Operator: Good afternoon, everyone, and a very warm welcome to all of you. On behalf of Vasa Denticity Ltd., I welcome you to the earnings conference call to discuss the operational and financial performance of the company for the quarter ended June 30, 2026. From the management team, we have with us today Dr. Vikas Agarwal, the Managing Director; Mr. Sandeep Agarwal, the Whole-time Director; Mr. Mayank Bawari, VP of Supply Chain; and Mr. Shahid, VP of Marketing. The financial results and the investor presentation for Q1 have already been filed with the stock exchange. We hope you have had the opportunity to go through them ahead of this call.

Before we begin, I would like to state a few instructions for all the investors for your convenience. All participant lines will be in listen-only mode during the management's opening remarks. We will open the floor for questions immediately after the management commentary. To ask a question, you may use the raise-hand feature on the platform. Kindly state your name and the name of your company or institution before asking your question. We request that you avoid raising questions on any information that has not already been placed in the public domain, since the management will not be in a position to comment on it. Please note that this call is being recorded, and the transcript will be made available on the company's website in due course, in line with our disclosure obligations under SEBI regulations. I would now like to hand over the floor to Dr. Vikas Agarwal for his opening remarks. Over to you, sir.

Dr. Vikas Agarwal – Managing Director: Thank you, Isha. Am I audible?

Operator: Yes, sir, you are.

Dr. Vikas Agarwal – Managing Director: Good morning, everyone joining us today. Thank you for making the time. Some of you have been with us since we listed, some of you joined more recently, and a few of you are dentists who own the shares as well as buy dental products from us. Whichever of those you are, thank you for your patience over the last year. It has not been easy to hold the stock for the last 12 months, and I do not take your confidence lightly. The results and the presentation are already with the exchange, so I am not going to read the numbers out to you. I want to use these few minutes to tell you what actually happened inside the business this quarter and why I think it matters.

This was a repair quarter that finally showed up in the results. Last year, we had a problem, and I said so plainly at the time. Our in-house brands—the products we design, source, and stand behind ourselves—went out of stock. When they went out of stock, our customers bought third-party products instead, and those carry a thinner margin. That one operational failure ran through our entire second half. So, for the last several months, a large part of this company has been doing deeply unglamorous work—rebuilding supplier coverage, fixing forecasting, and recutting delivery routes. None of it makes a good press release. This quarter, that work started to show.

Gross margins improved for the first time in three quarters. Our cost base is meaningfully lighter than it was a year ago. And it is lighter while we are shipping more, not less. Both of those are in the numbers you already have. I want to be careful here. One quarter of improvement is a direction, not a destination. We are early in this, but after a year of asking you to believe that the problem was operational and not structural, it is a relief to be able to point at something rather than explain

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something.

If you take away only three things from this quarter, let them be these. The first is control. The strategic reason we built in-house brands is not margin. Margin is the outcome. The reason is control. When we own the brand, we own control of the quality, we control the price, and, critically, we control whether the product is on the shelf. Last year taught us what happens when we do not. This is why the in-house portfolio is where our capital and attention are going.

The second thing is leverage. Our cost base grew far more slowly than our business did this quarter. Employee cost barely moved. Our cost to serve each order came down. That is not a cost-cutting story, and I want to be precise about that because I know some of our team may be watching. We are not shrinking the team. We are automating the repetitive part of the work so that the people who have spent their time on customers, sourcing, and building products can focus on those areas. The goal is that when volumes double, the routine workload does not.

The third thing is that the new business is real. The digital dentistry division we started last September has stopped being an experiment. Intraoral scanners, milling machines, 3D printers, and imaging products—India's clinics are digitizing, and they are doing it from a very low base. Adoption here is in the low single digits against roughly 40% globally. A clinic that buys equipment from us does not stop there. They come back for consumables, service, and training, and that is a much deeper relationship than a one-time sale.

Let me also say what I am not happy with, because I would rather you hear it from me. We held marketing spend very tight this quarter. That was the right call for the cost base, and you can see the benefits in the results. But it has a cost of its own at the top of the funnel, and we can see that cost. Getting that balance right—spending enough to keep bringing new dentists onto the platform without giving back what we have just recovered—is the judgment we have to make, and we have to make it well. I do not think we have perfected it yet. We also have work to do on delivery times. We expanded into Tier 2 and Tier 3 India faster than we optimized the routes to serve it. We are fixing it, and I will report on it.

Now let me step back, because a quarter is a very short unit of time by which to judge a company. India spends somewhere between $4 and $5 per person per year on dental care. The United States spends around $350. That gap is not a statistic to me. It is a woman in a district town who loses a tooth she did not need to lose because the right material was not available to her dentist or because what was available was counterfeit. Most dental supply in this country still moves through fragmented local distribution. A dentist in South Delhi and a dentist in a small town in Odisha do not get the same assortment, the same price, or the same speed. There is no good reason for that. It is simply how the industry grew up.

What we are building is not an e-commerce store. It is the procurement and knowledge infrastructure that Indian dentists can run on: genuine products at a fair price, delivered anywhere, with the education and community around them. We have 23,000 products, hundreds of brands, and a decade of understanding what a dentist in each pincode actually needs. If we get that right, the market does not need to grow four times for us to do well. It is already large and it is already underserved. We simply have to be the most reliable way to reach it. That is a decade-long project. We are running it from a clean balance sheet without burning capital we do not have, and this year

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we are deliberately not chasing acquisitions. Focus is our strategy, and people are our focus.

So, this is a quarter where the repair work showed up, the cost base is genuinely lighter, the new division has found its feet, and the funnel needs our attention. I would rather bring you a quarter like this one, with both the good and the unfinished stated plainly, than a quarter of good headlines and quiet problems. We will keep reporting to you the same way, including when the news is not flattering. Thank you for your time and for your continued trust. My colleagues and I are happy to take your questions.

Operator: Thank you so much, sir. We will now begin the question-and-answer session. Participants who wish to ask a question may use the raise-hand feature.

Our first question is from Mr. Siddharth. Mr. Siddharth, please unmute yourself and ask your question.

Siddharth: My first question is, why are so many directors and key managerial personnel leaving the company? Recently, the company secretary left, and Mr. Ravi Parameshwar, who was an independent director, left the company.

