



VIJAYA[®]
DIAGNOSTIC
CENTRE

August 18, 2023

To,
Listing Department
National Stock Exchange of India Limited,
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East), Mumbai- 400 051
NSE Symbol. VIJAYA

To,
The Corporate Relations Department
BSE Limited,
Phiroz Jeejeebhoy Towers,
25th Floor, Dalal Street
Mumbai- 400 001
BSE Scrip code. 543350

Dear Sir/Madam,

Sub: Transcript of the Earnings conference call organized on August 10, 2023.

We are enclosing herewith the Transcript of the Earnings Conference Call organized on August 10, 2023 post declaration of unaudited financial results of the Company for the first quarter ended June 30, 2023.

Please take the information on record.

Thanking you.

Yours faithfully,
For Vijaya Diagnostic Centre Limited

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HANSRAJ SINGH
J SINGH Date: 2023.08.18
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Hansraj Singh
Company Secretary & Compliance Officer
M. No. F11438

Encl.: As above



Vijaya Diagnostic Centre Limited
Q1 FY'24 Earnings Conference Call
Held on August 10, 2023



MANAGEMENT: **MS. SUPRITA REDDY – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – VIJAYA DIAGNOSTIC CENTRE LIMITED**
MR. NARASIMHA RAJU KA – CHIEF FINANCIAL OFFICER – VIJAYA DIAGNOSTIC CENTRE LIMITED
MR. SIVARAMARAJU – HEAD STRATEGY AND INVESTOR RELATIONS – VIJAYA DIAGNOSTIC CENTRE LIMITED

MODERATOR: **MS. CYNDRILLA CARVALHO – JM FINANCIAL**

Moderator: Ladies and gentlemen, good day and welcome to the Vijaya Diagnostic Centre Limited Q1 FY '24 Earnings Conference Call, hosted by JM Financial. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions, and expectation of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I would now like to hand the conference over to Ms. Cyndrella Carvalho from JM Financial. Thank you, and over to you, ma'am.

Cyndrella Carvalho: Thanks Carol. Good afternoon, everyone. I, Cyndrella Carvalho, on behalf of JM Financial, welcome you all on the Q1 FY '24 Earnings Con Call of Vijaya Diagnostics. At the outset, I thank the management of Vijaya for giving us this opportunity to host the con call. I'm looking forward to have an insightful interaction on the quarterly earnings and the outlook here onwards. Today, from the management team, we have with us Ms. Suprita Reddy, Managing Director and CEO; Mr. Narasimha Raju, Chief Financial Officer; Mr. Sivaramaraju, Head Strategy and IR.

I now hand over the call to management for their opening remarks.

Suprita Reddy: Good afternoon, everyone. On behalf of the management team of Vijaya Diagnostic Centre Limited, I welcome you all to this forum. I would like to first share the key highlights for the period, following which Mr. Narasimha Raju will take you through the operational and the financial highlights of the quarter ended 30 June 2023.

I am very happy to share that we witnessed a healthy first quarter of the fiscal. We recorded a 19.2% year-on-year non-COVID revenue growth, supported both by contribution from new centres and improved performance in existing centres. Business from the wellness segment grew to 12.4% from 9.6% of the revenue in comparison to the same period last year. The B2C segment continues to stand strong at 95%.

Moving a step ahead towards our resolve for continued strategic expansion, we inaugurated an advanced and futuristic hub centre in Kolkata, West Bengal in July 2023, marking the achievement of a major milestone in our growth journey. The mammoth facility has a fully automated laboratory and houses the best of equipment, such as 3 Tesla MRI and 128 slice cardiac CT, apart from the range of other sophisticated equipment. Vijaya is the first to introduce such high-end services in the whole of North Kolkata. We are all geared up to make the most of this opportunity that the Kolkata market holds in store for us.

