Dated: November 10, 2023

To,

The National Stock Exchange of India Ltd,
Exchange Plaza, Bandra-Kurla Complex,
Bandra (East), MUMBAI - 400 051
Scrip Code: DENTALKART

Company Symbol: Dentalkart, ISIN: INE0N5801013

Subject: Transcript of Earnings Call held on November 08, 2023

Dear Sir / Madam,

In continuation to our intimation dated November 03, 2023, and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a Transcript of Earnings Call held on Wednesday, November 08, 2023 at 10:15 A.M. (IST) on operational and financial performance of the Company for the half year ended September 30, 2023.

The transcript is also available on the Company's website at https://www.dentalkart.com/investors-new

You are requested to please take the same on your record.

Yours sincerely,
VASA Denticity Limited

(Formerly known as VASA Denticity Private Limited)

VIKAS AGARWAL
Digitally signed by VIKAS AGARWAL
Date: 2023.11.10 17:55:03 +05'30'

Vikas Agarwal
Managing Director
DIN: 07487686

Encl: a/a

"Vasa Denticity Limited

H1 FY '24 Results Conference Call"

November 08, 2023

MANAGEMENT: **DR. VIKAS AGARWAL – MANAGING DIRECTOR – VASA DENTICITY LIMITED**
MR. SANDEEP AGGARWAL – CHIEF FINANCIAL OFFICER – VASA DENTICITY LIMITED

MODERATOR: **ADFACTORS PR**

Moderator: Ladies and gentlemen, good day and welcome to Vasa Denticity Limited H1 FY '24 Earnings Conference Call hosted by AdFactors PR. 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. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company on the date of this call.

The statements are not the guarantee of future performance and involve risks and uncertainties which are difficult to predict. Should you need any assistance during the conference call, you may press star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Dr. Vikas Agarwal, Managing Director, Vasa Denticity Limited. Thank you and over to you, sir.

Vikas Agarwal: Ladies and gentlemen, good morning, everyone. I extend a warm welcome to Vasa Denticity Limited Maiden Earnings Conference Call for the half-year ended 30th September 2023. I appreciate all of you for taking the time to join us today.

We have distributed the results update presentation and media release. I trust you must all have received and reviewed the same. Since this is our first earning call, I would like to brief you all about the industry, the company and some key developments before getting into the financial and business performance of the company.

The dynamic landscape of India's dental care market is poised for remarkable growth. The dental market in India is on a trajectory of substantial year-on-year expansion fuelled by investment groups venturing into multi-specialty hospitals that provide comprehensive general dentistry and specialized treatments. This is a vast and thriving ecosystem, boasting over 3 lakh dental practitioners, 5,000 dental laboratories and housing more than 352 dental institutes.

Market trends indicate that India is primed to ascend as one of the largest markets for dental products and materials. This unfolding narrative, both well in terms of opportunities and Vasa Denticity is strategically positioned to seize these opportunities. At the heart of our mission is a commitment to make dental equipment affordable and accessible for the best quality assured.

One of the driving forces behind Dentalkart is the constant evolution of the dental care market. We have witnessed a surge in digital proliferation in the Indian markets coupled with an awareness among individuals regarding dental aids and treatments aimed at improving personal health and hygiene. In terms of the company, it has been an eventful half year for us, making several milestones.

In June 2023, the company listed on the NSE SME exchange. This move not only gives a platform for the company to access a wider investor community, but also opens the door for future growth. The proceeds from this are being used to fund our expansion strategies in terms of more product lines, more warehouses to say the least.

In another significant development in September 2023, we entered into an exclusive agreement with Baldus Sedation Company, a prominent nitrous oxide sedation system manufacturer based in Germany. This exclusive agreement designates Vasa Denticity as the sole dealer for the sales of nitrous oxide sedation systems in the Indian market. This partnership represents a monumental leap forward for our company, allowing us to expand our product portfolio and serve our customers with cutting edge solutions.

We are optimistic about the journey that lies ahead and our commitment to advancing oral health care in India is steadfast. Our dedication to innovation, quality and accessibility forms the cornerstone of our mission. We also have our sights on venturing into untapped markets.

Our aim is to become the largest dental product company globally, replicating our dominant market position in India. As we move forward, Vasa Denticity is dedicated to enhancing customer experiences and equipping our valued clients with the latest knowledge and skills in the ever-evolving field of dental technology. To achieve this, we plan to introduce more comprehensive global learning and development programs.

These programs will serve as invaluable resources for our customers, educating them on the latest technological developments and industry trends. Overall, our business strategy is comprehensive and our focus remains on our customers, product quality and delivery timelines. So, we have made substantial improvement in our delivery services, resulting in faster and more efficient product deliveries to our customers.

We are determined to achieve year-on-year robust double-digit growth while optimizing our operational efficiency. The new import policy under the medical device rules is a significant step towards regulating the dental equipment market in India. This policy mandates that only entities holding valid licenses can import dental devices.

Such regulation is instrumental in maintaining the quality of dental products entering the market, ensuring that dental professionals have access to safe and reliable tools. So, for organized players like Dentalkart, this policy can serve as a catalyst for business growth as it levels the playing field by eliminating unlicensed and potentially substandard competition.

Now I would like to hand over the call to Mr. Sandeep Aggarwal to take us through our half yearly financial performance.

Sandeep Aggarwal: Thanks, Vikas. Good morning everyone. Revenue from operations in H1 FY '24 was INR76.82 crores as against INR57.50 crores in H1 FY '23, a year-on-year increase of 33.60%. EBITDA excluding other income showed that INR6.83 crores in H1 FY '24 as against INR4.33 crores in H1 FY '23, increase of 57.73% year-on-year. EBIDTA margin was at 8.89% an increase of 136 BPS year-on-year. Profit after tax was INR6.28 crores in H1 FY '24 compared to INR3.13 crores in H1 FY '23, year-on-year increase of 100.63%. PAT margin was at 8.17% increase of 273 bps year-on-year. Basic EPS stood at INR4.19 in H1 FY '24 as compared to INR2.44 in H1 FY '23 year-on-year increase of 71.72%.

Now I would like to hand over the call to Dr. Vikas Agarwal to take us through half yearly operational performance.

Vikas Agarwal: Thanks, Sandeep. Average monthly active users have grown to 227,000 users in H1 FY '24 as against 186,000 users in H1 FY '23. This is an increase of 22% year-on-year. The total order growth was INR2.02 lakhs in H1 FY '24 compared to INR1.48 lakhs in H1 FY '23. Year-on-year increase of 37.83%. Total brands onboarded was 341 in this half year compared to 302 brands in H1 FY '23. This is a year-on-year increase of 9.27%. Our customer retention has increased from 68% to 74% year-on-year and this is something really important for our company to increase the customer retention going ahead.

