



**“Suraksha Diagnostic Limited  
Q3 & 9M FY’25 Earnings Conference Call”  
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**MODERATOR:** **MR. ASHISH TENDULKAR – MUFG INTIME**

**Moderator:** Ladies and gentlemen, good day and welcome to the Suraksha Diagnostic Limited Q3 and 9-Month FY25 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ashish Tendulkar from MUFG Intime. Thank you and over to you, sir.

**Ashish Tendulkar:** Good morning, ladies and gentlemen. From the management team, we have Dr. Somnath Chatterjee, Chairman and Joint Managing Director, Mrs. Ritu Mittal, Joint MD and CEO, Mr. Amit Saraf, CFO and Mr. Balgopal Jhunjhunwala, GM, Finance.

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 risk and uncertainty. For more details, kindly refer to the investor presentation and other filings that can be found on the company's website and stock exchanges.

Now, I would like to hand over the call to the management for opening remarks. Thank you.

**Somnath Chatterjee:** This is Dr. Somnath Chatterjee. Good morning and welcome you all to the discussion on our Quarter 3 and 9 months FY25 results. Our financial results and investor presentation have already been uploaded to the exchanges and I trust you had a chance to review them.

We are very happy to report that we delivered a strong performance during the third quarter and the 9 months ending December 31, 2024. We are buoyantly confident that we are well positioned for continued revenue growth and margin expansion over the long term. We would like to acknowledge here that our performance in the third quarter has an impact from some external factors.

Primarily among them was the doctor's agitation that affected us. Also, the patient flow from Bangladesh was severely restricted during that period. However, we are glad to inform you that things have reached complete restoration as far as the doctor's movement is concerned. Furthermore, patients from Bangladesh are also increasing every day now.

Considering the seasonality, top-line growth and profitability both remained strong in this quarter too. The East of India provides us with the largest un-penetrated market for organized diagnostics in the country and we are fully leveraging that in terms of adding newer geographies to our list of new centers. As committed, we remain focused on delivering the latest technology in the diagnostics space.

Suraksha has added a number of newer technologies to its reference labs, such as the microarray, standard sequencing, etcetera. This will make Suraksha the largest genomics platform in the East and enable it to rapidly expand its B2B segment.

Recently, with sadness, we announced the departure of our CFO, Amit. We thank Amit for all his wonderful services, especially during the demanding IPO process and wish him all the best for the future. At the meeting held on February 8, 2025, the Board of Directors approved the appointment of Mr. Ravindra K.S as the CFO, with effect from March 1, 2025. He will also act as the Group CFO.

Ravindra is a finance professional with over two decades of experience. He holds a B.Com. degree and is a chartered accountant. He was the Group CFO at Medica Hospitals Group, Group Finance Controller at Narayana Hrudayalaya, and Group Manager Finance at Aditya Birla Nuvo Limited, amongst others. We look forward to working closely with Ravindra on areas such as financial management and strategy planning.

In summary, I want to state that the company remains committed to driving shareholder value over the long term, while doing so in an extremely responsible manner. With that, I would like to hand over the call to Mrs. Ritu Mittal, our CEO, who will brief you about the overall operations of the company. Thank you very much.

**Ritu Mittal:**

Thank you, Dr. Chatterjee and thank you to all the participants for attending the call. Looking at this market, we believe it remains one of the least penetrated, which gives us significant room to grow in the future. The diagnostic industry, which includes both radiology and pathology, is a space where we are strategically positioned to perform well in both segments.

Our strong brand recall is another key strength. With 94% of our revenue coming from B2C, and over 30 years in the industry, we've built a trusted name in the market. Additionally, the Northeast and East markets, where we have a particularly strong presence are among the highest paying segments in diagnostics. This gives us a clear edge, not just to grow, but also to achieve higher profitability.

Looking ahead, we remain focused on internal growth, particularly by expanding our network with new centers and exploring inorganic growth opportunities. These strategies will help strengthen our position in the market, where we already have a dominant presence. We are confident that these efforts will continue to drive strong business growth and margin expansion moving forward.

In terms of inorganic growth, we are actively looking for strategic partnerships and acquisitions that align with our long-term vision and values. We believe that the right acquisitions will not only expand our geographic footprint, but also allow us to diversify our service offerings, whether it's through expanding our network of diagnostic centers, acquiring smaller players with complementary capabilities or investing in specialized diagnostic services. We are committed to making smart, value-appreciative moves that will strengthen our market position.