Dr. Vikas Agarwal - Managing Director: Siddharth, Mr. Ravi Parameshwar actually had retired from Renew Power 2 years ago when he joined us as an independent director. Now he is joining another company instead of remaining retired. So he requested that he could not work as an independent director according to the new company's policy. That is why he left. Nidhi, who was the company secretary, found a better opportunity and a better salary, so she left. Apart from that, if you think there is anyone I did not address, please tell me the name, and I will address it.

Siddharth: No, that is fine. That is it. Dr. Vikas, last time we had a long conversation—I am the dentist—and I noticed that you removed our conversation from the conference call transcript and recording. Why? Why is there this transparency issue? We discussed other important issues, such as opening showrooms when you are an online-first platform. The second issue was your coming to the NSE main board after 3 years had been completed, and you had still not decided on coming to the NSE main board. There were other issues as well, such as the fact that you have not appointed a professional CEO. But the whole conversation was removed. That shows a real transparency issue on your side.

Dr. Vikas Agarwal - Managing Director: Siddharth, I have to check that. I have no idea about it. Generally, something that is irrelevant, such as the name of a competitor or something similar, is removed. If that was discussed, it might have been removed.

Siddharth: No, but we discussed other important issues, such as opening showrooms when you are an online-first platform. The second issue was your coming to the NSE main board after 3 years had been completed, and you had still not decided on coming to the NSE main board. There were other issues as well, such as the fact that you have not appointed a professional CEO. But the whole conversation was removed. That shows a real transparency issue on your side.

Dr. Vikas Agarwal - Managing Director: Okay, Mr. Siddharth. I will look into it and get back to you.

Siddharth: Okay. That is it. Thank you.

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Operator: Thank you, Mr. Siddharth. The next question is from Deepak Poddar. Kindly unmute yourself, sir. Hello, am I audible now?

Dr. Vikas Agarwal – Managing Director: Yes.

Deepak Poddar: Okay, great. Thank you very much, sir, for this opportunity. I wanted to understand, first of all, what our stockout percentage would be. I think it was close to 15% last year, and as you said in your opening remarks, it has improved.

Dr. Vikas Agarwal – Managing Director: Deepak, during the peak of stockouts, it was as high as 33%. Last quarter, it went down to 13%. Our target is to take it below 5%, and we are taking all the necessary steps.

Deepak Poddar: Okay, to reach below 5%?

Dr. Vikas Agarwal – Managing Director: Yes.

Deepak Poddar: In Q1, it was around 13%?

Dr. Vikas Agarwal – Managing Director: Yes, {? 12.87% ?}.

Deepak Poddar: How many quarters will you require to reach the normalized 5% levels?

Dr. Vikas Agarwal – Managing Director: Deepak, I cannot give an answer on that. We are trying our best to progress as close to zero as possible, but I do not know how much time it will take. The internal target is to reach 5% by December.

Deepak Poddar: That is what I was trying to understand. Perhaps you are saying 2 quarters, and that you are trying to achieve it?

Dr. Vikas Agarwal – Managing Director: Yes, but there are some unforeseen instances. For example, there was recently a cyclone in China, or there may be stockouts from the vendor itself if the manufacturer stops producing a particular product.

Management: Things like that happen. We will try to get as close to zero percent as possible.

Deepak Poddar: Okay. Secondly, on the growth aspect, how should one look at growth? If I look at this quarter in greater detail, our average order value rose by about 27%. That was because the high-ticket digital dentistry products came through, correct? Order volume grew by only 8%. So this growth was largely driven by high-ticket products. How should one look at your volume growth and overall company-level revenue growth over the next 2-3 years?

Management: We are positive on the growth side. We hope to grow as much as we did year-on-year in Q1. We would like to see similar results in Q2 as well.

Deepak Poddar: So a similar growth rate to what we saw in Q1 is what we are looking to achieve?

Management: Yes.

Deepak Poddar: How are the margins placed in your high-ticket digital dentistry products?

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Management: Margins on very high-ticket items are lower, while margins on consumables are the highest. However, we try to pass on the best possible price in the market to dentists and customers. It is always our aim to offer a fair price on dental products. So, I have given guidance of 27-30% gross margins in the medium term.

Deepak Poddar: Correct. What would be the margin range for your high-ticket products?

Management: Between 10% and 12%.

Deepak Poddar: Gross margin?

Management: Gross margin.

Deepak Poddar: How much revenue mix can we expect from these high-ticket digital dentistry products over the next 2-3 years?

Management: Currently, it is less than 10%. Our idea is to drive the sales of consumables through high-ticket products. Once a doctor buys a high-ticket product, they may require consumables from us over the long term.

Deepak Poddar: Over the next 2-3 years, how will this mix stabilize? What will it be—5%, 10%, or 15%?

Management: Consumables will remain the largest component of the assortment mix. I do not want to disclose future numbers for the mix, but consumables will always remain the focus area.

Deepak Poddar: I understand. I think that is very helpful, sir. I would like to wish you all the best. Thank you so much.

Operator: Thank you, Deepak. Our next question is from Mr. Swaraj Mehta. Sir, kindly unmute yourself.

Swaraj Mehta: Hello, am I audible?

Management: Yes.

Swaraj Mehta: Thank you so much for the opportunity, and congratulations on a good set of numbers. My first question is on the expected improvement in margin over the next few years. What would be the drivers of that? Apart from an increase in gross margins, how should we look at OpEx per order, and how will it trend going forward?

Management: Swaraj, we have Mayank with us, who is VP of Supply Chain. Mayank, can you take the question?

Mayank – VP Supply Chain: Yes. Am I audible?

Management: Yes.

Mayank – VP Supply Chain: What we are doing is trying to operationalize everything and get everything in order. We are trying to improve the delivery TAT and the order ratio, while also

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improving the overall inventory health of the system. These are the three things we have undertaken to resolve these kinds of issues.

Swaraj Mehta: How do we see OpEx per order? Should it remain flat, plateau, or decrease going forward?

Mayank – VP Supply Chain: It will decrease. It will decrease, yes.

