June 2, 2022

To,
Listing Department
National Stock Exchange of India Limited,
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East), Mumbai- 400 051
Company Code No. VIJAYA

To,
The Corporate Relations Department
BSE Limited,
Phiroz Jeejeebhoy Towers,
25th Floor, Dalal Street
Mumbai- 400 001
Company Code No. 543350

Dear Sir/Madam,

Sub: Transcript of the Earnings conference call organized on May 27, 2022.

We are enclosing herewith the 'Transcript' of Earnings Conference Call organized on May 27, 2022 post declaration of audited Financial Results of the Company for the financial year ended on March 31, 2022.

Please take the information on record.

Thanking you,

For Vijaya Diagnostic Centre Limited

K. Anusha.

Anusha Kanumuru
Company Secretary

VIJAYA DIAGNOSTIC CENTRE LIMITED

Vijaya Diagnostic Centre Limited (VDCL)

Q4 FY22 Earnings Conference Call

May 27, 2022

Moderator: Ladies and gentlemen, good day, and welcome to the earnings conference call of Vijaya Diagnostic Centre Limited. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

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

Anoop Poojari: Thank you. Good afternoon everyone, and a very warm welcome to Vijaya Diagnostic Centre's Q4 and FY'22 earnings conference call. We have with us Ms. Suprita Reddy, Chief Executive Officer; Mr. Sunil Chandra, Executive Director; Mr. Narasimha Raju, Chief Financial Officer; Mr. Siva Rama Raju, Head of Strategy; and Mr. Krishna Kiran, Investor Relation of the Company.

We will begin the call with opening remarks from the management followed by interactive Q&A session. Before we start, I would like to point out that some statements made in today's call may be forward-looking in nature and a disclaimer to this effect has been included in the earnings presentation shared with you earlier.

I would now like to invite Ms. Suprita Reddy to make her opening remarks.

Suprita Reddy: Thanks, Anoop. Good afternoon, everyone. Thanks for joining this call. I hope all of you and your families are safe and doing well.

I will present the highlights for the full-year and the fourth quarter of financial year 2022 and our action plan for growth.

For the financial year 2022, our revenues increased by 23% to Rs. 462 crore, driven by a strong growth of 26% in our non- covid business. EBITDA crossed a milestone of Rs. 200 crore and reported Rs. 204 crore. EBITDA margins stood at 44.1% of revenue. We are happy to share that we have crossed a landmark of Rs. 100 crore in profit after tax and reported Rs. 110 crore with a net profit margin of 23.7%.

In Q4 of financial year 2022, our revenue grew 4% to Rs. 116 crore, owing to significant impact on non- covid business in January and partly in February due to covid third wave Omicron. However, business bounced back during March. We added six spoke centers, taking our total centre count to 95, comprising 24 hubs and 71 spokes as on March 31, 2022. Commissioning of a new state-of-the-art hub center at Rajahmundry got slightly delayed due to covid. We expect this to happen in the current quarter.

Development of a fully functional mobile and progressive web application, comprehensive AI enabled WhatsApp chatbot, and other digital initiatives are almost close to completion, and we expect to launch them in a couple of months.

The recent past has seen an increase in competition and a change in the dynamics of the diagnostic space, owing to the pandemic. Added to this, there has also been a surge in cost of consumables and logistics. However, we firmly believe that this is just a temporary phase and are confident that we will be able to surmount these challenges.

In an attempt to acquire customers, some of the companies and aggregators are resorting to offering huge discounts, but the fact of the matter is healthcare is need based, and trust among doctors and patients and service quality is the key more than the price.

Though there could be an impact in the short term, we expect the industry to grow and expand, providing opportunities to organized companies like us, to maintain and steadily grow our market share in the medium and the long-term.

Moreover, Vijaya offers integrated diagnostic services, deriving 35% of revenue from radiology, which is insulated from the competition. We clearly differentiate ourselves from other players by concentrating our focus on B2C business, leading to a significant brand recall.

