



“Kaya Limited
Q2 FY2024 Earnings Conference Call”

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Dolat Capital



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Moderator: Ladies and gentlemen, good day and welcome to the Kaya Limited's Q2 FY2024 Earnings Conference Call hosted by Dolat Capital. 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 "*" then "0" on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Sachin Bobade from Dolat Capital. Thank you, and over to you Sir!

Sachin Bobade: Thank you. On behalf of Dolat Capital I welcome you all to the Q2 FY2024 Earnings Conference Call of Kaya Limited. Hope you all and your family members are staying safe and healthy. From the management side, we have with us Mr. Rajiv Suri, Global Chief Executive Officer & Managing Director, Kaya Middle East, Mr. Rajiv Nair, Chief Executive Officer, Kaya India and Mr. Saurabh Shah, Chief Financial Officer. Now I hand the floor to Mr. Rajiv Suri for his opening remark and then we would have a question-and-answer session. Over to you Sir!

Rajiv Suri: Thank you. Good morning everybody. I would like to welcome you to the conference call on company's behalf. The investor presentation has been updated on our website kaya.in and contains the financials, key metrics and business updates. I hope you have had a chance to go through it.

Let me begin the conference with highlights for Q2 performance. I will start with Kaya India performance and then I will cover Middle East. Q2 clinic's performance in India was strong at 20% growth versus Q2 last year driven by new growth levers which contributed to 63% of its growth. These growth levers includes body category, Nutraceuticals, Innovation, Omni Channel and as well as New Clinics. The net revenue in clinics grew by 21% versus Q2 last year with increase in productivity indicating both the brand refresh and pricing strategies are working for the company. The product business grew by 34% driven by categories like Skin and Nutraceuticals. The renewed focus on Hair Care category resulted in an increase of 24% growth over Q2 last year. The company continued to delight the customers with high NPS score of 84 and retained a laser-sharp focus on customer experience.

Our growth levers updates are as follows. Marketing automation: We have commissioned a marketing automation project to digitize our customer engagement and new customer acquisition, which includes setting up of automated appointment bookings, customized nudges through WhatsApp and WebBox. On new services the company set new body

segment vertical had a 4x growth over Q2 FY2023. Nutraceuticals contributed to 21% of Q2 FY2024 product business. As part of our brand refresh project, the company during the quarter relocated one clinic making it three clinics for the year, and renovated five clinics, making it 11 clinics for the year, and we have invested in 13 machines and technology for the clinics for this quarter making it 63 machines for the year.

On the people front we attained notable success by clinching two esteemed rewards. The THRIVE award from the International Business Consortium for Best Employee Engagement and the award for 100 best companies for women in India by Avtar and Seramount.

Now going on to the Middle East business on a Q2 basis the collections were 54 Crores and showed an uptick at 4% versus Q2 last year and showed an improvement from decline of minus 3% in Q1 this year. Within the Middle East the UAE performance was stronger achieving a growth of 16% versus Q2 last year. Net revenue performance grew by 5% over Q2 last year, product revenue grew by plus 19% versus Q2 last year, and the renewed focus on Hair Care category for this quarter resulted in 33% growth.

On the financial performance Kaya Limited posted consolidated revenue from operations of Rs.100.6 Crores for Q2, a growth of 10% over corresponding quarter. Consolidated EBITDA for Q2 is 10.2 Crores as compared to Rs.5.1 Crores in Q2 FY2023. Consolidated loss after tax and after exceptional items for Q2 is Rs.13.4 Crores as compared to a loss of 14.9 Crores last year. The detailed financial information update is already with you in the uploaded investor presentation, and you may refer to that for additional information. I now open the session for questions and my colleagues and I will be happy to answer them. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. Our first question is from the line of Dr. Vijay Kumar who is an investor. Please go ahead.