The average delivery times, delivery days has improved from 5.88 days in H1 FY '23 to 5.28 days in H1 FY '24. While the above numbers look good, but they actually don't tell the real performance we are witnessing currently and about to witness. So, we are highly optimistic about the second half of the financial year. So, here is what you can expect from us in the next half yearly results. A strong board with expert independent directors, a stronger sales and business development team, more brand exclusive tie-ups and last but not the least better revenue performance.

Now, I would like to open the floor for any questions you may have. Thanks a lot for your kind attention.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Madhur from Hem Securities. Please go ahead. Mr. Madhur, your line is unmuted. You can please ask your questions. Mr. Madhur, as there is no response from the line of current participant, we will move on to our next participant. The next question is from the line of Deepak Chokhanai from Raide Capital. Please go ahead.

Deepak Chokhanai: Thank you. Hi Vikas and Sandeep. Really commendable for you to have come up with this unique idea of Dentalkart and to organize this investor conference call. Usually, in the SME segment, it's very few who do that. So, thank you for this opportunity. So, since this is the first opportunity for us, if you may allow, I have 3-4 questions.

So, I will start with my first question. You just mentioned double-digit growth in your revenues going forward. So, my question is, is it in the mid-teens or is it like mid-20s type? I mean, can you possibly elaborate on that?

Vikas Agarwal: Yes. Deepak ji, thank you for your question. We expect growth more than the teens, more than the mid-20s going forward.

Deepak Chokhanai: Thank you. So, that was my first question. My second question is, just trying to understand how big the market is, especially only for the first two segments, which is consumables and the instruments. I mean, what percentage of these two segments are still not bought from Dentalkart? Just trying to understand how big it can be going forward.

Vikas Agarwal: Deepak ji, I think the market is much bigger than what is currently being bought from Dentalkart. So, you know, assuming the market size around $2 billion, we think that majority, like close to 70% of that comes from consumables and instruments. So, you know the numbers which Dentalkart is currently selling. So, we, our team, we think that there is a long way to go.

Deepak Chokhanai: Understood. So, just on that, to elaborate, what is changing? I mean, why would a dentist go with Dentalkart? Is it the convenience factor or is it the price factor or is it a combination of both plus something else?

Vikas Agarwal: Yes. So, I think you answered the question yourself. I think service is something which is really important for a dentist. Timely delivery of the products as well as accessibility to a large catalogue of products is most important. And we cannot ignore the importance of a better price which a dentist gets from Dentalkart. So, combination of multiple factors results in dentists buying from Dentalkart. And in future, we look to tap the rest of the market with the same cocktail of services.

Deepak Chokhanai: Okay. So, the average delivery time of five, five and a half days, do you think with these new warehouses in Mumbai and South, you think that will come down and what's the target delivery days you are, you have in mind?

Vikas Agarwal: Yes. Deepakji, currently, you know, before this half year, the delivery timelines were around 5.7, 5.8. And with the Bangalore warehouse coming, it has, we have seen a reduction in the delivery timelines. In the, in the years coming, we see the delivery timelines going down. And we have an internal target of reducing it below three days in next two years.

Deepak Chokhanai: Okay. Thank you. And my last one or two more questions. I believe the margins are maximum in the equipment segment. However, it's my understanding that due to the servicing issue and after sales issues, dentists are still preferring to buy directly from the manufacturers or their distributors. Is that understanding correct? And if yes, then how are we planning to change this? Are we trying to focus on this segment, which is, I guess, more remunerative as compared to the first two segments?

Vikas Agarwal: So, the maximum margins are actually coming from the consumable sector, not the equipment sector. But the equipments are a larger, you know, SKU size, a bigger revenue portion for, you know, for a company to tap. So, the sales in products above 1.5 lakh or 2 lakh comes through relationships. So, in the future, we are looking at building relationships with doctors so that they can trust us in buying the products, as well as dedicated relationship managers for the doctors to buy large equipments from us.

Deepak Chokhanai: So, this will take some time, right?

Vikas Agarwal: We are aggressive on that, but yes, it takes time.

Deepak Chokhanai: And my last question, sir, is what percentage of products are manufactured by us as percentage of our overall and do you think that percentage might change going forward?

Vikas Agarwal: So, Mr. Deepak, currently, we are not manufacturing anything. We are white labelling the whole portfolio currently.

Deepak Chokhanai: So, what would that percentage be?

Vikas Agarwal: So, around 48% of our sales are coming from our own portfolio range, which is white labelled.

Deepak Chokhanai: So, I believe the margins are much better in that particular category?

Vikas Agarwal: Yes, margins are better in our own product portfolio.

Deepak Chokhanai: And will that percentage, is the aim to increase that going forward?

Vikas Agarwal: It has been increasing for last three years and we expect it to continue the same way in future.

Deepak Chokhanai: Any plans to backward integrate and start manufacturing ourselves? So, that's one focus for us.

Vikas Agarwal: We are not currently looking at manufacturing products because we generally believe in tying-up with the manufacturers and focusing on our forte, which is sales. But yes, in future, if something really good comes up, we can look into manufacturing the products as well.

Deepak Chokhanai: Okay, understood. Thank you so much. All the best.

Vikas Agarwal: Thanks a lot.

Moderator: Thank you so much. The next question is from the line of Siddharth Lakhanpal from Darsh Capital. Please go ahead.

Siddharth Lakhanpal: Good morning and congratulations on a decent set of numbers. Just a couple of questions. I wanted to know what the reason for the drop in AOV is. And what do you expect this number to be for H2-\ FY '24? If we see FY '23 AOV was around 3,892, if I'm not wrong. And it's dropped to, dropped by about 2, 2.5% to 3,804. So, what is this? What's the reason for the drop and what do you expect this number to be in H2 FY '24 going forward? And also, instrument consumable equipment split for the first half of FY '23. If you could provide that?

Vikas Agarwal: So, sorry, I didn't hear the last part of your question. But let me answer the first part first. So, the drop in the average order value is a temporary drop, which we expect to increase above 4,000 in the next half year.

Siddharth Lakhanpal: Okay. And what is the split between the instrument consumables and equipment sales for the three segments in the H1-FY '23? You've given numbers for H1-FY '24, right, in your presentation?

Vikas Agarwal: Yes, sir. Correct.