Though the recent changes in the dynamics of the industry bring with them an element of uncertainty, we are confident that our strategic plan will enable us to stand out as a provider of trusted diagnostic services and to maintain our pace of growth. Also, we are going to expand in potential Tier 2 and Tier 3 cities of our core and adjacent geographies, which are untapped and believe that this will help us to grow and stay ahead of competition.

We are happy to share that the Board of Directors have recommended a dividend of 100% of face value of Rs. 1 each. Regarding expansion, we will maintain our stance of systematic and informed expansion in core geographies, across Telangana and Andhra Pradesh. In the last financial year, we have added 15 centers, comprising 3 hubs and 12 spokes. We have also upgraded a spoke into a hub this year.

Our expansion plans for the coming year are very much in place and we plan to expand by 15 more centers. We plan to consolidate our presence by adding more hub centers in Tier 2, Tier 3 cities in coming years.

Mr. Narasimha Raju, our CFO, will now make the detailed presentation on the company's financial performance for the period.

Narasimha Raju: Thank you, madam. A warm welcome to everyone on the call.

I will now summarize our performance for financial year 2022.

The number of footfalls have increased by 38% year-on-year from 2.63 million to 3.62 million. Number of tests also up by 31% year-on-year from 7.09 million to 9.32 million. Revenue per test was Rs. 496 and revenue per footfall was Rs. 476.

Consolidated revenue increased by 23% year-on-year from Rs. 377 crore to Rs. 462 crore. The growth was largely driven by 26% year-on-year growth in non-Covid business. Non-Covid business increased from Rs. 312 crore to Rs. 393 crore. Covid and Covid-allied business marginally increased by 8% from Rs. 64 crore to Rs. 69 crore. The contribution from Covid and Covid-allied test has come down from approximately 17% of revenue to 15% of revenue. Our B2C share stood healthy at 94%.

EBITDA grew by 23% to Rs. 204 crore from Rs. 166 crore in the corresponding previous year. EBITDA margin stood at 44.1% and profit after tax was Rs. 110 crore. Return on equity for the current period was 23% and pre cash ROCE was 38%.

I will now discuss the quarterly performance.

Number of footfalls for the quarter under review increased by 8% year-on-year from 0.89 million to 0.96 million. Number of tests also up by 3% year-on-year from 2.38 million to 2.45 million. Revenue per test was Rs. 474 and revenue per footfall was Rs. 1,212. Due to Omicron, number of test per footfall impacted from 2.69 to 2.55.

Consolidated revenue stood at Rs. 116 crore, an increase of 4% for corresponding previous period. Non- covid revenue declined marginally by 2% year-on-year from Rs. 100 crore to Rs. 98 crore. Due to Omicron, the revenue of non-Covid business in January and also the first half of February were impacted. Covid and Covid-allied business increased by 54% from around Rs. 12 crore in Q4 of the last year to around Rs. 18 crore in the current year Q4. The contribution from Covid and Covid-allied test has increased from 10% of revenue in Q4 of last year to 15% of revenue in Q4 of the current financial year.

Our B2C share in Q4 of current financial year stood at again 95%.

EBITDA margin was impacted as compared to last year Q4 to current year Q4 due to couple of points, like reduction in gross margin due to Omicron impact in the current quarter that is higher revenue from low margin Covid RTPCR test. And the second one is employee cost, due to strengthening of our mid to senior management team considering our expansion plans for next couple of years and also as you know, we have added 15 new centers in the last financial year and also few more centers are there in the pipeline. And also, a bit of increase in AMC and CMC charges for the radiology equipment as some of this equipment moved out of warranty period and also due to few corporate provisions at the year-end since the Company is listed in this year.

And EBITDA for the current quarter was Rs. 48 crore as against Rs. 54 crore in the corresponding previous period. And the profit after tax stood at Rs. 24 crore.

Cash and cash equivalents at the end of this financial year was Rs. 247 crore as against Rs. 235 crore as at the end of December, 2021. During the current quarter, fixed asset addition was approximately Rs. 19 crore out of which Rs. 13 crore was for setting up of six new spokes and addition of new equipment's at some of the existing centers and remaining Rs. 6 crore is for setting up of a state-of-the-art facility for technical staff training, learning and development and expansion of corporate office.