Dr. Vijay Kumar: Hi, good morning everyone. I have been a very old investor in this company for a very long time and been watching this quite closely, I am a doctor myself. I have some inputs and few questions. So, the first one is, we are a healthcare unit right, Kaya is a clinic, Healthcare unit. Recently I have actually sent a patient to one of the clinics in Hyderabad and patient had a problem of pimples, it is a clinical problem, health problem, and our people gave a treatment and all that and then no use, patient came back to me so I had been very dissatisfied and then I had to send the patient to some of the leading dermatologists outside and when after 10 days the patient came back to me and then with some health reports and

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lab investigation, so what happened was I will come to the point now, our competitor examined the patient got to the root of it by prescribing few tests like basic tests like hormonal and fasting glucose, insulin and because insulin is one very big factor where pimples can appear, so they have seen it very scientific, and then started treating there and then within a month the patient improved and patient was very happy. So two, three things happened for us, one is we were not scientific, we were like a beauty Clinic, not Clinic Beauty shop that is one, number two what happened was we have created a unsatisfied patient who will never step into our clinics, and number three we have lost an upside opportunity of topline and a very good bottomline, so I think we need to approach it more clinically than just as a beauty shop, so that is my comment. I will stop now, I think, I would want to hear from you, if you can please take it in a very positive, I am an investor and I would love Kaya to do very well, and I know Rajiv also he is a very good guy and I love the promoters very well. I am a shareholder in Marico also, so full marks to everybody and I also welcome Rajiv Suri into the management team please take it positively.

Rajiv Nair:

Yes, thank you so much Dr Vijay. I think a very, very, very valid feedback, and I think we take it absolutely in the right spirit, what is important, what you mentioned, I think is already something that has come to our discussions in various types of treatments that we actually do and very similar to your feedback we are actually incorporating some of this into our own standard operating processes inside the business. We have recently commenced some changes in our SOP especially for our Hair Care segment in Kaya where we are actually starting a lot of diagnostics for customers before we get into the treatment of the customer. So we have actually incorporated diagnostic, we have incorporated prescription drugs as well as nutrition consulting for customers alongside the treatment that we actually offer, and slowly this will actually get into other segments as well. While of course I want to give a caveat here that we will not become a Clinical Dermatology Clinic, so it will be an aesthetic Dermatology Clinic, but with some sound interventions before we get into treatment mode, so that is a very, very good feedback. The other thing that we have done is we actually gone back to roots and we have bought in a very senior head of medical in the business a person called Dr. Aparna Santhanam and she actually was one of the founding members of Kaya at the time when we launched in 2003, she is also reworking and working with the doctors more closely to look at outcome driven performance. So outcome actually needs good input and some of the inputs that you mentioned I think is what we are taking. So those are the measures that we are actually taking for addressing the problems that you mentioned. So thank you for that feedback Dr. Vijay.

Dr. Vijay Kumar:

Excellent, I am glad you are doing that because that will add a lot of value both on the members and your work down there and on the positive side I have also visited a couple of

units here very courteous, very good, it is welcoming congrats on that and I am also seeing good improvement in overall financials too as we move on, it was a very painful holding the stock for a very long time, it was a very big underperformer for all of us, but I think this is the tough business I fully agree and a CEO of one of the healthcare chain and I would like to even meet you personally whenever you guys come to Hyderabad it will be great if we can catch up and then maybe discuss and then it help the organization because that is one. Number two now that you are also looking at coming for a rights issue and you also have around 95 units overall that means 95 touch points that you have, are you also looking at further expansion obviously with the rise of funds I think you are and number two are you also looking at expansion something like laboratory sample, collection points, something like that can you look at those areas I am just giving an example but it could be anything because you have 9500 touch points which are going to grow as we go ahead?

Rajiv Nair:

Correct. So Dr. Vijay two points that you mentioned one was on expansion, yes there has been some expansion into Tier-2 cities, we are largely looking at cities where we already present but the presence is maybe one odd clinic so we have entered into Lucknow and Surat as two cities where we have a single unit, which we are now added another unit, we have also gone into virgin territories like Siliguri and also peripheral new segments like Electronic City Bangalore. So about four clinics have been opened over the last 6 months in fact more than 6 months one of the clinics in Lucknow is almost a year now. We are opportunistically looking for expansion in clusters in Tier-2 Cities because I think the profitability mix of these clinics are much better than that of expensive real estate in some of the bigger cities. So, yes expansion is something that we are doing. Secondly as I mentioned to you in segments like hair care and others where there is diagnostic requirements we are actually doing a collaboration and a tie-up and not really getting into it in our own way, so we will not be setting up any peripheral businesses at the moment on that, but we will take help from what is available in the market as we go forward.

Dr. Vijay Kumar:

I have couple of more questions, if I can come back into the queue or go back to the queue or it is possible I can go ahead and then ask?

Rajiv Nair:

You can go back to the queue because there are few other questions we are happy to take your questions immediately after that. Thank you so much.

