



Krsnaa
DIAGNOSTICS

LET'S DO GOOD...

————— 29th September, 2025 —————



India's Best Performing and Most Customer Centric PMS

Krsnaa Diagnostics Limited has steadily built itself into one of India's most compelling integrated diagnostic service providers, blending scale, affordability, and quality in a domain that is conventionally fragmented and capital intensive. From its early days, the company has been driven by a vision of broadening access to reliable diagnostics across geographies often overlooked by large healthcare players—particularly smaller towns and non-metro districts.

Over time, it has built a hybrid model combining public-private partnerships (PPPs), retail expansion, and strategic private hospital tie-ups, spanning radiology, pathology, and teleradiology. At present, Krsnaa operates in eighteen states and union territories, with a network comprising 185 CT/MRI centres, 120 pathology labs, and over 3,500 patient collection centres. Since inception, the company has served more than seventy million patients, building a trusted name in both rural and urban India.

Its service offerings are both broad and deep. The company offers over 3,200 diagnostic tests, covering specialties from gynecology and orthopedics to oncology and preventive health. Radiology continues to be a crucial pillar, bringing in a majority share of revenues, facilitated by its growing fleet of CT/MRI machines and a robust teleradiology backbone. Pathology complements this, with a rapidly expanding network of processing labs and collection centres, aiming to gradually tilt the revenue mix more toward pathology over time.

In the first quarter of FY26 alone, Krsnaa reported performing sixteen million tests and serving five million patients, demonstrating both the scale and efficiency of its operating model. Alongside this, the company has built one of India's first NABH-accredited teleradiology hubs, allowing diagnostic scans from across the country to be processed and reported with speed and accuracy, even from the most remote hospitals. These capabilities reflect not just scale but also technological sophistication, with in-house PACS and LIMS systems ensuring that the turnaround time for tests remains among the fastest in the industry.

What makes Krsnaa's model distinctive is its ability to deliver these services at prices that are sixty to ninety per cent lower than market benchmarks, while still sustaining healthy profitability. For instance, an MRI brain scan that typically costs several thousand rupees in the private market is offered by Krsnaa for barely a fraction of that amount. Similar gaps exist in pathology, where tests like thyroid profiles, Vitamin D, or HbA1C are offered at discounts as steep as eighty to ninety per cent compared to competitors.

This cost leadership has been achieved not through compromise on quality but through structural efficiencies: shared infrastructure between government and retail operations, disciplined spending on marketing, scale-driven procurement advantages, and the use of automation and digital platforms.

Looking ahead, Krsnaa Diagnostics is entering a phase of balanced growth where contracted revenues from long-term PPP projects provide stability, while retail expansion and strategic acquisitions create avenues for higher profitability and cash flow. The Rajasthan pathology tender, the RPL brand's scaling trajectory, and oncology-focused partnerships like Apulki are expected to materially expand revenues.

In a healthcare environment where affordability and access are critical national priorities, Krsnaa Diagnostics stands out as a platform designed not only to grow with the market but to consistently take share from it, combining social impact with strong financial performance.

| Stock Data | |
|---------------------------|-------------------|
| CMP (29-08-2025) | Rs.774.00 |
| 52 Week High/Low | Rs. 1044 / Rs.626 |
| Face Value (in Rs.) | Rs.5 |
| Market Cap (In Crs) | Rs.2511 Cr |
| Enterprise Value (In Crs) | Rs. 2645 Cr |
| NSE | KRSNAA |
| BSE | 543328 |
| Bloomberg | KRSNAA:1N |
| Sector | Healthcare |

| Shareholding Pattern (in %) | | |
|-----------------------------|--------|--------|
| | Jun 24 | Jun 25 |
| Promoter | 27.17% | 27.11% |
| FII | 3.33% | 3.4% |
| DII | 15.26% | 14.24% |
| Public | 54.23% | 55.25% |

| Price Performance (In%) | | | |
|-------------------------|--------|--------|--------|
| (%) | 1M | 6M | 1Yr |
| Nifty 50 | 0.04% | 6.34% | -3.56% |
| Krsnaa Diagnostics | -3.06% | -2.62% | -3.49% |

| Key Ratios | |
|-------------------|--------|
| Debt to Equity | 0.23 |
| Net Profit Margin | 22.48% |
| Price to Sales | 3.62 |
| Interest Coverage | 5.41 |
| PEG | 7.81 |
| Price to Earnings | 29.8 |
| Industry PE | 38.2 |