Siddharth Lakhanpal: What is the H1-FY '23 last year, basically?

Vikas Agarwal: Sir, the sales in the equipment side has grown a little bit. And there's not much significant difference in the H1 '23 and H1 '24, that thing. But we can put a mail to you with the exact numbers.

Siddharth Lakhanpal: Okay. And the own product sales, the own brand sales are 48% right now, right?

Vikas Agarwal: Yes.

Siddharth Lakhanpal: And it was similar in the last year as well?

Vikas Agarwal: No, last year it was somewhere around 44.92%, somewhere around 45%.

Siddharth Lakhanpal: 45% for the first half?

Vikas Agarwal: No, the complete year, last year.

Siddharth Lakhanpal: And for the first half, if you have that number?

Vikas Agarwal: We don't have a segregation of that in hand currently, but we can provide you that.

Siddharth Lakhanpal: Okay. Thank you so much. That all be out from my side.

Vikas Agarwal: Thanks a lot, Mr. Siddharth.

Moderator: Thank you. The next question is from the line of Mr. Nishant Sharma from Nuvama. Please go ahead.

Nishant Sharma: Good morning, everyone. Hi, Nishant Sharma here.

Vikas Agarwal: Yes, Nishant.

Nishant Sharma: So, thank you, Vikas. First of all, many congratulations for a good set of numbers and also for a great set of listings that you got on NSE EMERGE. So, my one question was partly answered by the first question related to market size, which is about $2 billion. Now, if I have to ask you in terms of the JV or the exclusivity which we got from German company, what could be the size or addressable size that would be increased with that JV coming in or the exclusivity coming in?

Vikas Agarwal: So, there's an increase of close to INR800 crores of the total addressable market.

Nishant Sharma: Okay. And also, -- yes, go ahead, sir.

Vikas Agarwal: To highlight one important thing here is that we are looking to be the most dominant player in the Nitrous Oxide tradition in the next two years.

Nishant Sharma: Okay, and currently it is catered directly by these German companies into India or how exactly the sales is happening right now?

Vikas Agarwal: So currently, the market in Nitrous Oxide tradition is being handled by a few domestic players, who are importing products from different countries and assembling the product and making sales here. But the quality which Baldus provides is something which is CE and FDA approved which actually complies with the medical device regulations. So, we don't know what will happen to the competition, which is currently manufacturing it in India, but this company will definitely be there for long term.

Nishant Sharma: Okay, and now coming back to the overall market size, which is about 2 billion and what could be our size in that and how do we foresee to grow going forward?

Vikas Agarwal: Mr. Nishant, in the next five years, we are looking at a top line of INR800 crores to INR1,200 crores.

Nishant Sharma: That's super number that we are expecting it for next five years and I believe you can achieve that. Sir, if you can help us understand a little bit about the warehousing expansion that we are planning which will help us in reducing our timeline. So, where all we are planning to expand warehousing?

Vikas Agarwal: Yes, so I think Sandeep can better answer this question.

Sandeep Aggarwal: So very good morning, sir. So currently we have already opened Bangalore warehouse and Mumbai warehouse. So, like next, our warehouse will be open in Assam and Kolkata. So as these two regions are quite far from Delhi, so what we are trying to do is like those areas where we have good chunk of assets but the distance from Delhi location is too far. So, we are targeting those areas first. Once those areas are targeted, then we will definitely try to open warehouses in the central and the western areas of the country.

Nishant Sharma: Okay, great. Sir, one more thing is that the breakup which you mentioned in the previous participant's question that is consumable and instrument. It would be great if you share that via presentation or via whichever way you can share it with everyone or put it on the website. That would be great to understand your segment because generally what happens is if I am not wrong consumables is more a steady state of revenue where we will be getting better visibility and at the same time the margins would be better in that segment. Equipment would be more like a lumpy business. So, it would be interesting to track like which segment is growing. Like we have seen about 34% of top line growth but which segment has contributed out of these three segments. If you can share right now in terms of the segment and then later on you can come back with the numbers as well.

Vikas Agarwal: Okay. Mr. Nishant, we will definitely look into this. But one thing which I want to tell you here is that the sales of equipments also increases the sales of consumables indirectly because there are some consumables which are sold along with the equipments. That is number one.

Secondly, in our growth of 38%, I think all the segments have grown equally with little bit differences among them. We will share the details with everybody.

Nishant Sharma: Okay. Thank you. And lastly, when you say that our own brand has contributed about 48%, I mean contributing about 48%, the share is rising going forward. What will be the margin differential for own brand and the other brands? And going forward, what could be the strategy of what is the sustainable number for own brands? Because if we have the other brands, then the thing which we are saying that we have a large product basket, then it will be successful. I mean in terms of giving that larger basket to doctors. So, what is the ratio which you are looking at for own brand which would be sustainable and will not move beyond that and the margin differential in this?

Vikas Agarwal: So Mr. Nishant, before reaching the plateau, I think we are looking at numbers close to 70% with our own product portfolio. But having said that, we are not looking at limiting the sales of other brands to promote our own brands. But sustainably, we are looking at a number of 70% of our own product portfolio in the future.

Nishant Sharma: And I mean this could be achieved in next two years, three years?

Vikas Agarwal: Possibly.

Nishant Sharma: Okay. And the margin differential if you can share?

Vikas Agarwal: So, there is a significant difference in the margins we have in our own portfolio. So, in the other brands, the margin is close to 15%. And in our own brands portfolio, the margin is above 40%.

Nishant Sharma: Okay, these are the gross margins you are referring.

Vikas Agarwal: Yes.

Nishant Sharma: Okay, because what happened is like if I just go through your presentation once again from H1-to-H1, we have seen margin -- EBITDA margin expansion of almost 136 basis points. While if I look at it from half-yearly-to-half-yearly basis, it has seen some drop of about 30 basis points, 40 basis points. So, is there a cyclicity also from a margin standpoint? It's purely on the basis of the numbers that we are witnessing in terms of own brand sales and other brand sales?

Vikas Agarwal: I'll get back to you on this with the numbers in my hand later on over email.

Nishant Sharma: Sure, sir. We can get in touch with you on this. Thank you. I'll fall back in queue.

Vikas Agarwal: Thank you.

Moderator: Thank you so much. The next question is from the line of Deepak Poddar from Sapphire Capital. Please go ahead.

Deepak Poddar: Yes, hello Mr. Vikas. Thank you so much for the opportunity and many congratulations for the very good set of numbers.

Vikas Agarwal: Thank you, Mr. Deepak.