Another noteworthy achievement during the period was the accomplishment of an operational breakeven of our hub at Tirupati in this 3 month from the commencement of a full-fledged operations. This stands testimony to the fact that the market presents huge demand for quality diagnostics. It also reinforces that, as a brand, we were able to gain the trust and belief of our

customers over the years, which in turn is enabling us to perform successfully even in new geographies. Our recently launched hubs in Punjagutta and Rajahmundry have sustained growth and improved over the months in terms of business performance in providing superior diagnostic services and then consistently offering an enhanced customized experience.

As an organization, we believe that skilled resources play a major role in sharing business and the processes in the right direction. And therefore, we always ensure we hired suitable resources much ahead of time. In the light of our extensive expansion plans from time to come and to further strengthen the leadership team, we have appointed Mr. Sheshadri Vasani as Chief Operating Officer, who brings with him vast experience of heading businesses across various verticals, especially health care.

In conclusion, I would like to reaffirm that our expansion efforts will be guided by intelligent research and identification of potential markets. We will continue to expand sustainably in years to come. With over 4 decades of expertise in the diagnostics space, we trust that we, as a brand, have all it takes to cash in on the opportunities that lie ahead and use it to create lasting value to all of our stakeholders.

I would now like to invite Mr. Narasimha Raju, our CFO, who will take us through the operational and the financial highlights for this period.

Narasimha Raju:

Thanks, Madam. Good afternoon, and warm welcome to everyone joining us on the call today. I will briefly take you through the specific operating and financial performance for the quarter ended June 2023.

The consolidated revenue for the quarter stood at INR121 crores as against INR104 crores in the corresponding quarter of the last year, achieving an overall year- on-year growth rate of 16%. And when it comes to the non-COVID revenues, I'm happy to share that it has grown at year-on-year growth rate of 19% from INR101 crores in Q1 of last year to INR121 crores in the current quarter. This non-COVID revenue growth was entirely driven by volume growth of 20% year-on-year. That is an increase from 21.76 million tests to 26.18 million tests. This significant growth in non-COVID business revenues was driven by both radiology and pathology segments, underscoring the robustness of our B2C focused integrated business model.

The B2C revenue share, just like every quarter, stood healthy at 95%. Our radiology business stood higher at 37% as compared to 36% in Q1 of last year. The revenue per test was INR461, and revenue per footfall was INR1,540 during this current quarter. EBITDA for the current quarter was INR48 crores compared to INR40 crores in the corresponding previous period, registering a year-on-year growth of around 20%.

The EBITDA margin was healthy at around 40% in the current quarter. The profit after tax, the PAT, for the current quarter stood at INR26.4 crores, and the PAT margin was also healthy at 22%. The cash and cash equivalent as of the quarter end was INR280 crores as against INR256 crores as of the end of March 2023.

To conclude, I'd like to say that the company is optimistic about the ongoing progress and remain confident in delivering consistent performance in the future. This brings me to the end of my address. I would now request the moderator to open the line for the Q&A session.

Moderator:

The first question is from the line of Prakash Kapadia from Anived Portfolio Managers.

Prakash Kapadia:

A couple of questions from my end. Wellness share has been inching up for us. Is that a conscious strategy at our end? Or is it customer requirements, which have changed? And in the wellness side, what is the range of products we have in terms of packages, in terms of pricing? And also, are these repeat customers who do these wellness tests from time to time, is now the app walk-in or these are centre walk-in, if you could give us some sense on the wellness side?

Secondly, on the Kolkata market, what is the revenue we are targeting in the next 2, 3 years? And who would be the top 1 or 2 players there? And thirdly, had the depreciation policy not been changed, the PAT would have been more like INR 20.5 crores, right? These were my 3 questions.

Suprita Reddy:

So Prakash, like we've mentioned earlier, the concept of Vijaya was an integrated centre from its birth in '81 to have both radiology and pathology, everything under one roof. And from the early 80s itself is when we have packages, wellness packages. So Dr. Reddy's always believed that prevention is better than cure, and we've been having this from the early 80s. Over time, it has evolved, it's changed, and it's more organized probably for lifestyle diseases below 45 years. There are various kinds of packages now.