Management: If you look at Q1, the cost to serve is also drastically down because warehousing expenses have declined. We have optimized the warehouse to a good extent, and we see a lot of potential for it to decline further. If we work on this, let us take a picker as an example. A picker takes around 3 minutes to pick a particular order that has 4 SKUs. If we can optimize that from 3 minutes to 2 minutes, we will have significant cost savings because fewer people will be required to handle a larger set of orders in the future. As volumes grow over time, I think the percentage will continue to decline.

Swaraj Mehta: I understand. Another question is, how is the membership scaling up? We saw quite a few educational seminars being conducted. I think you have done around 200 events and webinars. How is that scaling up, and how does that help grow our business?

Management: Education is a very important lever for selling a scientific product. For example, if we are launching a new endo-motor and educate postgraduate students or new dental clinicians about the tips and techniques of a root canal, we also tell them which endo-motors they can buy. Ultimately, the outcome is that we can sell our products while benefiting the community by giving them more education about their practice and clinical skills. That is progressing well. You can see that the numbers are growing. Over time, we are conducting more educational activities. Regarding membership, the numbers are some X times higher than what we had earlier.

Swaraj Mehta: What internal metrics do you track for the business, based on what you had shared in your presentation, to track the growth of the company? Earlier, there was a lot of useful data, but it has been narrowed down now. We would appreciate guidance on which data and points we should look at to gauge the business.

Management: Internally, the most important data for us right now is OTEF, which means on-time, in-full delivery of items; the cost to serve per order; and the overall cost to serve an order, including overhead costs. Regarding the expense side, these are the metrics. Regarding revenue, average order value and ARPU are two important metrics. ARPU is average revenue per user.

Swaraj Mehta: Thank you. When we reported the last H1 FY26 numbers, the volume given in that presentation was 158,000 and 182,000 for Q1 and Q2 of the previous year. However, those numbers were changed in Q4 FY26 to 175,000 and 204,000 for the first 2 quarters. I wanted to understand what led to those changes in the order numbers.

Management: There was an internal error, which is why it happened. The latest presentation and the previous quarter's presentation have the correct numbers for the previous quarters as well.

Swaraj Mehta: Thank you for the clarification. Regarding the shortage of inventory in private brands last year, I am sure you conducted a root-cause analysis of this inventory shortage. Can you briefly

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explain what happened and what measures the company has taken to ensure it does not happen again?

Management: I will tell you what happened, and Mayank will tell us what measures he is taking. There was a combination of people-related issues, compliance issues involving licenses, and supply chain issues. Overall, this led to a lot of stockouts. One issue led to another, creating a cascading effect. Normally, 8-10% of products on the platform were out of stock, and this went up to 33%, mainly due to our own brands. Mayank, what are we doing now to address this? You can explain it.

Mayank - VP Supply Chain: Currently, we have instituted forward deployment. We are planning demand forecasting for the next quarters. We will also manage this through Sales and Operations Planning to get these numbers in order. We should have a clear picture of when to expect what, in order to minimize these types of stockouts. We have the data in place to forecast which orders are required.

Swaraj Mehta: Last quarter of FY26, we had also signed new brands for which a minimum order quantity was required, and for which we added 16 crores. Was the inventory increase in this quarter for the same reason, or was it due to adding our own private brands?

Management: First of all, we are growing. Sales are growing, so cash-on-delivery orders are also growing. We need to keep additional stock until the payment comes back to us, and we use that stock accordingly. We therefore maintain additional buffer stock. Definitely, new brands have also been added, and we recently launched Insta-Dent, which provides delivery within a day, including same-day or next-day delivery. We need to have relevant and suitable stock available in regional warehouses so that it reaches customers the same day or the next day.

Swaraj, the point is that 97% of the market is still offline, while we account for only 3% of the market. The reason is that we take time to deliver. Despite having a large assortment, we need to reduce delivery timelines. For that, we have introduced Insta-Dent. You can check the DentalKart website, where you will see a toggle for DentalKart Insta-Dent. If we deliver faster to your pincode, some products will appear there.

Currently, roughly 3,000-5,000 products will appear in Insta-Dent. We would like to optimize this to 1,200 products in the future, comprising the most important clinical requirements, and we will try to deliver them the same day. For a combination of these reasons, inventory has increased. We have also given clear instructions and guidance in the presentation regarding the inventory days we expect to maintain and the optimization we anticipate going forward.

Swaraj Mehta: Is this instant delivery available only in Tier 1 cities, or in Tier 2 and Tier 3 cities as well, or is it available across the country?

Management: Right now, it is available in Tier 1 cities, but our target is to cover Tier 2 and Tier 3 cities as well. Very soon, we will look to start Insta-Dent in Tier 2 and Tier 3 cities.

Swaraj Mehta: How have order return rates performed this quarter? You mentioned in the presentation that we have started self-service refunds, which was a pain point earlier because many people were not receiving their refunds. We have addressed this. What did we do to improve it?

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Management: Sandeep, you can take this.

Sandeep: Sir, could you please repeat the question?

Swaraj Mehta: What were the order return rates this quarter, year-on-year and quarter-on-quarter? We mentioned in the presentation that we have started self-service refunds. This was a pain point earlier, which we have addressed because many people were not receiving refunds. What did we do to improve this?

Sandeep: We have 2 kinds of returns. One is RTO, which refers to non-delivered orders. The other issue you are referring to is DTO, involving products that are returned by the customer.

We have been conducting a root-cause analysis of products based on troubleshooting guides. If the product is below a particular value and there is no point in taking it back, we issue the refund immediately. Automation is involved. Earlier, we used to process a manual refund and arrange a manual reverse pickup from the customer, but now everything is automated.

Once a person, or a dentist, raises a return request through the panel, the reverse pickup automatically takes place. Once we check that the reverse pickup has occurred, the refund is automatically issued to the customer, and a notification is sent to the customer. The customer can now see all the information on the website and the app. In addition, we send WhatsApp notifications and other communications to the customer. The customer is therefore fully aware of the situation. That was the major issue last time.

Swaraj Mehta: I understand. Thank you. Regarding Smileworks, I think we are currently at a quarterly run rate of 1 crore, which is a 100% increase from last year. However, the current base is very small to make a difference to the consolidated numbers. What is the plan here, and how do we see it growing going forward?