Dr. Vijay Kumar:

Thank you.

Moderator:

Thank you. Our next question is from the line of Harsh Patel from Alpha Alternatives. Please go ahead.



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Harsh Patel: Good morning. I just wanted your comment on the asset utilization, currently right now we have some 35000 customers, now can this number go to 50000 easily or we will need new clinics, how does that work?

Rajiv Nair: The overall database of customers who are actually consuming services is more a lakh of customers and probably what you are actually referring to is the number of bills that are actually done over a period of time is that where did you get this number of 35000?

Harsh Patel: I guess that is a number of clients.

Saurabh Shah: It is a unique customer count you are referring.

Harsh Patel: So the total is more than that.

Saurabh Shah: So what you are looking at is basically a quarter number, but if you look at a yearly number it is a 1 lakh unique customer.

Harsh Patel: So, how can the number increase, what is the capacity that ultimately will get increased?

Rajiv Nair: Currently the utilization of the clinic is in the range of about 55% and definitely there are clinics out there which have reached more than 65%-70% as well. So definitely our endeavor is to increase the volume of consumption that we do in the clinics. Just to give you an estimation of what has happened between last year same quarter and this quarter is something like 47000 live sessions we have now reached 52000 live sessions in the same number of clinics that we have, and every quarter we are trying to drive up the volume of consumption inside the clinics, and that will increase the capacity utilization.

Harsh Patel: Got it and what is the highest number?

Rajiv Nair: Close to about 70% would be on the higher range.

Harsh Patel: Again from 70% there can be an improvement...

Saurabh Shah: It depends on the machine utilization, it depends upon the hours you deploy on the service, if we have invested in some machines which can complete the task in the lower number of hours the lead time reduces and that is the capacity percentage changes. So our intention is to increase the session which is with the lower lead time so that is what we are emphasizing so if you look at we have invested in some machines in past one year and we look forward with that strategy.

Harsh Patel: Got it and my next question is regarding the Middle East business, now when you compare your standalone to your Middle East you are talking the number you are EBITDA positive in India, but that is not showing in Middle East so what is not playing out in Middle East is it because of competition?

Rajiv Suri: In the Middle East we are operating in three countries, the business in UAE is still going quite strong and also specifically in Dubai the clinic EBITDA is in the region of 30% it puts us in a strong position. We are below expectations in Oman where we need to build some of the business and Saudi Arabia and as I mentioned earlier the UAE business continues to show traction.

Harsh Patel: Got it. This is largely because of competition or what is it?

Rajiv Suri: It is a combination of competition as well as we still have not started the clinic rollout in Middle East because we said we will trial it in India and see how that expansion plan works here, open four clinics and maybe open a few more and then once we have the formula right then we will start to rollout in Middle East and that should make a difference.

Harsh Patel: Lastly on the rights issue proceeds when will the money come in and how are you going to utilize the money?

Saurabh Shah: That is the question I currently would not be able to give any insight because we are working on it, and moment we are ready when we file with the authority it would be in public domain.

Harsh Patel: But how much time this should take?

Saurabh Shah: Currently I cannot comment, but the rights issue committee is already in place, so we will put forward to that information and then later on I can get back to you.

Harsh Patel: Thank you.

Moderator: Thank you. Our next question is from the line of Ajay Vora from Nuvama. Please go ahead.

Ajay Vora: Hi sir, Congratulation on good set of numbers and thanks for the opportunity. So I understand that not much details can be shared, but broadly what I just want to know is from the rights issue the fundraising, I am assuming that large part would go towards debt reduction, but in terms of the balance money what could be the sense in terms of the capital which will be spent in India and overseas?