Macro Tailwinds: Structural Levers Driving Growth

1) Rising Healthcare Demand in Non-Metro India

India's diagnostics demand is shifting decisively beyond metros toward tier-II/III and district locations. Krsnaa is structurally aligned to this demand curve with operations across 18 states/UTs and an integrated network of 185 CT/MRI centres, 120 pathology labs, and 3,500+ collection centres. Scale is already visible: in Q1 FY26 alone the platform served ~5 million patients and processed ~16 million tests, reinforcing both reach and operating cadence. The company's model—running radiology, pathology and teleradiology under one umbrella—lets it place capacity where access gaps are widest while maintaining consistency of quality and turnaround time via PACS/LIMS and centralized processes. Because Krsnaa's price points are ~70–90% below market (per its own illustrated basket), affordability is a built-in catalyst for volume capture in price-sensitive regions. The combination of presence, price, and process gives the company a long runway to keep compounding volumes from underserved geographies as formal healthcare utilization rises.

2) PPPs as a Long-Term Compounding Engine

Public-Private Partnerships remain Krsnaa's core growth and visibility layer. The company has demonstrated a 75%+ bid-win ratio and typically locks 5–10 year tenures across radiology and pathology, creating contracted volume pools that smooth cycles and fund expansion. The newly awarded Rajasthan pathology program is a step-change: 42 mother labs, 135 satellite labs, and 1,300+ collection centres, with guided capex of ₹200–250 crore and steady-state annual revenue potential of ₹300–350 crore once matured (management indicates revenue impact building into FY27 after a 6–9 month rollout and 1.5–2 years to full run-rate). Structurally, pathology-heavy PPPs improve scalability versus purely radiology builds, supporting throughput with lower capital intensity per revenue. With states increasingly outsourcing diagnostics to standardize quality and lower cost, PPPs provide Krsnaa durable, multi-year compounding—an anchor to which newer retail and specialty initiatives can be layered without destabilizing the P&L.

3) Retail Diagnostics: Accelerating B2C Mix & Cash Cycles

Retail is the second engine—and it's scaling fast off the PPP backbone. Under the RPL brand, retail touchpoints expanded from 362 (Q1 FY25) to 2,414 (Q1 FY26); retail revenue moved from ₹15 mn to ₹118 mn over the same period. Critically, the B2C share of retail rose from 10% to 66%, showing traction with direct-to-patient demand. Retail now contributes ~6% of group revenue, and management has articulated a medium-term ambition of ~18–20% contribution as density builds in Maharashtra, Punjab, Assam, and Odisha. Operationally, retail leverages PPP hubs for logistics, QA and brand trust, keeping incremental cost low; strategically, it diversifies away from government receivable cycles because most retail inflows are cash-based, improving working capital and earnings quality. As retail ramps on top of contracted PPP volumes, Krsnaa gains both margin mix benefits and a more balanced cash profile—key for funding future growth without diluting cost discipline.

4) Cost Leadership via Scale, Shared Infra & Automation

Krsnaa's durable advantage is its ability to price ~70–90% below market while sustaining ~25–27% EBITDA margins. This is achieved by (i) scale procurement of equipment/consumables, (ii) shared infrastructure—common radiology centres and common pathology processing nodes serving both PPP and retail, and (iii) automation + IT—in-house PACS for imaging and LIMS for labs that compress TATs, raise machine utilization, and reduce rework. With ~16 million tests processed in Q1 FY26, fixed costs are spread across a very large base, turning volume growth into operating leverage rather than operating strain. Marketing remains structurally low because PPP presence and hospital partnerships drive captive footfalls. The outcome is a price-value equation that is difficult to replicate: affordability that expands access in price-sensitive markets, yet with peer-like profitability. As volumes compound, the model reinforces itself—more density, better logistics, lower unit costs, and stable margins.