Let me now highlight our continued growth in expanding our diagnostic center network. In the quarter, we added two new centers, bringing our total to 53 diagnostic centers as of December 2025. Our commitment to expansion remains strong, with plans to add 12 to 15 new centers each year. As of December 2024, we've added five new centers and in January 2025, we began operations at one additional center. The remaining 6 centers are on track to be operational by

March 2025, positioning us to further strengthen our presence and service capabilities in the region. The doctor's strike and such other external factors have temporarily weighed on our expansion plan.

I am also pleased to share some key figures that showcase our expanding network. We currently operate 53 centers in total, which include 24 small centers, 11 medium-sized centers, 14 large centers, and 4 PPP centers. Alongside this, we also have 9 labs, 132 polyclinic chambers and 187 collection centers.

Over the past 9 months, we've had the privilege of serving 0.9 million patients and performing approximately 4.87 million tests in total. For nine months FY25, the company conducted 5.42 tests per patient. These numbers are a testament to the steady growth of our network and our ongoing dedication to provide high-quality healthcare services to an ever-growing patient base across the region at a reasonable price.

To conclude, we believe that Suraksha Diagnostic is well-positioned to further enhance its dominant position in the East. We are very encouraged by the opportunities that lie ahead in terms of both organic and inorganic growth.

With that, I would like to invite Mr. Amit Saraf to discuss in more detail about Q3 and nine-month FY25 results. Thank you.

**Amit Saraf:**

Good morning, everyone. This is Amit Saraf. Thanks, Ritu ma'am, for handing over the call. I will now provide brief insights of financial results for the quarter and nine months ended December 25\*. For Q3 FY25, our total income reached INR601.1 million, which was an impressive growth of 14.1% year-on-year. For nine months FY25, our total income stood at INR1,900.3 million, up 14.4% compared to the same period last year.

\*the following figures were for the quarter and nine months ended December 24

Given that the third quarter coincides with the festival season in India, getting tested is not a priority for most of the people. Besides, cold weather conditions prevailed during the October to December period, thereby naturally lowering demand for diagnostic services. Essentially, the third quarter usually turns out to be a seasonally weak quarter for diagnostic and testing players.

In addition, we were also impacted by the doctors' strike, which also impacted our operations during the quarter. The third quarter seasonality and impact of doctors' strike reflected in the sharp decline in our profitability during Q3 FY25.

EBITDA increased by 16.7% year-on-year to reach INR188.6 million driven largely by operating leverage and added by cost control measures. For 9 months FY25, EBITDA jumped by 22.4% to reach INR650.8 million. The Q3 FY25 EBITDA margin improved by 49 basis point year-on-year to 31.7% and for 9 months FY25, the EBITDA margin widened by 229 basis points year-on-year to 34.8%.

Our profitability after tax also surged with 31.9% year-on-year in Q3 FY25 to INR59.8 million while the corresponding figure in the first 9 months of FY25 stood at INR238.1 million,

reflecting an impressive 41.7% year-on-year growth. Consequently, the company reported a Q3 FY25 PAT margin of 10.1% compared to 8.8% generated in Q3 FY24. We continued to be disciplined in our approach to achieving sustainable growth. Our operations metrics also held up reasonably well despite the seasonality.

For 9 months FY25, the average revenue per patient amounted to INR2,084 in comparison to INR2,099 in the first half of FY25. The average EBITDA per patient reached INR725 in 9 months FY25 compared to INR761 in the first half of FY25. The revenue per lab was INR208 million in the 9 months ended FY25. To conclude, even in the seasonally weak quarter, our performance has been strong with a notable improvement in top-line growth and margins on year-on-year basis, while the operating metrics has also held up well in our view.

Our focus on technology investments and operational efficiency will continue to reflect in our results. As this is my last conference call for Suraksha Diagnostic, I take this opportunity to thank Dr. Chatterjee and Ritu Ma'am for showing their support and belief in me. I wish the company all the best in its future endeavors. I would now request the moderator to open the floor for question-and-answer session. Thank you.

- Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Siddhant Kanodia from Tusk Investments. Please go ahead.
- Siddhant Kanodia:** Good morning everyone. Ma'am, I have a couple of questions. My first question is how much of the revenue loss was because of the doctor strike?
- Ritu Mittal:** It would be to a tune of around INR10 to INR12 crores.
- Siddhant Kanodia:** Top-line INR10 to INR12 crores?
- Ritu Mittal:** Yes, for the year.
- Siddhant Kanodia:** Sorry for the quarter?
- Ritu Mittal:** For the year at least for quarter 2 and quarter 3 are most impacted by this doctor's strike. Overall, it's a INR10 crores to INR12 crores revenue loss.
- Siddhant Kanodia:** INR10 to INR12 crores. Okay. Ma'am, I was seeing there is a significant drop in the margins like from 35, we have reported 31.5%, 32%. And it's because of the seasonal weakness, right?
- Ritu Mittal:** No, so the margin dip is basically because of the lower top-line because approximately 28% of our expenses are variable while the rest is fixed in nature where revenues declined therefore the fixed expenses take a hit on the margins.
- Siddhant Kanodia:** Okay, but like Q1 we did a similar top-line and our margins were close to 35%. So, this time also we have reported INR60 crores?
- Ritu Mittal:** Yes.

- Siddhant Kanodia:** This time also we have reported INR60 crores. So, is it because of the new centres our fixed cost has increased?
- Ritu Mittal:** Yes, absolutely because like we mentioned we have already added six centres and five by quarter 3. And therefore, the costs have gone up in comparison to revenue.
- Siddhant Kanodia:** Okay. Ma'am, can you let us know what is the monthly run rate like per centre like in the first year of the commissioning, does it reach breakeven in the second year or is it EBITDA positive in the first year itself?
- Ritu Mittal:** So, typically a small centre and a medium centre becomes EBITDA positive in 3 to 4 months and a big centre takes around 6 to 7 months to become EBITDA positive.
- Siddhant Kanodia:** So, for the full year, it will contribute to the EBITDA margins?
- Ritu Mittal:** Yes, definitely.
- Siddhant Kanodia:** Okay. And like the six centres we are opening in Q4, can you give us the break-up between small, big and medium?
- Ritu Mittal:** Yes, so out of the six there are two PPPs that we open. There will be two big centres and two small centres.
- Siddhant Kanodia:** Two small centres. So, so far the five centres we have done, it's only one big centre, right?
- Ritu Mittal:** One big centre, one medium centre, one small centre and two PPPs.
- Siddhant Kanodia:** Okay, so for the year we are opening three big centres?
- Ritu Mittal:** Yes. And there will be another one which will open like the work has started, which will open in the first quarter of the next financial year.
- Siddhant Kanodia:** So, that will, like the next 10 centres or 12 centres will be in the FY26?
- Ritu Mittal:** Yes.
- Siddhant Kanodia:** Okay. And how is the Q4 shaping up, like the doctor strike which impacted Q2, Q3, are we going to see the revenue going up?
- Ritu Mittal:** Doctors' strike impact has definitely worn off now, but Bangladesh patients are still impacting the business in a small way, but we still think we will be on our targets.
- Siddhant Kanodia:** How much of the revenue comes from Bangladesh, like overall, before this whole political thing?
- Somnath Chatterjee:** This is extremely difficult to say because they don't register themselves as Bangladeshi patients. They will always give you Indian addresses, but what we have seen is on an average we deal with about 100, in fair times, we deal with about 100 patients a day from Bangladesh That has

gone down drastically, but medical visas are again being given and things are almost coming back to normal.

And we believe this quarter we are seeing the green shoots already. So, should be equivocal or better, the year-on-year growth even in this quarter will be maintained.

**Siddhant Kanodia:** Right. And when we talk about the doctors' strike is this the same issue of the RG Kar or is it a separate?

**Somnath Chatterjee:** No, this is the same issue as RG Kar. This has more or less died down now completely, but when it happened, it genuinely had its impact. It had more impact on the hospitals than on the diagnostics. And similarly with Bangladesh it has more impact on hospitals than diagnostics. But both suffer to a certain extent – both of them suffer.