Deepak Poddar: Yes. So, my question revolves around now, now you mentioned that own brand our gross margin is around 40%-plus and other brands is 15%. And this portfolio currently 48%, we are looking to go up to 70% mix right in two, three years. So, it's very logical to, I mean, say right, I mean our EBITDA margin because of this transmission, our gross margin will see accretion and automatically our EBITDA margin will also see accretion over next two years, three years. So, I mean 18%, 20% EBITDA margin would be our aspiration in next three years given the share of own brand is likely to increase.

Vikas Agarwal: Mr. Deepak, I see this highly likely. This is a possibility. I cannot promise it, but yes, we are also looking at the same set of numbers.

Deepak Poddar: In terms of EBITDA margin, right?

Vikas Agarwal: Yes but provided the expansion strategy of the company in terms of the business promotion and advertisement. So, it can impact this a little bit in case we continue to do aggressive expansion next two years, three years down the line. But if we don't consider that, we are also looking at the same set of numbers.

Deepak Poddar: Understood, fair enough, understood. And in next two years, three years, I mean this dental market is about INR15,000 crores, INR16,000 crores kind of a market, addressable market size for us. And I think that market is also growing at about 8%, 10%, right?

Vikas Agarwal: Yes.

Deepak Poddar: And so, in next three years, what is the market share we are looking at in this market?

Vikas Agarwal: Recently, like I have also said, already said that in the next five years, we are looking at numbers close to INR800 crores, between INR800 crores and INR1,200 crores, top line. So, this is what we plan. This is a long-term plan we have. So, three years down the line, maybe somewhere close to between INR500 crores, INR600 crores is what we see.

Deepak Poddar: Three years, INR500 crores, INR600 crores kind of a, I mean currently already we are at about, I mean INR150 crores, INR200 crores in that range, right?

Vikas Agarwal: Yes.

Deepak Poddar: Okay. So, I thought we were looking at a much higher market share, I mean because that INR500 crores, INR600 crores ideally means 3% to 4% market share, right?

Vikas Agarwal: Yes, sir. Sir, I have to be conservative in my word so that I deliver more than what I say. This is what I personally feel.

Deepak Poddar: Eventually, we had a, I mean aspiration of about 10% market share. I mean, would that be a fair thing to assume?

Vikas Agarwal: Definitely, sir. Definitely, even more than that.

Deepak Poddar: Even more than that. Okay. And, so ideally to achieve even the conservative number, we have to grow at 60%, 70% CAGR, at least, right? For next three years, four years? Even at this conservative number that we are talking about, maybe INR600 crores to INR700 crores, three years down the line.

Vikas Agarwal: Yes, sir. Correct.

Deepak Poddar: Okay. Fair enough. And something on, new products we are also targeting in terms of the chair and all. So how are we placed there or any more new products in the pipeline for us? Yes, that would be my last question.

Vikas Agarwal: So Mr. Deepak, a lot of products are there in the pipeline. We will keep on informing the exchange. Whenever something good happens, something big comes up, we keep on, informing the exchange about it.

Deepak Poddar: Okay. But there are plans, right? I mean to keep expanding our product portfolio.

Vikas Agarwal: There are a lot of products coming up.

Deepak Poddar: Okay. Fair enough. I think, that's it from my side, Mr. Vikas. All the very best to you. Thank you so much.

Moderator: Thank you. The next question is from the line of Nirnimesh from Viom Networks. Please go ahead.

Nirnimesh: Good morning, Mr. Vikas. This side Nirnimish. First of all, congratulations. This Vasa is growing very nicely and you all are putting too much effort in this and this is definitely an untapped segment which you have ventured and you are going to succeed. That is my best wishes to all of you. I will start my questions with most items what I have noticed.

I went to many dentists and I have asked about your product. I have enough feedback and I'll tell you directly about it. Most items, they say, that sometimes are shows unavailable. This is one month back feedback and so it is a kind of revenue loss. So how fast will you close this unavailability gap? And first, if you wish to answer this question.s

Vikas Agarwal: Yes. Good morning, Mr. Nirnimish. You know, I have mentioned in my earlier speech that there was a new import policy under the medical devices rules in India. So, because of that, lot of unlicensed players and people who don't have a proper license or documentation for importing the products or manufacturing the products are out of business or have discontinued making those products. So those are the items which are not available currently on our platform. So as soon as the products are being made available by the manufacturers, we are getting them on boarded with us and making them available with the dentists.

Nirnimesh: Okay. Further, distance gap is too much across India. It's from south to north and west to east. So, will you come up with the delivery points that will be able to deliver the products the very next day or the same day? Are you thinking of it means expansion at a wide level, your warehouses?

Vikas Agarwal: Yes. Sir, very good question. So currently we are building hubs around the country in the form of warehouses and going forward, we'll be looking at making spokes of those hubs so that we can deliver even faster. So definitely next day delivery is important for some of the product lines. So, for those lines, we will be building a faster delivery network in near future.

Nirnimesh: Okay, sir. And further, how keen are you on R&D? And because previously also in NFC that conference you have told about that you focus on R&D. I would say that, how fast you will start manufacturing at home, a direct question. Manufacturing at home, Waldent products, lesser import and then total stock?

Vikas Agarwal: Sir, as soon as we see some benefit in manufacturing products. We are looking to explore that and think about it. But currently, it is a faster thing for us to do tie-ups with manufacturers and then make the sales of those products. So currently, we already have a research and development team in our company. There is a couple of employees in the team. So, we are working on that. But as soon as we find something interesting, we'll venture into that. Till then we will look forward to making sales and continuing with our core team.

Nirnimesh: Absolutely fine, sir. And sir, high-end products, some dentists of high-end clinics, they say that the products in dental, some products are very, very costly. So, they say that they don't keep high-end products. Means very expensive products are generally unavailable. Is it due to the import policy only or due to the timeline gap of delivering the product?

Vikas Agarwal: Due to the import policy, most of the times.

Nirnimesh: Okay. That concludes, sir. Thank you so much for your reply, sir.

Moderator: Thank you so much. The next question is from the line of Mr. Manish Shah from Sunman Investment. Please go ahead.

Manish Shah: Hi, hello. I just want to know, if our sales are seasonal more in the second half and by how much more versus first half?

Vikas Agarwal: Good morning, Mr. Manish. I think you are correct. The sales are definitely seasonal. We see a big improvement in the second half of the year compared to the first half of the year. And previously in the past years, we have seen a difference of close to 30%-40% in the sales compared to first half.

Manish Shah: So, the second half is 40% more than the first half?