5) Specialty & Urban Diversification (Oncology/Cardiac)

A third structural lever is selective diversification into specialty hospitals and urban catchments, complementing PPP and retail. The acquisition of Apulki Healthcare (₹31.25 crore) secures exclusive diagnostic rights within oncology- and cardiac-focused hospitals, offering ~30 years of revenue visibility per the company's disclosures. This places CT, MRI, and pathology capacity inside high-acuity settings where diagnostic intensity and clinical stickiness are naturally higher, improving revenue quality versus district-level PPPs. It also opens premium urban micro-markets (e.g., Pune) while keeping capex aligned with Krsnaa's standardized build-operate routines. Together with the pathology-heavy Rajasthan rollout and the RPL retail scale-up, specialty hospitals create a diversified, three-engine architecture: contracted PPP volumes for stability, retail for margin/cash-cycle gains, and specialty for higher value-per-patient exposure. This mix lowers policy/tender concentration risk and positions Krsnaa to participate across the spectrum—from mass-affordable to specialty-driven diagnostics—without diluting its cost and quality discipline.

Financial Analysis

Capital Expenditure and Growth Investments: Krsnaa's largest growth capex currently underway is the Rajasthan statewide pathology PPP project. Scope has been expanded to 42 mother labs, 135 satellite labs and more than 1,300 collection centres, with planned investment of ₹200–250 crore. Once fully operational, it is expected to deliver ₹300–350 crore of annual revenue, beginning from FY27. The rollout is targeted over six to nine months, with the five-year contract tenure commencing after commercialization. Because the project is pathology-focused, it is more asset-light than radiology contracts, improving revenue-to-investment intensity. In parallel, Krsnaa is rolling out the Maharashtra CT/MRI order book, with most sites planned to be operational by end-Q3 FY26. Funding will come through internal accruals, low-cost debt, and possible reagent rental models. Capex in FY26 is therefore front-loaded but aligned with long-duration, contracted growth engines that expand scale in both pathology and radiology.

Earnings and Profitability: The company has demonstrated steady improvement in operating metrics. For FY25, revenue stood at ₹7,172 million, up 16% year-on-year, with EBITDA of ₹1,958 million (27% margin) and PAT of ₹776 million (11% margin). EPS for the year was ₹23.6. In Q1 FY26, revenue grew 13% year-on-year to ₹1,930 million, EBITDA rose 19% to ₹524 million with margin expansion to 27%, and PAT increased 15% to ₹205 million with margins steady at 11%. The company served around five million patients and processed sixteen million tests in the quarter. Scale, shared infrastructure, and low acquisition costs continue to support industry-comparable margins despite offering services at substantially lower prices than peers. Management guidance is for EBITDA margins to remain in the 25–27% band, with only minor short-term friction possible during large project rollouts.

Return on Equity (ROE) and Shareholder Returns: ROE improved in FY25 to around 9%, compared with about 7% in the prior year, reflecting stronger profitability on a relatively stable equity base. Shareholder returns have been reinforced with a consistent dividend payout: the Board recommended a final dividend of ₹2.75 per share for FY25, following ₹2.5 in FY24 and ₹2.75 in FY23. This reflects a balanced approach between rewarding shareholders and reinvesting for growth. As PPP and retail scale up through FY26–FY27, margin stability and working-capital improvement are expected to support further ROE accretion. Continued discipline in receivables and timely execution of the Rajasthan project will be key to sustaining this trajectory.

Working Capital Management: Receivables remain the most important element of working capital. In Q1 FY26, receivable days were around 120, though collections have resumed from delayed states such as Himachal Pradesh and Karnataka, and formal confirmations have been received for other pending amounts. Management aims to gradually bring this cycle closer to 90–100 days. The increasing share of retail revenues, which are cash-based, also structurally supports improvement. Retail contributed about 6% of revenue in Q1 FY26, with B2C making up two-thirds of retail sales, and is targeted to rise to 18–20% of revenue in the medium term. The Rajasthan project is expected to operate on a 90–120 day receivable cycle, broadly in line with the current average. Overall, the blended working-capital position should improve as retail expands and government collections stabilize.

