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National Stock Exchange of India Limited  
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Plot No. C/1, G Block,  
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Mumbai – 400 051

BSE Limited  
Corporate Relationship Department  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai – 400 001

Symbol: LALPATHLAB

Scrip Code: 539524

**Sub: Transcript of Q4 & FY26 Earnings Conference Call**

Dear Sir/ Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith Transcript of Earnings Conference Call on Financial Results for Q4 & FY26.

We request you to please take the same on record.

Thanking You,  
Yours Faithfully,

For **Dr. Lal PathLabs Limited**

**Vinay Gujral**  
**Company Secretary & Compliance Officer**

*Encl.: As above*



**Dr. Lal PathLabs Limited**  
**Q4 & FY26 Earnings Conference Call Transcript**  
**April 30, 2026**

Call Duration	<ul style="list-style-type: none"><li>• 1 hour</li></ul>
Management Speakers	<ul style="list-style-type: none"><li>• Mr. Shankha Banerjee - Chief Executive Officer</li><li>• Mr. Ved Prakash Goel – Group CFO and CEO, International Business</li></ul>
Participants who asked questions	<ul style="list-style-type: none"><li>• Tausif Shaikh – BNP Paribas</li><li>• Amey Chalke – JM Financial</li><li>• Anshul Agrawal – Emkay Global</li><li>• Abdulkader Puranwala – ICICI Securities</li><li>• Bino Pathiparampil – Elara Capital</li><li>• Rajat Baldewa – Kizuna Wealth</li><li>• Hrishikesh Patole – Tokai Investors</li><li>• Prakash Kapadia – Kapadia Financial Services</li><li>• Aniket Shinde – SMIFS</li><li>• Rishi Mody – RDM Advisory LLP</li><li>• Rahul Salvi – Franklin Templeton</li><li>• Gaurav Tinani – Ambit Capital</li><li>• Hafeez Patel – ASK Investment Managers</li></ul>



**Moderator:** Ladies and gentlemen, good day, and welcome to the Dr. Lal PathLabs' Q4 & FY26 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 this conference call, please signal an operator by pressing star, and then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Nishid Solanki from CDR India. Thank you, and over to you, sir.

**Nishid Solanki:** Thank you. Good evening, everyone, and welcome to Dr. Lal PathLabs' Q4 & FY26 earnings conference call. Today we are joined by senior members of the management team, including Mr. Shankha Banerjee, CEO, and Mr. Ved Prakash Goel, Group CFO, and CEO, International Business.

I would like to share our standard disclaimer. Some of the statements made on today's conference call could be forward-looking in nature, and the actual results could vary from these forward-looking statements. A detailed statement in this regard is available in the results presentation, which has been circulated to you and also available on stock exchange websites.

I would now like to invite Mr. Shankha Banerjee to share his perspectives. Thank you, and over to you, sir.

**Shankha Banerjee:** Thank you, Nishid, and good evening, everyone. I am pleased to join you today to discuss our performance for the fourth quarter and full fiscal 2026.

We concluded the year on a strong note, maintaining our steady growth trajectory. Our FY26 performance underscores the resilience of our business model and the continued preference of patients towards clinically reliable organized diagnostic providers.

We achieved revenue of Rs. 703 crore in Q4 FY26 with a growth of 16.6% and Rs. 2,763 crore in FY26 with a growth of 12.2%. This performance has been primarily driven by growth in sample volumes.

A significant highlight this quarter was the successful hosting of Medllumina 2026, a first of its kind international medical conference from Dr. Lal PathLabs. This landmark event brought together over 500 clinicians and global thought leaders to deliberate on the 'New Era of Diagnostics', specifically focusing on high complexity domains



such as Oncogenomics, Transplant Immunology, Infertility, Auto-Immunity, and Rare Genetic Disorders. By creating a platform over 2 days of scientific dialogue and collaboration, we are not only reinforcing our scientific leadership and brand equity among the clinician community but also accelerating the adoption of high-end specialized testing. This initiative underscores our position as a vital clinical partner, deeply integrated into the precision medicine ecosystem.

To further build on our Scientific Leadership, we have started a wide-ranging R&D program. It encompasses tie-ups with leading academic institutes with specific research projects, international companies, and start-up ecosystem collaborations as well as in-house research projects culminating with publications in reputed medical journals.