Management: Smileworks is currently in its nascent stages. We are working on the fundamentals of creating internal software, managing the entire team through it, and managing the entire process within the software. Once we are ready to scale, we will start marketing it through DentalKart. The same customers who buy from DentalKart also require the services of a dental laboratory. That was the idea behind starting Smileworks. Once we reach the stage where we can scale it, we expect the numbers to multiply from here.

Swaraj Mehta: I understand. Another excellent feature we added this quarter on DentalKart was image search. What other technology investments are we making on DentalKart to improve the experience, reduce redundancy, and improve the resources required per order?

Management: The biggest thing we are looking at right now is personalization, so that customers see what is relevant to them. The next important initiatives we are building are an AI chatbot and a voicebot. The AI chatbot is already live and currently handles roughly 60% of the queries on DentalKart. We understand that improvements are required, and we are working on them. AI chat and voice will handle many customer queries that are currently managed by the manual team.

Dr. Vikas Agarwal - Managing Director: The manual team is not able to handle them to the best expectations of the customers. Thirdly, we are also working on search optimization. Apart from

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image search, we are introducing a feature where a doctor can send a photograph of a piece of paper, and the items will be added to the cart, which the doctor can finally approve. There will then be recommendations in the cart itself about which products might be running out in the clinic and should be considered.

We are also providing a dashboard to dentists to see what they are buying, why they are buying it, and what they should have bought. This kind of dashboard will help doctors make better-informed decisions. There are many things in the pipeline that we are developing along these lines. Doctors can also type their order and simply text it to us.

Generally, in the unorganized offline market, people order on WhatsApp, order by phone, or type out an order and send it. We are trying to provide all these options to doctors through technology and automation, so that no human involvement is required for these processes.

Sandeep: In addition to reducing order time, our aim is to reduce the session-to-order time. Every customer of every type who comes to DentalKart should have a way to place an order from anywhere. The total duration of the entire ordering process should be as short as possible.

For example, if a person wants to write something and place an order, they should be able to do that very quickly. Personalization will provide greater visibility into what the customer has ordered in the past, because these customers regularly buy the same products again and again. They can therefore buy the entire set of products with one click, place the order very quickly, and receive it.

This will improve the customer experience, which is very important for us if we want to increase the ARPU of every customer.

Dr. Vikas Agarwal - Managing Director: There are also some marketing initiatives that I would like Shahid to tell us about.

Shahid: Hi, everyone. What we see in the business is that there is high stickiness among dentists who transact with us. Having realized this, we are already working on multiple automation initiatives to, first, decrease the time to order, as Sandeep mentioned; second, give customers informed guidance to make the right purchase decision; and third, ensure that they have all the right personalized information available as soon as they enter the app.

We have identified growth pillars for the business, ranging from the brand to improving new customer retention, which is what you will see compounding in the coming quarters.

Swaraj Mehta: Thank you so much. My last question is, how do we decide which products to add to our private label?

Dr. Vikas Agarwal - Managing Director: There is a matrix for that, Swaraj. We know what a customer wants in a particular pincode, what price points they are considering, and what features they want in a product. We generally do not only try to replace an existing product in the market; we also try to add new value to clinical practice.

There are many products we sell that are not available anywhere else or that solve clinical problems. Something that is done in 3 steps might be completed in 1 step. We were the first to launch a

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system through which users can count the number of times they have used a rotary file. During a root canal treatment, there is a certain number of times a file can be used; otherwise, it has to be discarded.

We launch certain types of products that are new to the market. We generally experiment with many products to determine whether they will work for a particular target audience. Alpha and beta testing continues for many products, while for some products we are sure that they will certainly work. So, we use a combination of many metrics when launching products.

Swaraj Mehta: Thank you so much, and all the best.

Dr. Vikas Agarwal – Managing Director: Thank you, Swaraj.

Operator: Thank you, Swaraj. Our next speaker is Mithun. Mithun, kindly unmute yourself.

Mithun: Good afternoon, sirs. Most of my questions have already been answered by you. My only question is regarding the revenue guidance that was initially provided and then withdrawn. Do we have any formal guidance for FY27 and FY28?

Dr. Vikas Agarwal – Managing Director: We have not removed any guidance, Mithun. Can you please tell us more about it?

Mithun: I understand that the initial revenue guidance for FY27 was around 500–600 crores, and for FY28 it was around 800–1,200 crores. Is that correct?

Dr. Vikas Agarwal – Managing Director: Actually, 1.5 years ago, during a webinar call, I stated that we expected revenue of 800–1,200 crores over the next 5 years.

Mithun: Okay.

Dr. Vikas Agarwal – Managing Director: I think it is achievable if we use the data metrics we have and take the right steps. That is definitely achievable.

Mithun: Great. I am sorry, but I am new to this company and am trying to understand this. We tried to acquire another company called IDS, and then we mutually terminated the agreement. Are we looking for any other buyout in the coming days, or will we grow organically?

Dr. Vikas Agarwal – Managing Director: As of now, we are not looking to make any acquisitions. We have understood that we have to focus on our core business first and set many things right. In the future, if we believe that organic growth in a particular category will be difficult to achieve, we will look for inorganic opportunities there. But as of now, there is no plan.

Mithun: My next question is regarding sales. Are we generating 100% of our sales within India, or do exports contribute anything?

Dr. Vikas Agarwal – Managing Director: I think 100% of our sales are generated in India. There may be some orders coming from outside India, perhaps around 10 or 15 at most. We are not promoting ourselves outside India, and we do not sell the majority of our products outside India.

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Mithun: Is that because of logistics issues? Most export-driven businesses have higher margins. That is what I am trying to understand.

Dr. Vikas Agarwal – Managing Director: Exports are actually a different business, which we are not currently pursuing. There are compliance requirements involved in exports in our industry. We have many products that meet those compliance requirements, but we are not looking at exports right now because there is so much opportunity within India.

Mithun: Great to know. My last question is, within India, where are we focusing predominantly—western India, eastern India, southern India, or northern India? I have seen that your business is more related to the northern region, but are we focusing only on the north, or are we evenly distributed across India?