Industry Positioning and Strategic Outlook: Krsnaa is the only listed diagnostics company of scale with a nationwide PPP engine, now complemented by a rapidly expanding retail network. Its footprint spans 18 states and union territories, with 185 CT/MRI centres, 120 pathology labs, and 3,500+ collection centres, in addition to one of India's largest NABH-accredited teleradiology hubs. The company maintains a strong tender win ratio and is on track to operate more than 200 CT/MRI centres once the current order book is implemented, placing it among Asia's larger radiology operators. Retail has scaled quickly, with touchpoints rising from 362 to 2,414 year-on-year and revenue increasing nearly eight-fold. The Rajasthan pathology PPP, the Maharashtra CT/MRI rollout, and oncology partnerships through Apulki provide growth visibility through FY27. With cost leadership, technology integration, and diversification across PPP, retail, and specialty hospitals, Krsnaa is positioned to compound volumes, improve cash flows, and enhance shareholder returns, provided receivable discipline and execution remain consistent.

Peer Comparison

| Company | CMP (Rs.) | Market Cap (Rs. Cr) | P/E | ROCE (%) | ROE (%) |
|--------------------|-----------|---------------------|-------|----------|---------|
| Krsnaa Diagnostics | 774.10 | 2,511.06 | 29.82 | 12.52 | 9.29 |
| Dr Lal Pathlabs | 3,116.05 | 26,104.86 | 50.89 | 28.88 | 24.30 |
| Metropolis Health | 1,987.20 | 10,295.21 | 67.68 | 14.66 | 11.53 |
| Vijaya Diagnostic | 1,000.00 | 10,272.50 | 68.10 | 20.91 | 19.00 |
| Thyrocare Tech | 1,143.15 | 6,058.03 | 56.92 | 24.78 | 16.15 |

Krsnaa Diagnostics operates at a significantly smaller market capitalization compared to its listed peers, yet maintains a leaner cost and pricing model that enables it to deliver services at lower price points. Its current P/E multiple reflects its positioning as a value-driven player, while ROE and ROCE remain modest, consistent with a business model that is still scaling up its retail and PPP-driven operations. The company's financial profile highlights its role as an emerging platform in the diagnostics sector, balancing growth investments with disciplined cost leadership.