Vikas Agarwal: Yes, that is a general trend we have seen. We don't know how much increase we will be having in the second half, but this is a thing of the past. We might see a better increase in the second half or maybe lower.

Manish Shah: Okay. And how many warehouses do we have? We have one big warehouse in Gurgaon and then there are hubs which you are setting up?

Vikas Agarwal: So currently we have three warehouses, one in Gurgaon, one in Bangalore, and one in Mumbai.

Manish Shah: And with every increase in warehouse, the sales also goes up accordingly or these are just support warehouses, one in Bangalore and one in Mumbai?

Vikas Agarwal: So, with the increase in warehouses, we expect sales to go up. But since it is a very recent development, so we don't have the correct sample size to come out with a conclusion.

Manish Shah: Time to market or faster delivery helps in increasing sales or is it just convenience for the customer?

Vikas Agarwal: So, the convenience of the customer thereby results in increase in sales. Our aim is to provide the right value to the customer, which is in terms of the price, in terms of the availability and in terms of the service. So, a combination of all three will lead to increase in sales.

Manish Shah: And we source most of our products. We don't manufacture anything. But how much of the products are imported?

Vikas Agarwal: So maximum products in the Indian market are imported currently. There is not a lot of manufacturing in the dental segment apart from the chemicals. So same is the case with us. So, most of the products sold by us are either imported by other importers or directly by us. The ratio can be around 80%- 20%.

Manish Shah: And any particular country dominates in our imports or suppliers' imports?

Vikas Agarwal: Mostly China and Germany.

Manish Shah: China and Germany. That's all from my side. Thank you very much.

Moderator: Thank you so much. The next question is from the line of Ketan R. Chheda, who is a retail investor. Please go ahead.

Ketan Chheda: Hi, thank you for the opportunity. I would like to know about the competitive landscape for our line of business. There are a lot of portals like Pink, Blue and there are many others, I'm sure you would be aware of. So, could you just give a brief overview of what kind of competition we see and where do we stand? How are we different from the competition?

Vikas Agarwal: Good morning, MR. Ketan. So, you are right that, there are a number of portals which are selling dental products. So, we are different from the competition in terms of like there are two things. One is the exclusive product line, the largest catalogue in the dental product segment. Secondly, we are also different in terms of how deeply we understand our customers. So, with the seven-year-old buying behaviour pattern of the Indian market, we somehow think that we have a deeper understanding of the dental product market.

So, yes, the two most important things, the catalogue size and the understanding. Understanding can be in terms of the service quality, in terms of the right pricing or the right set of features of the products. That is, how we differentiate that our self.

Ketan Chheda: Okay, so if I understand correct, what you're saying is that we have the largest catalogue of products as compared to the competitors who are in the online ordering space. Is that correct?

Vikas Agarwal: Yes, sir, that is correct.

Ketan Chheda: Okay, thank you for that. And the other question I have is, in terms of the three segments that we have, the equipment, instruments, and consumables, so how much would be the consumables market for us currently? I understand in future, as you keep adding more and more products and brands, the addressable market size could increase. But currently, how much would be the consumables market size for us?

Vikas Agarwal: The total addressable market?

Ketan Chheda: Only for the consumables, not for the instruments and equipment, only for the consumables part?

Vikas Agarwal: Sir, I think the total addressable market for the consumables segment is close to $1 billion, which includes the consumables which are sold with the equipments, the consumables of the implant accessories, the consumables of the laboratory segment.

Ketan Chheda: Okay. And the other question I have is, you mentioned that we do a lot of imports of the products that we sell on our portal. And most of them, they are from Chinese and German brands. So, do we buy these things directly from the manufacturers or are there distributors or other agents are involved from whom we buy in India? How is the sourcing done?

Vikas Agarwal: The maximum products we buy directly from the manufacturers.

Ketan Chheda: Okay. And so, one last question. So, we said that we are white labelling a lot of products and at the same time, we also sell products from different brands. Now, while we are doing that, I'm assuming that sometimes there would be like, for the same thing or the same product category, we would have our brand as well as a competing brand also. So, isn't this a conflict of interest and the other brands that we onboard on our portal, they do this as a conflict of interest or a competition in a sense and how is this addressed?

Vikas Agarwal: So, sir, we understand there is a sense of competition with the same set of features in similar products coming up in our own brand portfolio. So, we try to limit this by not pitching the products, our products to the customer. We let the customer decide what they want to buy.

Ketan Chheda: Okay, but how do you ensure that because since it's a self, what do you say, do it yourself kind of thing that as a dentist I would come to your portal and if I want a specific product, I will kind of try to see what brands you have. If I don't have a brand in mind, I'll probably look for a couple of options of the same item. So, how do you ensure that you don't pitch or push your own brands versus the others? How do you ensure that?

Vikas Agarwal: So, we let the search algorithm decide what to show to the customer rather than we pitching the product ourselves. So, if the thing is organic, I don't think the manufacturer or the other company will mind that. So, currently we don't have any such issues from any manufacturer that they want to remove the products because of conflict or interest. But in future, if something comes up like that, we are flexible to think about it and take the appropriate action.

Ketan Chheda: Okay. One last question if I may. You mentioned that you are looking forward to developing a deeper relationship with the dentist. I mean, a key relationship development is what you mentioned. How do we plan to go about that? Because as you mentioned, we've got 3 lakhs of dentists in the country. So, how do you plan to develop these relationships one-on-one with the dentist? What's your strategy? What's your game plan? If you could just share a brief about that.

Vikas Agarwal: The most important thing we think for developing relations with dentists is the key opinion leaders. So, for example, there is a dentist who is popular among the community of dentists in Kochi, for example. So, we would like to tie up with some senior key opinion leader in the Kochi market.

We recently ventured into the education sector. So, we'll try to do some courses, some event with that key opinion leader in that market. And we'll have our relationship manager for that particular market to develop relationships in those markets.

So, this is what we currently think and we are evolving every month with our plan. This is our idea currently.

Ketan Chheda: Okay, okay. Thank you so much for answering all my questions and wish you all the best. Thank you so much.

Moderator: Thank you. The next question is from the line of Nitesh Jain from Riverland Capital. Please go ahead.

Nitesh Jain: Hi Vikas and Sandeep. I must first of all congratulate both of you for building Dentalkart from a very small shop in front of your college to what it is today. So, it's really, really commendable. Basically, my question is while I'm convinced about your business and the prospects and the way you are going through the market, my question is a little bit inward looking to your company, your organization, which is basically how are you building your team because even a successful company cannot grow without a super team.