Dr. Vikas Agarwal – Managing Director: It is not about geography. It is more about the type of customer. Shahid, you can explain this better after I finish. I think it depends on the price points and where the right to win is greater within a particular customer category.

We would like to convert customers who are buying from only 1 category of products into customers buying from 2 categories. We have 11 categories overall. We have seen that customers who buy from more than 8 categories from us have an ARPU of more than 1.5 lakh rupees. The average ARPU is much lower than that. So, instead of geography, there is a lot to examine within the customer metrics.

Shahid: Absolutely. I concur with Dr. Vikas. We look at it from a completely different perspective to understand what the customer actually wants and where we can grow together. However, if I have to provide directional input, we see significant potential to be unlocked both in metropolitan geographies and on the India-wide market. There is greater potential to be tapped in the India-wide market, which is what will be covered as we move further toward automation and personalization for dentists.

Mithun: I understand. For one-day delivery, how does the logistics work? Are we able to provide same-day logistics within Maharashtra and within the southern region, for example? Or will that functionality not be available in these regions because our warehouse is not located there?

Dr. Vikas Agarwal – Managing Director: First, we will start wherever we have our warehouses. Later, we will look at the logistics support available from our existing vendors. In the future, we can consider opening our own dark stores or having a third party keep stock and provide third-party logistics for us.

Mithun: Thank you. That answers most of my questions, sir.

Dr. Vikas Agarwal – Managing Director: Thank you, Mithun.

Operator: Thank you, Mithun. Our next question is from Ms. Himanshi. Himanshi, kindly unmute yourself.

Himanshi: Hi, Dr. Vikas. Congratulations on a good set of numbers. Could you share an indicative revenue mix from Tier 1, Tier 2, and Tier 3 cities?

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Dr. Vikas Agarwal - Managing Director: The majority of our revenue comes from Tier 2 and Tier 3 cities. The Tier 1 mix is still small. We know there is significant room for growth in Tier 1 going forward, and we have strategies in place for that. As of now, however, Tier 2 and Tier 3 cities have the larger share.

Himanshi: What would that be—approximately 80-90%, or more than 50%? I am just trying to get a sense.

Dr. Vikas Agarwal - Managing Director: More than 50%.

Himanshi: More than 50%. All right. As far as I recall, last year you had reached approximately 1.4-1.5 lakh dentists across the country. As per your estimation, even a range would be helpful: how many dentists do you think there are in India, and what would this number be now in terms of how many you have reached as of today?

Dr. Vikas Agarwal - Managing Director: In terms of reach, we have reached almost all the dentists in India. According to the Dental Council of India and the National Dental Register, there are close to 400,000 registered dentists in India. There are also close to 100,000, or 1 lakh, dental students in India. Taking other dental professionals such as assistants and technicians into account, the total customer base is 5.5 lakh. We have reached almost everyone. Close to 280,000 dentists or dental professionals are registered with us, and half of them have ordered from us.

Many dentists have not chosen to purchase from us because of certain values that we are not providing to them, such as the expected delivery timelines or expected prices on certain products.

Himanshi: In terms of average order value, I understand that it is currently about 4,000-4,500. On average, how much does a dentist spend in a month? I am trying to understand the wallet share and how you plan to increase the wallet share per existing customer.

Dr. Vikas Agarwal - Managing Director: Buying equipment is a random decision, but I can tell you about consumables. Generally, a dentist in Tier 2 cities purchases consumables worth 10,000 rupees per chair in their clinic.

Himanshi: That is about 10,000 per month. What would be your cost to serve a 4,500-rupee or 4,000-rupee order? Just a range would be helpful.

Dr. Vikas Agarwal - Managing Director: I have mentioned this in the presentation as well. Currently, it is less than 1,000 rupees, and I think it should go down much further as we grow.

Himanshi: What is your current average delivery timeline? I know you have already given us an average delivery timeline, but across Tier 1, Tier 2, and Tier 3, what would be the average delivery timeline in those areas? I am trying to compare it with how quickly offline suppliers would deliver and whether that would require dentists to shift online.

Dr. Vikas Agarwal - Managing Director: The national average is now below 4 days. A significant part of this is because of the long tail that we have in Tier 4 and Tier 3 towns. This is especially the case during seasons such as the monsoon, when rains occur in Maharashtra, Kerala, and then [inaudible]...

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Management: ...in other parts of the country, and there are floods in some parts of the country. There is a very long tail, which increases the average. In Tier 1 and Tier 2 cities, we generally deliver within 2.5 days.

Himanshi: Other than that, I understand that your aspirations are for 800–1,000 crores of revenue over the next 5–7 years. To get a relatively shorter-term understanding, what would your aspiration be over the next 2–3 years?

Management: We want to grow steadily without compromising future growth. The idea is to acquire a greater share of the customers' wallets than we have already acquired and to enter new categories within their clinics. Revenue will be an outcome of this.

Himanshi: All right. I think that is all from my end. Thank you so much for your time.

Management: Thank you, Himanshi.

Operator: Thank you, Himanshi. Our next speaker is Amit. Amit, kindly unmute yourself.

Amit: Can you hear me?

Operator: Yes.

Amit: Hello, sirs. I have spoken to many dentists, and my wife herself is a dentist. Whenever I visit the clinic, I often ask them how much they buy from DentalKart. Most of the time, the answer is not much. I then ask them why not. Their main concern is always the warranty issue or what they will do if they have to return the product. In contrast, the local distributor provides very good support. One dentist told me that the distributor gives them different parts to try and then convinces them to buy.

I understand that there is a learning curve and that a behavioral change needs to happen, but what are you doing proactively to gain the confidence of these kinds of dentists? I am talking about dentists in Ahmedabad, which I think would be a Tier 1 market. There are so many dentists, and everybody has heard of DentalKart, but nobody is buying from DentalKart, mainly because of the fear around warranties and returns. How do you address this?

Dr. Vikas Agarwal – Managing Director: Thank you for bringing up this question. It is a very important metric that we track. We track the NPS and CSAT of customers, as well as the reasons why somebody is not buying from us or why somebody is buying only a small percentage of their total wallet share.

We understand that there is a gap in returns, refunds, and warranty claims. That is the main reason we are trying to shift these processes to the AI chat and voicebot, because the internal SOPs are clear. However, we are finding it difficult to train people on such a niche level of products.