I now request the moderator to open the forum for question from audience. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session.

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

Prakash Kapadia: Yes, thanks for the opportunity. Couple of questions from my end. Q4, we have seen non- covid revenues declined 2%. So, if you could give some sense on the decline in terms of pathology or radiology and how is the start been to the current financial year in terms of the non-Covid revenues? What kind of growth are we expecting in non-Covid revenues? What are we doing to grow non-Covid revenues?

Sivaramaraju V: So, Prakash, the major reduction is on account of radiology, because as we have already told and we have experienced that due to Omicron there were less footfalls at branches in January and till mid of February. So, radiology is a space where you cannot do something like a home scan or a home collection kind of thing. So that was the reason radiology got more affected. But however, we have seen some of the demand coming in radiology in the month of March.

Prakash Kapadia: Okay. And going forward if you could comment on how are we planning to grow non-covid revenues in FY'23 and beyond? Your PPT does mention about foray into the East, so if you could comment on Eastern market opportunity. What is our go to market strategy? Is it you know building B2B, showing capability then going B2C or is just targeting B2C?

Suprita Reddy: I would not be able to comment on the future per se, but definitely going to East and making it a second market has been our priority, like we have mentioned earlier. We have, in fact, tried to close down leases in few of these locations. And our go to market strategy has always been for Vijaya as an integrated diagnostic to go and actually earn the customers' respect and trust and the consultants. So, it's always been a B2C. So, we try to actually go in with this large format center of a hub with the advanced radiology and the high-end lab and after that stabilize it, we start adding spokes and we service these customers directly. And that has been the strategy even now for the East. And we are more or less on the verge of finalizing a few locations for this which probably will be more concrete for us to give details in the next call. But it's always been B2C as a priority.

Prakash Kapadia: Sure. And lastly from my side, in terms of capital allocation, what is the policy from a dividend, regular capex, inorganic, what is the Board thinking in terms of our capital allocation?

Sunil Chandra: So, Prakash, I think even when we listed this question came up. People asked us what we want to do with the cash that the Company has. And we mentioned that obviously there is an existing expansion strategy and since the Company has good cash flows, that is comfortably met even through our profitability. So, the idea was to use the cash on the books for possible inorganic opportunities also. We were evaluating. We continue to evaluate. But as you will appreciate better than us, it's been a very choppy time. So, valuations also have been changing quite significantly. But we are very keen that if we get a good asset that meets our kind of B2C strategy and has an integrated or enjoys a good brand in any of our focus markets, we are very keen to look at such opportunities. Other than that…

Prakash Kapadia: It could been in South or in East India, the inorganic one.

Sunil Chandra: Excuse me.

Suprita Reddy: Sorry. We lost you there Prakash.

Prakash Kapadia: I am saying the inorganic opportunity could be explored in South as well as East or East?

Sunil Chandra: Yes.

Prakash Kapadia: Not necessarily in South is what I was trying to understand.

Suprita Reddy: No, Prakash. In fact, even in adjacent geographies, which typically are the bordering States of Andhra and Telangana, like we mentioned, which are our co-geographies of interest. So, some parts of Karnataka and Maharashtra also come into that region.

Prakash Kapadia: Okay. And the dividend payout, is there a ratio of console PAT or something which the Board has approved?

Narasimha Raju: So, Prakash, the current year, the dividend payout is approximately 9% of the PAT. So, as per the Board's expectation, the first priority is towards utilization of the cash reserves for the organic growth that is for setting up of the new centers. But at the same time at least like a 10%, threshold that was discussed in the meeting and then we gave 9% of our PAT and going forward again we will reevaluate this.

Prakash Kapadia: Sure, sure. And what would be the capex plan for FY'23?

