything like that?

Amar Singh: Yes. I will tell you what that is. You understand that also. When a patient, for the first time and registers we issue a card. At that time we tell that if you deposit Rs. 50, then we will do the health checkup free of cost and what we are doing, this free of cost test, we are doing, in this roughly we spend Rs. 50, total. Because we don't give them the report physically, we give them on the phone. So, this is our no loss, no profit, but this is customer acquisition at zero cost.

Prabal Jain: So, first, optically, it is free of cost, but we are acquiring the customer. So, I think this question would be rightly suited in the next call. So, thank you so much. I will get back to you.

Amar Singh: Thank you, sir. Welcome, sir.

Moderator: Thank you. The next question is from the line of Ms. Anjana from Orient Capital. Please go ahead.

Anjana: Thank you, sir, for this great opportunity. So, my first question is, sir, can you clarify more on growth structure, Chandan Healthcare, Chandan Hospital, what percentage is related party transaction with Chandan Hospital?

Amar Singh: Not much related party transaction, just because only, this is a group company. Chandan Hospital is a group company of the same promoters. And as far as healthcare is concerned, healthcare is doing some super specialty test for Chandan Hospital. That is a very small sale, more or less, it may be around 5 or 6 crores in a year. Because Chandan Hospital is doing their test itself. They have their own pathology lab, and they are doing most of the tests inside the hospital. But super specialty test, they refer to our diagnostic Chandan Healthcare, diagnostic division of Chandan Healthcare. And that is a small business that healthcare is not dependent on this business, because Chandan Hospital is having three hospitals at the moment. And of course, the fourth hospital, Chandan Hospital is going to start in Gorakhpur also. So, that will contribute to some part, but not in a major part.

Anjana: Okay. So, my second question would be like, what is the reason for the shift in strategy from fully owning all centers earlier to now considering the franchise model? Definitely, you have asked a very good question. Just because in last 30 years, we have never gone for a franchise system. It is just because maintaining the quality, maintaining the TAT and competing with these large players, we have never gone for that. We have gone to the business model, which gives all facilities, including radiology, pathology and everything at one place, under one roof. And we were getting references from the doctors. We were having loyal customers. In fact, at few centers, we are having third generation. They are taking the services from the diagnostic. We were enjoying with that. And that will continue. But the only challenge is, if we go for that, we can put only 2-3 centers in a year. And that will not suffice the desire of the investors. And we want to increase the shareholders' value and that's why we are taking the franchise business also. And the most important thing is, because of contract with Jeena Seekho, we are having an opportunity to go pan-India without any loss. Because from day one, we will start getting the samples from Jeena Sikho which will make our labs profitable from day one. And that is the opportunity because we are not putting anything behind. We are putting the lab just to get the samples from Jeena Seekho. So, we have added the franchise business also in this. Of course, franchise business has its own problem because of the nature of competition with the large players. And these large players are not working. They are working on franchise model. They are not working like we were doing in last 20 years. That's why we were not getting any competition from these large players. We were having only competition from the local small players. And it was easy to beat them. But no problem. We will have some competition. We will have to be very careful about the quality. Of course, we are already giving quality to seven states. And we should be having a very good TAT. We should be having a very good contact with the doctor and nursing home and hospital, which is already what we were doing for last 20-30 years. And we have full expertise to deal with all these doctors and nursing homes. And definitely, we will take care of our franchise. Because these large players are having difficulty, their 25% franchise are changing every day from one franchise to another franchise because of so many issues, discounts and so many issues. Of course, we will have some competition. That's why we have never gone for that. But now we want very fast and fast speed. That's why we are going for this. And we will achieve this, that's not a problem for us. But definitely, we will have competition with the large players. And that is the reason we were not going. And now this is the reason we are going for that. Because we have got the opportunity from Jeena Sikho, so that all the labs will be profitable from day one. And we can go for franchise because we don't have to invest for franchise system. That is the reason we are going for that. It is an opportunity and we are using it.

Anjana: Sir, how many of the 40 labs are currently below the break-even point?

Amar Singh: No. In fact, we have recently started Delhi and Bhopal. And they are also not fully functional, because at some place CT is not started. Some place, MRI is not started. Otherwise, all the labs and diagnostic centers are profitable. Because in major centers, we get the profit within 9 months to 1 year. And that is the time just because we take so many licenses, so many affiliations because we are having more than 200 affiliations with government and public sector and private sectors. Immediately, whenever we open the lab, we have to make it **58:NADL. NADL,** we can take only after 6 months we can apply and we get the NADL in 9 months to 1 year. So, the full business comes within 9 months to 12 years. The moment full business comes, basically, we cross the breakeven point. That is the nature of the business. And in case of labs, because we have never started labs in this manner, the way we are going to start. And we will see, just because of Jeena Sikho from day 1, it will be in profit. We cannot afford to lose the money by opening new centers. We cannot afford because we have to give at least 20%-25% growth every year, year on year. That is our commitment to our shareholders and that we have to do. Sometimes, of course, we cross that. But we always make a business which should not drag behind 20%-25% in case of profitability and EBITDA, that we are trying to maintain the expansion with the profitability.