On the operational side, we successfully executed our expansion plan for the year, adding 14 new labs and more than 1,100 collection centers. These additions, coupled with the integration of cutting-edge AI diagnostic tools and specialized testing platforms ensure that we are well-positioned to meet the rising demand for high-quality accessible healthcare across the country.

Our preventive healthcare brand, Swasthfit, contributed 27% to our total revenue in FY26, proving to be a critical lever for B2C growth. Sustained growth in Swasthfit continues as we deepen market penetration and offer a wider range of packages.

An important milestone of our strategic journey this year has been the launch of Sovaaka in the premium wellness space. Sovaaka is not just an addition to our portfolio, it represents a foray into 'AI-powered Precision Health Screening'.

Unlike traditional diagnostic models, Sovaaka offers a holistic concierge-led experience that bridges the gap between high-end diagnostics and personalized health management.

In parallel, the larger health care ecosystem is also expanding with many hospitals adding new infrastructure and capabilities. Thus, it is not surprising that diagnostics are also growing alongside this expansion. This further opens opportunities for better integration, stronger linkages, and expansion of super specialized testing over time.

We are entering FY27 with strong operational momentum, a strengthened digital infrastructure, and a clear pathway towards sustaining early to mid-teens revenue growth.

I will now hand over the call to Ved to discuss the financial metrics in more detail.

**Ved Goel:**

Thank you, Shankha. Good evening, everyone, and a warm welcome. Thank you for joining us today.

I will take you through the key financial highlights for the quarter and the full year 2026.

- Revenue for Q4 FY26 came in at Rs. 703 crore compared to Rs. 603 crore in the same quarter last year, reflecting a growth of 16.6%.
- Revenue for the full year stands at Rs. 2,763 crore against Rs. 2,461 crore in FY25, a growth of 12.2%, driven by sample volume growth of 12.9% in Q4 and 10.4% in FY26.
- Revenue per patient for Q4 FY26 is Rs. 956, up by 7.8% compared to Rs. 887 in Q4 FY25. This is mainly due to improvement in tests and geographic mix.
- Test per patient for Q4 FY26 stood at 3.21 compared to 3.07 in Q4 last year.
- EBITDA for Q4 FY26 came in at Rs. 187 crore compared to Rs. 169 crore in Q4 FY25, registering a growth of 10.5% with an EBITDA margin of 26.6%.
- The full year EBITDA stood at Rs. 752 crore compared to Rs. 696 crore in FY25, registering a growth of 8.2% with a margin of 27.2%.
- PBT for Q4 FY26 came in at Rs. 160 crore compared to Rs. 154 crore in the same period last year with a margin of 22.8%. Full year PBT stood at Rs. 669 crore against Rs. 625 crore in FY25 with a margin of 24.2%.
- PAT for Q4 FY26 came in at Rs. 132 crore compared to last year Rs. 156 crore in Q4 with a PAT margin of 18.8%.
- Full year PAT stood at Rs. 510 crore against Rs. 492 crore in FY25 with a margin of 18.4%.
- EPS for the full year is Rs. 30.2 compared to Rs. 29.2 last year.
- Please note that the results for this quarter and the full year have some exceptional items:
  1. One-time cost of Rs. 30 crore related to the new Labour Code, which was accounted for in Q3 FY26.
  2. There was an additional benefit of Rs. 41 crore in Q4 FY25 on account of voluntary liquidation of Suburban Diagnostics.
- Excluding these one-time and exceptional items, EBITDA margin for FY26 is 28.3% with a growth of 12.5% and PAT margin is 19.3% with a growth of 17.9%.
- We continue to maintain a strong balance sheet with our net cash and cash equivalents standing at Rs. 1,526 crore, providing ample liquidity for future

growth and M&A. Our commitment to operational excellence is reflected in our lean working capital, which is negative by 26 days.

- Further, I am pleased to share that the Board of Directors have approved the final dividend of 40%, that is Rs. 4 per share, taking the total dividend for the year to Rs. 20.5 per share, that is 280% after adjustment of bonus issue of 1:1 in Q3 FY26.

With this, I conclude my opening remarks and now request the moderator to open the forum for Q&A. Thank you.

**Moderator:** Thank you very much. The first question comes from the line of Tausif Shaikh from BNP Paribas. Please go ahead.

**Tausif Shaikh:** Good evening and thanks for the opportunity, A couple of questions on the recent asset acquisition of Shahbazkers in Mumbai. Just wanted to know, I mean, what is the business mix over there? What is the share of Radio and Path? Are 100% of revenue considering walk-in patient? And what has been the rationale of Dr. Lal acquiring this asset?