Narasimha Raju: Yes. So, the capex plan for this FY'22-'23, the current plan is to open at least like 4 hubs and then 12 spokes, for the current financial year. And as of now, we are already working on four hubs and we are also about to finalize, a few more hubs in the new geographies. And out of all these hubs, except like one or two hubs, those will be coming up in Hyderabad, but others will be coming up outside Hyderabad. And what we are doing is in couple of hub centers, generally the typical capex in one hub center is Rs. 12 crore to Rs. 13 crore with advanced radiology model modalities, like an MRI-CT. But to come up with a differentiation in few markets, not in all the markets, in one place, we are coming up with a gamma camera, in one of a very good center in Punjagutta we are having plans to add two more things like PET-CT and gamma camera, because we see a lot of demand for PET-CT. At our flagship center, patients wait for two days in fact. So that's the reason why we are planning for two more additional facilities like PET-CT and gamma camera at one of the hub centers that we are planning in Hyderabad. So, the typical capex for a hub center is generally Rs. 12 crore to Rs. 13 crore and what we are seeing is, slightly the capex costs are going up, that's what we hear from the vendors in the last one, two months because of the whatever logistics cost and also the forex rate is going up. And also considering these new modalities also that are there, which we are very confident that it'll help on our topline growth going forward, because these hubs, what happened is once these stabilize over a period of like two years, they'll start giving adequate top line growth. So considering as of now like 4 hubs and like 8 to 10 spokes where we are currently working, we expect at least like, between somewhere around like Rs. 90 crore to Rs. 110 crore capex we are expecting considering even the modalities like PET-CT, gamma camera, etc.

Moderator: Thank you. The next question is from the line of Anshu Dayani from Edelweiss. Please go ahead.

Anshu Dayani: Thanks for taking my question. I had one question on the home collection. What percentage of our revenues would be from home collection? And what are the unit economics for the home collection stream if we can explain that also.

Sivaramaraju V: So during FY'22, the revenue from home collection was about 2.5% on our total revenue, which would be about close to 4% on pathology revenue. And coming to unit economics there will not be any change, because we typically charge per collection, because so when we go for a home visit the cost that we incur on home visit is being charged with the customer. So, there is no change in the unit economics.

Anshu Dayani: So, the pricing to the customer is higher that includes…

Suprita Reddy: No, Anshu, the pricing of the diagnostic services to the customer remains the same and additional fees charged as a convenience fee for the phlebotomy going and collecting the sample from the house, which is treated differently.

Moderator: Thank you. The next question is from the line of Shalini Gupta from East India Securities. Please go ahead.

Shalini Gupta: I just wanted to understand, when you are talking about your digital strategy, what exactly are you doing and what kind of impact will it have on your business?

Suprita Reddy: Yes, Shalini. So, I'll take that. So, the digital strategy is something that we have already mentioned. So, we have an app that is getting built actually because of the high B2C business that we have 95% coming in, 10,000 customers a day and that data with us. What this app will typically do is give value added suggestions, recommendations, reminders. So, this is a dedicated app which will typically, if you look at, I'll give you a few examples here. If I'm a chronic illness patient, like a diabetic patient, I would be able to see my entire one year, one and a half years of my graph of how my sugar levels have been doing, a reminder every 90 days for an HbA1c to come. Even though we would not want to do cross selling or up-selling through the app, we would want to give value to our customer in terms of how he's being able to manage his diagnostic tests. And also, a few more things like for a hormonal patient, probably an ovulation tracker. He can book an ambulance if he wants to come in for a radiology test. We offer all ambulance at free of cost at Vijaya Diagnostic. So, they could be able to actually book that. If you look at lipid profiles, maybe measuring your cholesterol levels across all of these years or the last six months, setting a reminder for a test, booking of a home collection. So, this is all that has actually been built into this app. And this will, and he can view his reports. We actually have online reports from the last 10 years. But on this app he can actually save it, compare it, share it, and all those features are going to be available specifically on this app.

Sivaramaraju V: And just to add, Shalini, and also maybe we might not have this feature in the first phase, but in the second phase, he can build his own health package. We want to make health package more meaningful. And we say meaningful because you know depending on his family history or his medical history right, the mix of both radiology and pathology, because no health checkup is complete without radiology. So, we are also getting that feature. As of now none of the other players have this feature.