- Saurabh Shah:** So, I think I already informed that will intimate you, but currently I would not be fair because I need to submit to the regulatory authority, get approval and then I can come for it, when I am making application it would be in public domain, so it would be not correct or fair for my side to comment anything.
- Ajay Vora:** Fine and in terms of the impairment which we have been taking do you think that the large part of that is behind us now after current quarter?
- Saurabh shah:** If you ask me it is based on the performance of the subsidiaries and we will once again review as and when the business performance if it improves and its probability the charges are less so we will wait and watch maybe quarter-on-quarter and maybe we will come at a place where it gets streamlined.
- Ajay Vora:** But do you think that from the current trajectory and also from the current month the festive season has started, all our clinics are seeing a good signs of growth they have already started post the refurbishing and everything we have done do you think that the traction has picked up from the current month as well?
- Rajiv Nair :** Yes, I think if you look at the last quarter numbers only because I would not want to comment on what happens this quarter, I think we have seen progressive improvements across the quarter and I think we are in line and in some cases higher than what is happening in the market in terms of growth, but then of course we have to wait and watch how the festive season pans out for this because next month is Diwali so we will actually get to know from there, but based on the last quarter's performance that 20% growth in the India market is something that I think is in line with what we had expected.
- Ajay Vora:** Lastly in the current quarter's revenue what would be the contribution from products?
- Rajiv Nair:** It is about 13% total mix of product in the overall mix, this time talking about the Clinic business 13%.
- Ajay Vora:** Overall meaning in terms of what we sell on platforms as well.
- Rajiv Nair:** It will be in the range of about 20%.
- Ajay Vora:** 18% to 20%?
- Rajiv Nair :** Yes.

Moderator: Thank you. Our next question is from the line of Yash Bajaj from Lucky Investments. Please go ahead. Mr. Bajaj we are unable to hear you we request that you return to the question queue please as your audio is not clear Sir. Thank you. Our next question is from the line of Bhaskar Chaudhry from Entrust Family Office. Please go ahead.

Bhaskar Chaudhry: Hi, a few questions. One can you give a sense of how your center of clinics are growing especially the ones that have been operational for a couple of years, so how has the growth been in the first half, secondly can you also give us a sense of the center level profitability for these centers that have been operational and typically what is the time for a center to achieve profitability in your model, you mentioned new centers in Tier-2 towns like Lucknow and Siliguri and that the real estate cost is lower, so if you could just give a sense of that and thirdly a few participants ask that question obviously you may not be able to disclose the timing of the rights issue, but it may be helpful to understand the utilization of funds because it is a substantial amount 300 Crores if you look at your current market cap, so those are the three questions? Thank you.

Saurabh Shah: Thanks for the question. I will answer one-by-one. Basically the point with regard to the lead time where the clinics makes a breakeven of profit lead time varies actually between 12 months to 8 months depend upon the vicinity of the locality and if you get a good attraction the numbers stack up better. So if you look at the last four clinics which we open on the blended version we are EBITDA positive so that is one aspect, second aspect on you needed some insight on the clinic unit economics to great extent, sorry?

Bhaskar Chaudhry: Yes, that will be correct. Unit economics and also the growth for clinics that have been open for more than a year.

Rajiv Suri: No, the clinics that we have opened recently are just about a year old so obviously it will show some super normal growth and some of them not even completed a year. So I think it will be premature for us to give you numbers on growth at the moment.

Bhaskar Chaudhry: The question was for clinics that have been opened for some time not the recently opened.

Rajiv Nair: As an overall if I have to look at the clinics which are excluding the new clinics we are in the range of about 18% growth right now for clinics which are more than two years plus in terms of growth across the country.

Saurabh Shah: So I will give you on unit economics growth prospects there is a consumable cost which comes into picture, which is around 20% and the clinic operating cost is around 52% which

includes employee costs and rent and there are clinic operating costs and there is a consumer finance cost. So if you look at from H1 perspective overall blended version of the scenario the clinic EBITDA is 27% and there are corporate overheads and ASP that stack up to around 35% so that is how the overall unit economics for the clinic. This is for the India operation.

Bhaskar Chaudhry: You mentioned approximately 18% growth in clinics that have been opened for a while, but that seems to be in line with what your net revenue growth is, so for the newer clinics you said the growth will be supernormal so somehow the math does not seem to add up but anyway we will take it offline and on the question on the utilization of the rights issue fund what is the broad plan?

Saurabh Shah: I currently cannot comment sorry, I would like to, but currently I have been cautious that let me complete the submission part then I can come back I understand your concern, but we are working on it.

Bhaskar Chaudhry: Thank you.

Moderator: Thank you. Our next question is from the line of Aditya Sen from Robo Capital. Please go ahead.

Aditya Sen: Hi, thank you for the opportunity and good morning. Can you please share the growth trajectory of clinics going forward at what rate are we planning to add each year?