There are different types of customer expectations and different customer experiences with DentalKart. The 4, 5, or 10 customers you have asked about may not represent the actual overall scenario. Between 80% and 90% of warranty claims, returns, and refunds are completed within the {? TAT ?}. It is in the edge cases where we fall short, and we have to minimize those edge cases

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going forward.

Amit: Understood, sir. My other question is that you may be doing this, but what are we doing to communicate it effectively? How are we telling customers not to worry because we are here? Is there something that needs to happen so that when you tell me directly not to worry about returns because you will take care of them, you build confidence? Are we doing something in that area?

Dr. Vikas Agarwal – Managing Director: The idea is that if a customer informs us in any way that they have a problem, it is our responsibility to resolve it. Whether it is a warranty issue or someone is unable to use the product properly, if we find out about it, we have to solve it. We are taking the necessary steps to come as close as possible to customer expectations.

First of all, what you mentioned is basic hygiene; it is not even an expectation. We will first correct the basic hygiene and then work on expectations as well.

Amit: I was referring to something such as an advertising campaign focused solely on returns.

Management: I will add a couple of points on how we are addressing this. We keep a very close track of the customer pulse and try to understand what customers like about us and what creates distance between us and dentists. Based on that, we take corrective measures.

If I look at the overall numbers, as Dr. Vikas mentioned, we resolve most cases within the required time. However, how do I ensure that this is communicated during the pre-purchase and post-purchase stages? This is already being addressed by making these points visible to customers during their pre-purchase journey, whether on the website or on the app they use to make the purchase. Of course, we will look further into whether we can communicate and reinforce this more effectively during the post-purchase journey as well.

Amit: What are our above-the-line advertising or communication activities and spending? Could you discuss that?

Management: We are always conscious of our spending. We ensure that every expenditure either helps the customer make an informed decision or makes business sense. I do not currently have the absolute numbers with me, but what I can tell you is that our ATL communications are primarily intended to make customers aware of the products available and how they can be used, because we are also bringing many advanced technology products onto the platform.

For example, digital dentistry, which Dr. Vikas discussed earlier, is an area where creating awareness across digital media such as YouTube is a key part of our activation efforts.

Amit: Thank you.

Operator: Thank you, Amit.

Management: Amit, I just want to add one thing. Every customer query that comes to DentalKart is thoroughly categorized into multiple segments. If we take a deep dive into every category, the edge cases behind a particular issue are numerous. We are working on all those cases. Every quarter, we determine the priority and try to fix the relevant issues during that quarter.

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We analyze whether a particular issue has definitely been resolved, and only then do we mark that scenario as closed. As more customers come to DentalKart and place orders every day, they can see how much the service improves each quarter.

For example, earlier there were many technology-related errors reported on the App Store and Play Store, with people mentioning that the app was slow or not working. If you look at the data for the last quarter, you will not find more than 1 or 2 queries for the same issue during the entire quarter.

Some problems are easy to solve, while others take time or may require multiple iterations across multiple departments. We are thoroughly working on this and will definitely try to improve our services so that every customer in India can order from us regularly. Thank you, Amit, for continuing to push us on this issue.

Amit: I am your advertiser, so do not worry.

Management: Thank you.

Amit: Thank you.

Operator: Thank you, Amit. The next question is from Mr. Ankur Kulati. Kindly unmute yourself, sir.

Ankur Kulati: I have a quick data-point question. Can you give me the revenue percentage from own brands and digital dentistry in this quarter?

Dr. Vikas Agarwal - Managing Director: Please repeat your question. You were not audible.

Ankur Kulati: Revenue from own brands and the dentistry segment in this quarter—percentage or absolute?

Dr. Vikas Agarwal - Managing Director: It is close to 50% on both sides.

Ankur Kulati: Sorry, is it 50% own brands and 50% distribution?

Dr. Vikas Agarwal - Managing Director: Yes, non-own brands.

Ankur Kulati: And what about equipment or digital dentistry?

Dr. Vikas Agarwal - Managing Director: We have not disclosed or revealed that yet. I will take this question on record and send the information if we are able to do so.

Ankur Kulati: You have shown good cost control. Can you provide more color on how we can see customer count and order count increasing? The cost side appears to be coming under control. Please elaborate on the customer side.

Dr. Vikas Agarwal - Managing Director: Sorry, Ankur, your voice was not audible to us.

Ankur Kulati: I am asking you to elaborate on the strategy for increasing order count and customer count. The cost side appears to be coming under control, so one side of the equation is in place. If you could provide more color and guidance on that side, it would be helpful.

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Dr. Vikas Agarwal – Managing Director: The more important point is not acquiring new customers, but increasing the average revenue per current user. Our current strategies are focused on capturing a greater share of the wallets of the same customers.

Ankur Kulati: However, if I look at it, the number of orders per customer has not increased. At least in this quarter, it appears that the order value per order increased, which I assume is because some large-value orders were shipped. There are 3 levers, and the only lever that worked in our favor was average order value. What about the first 2 levers, which are orders per customer and number of customers?

Dr. Vikas Agarwal – Managing Director: We are working on that. There are strategies in place, and I think the average number of orders should increase in the coming quarters.

Ankur Kulati: Can you guide us to some sort of number? Will it increase by, say, 5%, 10%, or more than 20%? How should we model this, at least for this year and next year?

Dr. Vikas Agarwal – Managing Director: Ankur, I would not like to provide guidance on something for which I do not yet have a final number. We want to increase it, and we see significant potential for growth in the number and frequency of orders placed by each customer.

If you look at the DentalKart cart, you will see a slider through which adding more items provides a discount, thereby increasing the average order value. That increased in the last quarter, which is why we saw an increase in AOV.

Similarly, we are building technology solutions to increase ARPU. For example, if you buy again, you may receive a certain product for free, or there may be similar incentives. Once these initiatives are in place, I am sure we will see ARPU increase.

One more number that I did not mention in the presentation is that there is a significant difference in ARPU and AOV between members and non-members. Membership customers have a slightly lower average order value, but double the ARPU. If we can sell more memberships in the future, it will benefit both customers and the company.