Moderator: The next question is from the line of Aditya Khandelwal from Securities Investment Management. Please go ahead.

Aditya Khandelwal: So since Vijaya is different from other listed diagnostic players having both radiology and pathology, so just wanted to understand the kind of customer we attract to. What proportion of our customers would do both radiology and pathology and what proportion would only come from pathology?

Suprita Reddy: Aditya, I think I did get your question. So, for us radiology and pathology is a combined testing. We do not look at patients coming in for pathology and radiology differently. On an overall level 65% of our business comes in from pathology and 35% comes in from radiology. This is also because Aditya sometimes what happens is if I come in today for an ultrasound alone and they find an abnormality and I go back to a consultant, I am probably referred for another two, three blood tests and a radiology procedure for the next visit. So we cannot identify this particular customer as how many times has he come for path or radiology. So on an overall level, it is 65%, 35%.

Aditya Khandelwal: Okay. My next question is the cost of setting up of spoke is around Rs. 1 crore to Rs. 2 crore and a hub is Rs. 10 crore to Rs. 12 crore, so just wanted to understand what is the average payback period for the centers and what time generally does a center reach its breakeven level in terms of patient footfalls?

Suprita Reddy: Sure. Aditya, I think Raju will explain that unit economics.

Narasimha Raju: So, Aditya, if you look at our business model, we have two type of center formats. One is the spoke center format. The other one is the hub center format. But typically for a spoke center format where you need like capex of Rs. 90 lakhs to around Rs. 1.1 crore that's the capex that you need. And what we have seen historically is that the P&L breakeven happens in the first three to four months. And the kind of revenue that we get is approximately somewhere around like Rs. 2 crore of the revenue that we get, once it reaches a stable state in a year's time. And based on this what we expect is within like 18 months, we get the payback for this initial investment of Rs. 90 lakh to Rs.

1.1 crore for this type of a spoke center. And then coming to the hub center format, which is a large center format with around like 7,000 to 9,000 square feet facility with the entire advanced radiology modalities up to MRI and CT plus basic radiology, like ultrasound x-ray, etc. So, for this type of facility typically you need somewhere around like Rs. 12 crore of capex. And if you want to set up a lab over there in the same facility when you go to a new geography, then it might come to like approximately like a Rs. 13 crore of capex. And for this type of investment, generally the hub takes time slightly higher than the spoke center. So, at least like a one year or one and a half year to stabilize and then be in a position to add the spokes around it. So, what we expect for a hub center is that we need to look at like a cluster format, a hub along with three to four spoke centers once they stabilize. So, if you look at that type of format, then typically like a three to four years is the payback period that we look at for this initial investment of Rs. 12 crore to Rs. 13 crore of capex.

Aditya Khandelwal: Right. And sir briefly, breakeven and the return on capex is similar for centers that we open in Hyderabad and outside Hyderabad.

Narasimha Raju: So, typically, I think what you are asking, Aditya, is whether the breakeven is different for centers in Hyderabad and outside Hyderabad, right?

Aditya Khandelwal: Yes.

Narasimha Raju: So, in the past what we have seen Aditya is that typically the center, the typical P&L breakeven happens in three to four months, either a small center or the hub center, but outside Hyderabad generally, might take few more months, depending upon the geography and the way it's going to ramp up, but not more than like a six-month sort of thing.

Aditya Khandelwal: Yes. Our non-covid revenue was around Rs. 400 crore this year. So, what kind of revenue growth are you expecting over the next two to three years and what kind of growth will be coming from our matured centers and newer centers, if you could throw some light on this?