Rajiv Nair: We do not want to give a forward-looking statement, but I think definitely as part of the strategy that we worked on we are looking at getting into more of the Tier-2 cities, at the same time peripheral regions within existing markets that we have, I give you two examples here we opened up clinics in cities like Surat and Lucknow, which are Tier-2 cities, at the same time we also opened up in the peripheral region of Bangalore which is electronic city so we are opportunistically looking at places where we think there is high potential and the rental costs at the moment are under control and of course there is a promise of business in those markets I think that is what we are trying to look at as part of this and so as and how we are able to see opportunities for expansion we will do that.

Aditya Sen: Alright and continuing with the previous participant's unit economics question can you please share the capex per clinic?

Saurabh Shah: It is 1.5 Crore includes machines.



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Aditya Sen: Alright. Thank you.

Moderator: Thank you. Our next question is from the line of Yash Bajaj from Lucky Investments. Please go-ahead Sir.

Yash Bajaj: I am fairly new to this company, so I just wanted to understand the business model in terms of from a customer's journey when he enters and how long the treatment goes for on an average from that point of view would be great?

Rajiv Nair: Just to explain our business is a combination of products and services. Largely the clinics have been created for providing services while there are complementary products that we also sell in the clinics, so I just currently stick in terms of this customer journey question with respect to the clinics. The business that we are in is aesthetic dermatology, so there are various verticals under which we operate say for example laser hair removal, acne, acne scar, anti-aging, hair care and so on and so forth. How we attract these clients who are coming into the business is through the digital route. So we do performance marketing, we do content and social media marketing, which actually gets us customers via multiple routes one important route is we have call center which actually engages with customers who have shown interest, at the same time there are customers who will read about us and directly come into the business and the third part is referral customers from existing customers, so that is the three routes from which customers actually come into our business. Once they come to the clinic we do not directly start recommending services it is done through what we call as scripsions where the customer actually comes and meets a doctor, doctor goes through a complete consultation on the concern of the customers at the same time may recommend certain services that the customer actually needs, peripheral prescription of drugs or some type of tests and others may also be prescribed to the customer. Now the time duration of services will vary depending on the type of services that the customer takes, the duration can be as low as two or three months within which the customer can complete a package or can go as long as 18 months I will give you an example of a short duration service, some of the injectable anti-aging services may take two or three months' time to consume a service, but in the case of a laser hair removal it might take close to 18 months for the customer to complete the entire journey of services. Now customer comes multiple times to consume these services and while they are coming in there could be further upselling that can happen on certain other services that they can do. For example, a customer was doing a laser hair service can also take up facials while she is doing these services as she goes. I think that is broadly the customer journey that we actually follow today.



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Yash Bajaj: Kaya is a fairly known brand and has a very strong brand recognition but the numbers have not played out the way, so that is how, what were the challenges previously and what have we done in terms of changing or mitigating those challenges?

Rajiv Nair: I think the challenge in the business is to attract new consumers all the time because this is a aesthetic dermatology it is a bit of a discretionary spending category so like any other category which is discretionary spending you need to always go out in the market and attract more and more clients every year. If you look at it Kaya as you said is a trusted brand it is probably got the widest reach, it has also got the widest amount of doctors who are doing and I would say qualified dermatologist in the business, it also has the largest investment on technology. So I think from fundamental perspective we have everything right it is just a matter that every year you need to get fresh clients also because about 40% of our business comes from new customer count, client utilization in the business and we are doing various other things just as a followup to that is investments in technology, marketing automation to be able to get to these customers via non-traditional channels. So I think that is broadly the big challenge I would say in terms of business.

Moderator: Thank you. Our next question is from the line of Anupama Prakash Bhootra from Arihant Capital. Please go ahead.

Anupama P Bhootra: Thanks for taking my question. I just wanted to understand what percentage of revenues is contributed to repeat customers and the other thing is what are the strategies to pull back the same customer and that they stay those customers stay with the company these are my questions?

Rajiv Nair: Repeat customers or existing customers contribute to roughly about 60% of our total revenue and largely these customers are either customer who has been staying with us for a long period of time or customers who have joined us before this financial year. The way we actually tackle this customer is through the CRM method, we have a CRM system which we actually run, we do some core targeting, we do some specific communication to these customers offers and promotions that we run or any new events that actually happen in the business. So, say for example we launched a new clinic, new location we may invite existing customers to visit those locations or new technology introduced we may invite them to utilize those technology, sometimes there are top tier customers where we may do on invitation basis information about new services some benefits for the new services for these customers as well. Earlier all this communication used to happen through WhatsApp and e-mails only, very recently all of the communication that we do for top tier customers is

happening through WhatsApp integration as well, so a lot of this communication today is available to customers through WhatsApp for business.