But if you ask me, the trend of the package growing is also because of the thought process and the clientele, the age group, the education level, a lot of things adding to that. So especially after COVID, we've seen an increase in number of people coming in for regular health checks. And when it comes to pricing, we have packages starting from as low as INR450 going up all the way to about INR18,000.

And everything starting even from your INR450 will have a combination of both pathology and radiology, which is the beauty of the integrated model itself. And the dense network created in this home market is what is driving these customers to walk in and get these packages done. And that's also been a go-to-market strategy that wherever we see a dense housing coming up, that's where we open up spoke centres. And those spoke centres are actually acting as the centres that are generating this wellness business coming in.

And to answer your second question. Kolkata, like I mentioned earlier, is a market that we are looking at to make it as a home market in the next 4 to 5 years to come. There's a lot of room for us to grow in these home markets of AP and Telangana for the rest of the 3 to 4 years. Simultaneously, we wanted to create a stronger base in a second market, which is why we started the first centre in Kolkata now, which will slowly grow. And obviously, after probably 5 to 6 years, I would love to say that we would want to be #1, but that's not something that I can comment on right now.

And when it comes to PAT, I would like Raju to explain that to you, please.

Narasimha Raju:

Prakash, the current profit after tax is approximately like INR 26.5 crores. If you would like to do an apple-to-apple comparison by replacing the SLM method of depreciation with WDV method of depreciation, the adjustment is approximately like INR 5.9 crores. The number you told INR 20.5 crores is approximately that's the number that we will get. So that we get translated into almost close to like a 16% to 17% year-on-year growth in the profit after tax.

But I would like to highlight one point, in the last year Q1, the major hubs, like Tirupati, Rajahmundry and Punjagutta, were not there. Whereas in the current quarter, these 3 hubs are there. Because of the integrated model, we have seen a faster ramp-up at these centres and then we achieved an operational breakeven.

So in this current quarter, the EBITDA is at a breakeven at these 3 centres. So when you look at the PAT level, if you consider the WDV depreciation, it will be again, that will be impacted there on the PAT. So if you exclude the WDV impact of these 3 major hubs in the current quarter, the year-on-year growth on the PAT level, it will be approximately like 30% to 31%.

Prakash Kapadia:

And just a small clarification on the Calcutta foray. Historically, we've seen companies operating south try to go west or companies operating west trying to go south. There is already a leader, #2 player, #3 player in most of the markets. It's very difficult to make some meaningful sales or dislodge the #1, 2 or 3 players in that market. So on the Calcutta market, what gives us the hope or belief we'll be the #1 player? What is the thought process there, if you could just highlight?

Siva Rama Raju:

So Prakash, if you actually see Kolkata is also a large metro, just like any other market. If I have to just take example of Hyderabad, right, Vijaya being for 40 years now and say being leader in this market. But under Vijaya, you still have so many other integrated players, who are about 1/5 or 1/6 of our size, right? So this itself shows that there will be a room for a new player to grow in any of the markets.

But what differently we will take is the technology and the medical skill where we are banking on. So for a player like Vijaya, obviously, yes, in a given time, what we believe is that we'll slowly start inching the market share, and our target is to become a leader of that market at some point. So that's the target. But yes, it will take some time and there is a fair possibility to reach to the target.

Moderator:

The next question is from the line of Jainil Shah from JM Financial.

Jainil Shah:

My first question is on the centres that you have opened this quarter, can you please quantify it? And which other hubs are we planning to open now? We have Gulbarga in mind, and we had one more planned hub. So if you can call out?

Suprita Reddy:

So the upcoming hubs Mr. Shah would be Mahabubnagar and Gulbarga, and there would be a few more coming up, and those leases are signed. We will be probably in a better position to give you those names in the next earnings call.