Anjana: Okay. So, beyond the recent fundraise, will the company require any additional debt or equity for its expansion plans going forward?

Amar Singh: At the moment, it is not looking like because we will have enough money for next 2.5 years. I don't believe, if we get any big opportunity in acquiring a lab or something, that may be. But as far as our program is concerned, for 100 labs and 8-9 major centers, I don't believe we need any money in next 2 years.

Anjana: Okay, sir. That's all from my side. Thank you for answering my questions.

Amar Singh: Thank you. Welcome.

Moderator: Thank you. The next question is from the line of Mr. Prabal Jain from SM Holdings. Please go ahead.

Prabal Jain: Hi again. Sir, your hospital business, do you have any plan to bring this into a more simpler structure? Maybe you want to bring hospitals into listed entity. Have you thought about it? Or do you have any strategy on paper? Do you have any view on it?

Amar Singh: Plan for expansion or plan for IPO?

Prabal Jain: In any way.

Amar Singh: We have a 250-bed MOU in Gorakhpur. They will build a building and give it to us in a year. After that, we will do it for another year. In 2 years, we will have 250 more beds in Gorakhpur. And as far as IPO is concerned, we are going for IPO in April 2027, because this company is already profitable for the last 6 years. It has net profit for 6 years. So, we are going for pre-IPO in FY'27-'28 and then IPO.

Prabal Jain: Okay. Sir, as you said, you have started an account in Gorakhpur. Do you have any other hospital that you are evaluating in the North?

Amar Singh: No, we will not do it now, because we already have around 600 beds. And when we fully utilize these 600 beds and reach IPO in FY'27, it will be running at 90% occupancy. At that time, Gorakhpur will be inaugurated. After IPO or during IPO, whatever realization we do, we will plan further. Now, we have to take it to around 850, so that we can move forward with a solid foundation.

Prabal Jain: Okay. Perfect, sir. Thank you so much.

Amar Singh: Thank you. Welcome, sir.

Moderator: Thank you. The next question is from the line of Mr. Charchit from Genuity Capital. Please go ahead.

Charchit: Hi, sir. Just one question. Sir, our EBITDA margin in FY'25 was 18%, which increased to 21% in FY'26, increase was 3% odd. So, what was the main driver for that? That is my first question and my second is, we are targeting 30% EBITDA margin going forward. So, how will we reach at that point?

Amar Singh: At the moment, our EBITDA margin in diagnostic is already 34.22%. And the consolidated EBITDA is around 21.81 but the diagnostic business is already having 34.22 EBITDA margin. And 18.76 is net profit margin. What we are doing, we are increasing the margins of our pharmacy business also. And as far as Diagnostic is concerned, because recently, in the last 18 months, we have opened nearly 10 major centers. And definitely, they are giving us more and more profit and that's why it will start increasing also.

Charchit: Like, going forward by FY'26, what is our target EBITDA margin, consol level?

Amar Singh: As far as EBITDA margin, I don't know. But usually, our net profit growth will definitely be more than 20%-25%. And we always aim for our net profit and EBITDA growth, which should never come down from 20%-25%. Of course, it will increase. Sometimes, you may find EBITDA margin somewhere larger and somewhere smaller, just because when we are expanding more, it may come down for some time and then it will increase. But the net profit and EBITDA will always grow more than 20%-25%. That we try to maintain in spite of having so much of expansion and pan-India presence. Even then, we will maintain that. But EBITDA margin, 34.22 is quite good. And as far as target is concerned, our target is only 35%. But it may exceed also. It is a matter of good execution of all the processes. And it may increase also. Sometimes, it may decrease. But the net profit and EBITDA should grow more than 20%-25%. That we will try to maintain. That is our primary aim.

Charchit: Okay. So, we are saying 35% by the end of FY'26, right?

Amar Singh: Yes.

Charchit: Yes. Great. All the best. Thanks a lot.

Amar Singh: Welcome, sir.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Mr. Parth Acharya for closing remarks.

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

Amar Singh: Thank you, Parth. Thank you, everyone.

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