**Shankha Banerjee:** Right. I will take the last part first, the reason we have acquired this asset is this is quite an old operating lab. It has got a legacy of over 45 years in that geography. And it is in a micro market in Mumbai, where we actually with either Lal PathLabs or Suburban do not really have a significant presence. So, this is going to add to our portfolio in that market, given that we are looking at really building our presence strongly in Mumbai and the West region. So that is the reason why we have acquired this entity. Yes, it is a business which has radiology as well as pathology, but I think the exact mix is not something which we are really kind of disclosing.

**Ved Goel:** Largely, it is a pathology, but having a basic radiology, which is sonography and X-ray, but not high-end radiology. Largely it is a pathology business.

**Tausif Shaikh:** And what would be the EBITDA margin profile for this asset?

**Ved Goel:** We have not disclosed the EBITDA margin as of now. We have disclosed it is about a Rs. 6 crore kind of turnover, top line. It is a small asset, it is not large.

**Tausif Shaikh:** And does this asset have scope to further grow in that micro market that Dr. Lal can scale up over there?

**Shankha Banerjee:** Yes. Idea is it obviously gives us access to that micro market. And over a period of time, as we deploy some of our products and marketing techniques, we would expect this geography to grow.

**Tausif Shaikh:** That is helpful Any color on this quarter volume growth? It looks better compared to previous quarters?

**Shankha Banerjee:** Yes. So, this quarter, volume growth has come at 8.2%. But even in the last quarter, I had mentioned that quarter-to-quarter, even on volume is not really a very, I would say, a robust way to look at it. But if you look at the annual progression of the patient volume growth, we have steadily increased over the last 3 years, and we feel that going forward also, we should be able to inch up further in terms of patient volume growth with our new access points, labs, and collection network that we are increasing, we should see some increase in that number as well.

**Tausif Shaikh:** That is helpful. I will get back in the queue.

**Moderator:** Thank you. The next question comes from the line of Amey Chalke from JM Financial.

**Amey Chalke:** Thank you for taking my question and congrats with a good number. So, one question I have on the margin side. This quarter, we have seen a sharp jump in the other expenses. I understand that second half is generally marketing heavy. But given this jump looks much sharper even on 3Q, how sustainable it is? And if you can also give color on margin for next year in line with that? Thank you.

**Ved Goel:** Amey, this quarter, we have spent a little bit extra, as we said, we are investing in the business. We have spent extra amount on our infra, uplifting of infra, including Delhi NCR as well. Second is, we are spending more amount on A&P, which is, while we are going deeper or spreading across other geographies. Spending on the A&P is also step up. So, these are a few of the expenses where we have done in this quarter. While for the next year, as we are closing this year 27.2%, even after taking the one-time charge of Rs. 30 crore on account of new Labour Code. So, we are hopeful for next year also, we are looking something similar margin like between 27% to 28%.

**Amey Chalke:** You do not expect margin to expand next year, what you are telling?

**Ved Goel:** Yes. So that is why I am saying, we are expecting this margin in the range of 27%-28% and the reason because we are investing in the business, be it infra, be it opening new labs. If you see in last 2 years, we have added 32 labs. This year also, we have added 14 labs and we will continue to add a few more labs in next year also. Those investments are going in the business, and that is where we are looking to maintain the similar margins.

**Amey Chalke:** And also, I wanted to understand, I believe last few quarters, you have also given an indication on the price hike, which we have not taken over the last 3 years. Any thoughts on that? Also, if it is going to come, should not that also will help you to improve margins in the coming year?

**Shankha Banerjee:** The price hike, we have said that we have completed 3 years since we took our last price increase. But we also said that we will kind of wait and watch, especially because we have taken a decision to pass on the GST-related benefit. A few quarters, we will wait and watch and see how the market is reacting and what position we are in, how is our business growing? How is the competitive situation looking like?

I think basis that maybe we will decide whether we need to take a price increase or not. But definitely, if it is there, it is a few quarters away. It is not something which is immediately on the cards. And on the margin front, you know the overall margin that we see 27%-28%, we feel is quite a healthy margin. anything extra that we feel can be generated or if it is available for us, we will invest back into the business for growth.

**Amey Chalke:** Thank you so much, sir. I will join back.

**Moderator:** Thank you. Your next question comes from the line of Anshul Agrawal from Emkay Global.

**Anshul Agrawal:** I just wanted to confirm the FY27 revenue guidance that you mentioned, sir, is it early to mid-teens?