**Siddhant Kanodia:** That will be it. I will get back in the queue. Thank you so much. Thank you, sir.

**Moderator:** Thank you. The next question is from the line of Divang Mehara from SKB Capital. Please go ahead.

**Divang Mehara:** Thank you for the opportunity, sir. So, I have a couple of questions. So, competitors are entering your region and are you planning like a foray into their market as well? If yes, by when you are planning to enter the market outside the East and when I'm sorry, where?

**Ritu Mittal:** So, right now as we know Eastern India happens to be the least penetrated market as far as structure diagnostic is concerned. And it has 28% of the country's population which is around 40 crores. So, our focus is going to be Eastern India and North Eastern India for the time being. And therefore, you know, we are talking about organic expansion of adding 12 to 15 centres every year going forward.

**Somnath Chatterjee:** But you are correct in a sense that approaches are coming. That is something we have seen in recent times. A lot of approaches are coming from Chhattisgarh, from MP. What we strongly believe is East has the biggest growth opportunity because it has not only the population, if you look at it, the paying capacity is premium. It is in parallel with that of the West. And the market, especially that of North-East, is almost a vacuum for organized players.

So, today, and you will also reflect on the idea that organized diagnostics is growing at a faster pace. So, we strongly believe that there will be a lot of opportunities in the coming months for us to acquire unorganized centres in the East itself. And that will definitely add to our strength.

**Divang Mehara:** Okay, sir. Got it. So, next question is like what are you seeing in terms of B2B partnership? Are you gaining any traction there?

**Ritu Mittal:** So, you see 93% of our revenue is coming from B2C and that's the model we operate in. We are definitely focusing on B2B business, but not at the heavily discounted business that B2B does. We are focusing on super-speciality vertical. We have established ourselves as the leader in this area with unique offerings including the only cytogenetic lab in the whole of Eastern India.

The only mass spectroscopy facility and the only fully configured NextGen sequencing lab in Eastern India. So, basically we have a genetic lab that is only present in Suraksha in the whole of East and North East. So, this is the vertical that we would like to strengthen and get our business in B2B.

**Somnath Chatterjee:** As a matter of fact, you will see that diagnostics has all along remained a regional thing. So, we strongly believe that even in the high-end sector, super-speciality which today is mainly molecular biology and genomics, there will be a regional leader from the East. And Suraksha, having the infrastructure already built in and now having added capabilities, will take that position.

That it will be the place to go for all high-end molecular and genomic tests in the whole of East and North-East India. Even regarding this we are seeing a very positive traction in the market.

**Divang Mehara:** Okay, sir. Got it. Thank you.

**Moderator:** Thank you. The next question is from the line of Prateek Poddar from Bandhan AMC. Please go ahead.

**Prateek Poddar:** Hi, sir. So, just one question you talked about 100 patients on a day coming from...

**Moderator:** Sir, can you speak a little louder, please?

**Prateek Poddar:** Okay. I was just asking, you talked about 100 patients a day coming from Bangladesh. What is this run rate back to?

**Somnath Chatterjee:** It is back to about 25, 30 again. And it is like I commented it is increasing every day because a large part of Bangladesh population, especially in the bordering districts of Jessore, Comilla and all that are completely dependent on India, especially Kolkata and its surroundings for its diagnostics. It is not only Kolkata, but we have centers which are absolutely in the border areas of Bangladesh, like Basirhat, like Bangaon, like Habra. So, we have centers, which are very, very close to the border. And we are seeing an increased footfall there and also the hospitals are also receiving more Bangladeshi patients. That is again coming back.

**Prateek Poddar:** Got it. And I just wanted to understand, is this business lost forever or you see a pent-up coming back? Sorry, just wanted to understand from this doctor's strike plus the Bangladeshi impact which has had an impact on the last two quarters. Is this business lost, or this will come back in Q1, Q2 or maybe, let's say, Q4, Q1, Q2 of, let's say...

**Somnath Chatterjee:** Some of this business will definitely be lost. The acute cases will be lost. But as you know, 67% of India's disease burden is chronic, non-infective diseases, NCD. And of that, the majority is cardiac and renal. So, diabetes and hypertension take the burden. So, this volume will always come back to you. It might have been temporarily disturbed, but millions and millions of people suffer from diabetes and hypertension. These are chronic patients, so they will never go away. They will always be with you.