Anupama P Bhootra: Thank you and one more question if I can squeeze in any specific geography that the company is really doing well?

Rajiv Nair: I think if you look at the business there has been growth across regions, so we have East and North as markets where we have seen good growth at the same time South also for the last six months has been very good, I think between the markets if you have to compare I think East, South and North are strongest markets at the moment.

Anupama P Bhootra: That is all. Thank you so much.

Moderator: Thank you. Our next question is from the line of Aditya Sen from Robo Capital. Please go ahead.

Aditya Sen: My question is on EBITDA this quarter it was 12%, so going forward is it going to sustain in the same range?

Saurabh Shah: Currently we cannot give a further future guidance perspective, but we like to have such sustainable EBITDA numbers so that we can drive profitability.

Aditya Sen: Alright that was my question. Thank you.

Moderator: Thank you. Our next question is from the line of Yash Bajaj from Lucky Investments. Please go ahead.

Yash Bajaj: Hi, thanks for the followup. Just two questions one was on the previous point on business model is there any global scalable model similar to Kaya?

Rajiv Suri: If you compare I think India is still nascent in this area, the utilization of the services are very large even in our Middle East Market we can see that the services are extremely well entrenched. They may not be necessarily single clinic chains which have very large number of establishments, but then there are some large groups that are working in this area in many markets if you see the US market, the Middle East Market or South American market and stuff like that, but we do not specifically follow a particular model because I think we have created a model for ourselves for India as well as Middle East, so it is not based on any international model that we are kind of changing.



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Yash Bajaj: Just a clarification on the unit economics side so 20% was consumable cost, clinic operating cost was 52%, and then comes corporate overhead and advertisement, the corporate overhead and advertisement is how much of sales did you see 25%?

Saurabh Shah: Yes 25%. I am talking about the corporate EBITDA, but if you look at Clinic EBITDA it is around 27%.

Yash Bajaj: So on a corporate level it is 2% right?

Saurabh Shah: Yes.

Yash Bajaj: Thank you so much.

Moderator: Thank you. Our next question is from the line of Dr. Vijay Kumar who is an investor. Please go ahead.

Vijay Kumar: Hi, thank you. My question is on the products because I think 18%-20% product revenue I feel it is low, but what is your aspiration say the medium to long-term next 5 to 10 years, where would we like to be on the product, what would be the percentage of total revenue that we would gain from products?

Rajiv Nair: Dr. Vijay I cannot give you a forward-looking number, but what we are doing proactively right now is to expand into segments that we are not present. For example we are strengthening our range of hair care which we believe is a very large potential both for services as well as for products. So recently there have been a few SKUs which I mentioned in the investor presentation, so I think Hair Care is one area that we are expanding. Nutraceuticals we are actually working currently with collaborations, but at the same time we are also exploring our own range of nutraceuticals. I think these have contributed quite well over the last one year in the business and these will be two areas of expansion that will be there and the third important thing if you may have noticed is that we are D2C business is now starting to be more visible, we have a very strong website that we have created on a very sound platform called Magento and we are promoting that and now what we have done in the last 6 months is to connect the D2C website to all our individual clinics. So customers can actually get supplies within one day of every product that they have actually service because the servicing is largely become from Individual clinics as well, so we will be promoting our D2C business quite strongly.



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Vijay Kumar: Now that we have D2C engine on are you looking at also selling other products, other companies' products especially the international products, is there a chance where we can actually look at piggybacking on those?

Rajiv Nair: Yes, it is a good thought while this as a long-term strategy I cannot tell you in a more opportunistic way we are selling some nutraceuticals of collaborative brands on our website, so that has already started but I cannot give you a forward-looking statement on this.

Vijay Kumar: On the product side do you have any international global ambition?

Rajiv Nair: Currently we have our international geography in which we are supplying products from India as well, so currently our global product strategies largely exports to our Middle East operations.

Vijay Kumar: Thank you very much. All the very best.

Moderator: Thank you. Ladies and gentlemen that was the last question of our question-and-answer session. As there are no further questions I would now like to hand the conference over to the management for closing comments.

Rajiv Suri: Thank you for participating and we appreciate the time you took to attend our investor call. Thank you so much.

Moderator: Thank you. On behalf of Dolat Capital that concludes this conference. Thank you for joining us. You may now disconnect your lines.