**Shankha Banerjee:** Yes, early to mid-teens.

**Anshul Agrawal:** Great. So that suggests that the volume growth that we have delivered in the current quarter seems to be sustainable for the entire year. Is there any particular geography or channel which is sort of disproportionately contributing to this growth, your thoughts and some more colour on this. I am guessing you are growing faster than industry here?

**Shankha Banerjee:** I think I would not kind of correlate it to a quarter alone because, again, if I am talking about, let is say, if you look at the annual trajectory, and that is a much better way to judge because between quarters, there could be some movements and seasonality and other impacts, which can happen. So best way to look at is the annual number. If you look at the annual number, the patient volume growth is at 5.3%, which is better than 4.2% and we have given, let is say, 12.2% overall annual revenue growth. Now if we move up, obviously, there is some part of it will be through the patient

volume, but we are also seeing samples per patient increasing. The sample volume growth is another factor and because of geography and test mix, we are seeing a revenue per patient also going up. All of these 3 will finally contribute to the overall revenue delivery. So, the 8.2% patient volume growth that we have seen in this quarter is something which I would not hastily built into the plan for next year.

**Anshul Agrawal:** Got it clear. What I wanted to probably understand just a follow-up on this was whether realization per patients which have improved as well, I understand Ved Goel mentioned that it is because of geographical and test mix. This is despite us increasing contribution from Tier 3 geographies. I am trying to understand again here whether Tier 3 geographies are dilutive in nature or accretive in nature to our baseline realizations? Yes, your thoughts.

**Shankha Banerjee:** I think this is a discussion we have been pondering in the last quite a few of these calls and you see close to 39% of our revenues is now coming from Tier 3 plus geographies, and we have a realization, which is in front of you. So obviously, it cannot be dilutive and I think I have tried to explain it in the past as well. The way we run our pricing is actually in clusters. So it is not as if I move from a city like Lucknow to, let us say, a city or a town, which is smaller nearby, the pricing is going to change.

The pricing in that cluster is actually the same. It is not as if I am going to a Tier 3 market naturally means that pricing is going to be different. The cluster pricing remains the same and parallelly, even when I am going into the Tier 3, Tier 4 towns, with more access, we will be able to sell our health packages, preventive check-ups and all of those, which even on a revenue side per patient side is slightly higher revenue. So I think there are those factors there. So as of now, it has not been dilutive, and we do not believe it is going to be dilutive going forward as well.

**Anshul Agrawal:** Great. Clear. Could you help me with the capex guidance for FY27 and the B2C contribution, B2C revenue share in the current year?

**Ved Goel:** Anshul, for capex, I think we are planning to be in the range of Rs. 100 crore - Rs. 120 crore kind of capex for the next year.

**Shankha Banerjee:** The B2C contribution this year is about 75%.

**Anshul Agrawal:** Sorry, just if I can squeeze in one more. Ved-ji, this capex guidance, I would suspect there are incremental capex in addition to sort of the lab infrastructure. Could you call out whether, are there any radiology projects planned, which are built in this capex number?



**Ved Goel:** Yes. We are planning to have 1 or 2 radiology centres. So that includes in there. This Rs. 100 crore - Rs. 120 crore is one is maintenance capex. Obviously, another is we are opening like we opened 14 labs in this year. Next year also, we are looking 12 to 15 labs, another labs. And one you know, another investment we are making in our precision lab. So those are the additional investment in addition to maintenance capex.

**Anshul Agrawal:** Okay, many thanks sir all the very best.

**Moderator:** Thank you. Your next question comes from the line of Abdulkader Puranwala from ICICI Securities. Please go ahead.

**Abdulkader Puranwala:** Hi Sir, thank you for the opportunity. My first question is with regards to, you know, the FY27 revenue growth guidance. If you look post-COVID, our run rate has been around 10%-12% kind of a growth, and you are guiding for early to mid-teens. So just wanted to understand what are the kind of structural tailwinds you are seeing into the business?

And secondly, if I look at your FY26 performance, it has been quite broad-based across regions. If you could also highlight when we talk about Tier 3, Tier 4, which are these geographies exactly contributing to the growth?

**Shankha Banerjee:** The confidence behind the early to mid-teens is driven by the work which has been happening in the last 2 years. I think the continuous expansion of lab infrastructure and the collection network. If you see over 2 years, we have added close to about 32 labs and almost close to 2,000 collection centres.