**Prateek Poddar:** Got it, got it. And is it fair that only a certain percentage of our, let's say, number of centers, only a couple of centers would have got impacted by these two issues, and it's not something which is broad-based? So, in some regions, the utilization levels would have been very healthy. And this is a phenomenon limited to, as you talked about, that certain border area centers, etc. And hence, we are seeing this lower operating, I mean, lower revenue per center. Is that the way to think about it? That's a fair understanding?

**Somnath Chatterjee:** Yes, some of the centers which are -- which cater to metropolitan areas of Kolkata hardly got affected. But then, one will also have to understand that the volume of Bangladesh patients in Kolkata is pretty fair number. So, bordering centers definitely have an effect. Bordering districts did have the major effect. But all centers got slightly affected, of course, because these patients mainly come for hospital treatment. And they get the investigations done outside because diagnostic centers provide a much cheaper solution for diagnostics for these patients.

So, there is a bit of effect on all centers. But you are very correct when you say that the border district centers have got affected majorly.

**Prateek Poddar:** Would you quantify how many centers of yours would be actually running below utilizations and how many are actually growing? Because on a blended basis, there is some distortion. How many centers would have got affected by these two issues in your view?

**Somnath Chatterjee:** Barring centers in Assam and Bihar, all centers will have got affected somehow or the other. You know, because Bengal and Bangladesh, West Bengal and Bangladesh have almost, and also for that matter Tripura, have almost a porous border. So, patients come in every day and go back every day. So, that is not true for either Patna or Guwahati. But barring that, everybody would have got affected a little or more.

**Prateek Poddar:** Got it, Sir. Thank you. Thanks. Very helpful.

**Moderator:** Thank you. The next question is from the line of Sahil Bora from M & S Associates. Please go ahead.

**Sahil Bora:** Hello Sir. Good morning. Thank you for the opportunity. I just had a few questions. My first question is, what are you seeing in terms of average pricing of the tests that you conduct? If you have raised prices, how have the customers reacted to it?

**Somnath Chatterjee:** Sir, we have not raised prices as yet. We actually go for a 3% to 4% hike, at the end of the financial year. So, and one thing I would like you to consider, that diagnostics is actually a very small ticket event, in healthcare. So, the rise does not actually always bother the patients unless it is a huge rise. And our annual rate of increase overall is about 3% to 4%. That too in alternate years and so we do not see any effect of that on our patient population.

**Sahil Bora:** Understood. So, my next question is how many large, medium and small centers do you plan to open in the next 3 years?

**Ritu Mittal:** So, typically we plan to open 12 to 15 centers every year and the ratio would be around 1:3 or 1:4 depending on the territories that we are setting up centers in. So, you would appreciate the

fact that when you get into a new territory, a small center will have no impact. So, there you are, generally we plan and make a big center. So, our ratio would be around 1:3 or 1:4 for large to medium or small centers.

**Sahil Bora:** Okay, thank you for that. And lastly, what is your strategy with respect to public-private partnerships and do you plan to expand in this space in the near future?

**Somnath Chatterjee:** The simple way to put it is we are not gung ho on PPP but being the biggest player in West Bengal also has its obligations. So, we do participate in some of them. We are in the process of putting up an MR in the biggest medical college of West Bengal that is Calcutta Medical College.

So, a couple of things genuinely help you. One is definitely the rates are discounted, but the numbers are humongous. You end up doing 100 plus cases a day. The advantage is Suraksha in the process gets exposed to a large number of young radiologists who are doing their post-graduation or post-post-graduation work. So, Suraksha becomes a familiar name to them.

And the other thing is of complete academic interest that being positioned in a good medical college or a good hospital allows you for a lot of publications which are very important to the doctors themselves. You know ultimately it is also a question of fame and fame is very much dependent on how many publications you write.

So, these medical colleges help us that way. One is to keep in touch with the academic world continually. Two is a large number of junior radiologists become familiar and in some cases they would be joining us in future. Some of them have joined us from different medical colleges. That is one definite advantage of this.

**Sahil Bora:** Okay, thank you sir for the detailed response. All the very best. Thank you. That's it from me.

**Moderator:** Thank you. The next question is from the line of Siddhant Kanodia from Tusk Investments. Please go ahead.

**Siddhant Kanodia:** The PPP model which you just mentioned, like we have four PPP right now currently. So, what is the margins that are contributing overall, EBITDA margins?