Investment Rationale

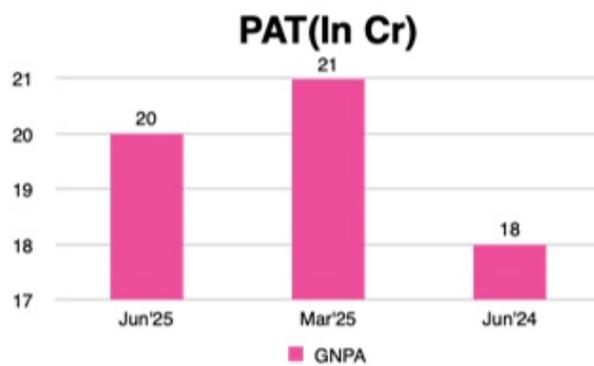
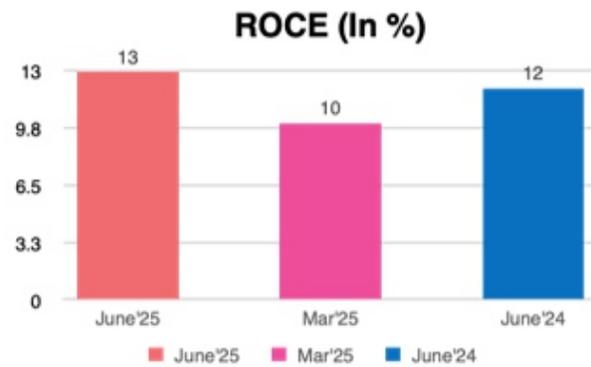
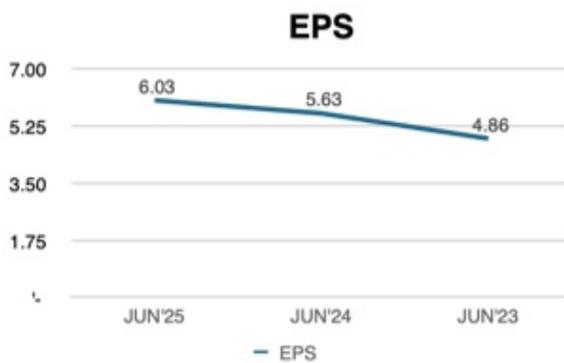
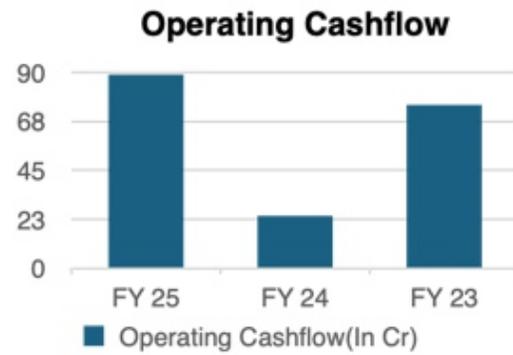
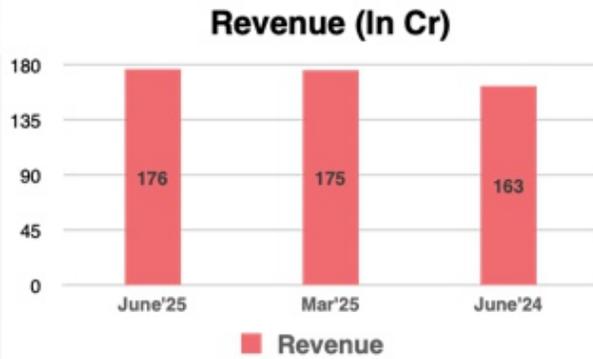
1. Strong Visibility Through Long-Term PPP Contracts: Krsnaa is the only listed diagnostics company of scale built on a nationwide PPP engine, with a 75%+ bid win ratio. Contracts typically run 5–10 years, giving predictable revenue visibility. The recently awarded Rajasthan pathology tender (₹200–250 crore capex; ₹300–350 crore annual revenue potential) exemplifies this pipeline, with rollout over 6–9 months and full contribution from FY27. Such projects compound steadily, forming a structural base layer of growth.

2. Explosive Retail Expansion with B2C Traction: Retail is scaling rapidly on the PPP backbone. Touchpoints grew 7x YoY (362 → 2,414) and revenues jumped from ₹15 mn to ₹118 mn in Q1FY26. Importantly, the B2C share of retail surged to 66%, reducing reliance on government receivables. Retail contributed 6% of group revenue in Q1FY26 and is targeted to rise to 18–20% by FY27, with breakeven expected by FY26-end.