Now we all know that these infrastructure matures with time. Typically, that is what is going to be building up for us, number 1. Number 2, we have quite a bit of a focus back on Delhi NCR, which is our stronghold, and we have been able to sustain the double-digit growth in Delhi NCR. And we believe that even going forward, we will be able to sustain a double-digit growth in Delhi NCR.

Our West region, our Suburban business in the last quarter as we had spoken earlier has started picking up. We are seeing better growth trajectory coming back to Suburban. So those are the, those are really helping us you know, project a number that we should be able to do early to mid-teens. So that is the place. You had a second part to the question. What was that exactly?

**Abdulkader Puranwala:** Yes, sir. Second part to the question was when I look at your FY26 growth of 12% and on the PBT, when I refer to the revenue split you know across the region, it is quite identical to what it was in fiscal 2025. When we talk about much of the growth



coming from Tier 2 and Tier 3 cities, how does that pan across the regions in which you operate in?

**Shankha Banerjee:** Most of our Tier 3+ towns are in our stronger brand markets in North and East. So that is where you know, most of them are. But there are Tier 3 towns that we operate in West and South as well. All of them are showing growth. And like I said, you know some of the metro areas like Suburban business is also showing some upside and Delhi NCR also is doing well for us, it is quite broad-based.

**Abdulkader Puranwala:** Understood. And just one last one, if I may. Yes. So sir, I mean, if you could also highlight on the Sovaaka centres, how many centres we have? And you know when we talked about next year capex guidance, what are we factoring? And you know what is the revenue run rate across the centres now?

**Shankha Banerjee:** Sovaaka, we have launched one center, which was launched in January. I think it is a new concept and even I think in the last call, I think we had highlighted this that we would first like to stabilize the centre before we work out the expansion plan. So immediately in the next financial year, we are not really looking at more centres, which are like Sovaaka, but there are other integrated high-end radiology centres that we have opened in Delhi NCR.

We may open in Delhi NCR. We may also try and see if the same model can be operated in maybe a Tier 2 town in North. Those are some of the things we will try. But Sovaaka is one center, and there is no plan to add centres in the next financial year. Next financial year is more about building that centre up and being very sure about the expansion plan after that.

**Abdulkader Puranwala:** Very clear sir, thank you.

**Moderator:** Thank you. Your next question comes from the line of Bino Pathiparampil from Elara Capital. Please go ahead.

**Bino Pathiparampil:** Hi, good afternoon. Congrats on a good set of numbers. First, question on the Middle East war and the raw material price inflation. Do these things have any impact on our operations in terms of availability or cost of reagents, etcetera?

**Ved Goel:** Bino, as of now, no, because we are, obviously, we have ample sufficient inventory for the next 3-4 months, and we have long-term contracts as well. Having said that, I cannot comment, I mean, what happen after 3-4 months. If this war continues, obviously, there will be some impact may come on our supply chain. I mean, because we import most of our reagents and consumables also, there are linkages with oil

and all that stuff. But as of now, we are able to maintain. But yes, in future, I do not have visibility right now.

**Bino Pathiparampil:** Got it. Now just a couple of bookkeeping questions. One, this entity we have acquired, does that have just one lab or is it a few more labs?

**Ved Goel:** No. See this Shahbazkers is one lab. It is a single lab.

**Bino Pathiparampil:** Okay. And the tax rate consolidated tax rate for the year is a bit lower than previous years. So, this 21%-22% you are looking at or will it swing back to 25% tax rate?

**Ved Goel:** No. Tax rate is similar because as I explained in my opening remarks, last year, we got some additional benefit due to Suburban liquidation. And that is why Rs. 41 crore was the exceptional benefit, which was there last year, but tax rates are same.

**Bino Pathiparampil:** The current year's rate will stay for next year as well because the current year is a little below 25%, 23% range.

**Ved Goel:** Yes. It is in the same range, which is around 25%.

**Bino Pathiparampil:** Thank You.

**Moderator:** Thank You. Your next question comes from the line of Rajat Baldewa from Kizuna Wealth. Please go ahead.

**Rajat Baldewa:** Hi sir, thank you for giving me the opportunity, my first question is on the acquisition side which you have acquired Shahbazkers Diagnostic Centre for upto Rs. 20 crore, about 3.3x FY26 revenue of Rs. 6.11 crore.