**Somnath Chatterjee:** Two of them have opened about a month back. So, it is just getting familiar. But if you take as an average, we have one PPP in NRS Medical College for a long time. That works on a 30% EBITDA margin.

**Siddhant Kanodia:** And the old centers which we have, which is like around 40, maybe 40 plus old centers, what sort of EBITDA margins are we targeting in the next 2, 3 years? Can we go to 40%, 41%?

**Ritu Mittal:** Yes, it is at around 40, 41%.

**Siddhant Kanodia:** Okay, thank you.

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

**Ankita Agrawal:** Thank you for this opportunity. So, I would like to know, please could you break down your annual capex into maintenance and growth and what are the proportions towards maintaining capex?

**Ritu Mittal:** So, our capex outlet that we have budgeted is around INR70 crores per year. Out of this, maintenance would be to the tune of 5% to 7% every year and the rest is all expansion.

**Ankita Agrawal:** Okay, thank you. And I have a follow-up question. So, regarding the high amount of leases appearing on the balance sheet, could you explain how we should look at leases? Are they quasi-debt?

**Amit Saraf:** So, see, we have received these questions several number of times from our individual investors. So, I want to provide some color on the lease liabilities which is appearing on the balance sheet. Under Ind AS 116, leases are not considered as traditional debt. Rather, there is an accounting adjustment that recognizes the present value of future lease payment as a liability.

This adjustment is required under Ind AS 116 to ensure that lease obligations are transparently presented in the financial statement. The payments are split into principal repayment, reducing lease liability and interest expense. In other words, the lease liability reflects future rent payment as per lease contracts rather than an increase in financial debt.

They represent a contractual obligation to pay rent. However, they should not be mistaken as borrowing. I hope I answered your question.

**Ankita Agrawal:** Yes. And also regarding the number of centres opened during Q3 FY25, I would...

**Amit Saraf:** So, in FY25 till December '25\*\*\*, we have opened 5 new centres and one centre has been added in January and are in process of adding another 6 to 8 centres in February and March.

\*\*\* to be read as: till December '24

**Ankita Agrawal:** Okay, thank you, sir. Thank you.

**Moderator:** Thank you. The next question is from the line of Sakshi Trivedi from Trivedi And Associates. Please go ahead.

**Sakshi Trivedi:** Hi, thank you for the opportunity. I just want to ask, do you have a target for market share in mind in the East? What is the opportunity you see and will the competition impact you?

**Ritu Mittal:** So, the market share that we think of getting in the East is around 3%, which is also very similar to the leaders, the regional leaders in the diagnostic plane in their core geographies.

**Sakshi Trivedi:** Okay, ma'am. So, my next question would be, would you be able to sustain the 20-30 percent pricing premium if we expand the current ways?

**Ritu Mittal:** Yes, we would because, like we mentioned, East India is the least penetrated market as far as quality diagnostics is concerned. And therefore, the premium remains because of lack of availability.

**Sakshi Trivedi:** Fair enough. Okay, thank you so much.

**Moderator:** Thank you. The next question is from the line of Ashish from JM Mutual Fund. Please go ahead.

**Ashish:** Hi, thanks for the opportunity. Ma'am, could you give some color on how our polyclinic chamber association, so that that venture is going on now. Any update on how is it going?

**Ritu Mittal:** Yes, so as we add centers, we also add the number of chambers. And therefore, the number of doctors also keep getting added in a similar fashion. And our revenue from doctor fees is also picking up. Our conversion has also improved in the past quarter. So, we are on track as far as our polyclinic business is concerned.

**Ashish:** And ma'am, for future years, obviously, last quarter conference call, you did mention, that you are targeting revenue growth of 15%. And obviously, it's a 100-basis point of margin expansion every year. So, this kind of a guidance stays? So, that was my first question.

**Ritu Mittal:** Yes, it stays.

**Ashish:** And also, could you help us with the seasonality? We understand that third quarter is the leanest quarter. But what are your best quarters in the business? If you could help us understand that.

**Ritu Mittal:** Our best quarter is quarter 2 and quarter 4. And quarter 3 for the whole industry is definitely lower seasonal quarter. But if we look at year-on-year, we have shown a growth of around 14.5%.