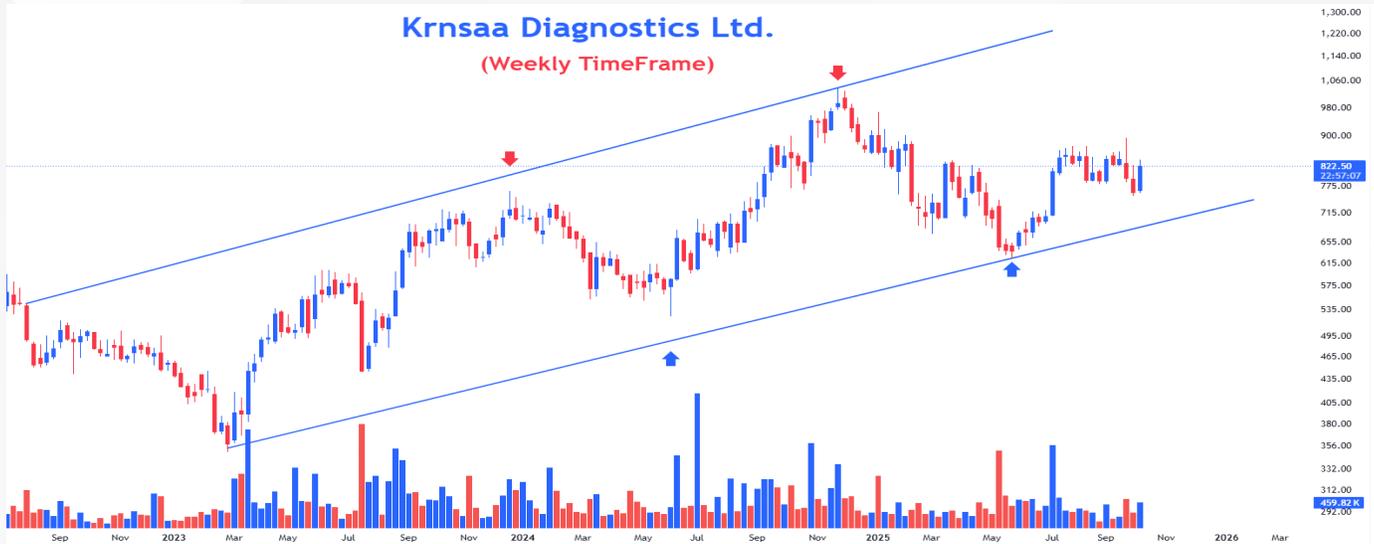
3. Cost Leadership Ensuring Affordability and Profitability: Despite offering services at 70–90% lower prices than peers, Krsnaa sustains 25–27% EBITDA margins, comparable to industry leaders. This is enabled by scale-driven procurement, shared PPP-retail infrastructure, automation, and proprietary PACS/LIMS systems. In Q1FY26, the company processed 16 million tests for 5 million patients, showcasing strong operating leverage. This unique affordability + margin combination creates durable competitive advantage.

4. Diversification into Specialty Hospitals with Long-Term Visibility: The acquisition of Apulki Healthcare for ₹31.25 crore secures 30-year diagnostic rights within oncology- and cardiac-focused PPP hospitals. This gives Krsnaa a foothold in premium urban catchments like Pune and aligns it with high-growth segments such as cancer and lifestyle diseases. Embedding CT, MRI, and pathology services within specialty hospitals enhances revenue quality and strengthens diversification beyond district PPP contracts.

5. Improving Working Capital with Retail Cash Flows: Working capital pressures from government receivables (historically ~120 days) are gradually easing, with overdue payments from states like Himachal Pradesh and Karnataka beginning to flow. The growing retail mix, which is largely cash-based, structurally supports shorter cash cycles. As retail expands toward management's 18–20% contribution goal, Krsnaa's blended working capital position is expected to improve further, strengthening returns and funding capacity for future growth.



Technical Outlook



The weekly chart for Krsnaa Diagnostics Ltd. highlights a well-defined rising channel that has shaped the stock's trajectory since early 2023. The lower boundary near ₹620–640 has offered consistent support, while the upper trendline near ₹1,150–1,180 has repeatedly capped rallies, establishing a disciplined trend structure.

After topping out in late 2024, the stock entered a correction phase but managed to find support once again near the lower channel in May 2025. This rebound reaffirmed the broader uptrend and was accompanied by a noticeable rise in volume, suggesting continued investor interest at lower levels.

Currently trading near ₹827, the stock is consolidating mid-channel after a sharp bounce from support. As long as it maintains above ₹750–770, the structure remains healthy. A breakout above ₹900 could reignite upward momentum toward the higher channel zone, while near-term pullbacks are expected to attract buying interest around the mid-range.

| Moving Averages Days | Simple Moving Average | Exponential Moving Average |
|----------------------|-----------------------|----------------------------|
| 5 | 799.80 | 808.30 |
| 10 | 790.40 | 804.96 |
| 20 | 818.40 | 810.15 |
| 50 | 821.57 | 809.18 |
| 100 | 772.42 | 795.64 |
| 200 | 781.83 | 783.13 |

| Pivot Levels : FIBONACCI | | | Daily | Weekly | |
|--------------------------|--------------|-----------|-------------------------------|--------|-------|
| R1 855.46 | Pivot 801.07 | S1 746.67 | Relative Strength Index (RSI) | 52.89 | |
| R2 889.07 | | S2 713.06 | | | 54.24 |
| R3 943.47 | | S3 658.67 | | | |

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