So, if you can talk about the HR part of it, like how many employees you have, how many of them are actually dentists, how they understand the customer requirements. And number two, the question is to Sandeep, if you can talk about the IT infrastructure part of the business, how scalable is your website and both the Android as well as iOS, what number of orders they can actually handle and who are the vendors and how are you maintaining it? These are the two questions, please.

Vikas Agarwal: Good morning, Mr. Nitesh ji. Thank you for the kind words. I think both the questions can be taken by Sandeep ji. All right.

Sandeep Aggarwal: So, we have a team of 209 employees. The best part about Dentalkart is what we do, we do it technically. For example, suppose if they are HR process, so we'll try to find the best software in the market which can handle the HR process in a very good manner so that employees can see all the information on the portal.

So, we can have an internal discussion very easily with the employees in that portal. We can have a lot of surveys internally. So, because of these things, the environment of the company is too good. That's why we have employees whose experience is too high right now. So, the employees with 3-5 years of experience are more in the company. Retention rate is quite good.

Attrition is very low because of these things. These are the things we are doing from the HR side. Let's go to the hiring part. So, recently, we are doing a lot of hiring on top hierarchies. So, earlier what happened is before the IPO, we didn't have a second layer and third layer hierarchy. So, me and Vikas to get out from it, we want to be more focused on the strategy and innovation part other than the BAU part.

Same we want our managers should not be involved in BAU part as of right now. So, we are building more second level hierarchy right now.

Nitesh Jain: And Sandeep, on the IT side?

Sandeep Aggarwal: So, currently the systems in the market don't have much issue of scalability because these are landmark driven systems. So, for example, you have an unlimited access of a very big server and you can scale as much as you need by keeping a bandwidth. So, for example, if you are getting 3000 orders a week and you have used a system, you know that there is a warehouse of 2.5 lakh square feet and you have tied up the company's 3PL. But you have taken only 5000 square feet of space. But you know that if your orders increase, you can do 10,000, 15,000, 20,000 as per the need. Same is in the server side.

Whenever your order increases, automatically your new servers automatically turn on and as per the load that increase and decrease. So, earlier fixed cost was very high but now it has become variable.

Nitesh Jain: Okay. Fair enough.

Sandeep Aggarwal: And cyber security is tested by Deloitte. So, whatever issues are there in terms of risk and cyber security is handled by our strategic partner. So, I think from that side we are totally secure.

Nitesh Jain: Perfect. Perfect. Thank you very much and all the very best, Vikas and Sandeep. Yes. That's all. Thank you.

Moderator: Thank you so much. The next question is from the line of Mr. Manjeet Buaria from Solidarity Investment Managers. Please go ahead.

Manjeet Buaria: Hi, Dr. Vikas. Thank you for giving me a chance. I have two questions. One, I wanted to understand other brands which we sell on our platform. Do they regulate prices at which we can sell? Because what we are noticing is many brands don't allow differential pricing between online and offline retail platforms. So, I just wanted to understand whether the scale advantage will flow to us or not?

Vikas Agarwal: Good morning, Manjeet ji. I think the question is very good. The brands like Densply definitely are very precautionary, taking precautionary measures for their pricing on the portal.

So, we try to list the market price for their products and give benefits to the customers in the form of reward coins or in the form of some coupons. So, that is how customers get the price advantage as well and the company is also satisfied with the pricing. That is the strategy we are following.

Manjeet Buaria: Second question, Dr. Vikas. I think earlier on the call you alluded that to overcome your average order values will start going up again. I was just curious that as you expand your hubs everywhere in the country and your delivery times go down, typically would the frequency of ordering go up and the average order value actually come down? Because the dentists don't need to order a lot of products because now they are getting it in 1, 2 or 3 days.

Vikas Agarwal: Yes. So, Manjeet ji, you are right. As we expand our warehouses, the frequency increases but the average order value might go down. But to solve that, earlier we were only selling products in the small equipment section or the consumable section. Now we are venturing into the large size products.

For example, this Balder Sedation machine is worth INR5.75 lakh for the starting range of its product, the analog machine. So, if we make sales of these products in some segment, overall, the average order value, it will take it up. And the recent small drop you see in the average order value is actually when we opened the Bangalore warehouse, we had to split some orders between Delhi and Bangalore in the initial optimization part of the warehouse.

So, because of the splitting of the orders, both the invoices were counted separately. And that was a small chunk but it led to a fall of around INR40-INR45 of our total average order value. So, that is why I said this is a temporary drop in the average order value. This is not the real drop. And I expect it to even rise further in the next half year.

Manjeet Buaria: Last question, Dr. Vikas. As you are now opening multiple hubs, just your thoughts on whether the working capital evolution is tracking what you expected or is it above the levels at which it would ideally settle down in the long run?

Vikas Agarwal: No, it is as per our expectation. We are totally on track with that. Sorry, Manjitji, please repeat the question.

Manjeet Buaria: Sorry, Vikas, you are interrupted. I was asking the September working capital levels is something we can expect to hold on to going ahead or there will be some deviation on that?

Vikas Agarwal: So, as per the working capital requirements given in the DRHP, we are on track with that and I think we are totally sound with our working capital requirements.

Manjeet Buaria: I understand, Dr. Vikas. We have the balance sheet and the liquidity. What I meant was in terms of working capital days, what we are seeing at the end of September, will those working capital days sustain or will they go up going ahead or go down going ahead?

Vikas Agarwal: Little bit up on the upper side.

Manjeet Buaria: Dr. Vikas, thank you so much. I'll get back into the queue.

Sandeep Aggarwal: I would like to add two pointers for the average order value thing. So, first thing is there are quite a lot of urgent products which are needed by the dentist. So, once we open more warehouses, those products will be added to the basket, which will help us in increasing the average order value also.

So, it is not like if the frequency increases, the average order will drop. There are chances that the products which dentists do not buy from us, will also be added to the basket. The second part is, this will help in maintaining the average order value also.

That is the customer acquisition. So, once we open more warehouses, we will have more new customers coming up on Dentalkart.

Manjeet Buaria: Dr. Vikas, can I ask one more question?

Vikas Agarwal: Yes, yes.

Manjeet Buaria: Dr. Vikas, I just wanted to understand, how is the customer landscape evolving in our country? So, are large dental chains picking up pace? And over a 10-20 year period, do you see the market remaining as fragmented as it is right now? Or it starts consolidating a lot more? Because some of the large chains we speak to, they actually don't source from Dentalkart Because of their scale, they are not going direct. So, that is where this question is coming from.