**Ashish:** And any plans of doing an M&A?

**Ritu Mittal:** We are continuously exploring opportunities. So, whenever we find something that suits us, has the same kind of value system and quality controls that we want, we would definitely go ahead in it.

**Ashish:** So, this capex plan, you said INR70 crores. So, that does not include any potential M&A targets, right?

**Ritu Mittal:** No, it does not include the acquisitions.

**Ashish:** And for how long do you feel this kind of center openings will continue? Is it a 3 year vision that you guys are taking or how is it?

**Ritu Mittal:** So, for 3 years, we definitely want to reach a number of 100 in the next 3 years. And then we would definitely plan to focus on the businesses from these centers, stabilize all the centers, all the 100 centers, and then go ahead with the next centers that we want to plan.

**Ashish:** Okay. That's it. Thank you and all the best.

**Moderator:** Thank you. The next question is from the line of Surya Narayan Patra from PhillipCapital. Please go ahead.

- Surya Narayan Patra:** The first question was about the mix of business that you will be getting from the Bangladesh business. So, is it a kind of tangible one...
- Somnath Chatterjee:** Can you kindly be a little louder, please?
- Surya Narayan Patra:** Yes. This is about Bangladesh. Am I audible right now, sir?
- Somnath Chatterjee:** Yes. You're better.
- Surya Narayan Patra:** I was talking about the Bangladesh patients' contributions to the overall business. So, is it a meaningful so in the overall business is it 10%, 20% like that or could you quantify what is the share of them and whatever impact that we have seen because of them not participating or not contributing whether it has impacted equally to the pathology as well as radiology business?
- Somnath Chatterjee:** As I said, it is very difficult to quantify Bangladesh business. Because they will never give Bangladesh as their address. They will give an Indian address and they will pay you in Indian currency. So, very rarely you find some of them to be asking that, can I get a Bangladeshi currency change.
- So, it is difficult to quantify, but definitely it has effects on two cities. One is Chennai, the other is Kolkata. These 2 cities definitely have effects if Bangladesh has some issues. But needless to say, diagnostics has a lesser effect. Hospitals bear the brunt of the attacks. Because people don't come for normal surgeries. People come for high-end surgeries.
- And how the diagnostic benefits is when they come for such major treatments. The investigation is done outside the hospital premises, because it is much cheaper to do them in diagnostic centers than the hospital. To summarise, what one can say, there is definitely an effect of Bangladeshi patients on the hospital industry, to a lesser extent on the diagnostic industry. But it is there. One cannot say it is not there.
- Surya Narayan Patra:** So, is it fair to predict that the radiology would have got a bigger hit than the pathology?
- Somnath Chatterjee:** No. These cases come in the same proportion, which is around 56% pathology and 45% radiology. The mix is the same as is evidenced in the overall performance. It is not that somebody will only do radiology and not do pathology. It is not like that. They come for major treatments, so it usually involves both. Of course, it has its share of specialized tests which are not available in Bangladesh. So, you also get that. So, that can be high-end radiology, that can be high-end pathology, both.
- Surya Narayan Patra:** My next question is on the polyclinic sample. So, obviously, we have seen the number getting added in line with the center addition this quarter versus last quarter. So, in the longer period of time, how do you see this polyclinic sample numbers expanding?
- Somnath Chatterjee:** As we add centers, polyclinic numbers are increasing. Also, what is happening is now a lot of branded healthcare players are coming to us. The hospital chains specifically, they are requesting us to allow their in-house doctors to come and practice with us, especially in the peripheral centers.

That is a new green shoot that we are observing that a number of hospital chains have come to us and requested us whether we can accommodate their super specialists in our polyclinic. So, that definitely is a very positive green shoot.

**Surya Narayan Patra:** You have given revenue mix between the pathology, radiology, polyclinic? Is it possible to share what is the volume mix of tests between pathology and radiology?

**Somnath Chatterjee:** This part of your conversation was not clear. Ratio of pathology to radiology.

**Surya Narayan Patra:** Volume mix between pathology and radiology?

**Ritu Mittal:** So, our pathology is 56% and our radiology is 44%.

**Surya Narayan Patra:** That is the revenue mix you have indicated. I was asking what the volume is. Volume?

**Ritu Mittal:** Yes, volume. Just give me a minute. So, it will be around 75% will be pathology and 25% will be radiology. Volume mix.