Given that Mumbai's crowded lab market, like Metropolis, ID Labs, and there are many phenomenon labs, what was the competitive intensity there? And is this a mainly 2 holed acquisition or the first of multiple bolt-ons in Maharashtra?

**Shankha Banerjee:** I think like I was explaining to one of the questions earlier, so within Mumbai, there is a micro market where we do not have a presence either through the Suburban brand or through Lal Path Labs. This acquisition kind of fills that gap for us and every large market has a lot of opportunity. And not only is the opportunity because of there will be large labs present, but there are a lot of unorganized labs also in those markets, plus the overall demand in these markets are also growing.

The opportunity for growth is available in these markets, and we definitely want to participate and grow our business in Mumbai city as well. And that is really the rationale behind the acquisition.



**Rajat Baldewa:** Great sir, and sir, is there any plan on radiology side given that 3-4 year growth plan particularly on radiology?

**Shankha Banerjee:** Our plan is a very slow and calibrated as of now on radiology because we are still working on that how we will be able to replicate one center success to more, and we need to work that out on a very organic basis. It will be very slow and calibrated. We have not set any ambitious targets for us on radiology growth in the next 4-5 years, the way you are suggesting.

**Rajat Baldewa:** Okay, great. Thank You.

**Moderator:** Thank you. Our next question comes from the line of Hrishikesh Patole from Tokai Investors. Please go ahead.

**Hrishikesh Patole:** Hi. Good evening. Could you please share how you are prioritizing your investments in new labs v/s the old collection centers? And also, what kind of ROI thresholds and the payback periods that you typically look at when you are trying to expand in these?

**Shankha Banerjee:** I did not get your question. Investment in lab v/s collection center, what was the question?

**Hrishikesh Patole:** Okay. Let me step back. Let us talk about capex, right? You talked about how your there is maintenance capex and growth capex. Could you please elaborate on your growth capex, how you are going to spend it?

**Shankha Banerjee:** I think Ved talked about it. So, there are new satellite labs that we are going to open up, right? Then there is maybe a few high-end radiology setups that we will do. Plus, we have acquired an asset to set up a precision diagnostic lab, which has kind of high-end complex testing and those kind of machines, equipment, etcetera, will be there. All of these are part of our capex plan for next year.

**Hrishikesh Patole:** Okay. Thank you.

**Moderator:** Thank you Once again. Our next question comes from the line of Prakash Kapadia from Kapadia Financial Services. Please go ahead.

**Prakash Kapadia:** Thanks for the opportunity. Congrats to the team, after a long time, we have seen growth being broad-based across most of our geographies on an annual basis. The good sign is Delhi NCR has really done well this year. So that is good. If you could give some insights, is it focusing on existing customers, some quicker turnaround, high-end test? What is leading to Delhi NCR growth? And if I look at the quarter growth has finally come above 15%. Now channel check suggests it is lesser

competitive intensity across the board. There are selective price hikes in some of the packages, which is also leading to this growth?

You mentioned in your remarks, Shankha, you are pretty confident of growth being mid-teens. We should expect higher growth in Suburban and some of the other geographies, which has just started to continue, which will give us steady state 14%-15% growth in the coming quarters. Is that the aspiration we are working?

**Shankha Banerjee:** Thank you, Prakash, for the question. I think, firstly, on Delhi NCR, I think it is a lot to do with maybe all the things that you said because we have got a very strong brand equity and presence. We have just tried to activate all our channels, including our own infrastructure, our partners as well as improved our service levels.

I think I had mentioned in one of the previous calls, we have also added a few testing locations in Delhi NCR to improve the turnaround time. And a lot of work is happening on the specialized portfolio as well. It is an all-around effort, which is carrying on. And then we are seeing results and that is how Delhi NCR growth at double digits is getting sustained.

Going to the other question about guidance for next year. When we say early to mid-teens, I am talking of a range it could be between 13%-15%, and basically, annually, we have already seen that we have been able to deliver 12-12.2 and one quarter, which is quite good, the last quarter. But like I said, one quarter is not the way we kind of judge the business. But there are a few things which are working for us. Our lab and network expansion that we have been able to deliver, that is going to cumulate each year as we move forward, that cumulative benefit will flow through. Our Delhi NCR growth is sustained and we also are seeing Suburban business now picking up in terms of growth rates. All of these are going to be contributing and helping us add a few percentage points to our growth rate.