Jainil Shah:

So those hubs will come in FY '25 or FY '24 and once we have clarity?

- Narasimha Raju:** In FY '24.
- Suprita Reddy:** In FY '24.
- Siva Rama Raju:** So Jainil, we just launched one of the hub in Kolkata, and we are going to launch Gulbarga and Mahabubnagar in next 2 to 3 months, right? So and if you see the plan was to open, I mean, 4 hubs a year. So we are on track for that plan.
- Jainil Shah:** Okay. And just that, we've been guiding for mid-teens growth consistently. Last quarter, you were in our 20%. This time around, it's around 19.2%. So is the current exceptional growth rate coming from the Punjagutta, Rajahmundry and once they're in the base that growth will kind of slowdown or your guidance is conservative?
- Suprita Reddy:** For the guidance, we would say we would grow in line with the market. But Mr. Shah, what happened was last year, we also opened close to about 29 centres. You are also seeing a lot of ramp-up happening from all of those centres plus existing mature centres. And of course, Punjagutta, is a state-of-the-art futuristic centre probably doing a little better than the other hub because of the technology itself. But that is also what we would be seeing in the centres that are yet to open.
- So Gulbarga is going to also be a very high-end centre for that geography, and Mahabubnagar would not have a state-of-the-art centre like Vijaya in the nearby vicinity at all. So keeping that in mind and the 15-center growth that we say with a combination of both the hub and spoke and growth coming in from the new centres and existing centres, we would definitely grow in line with what we have committed earlier.
- Moderator:** The next question is from the line of Rahul Jeewani from IIFL Institutional Equities.
- Rahul Jeewani:** The growth, which we have seen on volume side this quarter, which is around 20%, that seems to be the growth on test volumes and given the increasing share of wellness business as well as our integrated model, our number of tests per patient would continue to inch up. So can you also quantify the non-COVID volume growth in terms of patient volumes?
- Siva Rama Raju:** So, Rahul, so I think roughly last Q1 of FY '23, we had about 50,000 footfalls, who have just come for COVID tests alone, right. If we just exclude that from the base, I think the growth of footfall is also in double digits. Just to tell you, see in a B2C business, obviously, you're seeing that revenue, the driver of the revenue is the test volume growth. And obviously, in a B2C business, this test volume in turn will be driven by the footfall. But just because we're comparing the wrong bases, it looks like a little low. But otherwise, if you exclude this COVID effect, it's in double-digit growth is what we had in footfall.
- And the other one more point to mention is that the digital initiatives we have taken. So there were a few inefficiencies when coming to sending a patient to 1 to 2 different centres for different services then. But now in the new software, we are able to do single bill to a patient, and you can still go to 2 to 3 centres and get different services then.

For example, somebody has a bunch of blood tests, which he has to you have to give in passing and also, say, advanced radiology test, you can still get a single bill done at the spoke, give his blood test and then go to a hub for his MRI scan. So with all this, the volumes look a little low. But otherwise, it's in a high double-digit growth.

Rahul Jeewani: Okay. So last year, the number was 50,000 on COVID patient volumes. So what would be the number for this quarter because this quarter, and I know this quarter, the number would be low, but if you can just call that out as well?

Siva Rama Raju: After netting off that, it is close to 49,000 to 50,000. So this quarter, it was about close to 5,000, but not all these patients are just who have come for RT-PCR. So if you actually see, the net effect is 50,000.

Rahul Jeewani: Okay. Y-o-Y is 50,000. And ma'am, on this Tirupati centre, which we added, we seem to have achieved EBITDA breakeven quite quickly as compared to what played out in Rajahmundry and Punjagutta. Rajahmundry and Punjagutta took us 2 to 3 quarters to achieve EBITDA breakeven. So what has helped us in the Tirupati market, that the breakeven was achieved so quickly?