Vikas Agarwal: So, in the future, 10 years, 20 years down the line, we expect the market to consolidate. And definitely, Dentalkart will also grow to a level that we have exclusive products which we will be supplying to these consolidated market players.

Manjeet Buaria: Okay. Very helpful, Dr. Vikas. I will take the stop.

Moderator: Thank you so much. The next question is from the line of Mr. Deepak Chokhani from Raide Capital. Please go ahead, sir.

Deepak Chokhani: Thank you. Once again, Mr. Vikas, as I've been asking in the past, is there any plan now that you have the platform for dental products, is there any plan to venture into other medical fields as well?

Vikas Agarwal: Sir, not immediately. But yes, future, there is a possibility to venture into other niche segments.

Deepak Chokhani: Okay. And one last question, do you also intend to sell offline or will it be always online?

Vikas Agarwal: So, we intend to sell with a combination of offline and online in future. So, for the large products segments which are, you know, which require a relationship to be built. So, we look forward of, you know, selling the products through our sales force rather than directly taking the order online. So, a mix of both.

Deepak Chokhani: So, you mean to say the sales representatives will meet the dentist and then supply it?

Vikas Agarwal: We'll meet the dentist and put a purchase order from the dentist's side to Dentalkart and then we supply it. So, it will be a mix. It is not a pure online order.

Deepak Chokhani: Understood. They won't carry the product. They'll just help. They'll meet the dentist and then place the order online?

Vikas Agarwal: Yes.

Deepak Chokhani: Okay. Sorry, I'll just add one more question now that I've got the possibility. What are the capex plans for the next one or two years? Are they pretty big? Would you need more funding?

Vikas Agarwal: So, we don't think that we'll be needing more funding for next two years.

Deepak Chokhani: Okay. And how does your platform differentiate from, as someone asked, there are a few more competitors selling the stuff online. How do you think your platform is different and yes.

Vikas Agarwal: So, as I said, the platform is different on two bases. First is the product portfolio that includes a lot of exclusive products. Second is the, you know, we understand the needs of the dental community. Me personally being a dentist and with a team of doctors, we work on the behaviour pattern of the dentist and the purchasing pattern. So, that is how we differentiate ourselves.

Deepak Chokhani: More on the tech side. Do you think on the tech side, we have everything in terms of ease and as compared to the competitors?

Sandeep Aggarwal: I would like to answer this question. So, the thing is our tech is built on the latest technology and based on the customer behaviors we have online, we continue to evolve the systems. We also have a team who look at the competitor landscape, like what are the features the competitors have. Is there anything, any new thing we can add on? And we also look at all the other marketplaces like Flipkart, Myntra, Amazon to take up new things. And we have a separate team of dentists which take feedback regularly from our top customers. What are the new things we need to add on the portal to have the best experience?

Deepak Chokhani: Understood. Okay. That's very helpful.

Vikas Agarwal: I would like to add something here more. That whatever we do, whatever we decide to do based on the understanding we have, tech is the enabler behind all the decisions we have.

Deepak Chokhani: Absolutely.

Vikas Agarwal: Tech is there everywhere.

Deepak Chokhani: Okay. Thank you so much.

Vikas Agarwal: Thanks a lot, Mr. Deepak.

Moderator: Thank you. The next question is from the line of Nishant Sharma from Nuvama. Please go ahead.

Nishant Sharma: Thank you for the providing this opportunity again. My two questions are on the capex. You mentioned that you don't need any capex for next two years, but what could be the expenditure on capex if you can share some insight on that part of it?

And secondly, you mentioned while referring to EBITDA margin that 18% is something which we aspire and plan to go for, but if there is heavy advertisement or marketing expenses, then we may fall short of it. So, what is our strategy in terms of advertisement and marketing expenditure?

Vikas Agarwal: Nishant, I think that is -- there are a lot of things which are proprietary in nature in that. So, I think we can, if possible, we can put a mail to you if you put your question over email instead of answering here.

Nishant Sharma: No worries. If you can help us a little bit understand, like you mentioned that you are also venturing into education sector if that's possible to share? What exactly we are planning to do in the education sector and how do we foresee revenue and margins or profitability or what sort of education sector entry that we are planning to do?

Vikas Agarwal: Yes. So, in the education sector, why we started doing events and educational courses for the doctors is that we believe that some of the products which are not common in the Indian market, we need to first educate the dentists about what is the product, how to use it, what are the benefits of those products and how it will increase the turnover of their own clinics. So, this first we have to make people understand. For that we have to go through the route of educating the dentists.

And once we do more of the educational thing, we believe that lot of the products which we intend to import in the Indian market or maybe launch for our dentists, it will help us in distributing those products across the country.

Nishant Sharma: So, this would be more like providing education and then growing our market per se, rather than looking at the any revenue stream from that and profitability from that side. It would be more like marketing effort that we are putting to develop the new market for any new product per se?

Vikas Agarwal: Yes, it comes under marketing but it doesn't bring any direct revenues to us. It is all indirect revenue. So, you can consider it like marketing only.

Nishant Sharma: So, more of an expense which can direct us to a great set of revenue depending on the market expansion?

Vikas Agarwal: You can say that.

Nishant Sharma: Okay. Just one last question and then possibly that’s it. We mentioned that we try to list the other brands on their market price wherever the brands have apprehension of reducing their price and then give benefit in the form of reward points and coupons. So, is this funded wholly by company or the brands also participate by sharing higher margins to us on that particular product and then fund that reward points or a coupon expense that we are incurring in generating sales of that?

Vikas Agarwal: Mix of both. Sometimes we see merit in doing it ourselves if the brand is not cooperating. But most of the times, brands also look to market their products through different ways. So, we get support from the brands as well.

Nishant Sharma: Sure sir. Thank you very much for the great set of results and giving me opportunity to ask questions. We will be in touch for more such interaction in future. Thank you.

Vikas Agarwal: Okay, Nishant. Thanks.

Moderator: Thank you. Our next question is from the line of Amit Mishra who is an investor. Please go ahead.

Amit Mishra: Hello everyone. Good morning. Congratulations on great set of numbers. Thank you for giving me opportunity. I just wanted to touch base on the total addressable market again. Out of like we discussed about INR16,000 crores market right now and growing at 8% to 10% yearly. Right now, Dentalkart is addressing all the verticals of this INR16000 crores market or are we in only few segments? If that is so, what is the term for our segments where we are catering?