Suprita Reddy: Sure. Let me first just give you some guidance and Siva would give the numbers. So, like in the past, we are committed to execute that plan of actually opening that 15 centers every year. And we have seen a delay of three to four months in opening a few centers due to Covid. However, we are very confident about these expansion plans in the Tier 2, Tier 3, adjacent geographies and in the East. It will be difficult now maybe to give you any specific number, but assuming that there are no further Covid waves and difficulties, we should be back to our pre-covid growth rates in a couple of quarters. We have already closed like Raju had mentioned earlier four hub centers and eight spoke centers and we are almost finalizing another two to three hub centers and a few spoke centers. So of all these hub centers, except one or two are going to be coming up in this co-geography of Hyderabad. Everything else is outside of Hyderabad. So, if you are looking at some of these centers, if you look at Rajahmundry, it's close to about 150 to 200 kilometers, there's no other center of Vijaya around there. Now you are looking at two or three centers coming up in the East, one or two coming up in the adjacent geographies. So, these are all new untapped markets, and we will have to start and probably give some time for them to stabilize to add on spokes. If you'd like to add something Siva.

Sivaramaraju V: Yes. Just to add, so, currently we get about 82% to 84% of revenue from Hyderabad. But as the plan is to open more and more hub centers in Tier 2, Tier 3 cities, maybe next in three to four years' time, we expect the revenues from Hyderabad to be around say some 70 to 73 levels, and then the major contribution would be coming from these new geographies.

Moderator: The next question is from the line of Namit Mehta from KC Capital. Please go ahead.

Namit Mehta: Hi, thanks for taking my question. First one, just how are you seeing competitive intensity generally in your co-region, so Hyderabad as well as other areas in Andhra and Telangana?

Sunil Chandra: So, yes, Namit, I think competitive intensity right now maybe because of covid induced, there's been a lot of activity in the digital aggregator space and some of, of course, on one side the unorganized sector is struggling. They did not benefit during Covid and they were hit badly. But there is some amount of price measure basically. But I feel that this is not a very long-term phenomenon, because healthcare is a little more complex. It's not a kind of business where you can just do price cuts and acquire, you know it's not just a customer acquisition cost. There is a delivery and fulfillment piece, and you know unless the patient also feels that the reports are reliable and they can trust the center, price is not the only factor. But right now, yes, there is some amount of, I would say, competition. There is some amount of price cutting by various online platforms or aggregators. But we haven't, we don't see that as a very big concern for us.

Namit Mehta: Do you see the biggest competition coming from the online aggregators or do you also see local startups and private equity funded local guys also competing significantly?

Sunil Chandra: So we have always fair, I mean, our experience and in fact, what we even mentioned during our IPO roadshows, was that capital is not the constraint in growing this business. So it's not that if I had 10 times more capital, I could open a 100 centers. It's about getting the right location, getting staff, training them, opening the center, stabilizing operations. So that is an operational constraint rather than a capital constraint. So, we still feel that is the real challenge. And again, anybody who wants to just open a new center or a new

Company, it'll take them a long time to get some of these operational infrastructure in place, rather than just buying equipment.

Suprita Reddy: Also, Namit what happens is, it's just not about like Sunil mentioned pricing and also competition has never been new to the market. And most diagnostics are either PE funded or unorganized or the larger chains doing more of B2B business. So, if you look at the uniqueness of Vijaya's model is, it basically wants to connect directly to the customer. That's why we have always been above 90% of our business coming in from these customers. Even the digital app that somebody asked is something that we connect with them directly, and that adds value to them. What typically happens in an aggregator business or a B2B business is we do not know who the end user is, who the customer is. So, the most important thing that we actually have focused on is to gain the trust of the customer and also the acceptability and the high quality of the reports that we deliver. So, if you look at just other than the wellness bit of it, the test menu is very important, and we have a large test menu which offers high-end tests and being integrated we do the highest number of specialized tests even when it comes to radiology, and they need to come in visit a center. That is why we are very confident that probably a couple of quarters would be a little slow, but it will definitely bounce back. We are very confident on that.

Namit Mehta: Makes sense. Just a quick one on that, how important do you view the role of the doctor and the decision making in the process, especially for acute and chronic and not so much for the wellness segment, as you mentioned? And in that context, do you view yourself as a B2D2C brand and Company in a sense, or is you're connect more directly with the end customer, like you alluded to right now?