Suprita Reddy: Rahul, we cannot compare a Punjagutta to Tirupati because it's not apple-to-apple. See the technology and the equipment and the facilities that have gone into both of these centres are absolutely different. And those are decided and dependent on what that particular geography requires. So Tirupati is a centre, which has only a gamma camera and no PET-CT and you see a high-end PET-CT sitting in Punjagutta. So probably the ramp-up time is a little higher, but Punjagutta is equally, I think, doing very well in terms of its footfalls and numbers.

And Tirupati, of course, there is, I do not know if we shared it with you the last time. It is a very, very high-end 3 Tesla MRI we took to that region, just like Rajahmundry and we clocked in doing very high-end cases and all of the cases that come in are specialized cases. And this is where our backbone of our 120 consultants sitting across geographies, reporting these cases ramped up and accelerated that growth. So case that was having to travel all the way to Chennai is now getting tested in Tirupati itself. And the system has actually flown in well and that region is now ready to take on a couple of spokes in the coming quarters.

Rahul Jeewani: Okay. So ma'am, any plans in terms of number of spokes, which you intend to add?

Suprita Reddy: So Rahul, like we mentioned earlier, the 15 centres annually what we had planned is in line and will happen this year, too. It is just that it might vary in time in terms of quarter-to-quarter, the number of hubs versus number of spokes, but 15 centres is well planned out for and that will be done by the end of this year itself.

Rahul Jeewani: Sure. And ma'am, last question from my end would be on your Kolkata centre, which you put up. So can you call out in terms of what are the initial sense which you are seeing in that market, let's say, in terms of patient feedback and the number of spokes, which you now intend to add around that large hub centre in Kolkata and the time which it would take for that centre to achieve EBITDA breakeven.

Suprita Reddy: I would say that we just opened it in July end, Rahul, so it's pretty quick probably to comment on the newest baby to the entrant, but the response has been extremely good, in fact, then what I would have expected for first Vijaya centre in West Bengal. And normally, whatever we look at as a breakeven in our home market, I would say, being a region outside of the home market, we would have to give it a quarter or 2 extra for a breakeven to happen. And in terms of response, it's doing well in line with what we had expected, probably I would not like to comment on the numbers right now.

Rahul Jeewani: Sure. So then at Kolkata as well, you will be targeting EBITDA breakeven within a 12-month speed...

Suprita Reddy: Yes, absolutely.

Moderator: The next question is from the line of Aashita Jain from Nuvama.

Aashita Jain: So I have just one question on the Kolkata. So ma'am you mentioned Vijaya is the first one to introduce such high-end technologies in whole of North Kolkata. So could you please talk a bit about your competitors in Kolkata in terms of these technologies, their size and organized market play just to understand this market better?

Suprita Reddy: It is a metro, Aashita. So there are a lot of integrated players now and pure path players for pure radiology players. But like I mentioned, in North Kolkata where we chose, we are an independent diagnostic centre with no other centre offering a 128 cardiac CT, digital mammogram, a 3 Tesla in-bore experience, wide variety, there are about 36 coils that the machine has. So again, what we look at is doing more specialized work, the backbone of the company, again, the teleradiology playing in and the high-quality reporting.

So that's a differentiator. When we do go to a new geography, we go in with the best, and we definitely say quality is what we bank on. And it's a market where we want to grow slowly. It's not that we are saying we will open 10 to 15 centres in Kolkata alone. It's a market that we plan to make it ready after the next 3 to 4 years and by which time we get a strong brand recall, like we do have in Andhra and Telangana now.

Aashita Jain: And how has been the response from the doctors?

Moderator: Excuse me ma'am. I'm so sorry to interrupt. May I please request you to speak a bit louder. Your audio is not clearly audible.

Aashita Jain: Yes. So just the last one, how has been the initial response from the doctor's side?