**Prakash Kapadia:** Great. And Suburban, any sense if you could give, is it going to be package driven? Is it going to be individual price driven? And when we talk of the overall 28% revenue coming from packages, is Suburban also included in this? Or it is just the Swasthfit of Dr. Lal, which comes under this in terms of the contributions?

**Shankha Banerjee:** No. Even Suburban packages are included in that.

**Prakash Kapadia:** Okay. Suburban also has some of these packages, and that is a decent portion of Suburban revenues. Is that right understanding?

**Shankha Banerjee:** Yes, it is a decent portion of Suburban revenues as well.



**Prakash Kapadia:** Okay. Fine. Thank you. All the best. I will rejoin back if I have more questions. Thank you.

**Moderator:** Thank you. The next question comes from the line of Aniket Shinde from SMIFS. Please go ahead.

**Aniket Shinde:** Yes, thank you for the opportunity. I guess, in starting, you mentioned the acquisition cost of Shahbazkers, Can you please repeat that?

**Ved Goel:** Total deal size is about Rs. 20 crore for this asset.

**Aniket Shinde:** Okay. And what would be the overall capex for FY27 and FY28?

**Ved Goel:** So as I said, Rs. 100 crore - Rs. 120 crore for next year.

**Aniket Shinde:** Okay. Yes, that is it.

**Moderator:** Thank you. Our next question comes from the line of Rishi Mody from RDM Advisory LLP. Please go ahead.

**Rishi Mody:** Shankha, just wanted to get your understanding on Suburban. You mentioned that a large part of the growth contributor has been Suburban. I understand one would be that operations normalized after that software update that you all were talking about. There would be a portion of lost revenue, which is still normal. But beyond that also, is there growth which has come from either market share gains or like what has led to that, if there is significant growth from that piece as well?

**Shankha Banerjee:** Yes. I do not think I mentioned it is a significant growth from Suburban. I think what I was saying is that the growth has been very broad-based and which includes Suburban business had not been really doing very well for 1 or 2 - about 3-odd quarters. I think that is something which we are now seeing in the last quarter coming back. And therefore, that momentum we will be able to carry forward into our next year business as well.

**Rishi Mody:** All right. So could you just help me with the numbers for Suburban revenue like this quarter v/s Q3 and say, last year Q4? So I just get an idea of what runway to expect for FY27 on Suburban?

**Ved Goel:** Rishi, we are not now reporting separately these numbers. These are all part of our West number, which has been given in the split, geographical split because now Suburban is no more a separate entity. It is merged with main parent company.

**Rishi Mody:** Okay. All right. I will pick it up from the Western region numbers. All right. Thank you.

**Moderator:** Thank you. Your next question comes from the line of Rahul Salvi from Franklin Templeton. Please go ahead.

**Rahul Salvi:** Yes. Thanks for the opportunity. I had a question on improvement in volumes, if any, are we seeing because of the GLP-1 launch in the last 40 days. is there any patient volume accretion happening on that front? And which are the tests basically which these patients are choosing? Any insights on that will be helpful.

**Shankha Banerjee:** The patient volume growth to a certain extent is also a factor of the improved collection network and the lab network that has been put into place. It is definitely not driven through GLP and like I said that this is just one quarter performance because there are sometimes the base numbers can be slightly different in different quarters.

The best way to look at the patient volume growth is at an annualized level, which is better than last year. And we believe that going forward, we should be able to do slightly better on the patient volume number as well in the next financial year.

**Rahul Salvi:** But as I understand, you will not attribute the FY27 growth even to a slightest extent to patients who are opting for GLP and the doctors prescribing them those tests, right?

**Shankha Banerjee:** I would not ascribe any differential impact due to GLP.

**Rahul Salvi:** Thank you. That is helpful.

**Moderator:** Your next question comes from the line of Gaurav Tinani from Ambit Capital.

**Gaurav Tinani:** Hi, good evening, and thank you. Question is on the incorporation of the subsidiary in Dubai, UAE. Can you share what are your plans from a business build-out in these geographies? And what percentage of capital or capex of Rs. 120 crore, if any, is allocated to this geography as well in FY27?

**Ved Goel:** Yes. Thanks, Gaurav, for asking this. As I mentioned on the last call as well that we are making inroad to our international expansion. It is not something immediate, but over a period of, let us suppose, next 3-5 years, we are looking to expand a few of the geographies.

Right now, we have on-ground presence in Nepal and Bangladesh. But we are looking some of the new geography on ground operations, including Middle East. This incorporation is in line with that expansion plan.