Ankur Kulati: All the best. Thank you.

Dr. Vikas Agarwal – Managing Director: Thank you, Ankur.

Operator: Thank you, Ankur. Our next question is again from Swaraj. Sir, you may unmute yourself.

Swaraj Mehta: Thank you for the follow-up. Now that we are not proceeding with the acquisition, how do we plan to use the cash that we have?

Dr. Vikas Agarwal – Managing Director: We will use it as working capital in the company going forward.

Swaraj Mehta: Thank you.

Operator: Thank you, Swaraj. The next question is from Dr. Ketki. Kindly unmute yourself.

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Dr. Ketki: Hi. I am a dentist myself, and I have purchased a few items from DentalKart. The only reason my friends do not opt for DentalKart is that they are concerned about onsite service and support. If we buy a chair or another machine online, how do we claim the warranty or obtain onsite service?

Dr. Vikas Agarwal – Managing Director: Dr. Ketki, we generally sell high-value items such as dental chairs and autoclaves offline as well. That is why we started the offline division of Voldent, where we provide an analysis...

Dr. Vikas Agarwal – Managing Director: ...of the area, after which we carry out installation, training, and everything required for setting up a new clinic. I think we have not marketed it well, so you may not be aware of it. In the future, we are going to develop clinic setup, large-equipment installation, AMC, and CMC services to a good level across India.

Dr. Ketki: Do you mean these services are available right now?

Dr. Vikas Agarwal – Managing Director: They are available, yes.

Dr. Ketki: They are available offline, okay. Can I trust the authenticity and sourcing of the products?

Dr. Vikas Agarwal – Managing Director: 101%. All the products on DentalKart are genuine and authentic. We double-check what we buy, even when we purchase from an authorized distributor of a company rather than directly from the company.

Dr. Ketki: If I want to buy an intraoral camera, for example, and I call the distributor, they may come immediately, allow me to use it once, and then let me decide whether I want to buy it. How does that work when we buy products online?

Dr. Vikas Agarwal – Managing Director: If you buy an intraoral camera online, you can call our customer care and ask for installation support. We do not provide onsite services for online purchases. We provide remote calls or technical support through our customer care and technical teams.

For cameras, X-ray machines, and RVGs, we also provide remote installation services. Demo-booking services are also available on DentalKart.

Dr. Ketki: Okay, fine.

Dr. Vikas Agarwal – Managing Director: Thank you, Dr. Ketki.

Operator: Thank you, Dr. Ketki. Our next question is from Nachiket. Kindly unmute yourself.

Nachiket: Yes, hi. This was an interesting turnaround in the quarter, and congratulations to the management for delivering and guiding investors properly on the key KPIs. Most of my queries have been answered, but I have one small query regarding international brands entering India. How is the lineup on that front, and going forward, do you see any conflict because you sell your own branded products as well as other brands? How do international brands view you in that regard? Is demand increasing on that front, and is there any strategy you can reveal?

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Dr. Vikas Agarwal – Managing Director: We have our own brands of products, and all the other brands in India now know about them. However, we do not lose the neutrality of DentalKart. If you search for something on DentalKart, you will see the right product. If a customer wants to buy a product from Company X, we do not force the customer to buy our Product Y or Z; we simply provide an option.

We do not remove products that are performing well on the platform or in the country. If there is an MNC product that is not selling properly on DentalKart and is not highly profitable for us, we still display it in search results and make it available to doctors. Whatever a dentist wants to buy is available on DentalKart. We do not force customers to switch to our brand. We maintain neutrality, and we will continue to do so.

Nachiket: When you communicate this to international brands that view India as a large dental market—and based on my checks, I know that a few of them are planning to expand in India and you are helping them increase their targets—do they view you as a preferred partner to enter and grow in this market? Will that become an increasingly larger component going forward?

Dr. Vikas Agarwal – Managing Director: In the past, every brand, whether international or domestic, that has tied up directly with DentalKart has seen growth in its overall top line because of the indirect promotion of its products on DentalKart, as well as very good sales on DentalKart.

I will give you an example. There is a French company called Septodont.

Nachiket: Septodont, yes, I am aware of it.

Dr. Vikas Agarwal – Managing Director: It is a very famous company with a very old customer base in India. We entered into a tie-up with them almost 1 year ago. We were doing, for example, 100 rupees of business with them, and now we are doing {? 250 rupees ?} of business with them. Their overall sales in India are also growing. Their products are reaching places where there is no distribution, and their entire assortment is reaching even Tier 1 towns where it was not previously available through local distributors.

Nachiket: Absolutely.

Dr. Vikas Agarwal – Managing Director: I think there is a positive aspect to this for all the MNCs. We tell all the brands with which we enter into commitments upfront that we will maintain the neutrality of the platform. If a doctor wants to buy a product, they can buy it.

We are also introducing an ad-monetization feature on DentalKart through which companies can place advertisements, and we will display them as advertisements.

Nachiket: Understood. This was helpful. Thank you.

Dr. Vikas Agarwal – Managing Director: Thank you, Nachiket.

Operator: Thank you, Nachiket. Our next question is from Manish. Sir, kindly unmute yourself. Manish, kindly unmute yourself and ask your questions. Excuse me, Manish?

Manish: Can you hear me?

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Operator: Yes.

Manish: Okay, great. Sorry about that. Dr. Vikas, firstly, thank you for your candor. It is always appreciated. My question is: how large do you think the Tier 1 market is as a percentage of the total market? What percentage of the total market is represented by Tier 1 cities?

Dr. Vikas Agarwal - Managing Director: I think it is as large as Tier 2, Tier 3, and Tier 4 combined.

Manish: So, approximately half and half?

Dr. Vikas Agarwal - Managing Director: Yes.

Manish: You mentioned earlier in the call that your first focus is to reduce delivery time in Tier 1 cities, after which you will approach Tier 2, Tier 3, and Tier 4 cities in that order. Is that understanding correct?

Dr. Vikas Agarwal - Managing Director: I mentioned that in a specific context, Manish. Wherever we already have our own warehouses, it is easier for us to deliver faster because the investment has already been made. We therefore only need to put the logistics in place, and we already have the technology ready with Insta-Dent. It is easier for us to pilot this.