Suprita Reddy: Until now whatever we have done, the feedback has been absolutely wonderful, Aashita. Any new centre that comes up, initially, we do see that it is a little radiology high in terms of high-end investigations coming in. So we've had absolutely wonderful feedback, and that is also reason why we feel that the operational breakeven will happen in the first 12 months itself.

Moderator: The next question is from the line of Cyndrella Carvalho from JM Financial.

- Cyndrella Carvalho:** Ma'am, if we look at our ramp-up of the newer hubs, what is the vision in your mind to take these going ahead? Because even if we target 4 to 5 hubs a year, we have bunched up a lot of houses recently and in our earlier discussion, I highlighted that the way we the hubs-- so the growth on this remains to be in the double-digit -- high double digit because it would change...
- Siva Rama Raju:** Cyndrella, there is some disturbance in your voice. We are not able to hear you.
- Suprita Reddy:** We're not able to hear you.
- Moderator:** Ma'am, may I please request you to use the handset. I'm sorry, ma'am, your audio is not clear. The next question is from the line of Saloni from Val-Q Investment.
- Saloni:** So my first question is, ma'am, we recently opened 3 hubs in the past 2, 3 quarters. So can you just help me with the sequential growth from new centres?
- Siva Rama Raju:** So Saloni, if you actually see see all these centres are ramping up month on month. But if you see last year to current year, if you take all the centres that we opened in the last financial year, I think out of the 19% growth roughly around 7% to 8% growth was from the centres that opened in the last 1, 1.5 year and the rest 11% to 12% was from the older centres.
- Moderator:** We'll take the question again from the line of Cyndrella Carvalho from JM Financial.
- Cyndrella Carvalho:** Hope I'm audible now. So if I see our hub centres, like we have done a bunch of hub centres in the last year, and now we have a plan of 4 to 5 more hub centres coming in this year. So if we see this, the spokes that will follow these hub centres should drive double-digit, high double-digit growth for us. Is this understanding clear or you see any changes to this thought? Can you help me understand this?
- Siva Rama Raju:** So Cyndrella, yes, as you rightly said, year-on-year, this will help us in growing. But the other thing to note is, obviously, the base also will be going up, and we are a B2C diagnostic chain. So as what we are confident is delivering that 14% to 15% kind of double-digit growth at least for the near future.
- Cyndrella Carvalho:** But in the near term, it should be slightly faster and before it settles to the mid-double digit, that's what you're trying to say?
- Siva Rama Raju:** So it may change quarter-to-quarter Cyndrella. So one quarter, you may see a little higher, one quarter you may see almost in line with what we are guiding.
- Cyndrella Carvalho:** Okay. Okay. And ma'am, you said that now being on the Kolkata side, you were giving us some color of the market. But we understand that this market is not new to us and you being there for a very long time. So what do you expect in terms of overall size that you can or a portion that you can achieve of this market over 2 to 3 years' time, not something immediately, not from a starting perspective. But what is your thought process of this market specifically, the Kolkata market.
- Suprita Reddy:** The thought process or the vision on that market, Cyndrella, is to make it as large as the home markets of AP and Telangana over the years to come because we probably would have, say,

another 3 years of time to take over Andhra and the rest of Telangana and the adjacent geographies by which time we would like West Bengal as the region to be ready for us to create a dense network like how we have created here.

So probably I would not have a number right away to give you in terms of centres, but as and when we see opportunity in this region, we'll continue to grow. And this is something that we're getting ready as a Phase 2 for growth of the company over the next few years.

Cyndrella Carvalho: That's really helpful. And any plans on the inorganic side? Are we evaluating anything? What is the sense with the new...

Suprita Reddy: No, like we mentioned earlier, we've always been evaluating. We never let go of an opportunity, but there are certain things we do look at in terms of value, brand recall, quality of the asset, a lot of things and most importantly, not being unreasonable in terms of valuation. Until and unless it makes some sense to us, and it's meaningful, probably we would definitely do it. Right now, I do not have anything concrete that I could comment on, but we are definitely always open to looking at opportunities.