- Gaurav Tinani:** You have significant cash on balance sheet. Would inorganic opportunities be also explored in the Middle East or Dubai, UAE markets over the next 2-3 years, you would be open to that?
- Shankha Banerjee:** Right now, I think the idea is to incorporate a holding company kind of or a company in Dubai, which can also maybe operate as a holding company for the region. Now in terms of our expansion plan, M&A opportunity can also be evaluated. That is always on the cards. But yes, I think both organic and inorganic can be looked at.
- Gaurav Tinani:** Got it. Some accounting questions. I think you have kind of reallocated some costs from these collection centres or employee to other expenses this quarter. What was the primary reason for that?
- Ved Goel:** This cost was in the nature of courier and transportation costs, which was grouped under employee benefit, which has been regrouped as per the nature of the expenses. This is the cost which has been regrouped from employee benefit to other expenses.
- Gaurav Tinani:** If you look at the reclassified employee expense for Q4, we are seeing a jump of almost 19%. Is that some part allocated to the division in the labour code and restructuring of the compensation structures?
- Ved Goel:** Yes. Regrouping is nothing to do with this new labour code. But having said that, as I mentioned, Rs. 30 crore is the additional cost, which is reflected in this year on account of new labour code.
- Gaurav Tinani:** That was in Q3. If I just look at employee expenses in Q4 this year, which was close to Rs. 129 crore v/s Rs. 108 crore in Q4 last year. So that is almost a growth of 19%?
- Ved Goel:** This is because, as we mentioned that we have added infra, which is 14 labs and this is more towards the end of Q3 and Q4 mostly. And plus, we have started operations in Sovaaka. So those are the expenses which is also factored in here in Q4.
- Gaurav Tinani:** Sorry, last question, just the previous colleague or peer also asked this. This quarter, tax expense or tax rate is closer to 17%. Any benefit that we realized this quarter on the effective tax rate?
- Ved Goel:** There is a reversal of deferred tax in this quarter on account of some income tax assessment has been done, we got the refund and accordingly, we have reversed. But as I mentioned, tax rate is same, which is around 25%, nothing changing.

**Gaurav Tinani:** Thank you. All the best. I will join back the queue.

**Moderator:** Thank you. Your next question comes from the line of Hafeez Patel from ASK Investment Managers. Please go ahead.

**Hafeez Patel:** Congratulations on the good set of numbers. My first question is around the ongoing transition of Suburban collection sales from in-house to a franchisee-led model. To what extent has that been completed? And secondly, in terms of the EBITDA margin profile of Suburban, I think the last quarter figure was somewhere around the high teens range. Is that kind of improving towards the upward trajectory and kind of reaching the company level margins? Or is there further scope of improvement there?

**Shankha Banerjee:** On the collection network, now I think the transitions that were to be made have mostly been done. Now the Suburban expansion is also happening mostly through a franchised setup. However, there will be certain geographies where there will be company-owned collection network also that we will consider.

But primarily, that whole transition towards having more centers to franchisees is already kind of underway and mostly done, so that is one. I think on the margin, maybe Ved can answer.

**Ved Goel:** On margins, as I mentioned, we are not tracking separately because this is no more separate entity. But margins, obviously, for different geography, different margin structure, even let us suppose, West as a whole, if we compare Delhi NCR v/s West, obviously, margins are different. But in spite of that, we are looking the margins on an overall basis as a company is in between of whatever 27%-28% margin.

**Hafeez Patel:** Understood sir. So just a small clarification there. I mean, while you may not disclose the specific number there, but the margins that you kind of have on the West geography, has Suburban reached up to that scale? Or is there further scope for improvement? If you could just guide on that?

**Ved Goel:** No. As I said, I mean, margins for West, including Suburban, there are still rooms to improve because, obviously, it is not a onetime activity. It is an ongoing where we continuously have some levers where we can optimize our cost. And that is why improvement in margins for a few geographies are possible.

**Hafeez Patel:** Understood sir. Thank you and all the best.

**Moderator:** Thank you. As there are no further questions, I now hand the conference over to the management for closing comments.

**Ved Goel:**

Thank you all for your participation today and for your continued trust in our vision. We trust we have addressed all your questions comprehensively. If you require further clarification or have additional queries, please do not hesitate to reach out to us. We look forward to engaging with you again next quarter. Thank you once again and have a good evening. Thank you.

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