Vikas Agarwal: Good morning Mr. Amit. Thank you for your question. So, Dental Cart is currently not in all the segments of the market, which is of INR16,000 crores. So, the total addressable market of the products which we are selling is around INR4,000 crores to INR5,000 crores. But having said that, Dentalkart is on the way of venturing into all the segments which constitute the whole dental market. For example, the large equipment category, the dental implant category, the dental laboratory category. These all products and catalogues are being built. We are sowing the seeds now. So, maybe in the next couple of years, we will be there in the whole dental equipment and all the markets.

Amit Mishra: That's very good. So, when we say INR800 crores to INR1,200 crores in next five years, the top line, we are talking about present set of areas where we are working and not counting the new areas where we can venture, am I correct to assume this?

Vikas Agarwal: No, Mr. Amit. This is our aspiration for the total turnover we look to do. So, this includes what we are going to do in future. The different revenue streams which might be coming from new segments which we tap in is also included.

Amit Mishra: And Nitrous Oxide is in tradition to this INR4,000 crores, INR5,000 crores or INR16,000 crores, let's say?

Vikas Agarwal: So, Nitrous Oxide tradition is a INR1,000 crore market. This is in addition to it. Actually, Nitrous Oxide tradition has different applications as well apart from dentistry. It is also used in dermatology. It is used in gynaecology. It is used in small surgeries, aesthetic surgeries. It is also used widely in western countries for childbirth. So, there are different segments to it. If possible, we might be able to sell the Nitrous Oxide tradition system in all these markets in India as well.

Amit Mishra: Right. In terms of physical stores, you talked about turning the hubs currently into physical stores at some point. What's the timeline and how many you see, let's say, in 2025, 2026? Some internal targets you may have set?

Vikas Agarwal: Mr. Amit, first, we will focus on completing the hubs part. So, after Kolkata and Assam, we are also coming up with a warehouse in Indore. After that, we will roll out a plan for opening the spokes. Definitely, in future, earning calls, we will definitely talk again on this and we will tell you how we are improving those things.

Amit Mishra: You talked about CAGR of 8% to 10% for the overall market. Is this some market research or your own internal estimate?

Vikas Agarwal: No, actually, there is market research which says that the market is growing for around 9.82% for the next 10 years.

Amit Mishra: Any plans on your platform to start telemedicine advisories related to dental care for now? It remains an e-commerce place.

Vikas Agarwal: Mr. Amit, internally, we don't have plans for telemedicine or advisory things, but we are open to suggestions and we can definitely think on it.

Amit Mishra: Thanks a lot for answering the questions and best of luck for the remainder of the financial year. Thank you. Thank you for giving the opportunity.

Vikas Agarwal: Thanks a lot, Mr. Amit.

Moderator: Thank you. Our next question is from the line of Kanishka Sorcar 1:10:36], who is an investor. Please go ahead.

Kanishka Solkar: Hi. Very good morning, Vikas and Sandeep. First of all, I really appreciate your proactiveness of being a new company, or rather a new age company, and engaging with the shareholders. So, thanks to that. I have a couple of -- being a private investor myself, I invested in this company post-IPO, and I did personal research on -- I'm from Bangalore, actually, so I know a couple of dentists, and I have gone and met them and discussed a few things.

When I was talking about the company and the kind of platform, most of the dentists were very, very excited about their company like this, in the organized spaces, kind of coming in with commitment of service and back-end infrastructure. But the majority where I found was that there is lack of awareness, and particularly in a market like Bangalore, and you just mentioned you've got a warehouse now. This is a city which spends a lot per capita expenditure on dental side is very high, but awareness is very, very low on the brand. So, I personally feel that there could be -- I want to share this feedback, I want to understand from you what are you doing to correct it.

One of the feedback which you mentioned about the education and engaging with the doctors, if you could just expand a little more on that? That are you going region-by-region based on your understanding of per capita spend where the money lies? That is one.

Second thing I also want to understand, the strategy which you are saying about sales representatives, who will actually go and connect with the doctors. So, do you actually have a field of sales representative currently? And if yes, what is the productivity that you are measuring on them? And what would be your future plans to take this number to? Maybe in the next six months to 12 months, and what kind of productivity are you looking at from that life?

Vikas Agarwal: Yes, thank you for your question. I think Sandeep, you can take this question.

Sandeep Aggarwal: So, from marketing point of view, we are working hard on Google Ads, Facebook Ads, and even the retention of the current customers. Second, we are attending every single execution out there in dental. So, in dental, other than the online part, there are a lot of other things like conferences, webinars, seminars, exhibitions, and other than that, there are a lot of courses happening around India.

So, to have a very good awareness about our own brand, we are now having time with multiple organizations. We are, we in future will definitely have multiple KOLs who will promote our brand with the help of courses. So, in the past also, we have been in many exhibitions, but right now in future, like they are like 20,000 to 30,000 people gathered in every exhibition in metro cities right now. So, you will see a greater presence out there in future.

Kanishka Solkar: Okay, so in terms of the current fleet of your representative sales executives, how many would they be in the system?

Sandeep Aggarwal: Currently, we have nine to 10 sales executives, but like we started this program recently only. Earlier, we used to have sales from digital marketing only.

Kanishka Solkar: And any plans kind of blueprint for the next six months to 12 months?

Sandeep Aggarwal: Yes, sir. Sorry?

Kanishka Solkar: What's your blueprint in terms of taking this fleet or expanding this fleet of representatives who is going to be your ears and eyes to the doctors? So, what is the number? So, you said you're currently nine to 10. In a year's time, where do you want this number to go to? And what kind of productivity are you looking for in this segment, sales representatives?

Sandeep Aggarwal: Yes, so within one year or two years' time, we try to increase the fleet to about 100 people because as we are also selling our own brands, we need to promote those products. And we are also wanting to be there in the high-end equipment market like dental chairs, bolder machines, and there are many other products like x-ray machines. We need to definitely educate dentists about the products for better sales. So definitely, once we have a good number of salespeople who are selling high-order value products, definitely the opportunity is very big.

Moderator: Thank you. Ladies and gentlemen, that was the last question of our question-and-answer session. I now hand the conference over to Dr. Vikas Agarwal, Managing Director, Vasa Denticity Limited for closing comments.

Vikas Agarwal: Hi, everybody. I extend my gratitude to all of you for dedicating your time to join this call. I would like to express my appreciation to every member of the Vasa Denticity team, our valued customers, creditors, banks, financial institutions, and all the shareholders. For any additional questions or information, please feel free to reach out to our Investor Relations team. Thanks a lot for your time and companionship.

Moderator: Thank you. On behalf of AdFactors PR, that concludes this conference. Thank you for joining us and you may now disconnect your lines.