Cyndrella Carvalho: Very helpful, ma'am. One last one from my end, and that is how is the local if we look at our strong hub Hyderabad and the AP, Telangana market, what is the competitive scenario that you are seeing right now versus the last year, if you could just give us some color?

Suprita Reddy: Competitive scenario has always been the noise. It's always been the same on ground, like I mentioned earlier, so it hasn't made much of a difference. So I really don't have anything concrete to say that there is a new competitor. The market is same. The unorganized players have not increased probably but are all scattered. It's all there. A lot more noise than what is actually on ground level. We've not taken any price cuts. We've not taken any increase in pricing. Nothing has changed.

Cyndrella Carvalho: And just a follow-up, do we envisage to take some of the price increases at least in the specialized tests that you do? Do you see the scope for that?

Suprita Reddy: There's always an addition of test that happens. It's not something that is planned. As and when there's a requirement, it's always been that about 20 to 25 tests on an average get added every quarter. So this is need-based and the categorization of normal to specialization is a very -- I don't know a subject where there's no clarity on.

So if you look at the test menu, it continuously keeps growing, and that is what is making the company do that combination of tests, right? It's not just the routine work coming in. So I would not be able to quantify it, but there is an addition of test that happens almost every quarter.

Moderator: The next question is from the line of Rahul Jeewani from IIFL Institutional Equities.

Rahul Jeewani: Ma'am, can you highlight what are you seeing in terms of competitive intensity from the online space, so also, we don't get impacted much because of an integrated model of radiology, but anything which you can call out in terms of online competition. And some of our peers have

taken price increases towards the beginning of this year. So had we also taken price increases on our portfolio?

Siva Rama Raju: So Rahul, yes, we have taken price increases on few tests, but I think that will only contribute to 1% of our revenue. So we have done on very few tests.

Suprita Reddy: That is because of the input costs increasing. That is why you see that 1% increase, Rahul. And in terms of online aggregators, they have never created an impact, hardly contribute to less than about 1% of our revenues coming in from them. There's a lot more noise than what happens actually on ground zero.

It's not because we are integrated, but also because I think patients or customers prefer having that feel, health care, that personal touch, the customer experience, and that's also the reason why you see that strong brand recall in the home markets is because they are visiting centres. Home collection per say during COVID did about 3% at its peak. Whereas even though today we try to push our customer base in our home markets, home collection hardly contributes about 1%, 1.2% of the revenue.

So that gives you a clear example to say that they prefer coming to a centre, they do like coming to a centre, the personal touch. They have a favourite who'd like they would probably want them to collect the sample on, and that's been a strong, I think, acceleration for us to open more spokes in this market. So definitely not too much to think about aggregators from our point of view at this time.

Rahul Jeewani: Sure, ma'am. And ma'am, one of the pharmacy players in the Hyderabad market also was trying to scale up their radiology model on back of aggressive discounting. So has that player seen any significant action to have impacted our business in any meaningful way?

Suprita Reddy: I would say that none of those competitors have probably dented anything that is coming to us because we've seen a healthy growth probably, I would not be able to comment on the model of their business, but we're definitely not -- just not from him, from any of the aggregator or an unorganized player, we've not seen too much happening in this space.

Moderator: Ladies and gentlemen, that was the last question for today. I would now like to hand the conference back to the management for closing comments.

Suprita Reddy: I would like to thank everyone for attending this call and for showing interest in Vijaya Diagnostic Centre Limited. I hope we've been able to answer all of your questions. Should you need any further clarifications, please feel free to reach out to us. Thank you once again for taking time to join the call and see you all next quarter.

Siva Rama Raju: Thank you.

Moderator: Thank you. On behalf of JM Financial, we conclude today's conference. Thank you all for joining. You may now disconnect your lines.