Suprita Reddy: Our connect is always been with the end customer and we also make sure that we are very actively involved with the consultants because of the technology and the, see what happens is if you look at, like we mentioned, when it comes to neurology and radiology, we do the highest number of specialized cases in the neurology. So, if you look at Epilepsies we've become the gold standard. It's just not that we get cases from Hyderabad or Andhra and Telangana, we sometimes get cases even from Maharashtra, Gujarat those regions. So, most of these consultants, when it comes to a few tests, it goes unanswered that the accepted report from Vijaya just not here, but in most geographies of the country. And when you look at just B2B, even if you look at the radiology bit of it, we have seen a lot of players that who have coming to the radiology space with the same discounted model and they are not new, they have been around for about four, five years. They have been part of our geography and other geographies. But we have not seen that impact our business. So, at the end of it, I think it's also the three things, the acceptability, the quality and the trust of that patient. So, it again comes back to that.

Namit Mehta: Understood. Thanks. And just last question from my side. Does anything change in with regards to your strategy and how you view this current situation? Whether it's on the pricing side or it's on your digital, you've talked about or any other aspects of your customer engagement strategies and so on?

Sunil Chandra: So, Namit, I think Suprita had mentioned this new web, our mobile and the app, where we are doing a lot of interesting things, so that should be out shortly. And again, that's not so much about price, it's more about value-added services for our customers who are already using services they can do various things, book test, book an ambulance, store their data, see analytics on the data so on. Price, as of now, as I had mentioned, I think, some aggregators who are trying to just indulge in, firstly most of the aggregators they outsource everything. They go to a third-party to collect samples. They go to another lab and ask them to run it. And if they are offering a low price, it is purely a customer acquisition strategy, which I don't think is going to work in this segment for a long-term. On a lighter note, maybe we'll report, Raju can report our numbers in zero and one's next time, because everybody's right now asking us only about digital. But we feel it's a short-term thing and only, I mean, as of now, we are not doing any discounting in response to that.

Moderator: Thank you. The next question is from the line of Aditya Khandelwal from Securities Investment Management. Please go ahead.

Aditya Khandelwal: Thanks for the follow up. I just wanted to understand a bit on such growth in new diagnostic centers. Are we seeing any shortage of technicians or radiologists around? Are we seeing any trend of companies paying higher salaries for these people?

Suprita Reddy: Yes, Aditya. So, we do not see too much of attrition in the high-end staff, the radiologist, and the consultants. Industry average acquisition is there in the lower end pyramid of your probably billing executives and that level, but that's well managed and we don't see that to be a huge concern going forward, at least at the moment.

Aditya Khandelwal: Right. And what is the share of revenues in preventive test in our total revenue?

Sivaramaraju V: So, in overall revenue for Q4, maybe Q3 is the correct quarter to see, because that was an non-covid quarter. So, about 8% of our revenue was from wellness.

Aditya Khandelwal: So are we looking to do this segment because major of the competition is targeted…

Sivaramaraju V: So, if you see pre-covid was about 10% of the revenue and now because you also know that because of this corporate, work from home etc., there was drop in wellness segment, but we expect this segment to grow.

Aditya Khandelwal: But actually, you don't see any competition from online aggregators for this segment.

Suprita Reddy: Sorry, Aditya, we are unable to hear you…

Sivaramaraju V: So, Aditya the one differentiating factor is like no wellness is complete without radiology. There might be some competition from aggregators in this wellness segment. But however, we feel without even getting a x-ray test or say ultrasound, you cannot say that you're fully fit. So being a differentiated player that this should be a short-term effect. We feel that our wellness will grow.

Moderator: Ladies and gentlemen that was the last question. I now hand the conference over to the management for closing comments.

Suprita Reddy: Thank you everyone for being with us on this call today. Wishing you and your family's good health and safety. I will now request the moderator to close the call and thank you very much.

Moderator: Thank you. On behalf of Vijaya Diagnostic Center Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.