Once we see the results, including whether average order values or order frequency increase, we will examine the metrics we have identified. If we see positive results there, Tier 2 is definitely our right to win based on what we currently believe.

We will focus on Tier 2, Tier 3, and Tier 4 cities—everywhere we have a customer base and everywhere people sign up for Insta-Dent. If you go to DentalKart and activate the Insta-Dent option, you will see a form that a dentist or customer can fill out to indicate that they want these services or faster delivery. Based on these forms and our customer data, we will decide accordingly.

Manish: How many warehouses do we currently have?

Dr. Vikas Agarwal - Managing Director: We had 7 warehouses. We have now almost closed a few of them because we believe there is no benefit in having 2 warehouses in a similar locality, based on the costs charged by logistics partners. Both warehouses fall within similar zones. Logistics in India operates through A, B, C, D, and E categories, and since both warehouses fall within the same zones, it does not benefit us to keep the same inventory in 2 different locations.

We currently have 5 warehouses, and we would first like to deliver through Insta-Dent from those warehouses.

Manish: If we were to open warehouses in Tier 2 cities, would that not help reduce delivery times? Is that what you are saying?

Dr. Vikas Agarwal - Managing Director: No, that would be very helpful in reducing delivery times. However, first, wherever we have already made the investment, we would like to test it. Once we have the numbers—perhaps after another quarter or a couple of quarters of observing those numbers—we can start investing more in new dark stores to deliver faster.

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Manish: Actually, Dr. Vikas, I was trying to obtain the data to frame my question so that the context would be clear. Let me frame the question directly.

It appears to me that you have a much stronger right to win and a stronger value proposition in non-Tier 1 cities. The local dentist or local distributor there may not have as much assortment as you do. From a market-capture perspective, I am curious why you would not want to completely dominate Tier 2, Tier 3, and Tier 4 cities first in terms of investments, and then approach Tier 1.

It appears to me—and I may be wrong—that either you are trying to do everything simultaneously or that significantly more effort is being directed toward Tier 1, where structurally your right to win is weaker. The non-Tier 1 market represents 50% of the total market, which is fairly significant. Is my understanding incorrect?

Dr. Vikas Agarwal – Managing Director: To some extent, it is correct, but I cannot agree that our focus is on Tier 1. What I meant, Manish, is that since we have already made the investment, I would not like to make another investment without having the data available.

My instinct is that there is significant potential and that we could capture the market faster if we immediately started opening small warehouses in Tier 2 cities. However, let me take some time and use a couple of quarters to examine the data before planning better for Tier 2 and Tier 3 cities.

Wherever I have a warehouse, I can understand what improvements need to be made to the technology and what changes are required in the services. Once I am ready, we can take it forward. We do not want to rush into something this large.

Manish: Could you also discuss whether you have made any additions to your senior team or whether there are plans to hire and strengthen the senior team?

Dr. Vikas Agarwal – Managing Director: I mentioned during my speech that our focus would be on strategy and people. People are a very important metric. I remember that when we were preparing for the listing, I met a senior investor and asked him what problem I would face when we reached a larger scale. We were around {? 100 crores ?} at the time, and I asked him what problem I would face in a journey from 100 crores to 2,000 crores. He specifically told me that people would be a problem.

We now understand that very well. Since last quarter, we have been identifying the right people for our team. Shahid joined last quarter as VP of Marketing, and Mayank joined as VP of Supply Chain. They both have 15 years of experience in their respective categories.

We have added some more people to management, but I will reveal those details over time. We are not looking to hire a professional CEO right now, as one doctor mentioned earlier. That may take some time while I delegate everything. However, we are looking for vice presidents and senior leaders across all departments.

HR will be the most important function and the most important position for us to fill. We are looking for a senior HR professional. Similarly, in all the major departments, we are looking for people in areas where we had not previously made such hires. We have good recruiters in place to help us with this. Perhaps within this year, we will complete the hiring process and establish the right

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leadership in the company.

Manish: Can I ask 1 or 2 more questions? Is there time?

Dr. Vikas Agarwal - Managing Director: Yes.

Manish: You mentioned a medium-term gross margin roadmap or target of 27-30%. If we think longer term, what other levers do you have to increase gross margin? I am not thinking about the short term; I am thinking 5 years out. Where do you think gross margin could be, and what levers are still available to you?

Dr. Vikas Agarwal - Managing Director: We are still not sure that we should go beyond 33% gross margins in the future. We want to pass the benefit...

Dr. Vikas Agarwal - Managing Director: ...on to our customers over the long term. Wherever we believe we have a higher margin, we would like to pass it on to customers. It is about putting the products first.

The other streams through which we can generate margins will be monetization. We have a lot of real estate on our platform that we can sell to Colgate and Oral-B. We can send many medical representatives to clinics to demonstrate their products, and this could easily be done through DentalKart. Demonstrations and free samples can be added to our boxes at a cost, which would be another revenue stream.

Education is another area that can generate revenue. We currently charge very small amounts—200, 300, or 500 rupees—for webinars. If we bring international faculty on board, we can charge higher fees and generate good margins from that activity.

These are the types of levers that can serve as margin engines outside product margins, dental products, and physical dental products. If we include these, we see higher growth above 33% in gross margins.

Manish: Thank you.

Dr. Vikas Agarwal - Managing Director: Okay, that is it. Thank you.

Operator: Thank you, Manish. As there are no further questions from the investors, I would now like to request Dr. Vikas Agarwal for his closing comments.

Dr. Vikas Agarwal - Managing Director: Thank you so much for your time and for such a wonderful session today. So many questions were asked, and I am very happy that there were such brilliant questions from dentists and our shareholders. There are many potential growth areas in the company, and there are also many areas where we need to improve. We are working hard on them, and we will report to you transparently going forward. Thank you so much, everyone.

Operator: Thank you, sir. On behalf of the entire management team of Vasa Denticity Ltd., I thank each one of you for taking the time to join this call, for your incisive questions, and for your continued confidence in our vision. A recording and transcript of this call will be made available on our website shortly, as required under applicable regulations. We remain committed to disciplined

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execution and long-term value creation for all our stakeholders. We look forward to connecting with you again next quarter. Thank you all, and have a good day.

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