**Surya Narayan Patra:** And this is the trend even for the previous period also?

**Ritu Mittal:** You are very unclear. Can you please speak louder?

**Surya Narayan Patra:** So, whether this was the trend even in the period so far in the YTD?

**Ritu Mittal:** Can you please repeat?

**Surya Narayan Patra:** Whether this mix trend was similar in the upper half also?

**Amit Saraf:** For previously also this trend was similar in terms of because the radiology costs are higher in comparison to pathology costs, in general.

**Surya Narayan Patra:** Just last one question from my side. Specialized tests in the pathology. That is around 45%. So, could you share what has been the trend so far and what is the kind of mix that your targets are replacing going ahead?

**Amit Saraf:** I am unclear about your question, sir.

**Surya Narayan Patra:** Okay, I am just trying my luck. One again. Yes, I am trying my luck once again. So, I am asking the specialized tests. What has been the kind of mix? For this period now it is 45%. But in terms of the trajectory over the last one year period, what it has been, how it has improved or what has changed? And going ahead, let's say over the 2 years, what is the kind of change in the mix that you are replacing?

**Amit Saraf:** In terms of revenue mix from radiology and pathology, in general it is around 54% from pathology and 45% from radiology. And it is being observed that since last 2-3 years, the mix is more or less the same. It is around 53% and 45%-46% or 54% and 45%-46%. It is pretty much similar in last 2-3 years. 1% here or there.

- Moderator:** Thank you. The next question is from the line of Siddhant Kanodia from Tusk Investments. Please go ahead.
- Siddhant Kanodia:** Yes, hi. Can you just shed some light on the performance of the subsidiaries? What is the AIIR model and are we burning cash or all the subsidiaries are at breakeven?
- Amit Saraf:** In terms of subsidiaries, AIIR is already a EBITDA positive and is earning profits. AIIR has started in May'24 only and by December'24, it has already started doing profits. In fact, the profit before tax in the quarter of December'24 was 11.87 lakhs. And in terms of Suraksha Radiology, which is another subsidiary, this is started.
- Basically, two PPP models have been started under this and this is currently not even breakeven, because it started only in August-September month. So, this is the status of our subsidiary.
- Siddhant Kanodia:** Okay, and what is the AIIR model exactly?
- Somnath Chatterjee:** The AIIR model is Suraksha owns 60% of the equity and the doctors own 40% equity, 20% each between Dr. Arghya Chattopadhyay and Dr. Parthojit Das. So, the model, the business model is they deal with all rheumatology and immunology patients. They have around 30 doctors sitting in their polyclinic, which includes two of the biggest names of Kolkata, Professor Sukumar Mukherjee and Professor Alokendu Ghosh.
- So, both the doyens sit there and they conduct investigations most of which are outsourced to Suraksha. And then they also carry on therapy, which is administration of bio-similar. So, they have an eight-bedded daycare center where they provide this therapy. And they also have started making outreach clinics. They are already sitting in Bardhaman, Asansol, in one of Suraksha centers in Ballygunge. So, gradually they are increasing their footprint all through our chain.
- Siddhant Kanodia:** Okay, got it.
- Somnath Chatterjee:** The working of rheumatology is unfortunately these diseases are never cured. What the doctor at best tries is to give you as much as possible as a normal life. But the diseases being autoimmune in nature will flare up once in a while. So, they have patients of long duration. And they are quite good at what they do.
- They were complaining the other day that they cannot give an appointment for the next 1 month. They are fully booked out. So, should do very well in future, God willing. And this being a new emerging discipline of medicine also has very large investigative component.
- Moderator:** Thank you. That's all for this question for today. I would now like to hand the conference over to the management for closing comments. Over to you, sir.
- Somnath Chatterjee:** We thank you all for being with us. We are extremely grateful some of you remain our current investors. What we can see or what we can tell you is centers are coming, getting added at a very fast click. That you will observe over the next couple of quarters. Some of the centers which are getting built in our core territory are breaking even also very, very fast. So, we look ahead to a

great future and positive acquisitions are being prepared. Hopefully we can share the good news very soon with you. Thank you. Thank you for being with us.

**Moderator:**

Thank you. On behalf of Suraksha Diagnostic Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.