



“Sat Kartar Shopping Limited H2 & FY 2025 Earnings Conference Call”

May 19, 2025



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*Sat Kartar Shopping Limited
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Moderator: Ladies and Gentlemen, good day and welcome to Sat Kartar Shopping Limited H2 FY'25 Earnings Conference Call, hosted by Arihant Capital Markets Limited.

As a reminder, all participants' 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 Ms. Natasha Singh from Arihant Capital Markets Limited. Thank you, and over to you, ma'am.

Natasha Singh: Thank you. Hello. Good evening, everyone. Welcome to you all to the Sat Kartar Shopping Limited FY '25 earnings con call.

On behalf of Arihant Capital Limited, I would like to thank the Management of Sat Kartar Shopping Limited for giving us this opportunity to host this call. Today, we have the management side -- Ayush, sir.

Ayush Divecha: Thank you. Good evening, everyone.

On behalf of Merlin Capital Advisors I welcome you to the Conference Call of Sat Kartar Shopping Limited. On the Management side, we have Mr. Manprit Singh Chadha – Promoter and Chief Operating Officer, Mr. Pranav Singh Chadha – Promoter and Director. We have Ms. Simrati Kaur with us, Promoter and Director.

We remind you that the discussion on today's call may include certain forward-looking statements and must be therefore viewed in conjunction with the risks that the company faces.

Now, I hand over the call to Mr. Manprit Singh Chadha for his opening remarks. Over to you, sir.

Manprit Singh Chadha: Thank you, Merlin, and thank you, Arihant. A very good afternoon to everyone. I would add one thing along with the three Promoters, on this call I have our Managing Director – Mr. Ved Prakash, and our CFO – Mr. Devender.

Good afternoon, everyone. And it's an absolute honor to welcome all of you to the very first earnings call of Sat Kartar Shopping Limited. This moment is particularly special for all of us at Sat Kartar as a company. As, after our IPO, this is our first call which we are presenting, what began as a simple vision to make high-quality Ayurveda accessible across India has evolved into a data-driven wellness platform that sits at the intersection of tradition, technology, and scale.

From day one, our mission has been clear, to deliver science-backed, personalized Ayurvedic solutions with an unwavering commitment to quality. This integrity has earned us approvals

from leading institutions such as the Department of Ayush. And we have been into formulations through the National Research Development Corporation and the Central Council for Research in Ayurvedic Sciences. These are not just compliance badges, they reflect our deep trust.

Since our IPO earlier this year, we have made thoughtful strategic investments to build long-term value. A portion of the funds has been allocated towards acquisition, both domestic and international, that can expand our product portfolio and give us higher reach. We have invested significantly in television and digital marketing to drive awareness and customer acquisition. A substantial portion is also towards technology and infrastructure, enabling a smarter, more responsive business model. The balance was used for general corporate purpose and IPO-related costs.

At the heart of our business is an asset-light capital-efficient model. We have consciously chosen to stay in manufacturing-light, allowing us to focus our resources on product innovation, branding, and consumer experience, while leveraging third-party partners for production. This gives us speed, flexibility, risk mitigation, and at the same time, scalability, without unnecessary capital drag.

We also operate with a negative working capital cycle. This factor allows us to fund growth internally, with minimal stress on the balance sheet. Our philosophy in Sat Kartar is built around three crores tenets; safety of the business; sustainable scaling, not at the cost of profitability; balanced data-driven growth, because scaling without logic leads to instability.

With a database of over 30 million consumers, we understand what Bharat wants, not just what it needs. This data enables targeted product launches, personalized communication, and stronger customer retention. We are supported by a team of over 800-plus multilingual customer advisors, engaging directly with consumers across Bharat in Hindi, Tamil, Telugu, Kannada, and more. Today, our reach extends more than 11,600 pin codes across Bharat, and we are on track to scale this over to 19,000 in the next 12 months to 18 months.

Of course, Financial Year '25 also brought unforeseen challenges. During the recent Indo-Pak border tensions, our delivery operations were briefly disrupted with multiple courier partners halting services in key northern states. Additionally, we faced a fire incident at one of our regional centers, which impacted operations temporarily. Thankfully, there were no casualties, and operations resumed quickly. These events tested our operational resilience, and we responded swiftly and responsibly.

This is just the beginning. We are not here for monetary scale. We are building a company with a strong foundation, sound economics, and a clear vision, one where the profits follow cash flow, and purpose follows profit.

I would also like to mention the numbers which we came up with our balance sheet day before yesterday in our Board meeting and the numbers were uploaded on the requisite sites. This year, we did a revenue of Rs. 162.92 crores, which was a year-on-year 28% growth and a PAT of Rs. 9.82 crores, which translates to 55.63% growth over the last year.

So, this is what I wanted to convey at the start of the call. It's time to open the floor for questions and then most of the things can be clarified on question-and-answers.

Moderator: Thank you very much. We will now begin with the question-and-answer session. First question is from line of Amit from Robo Capital. Please go ahead.

Amit Mehendale: Good evening, and thank you. Sir, our aspiration is to reach Rs. 500 crores top line in three years. What are the top two, three things that we need to solve in place to achieve this goal?

Manprit Singh Chadha: Top two, three things to solve? I would say, more than solving the things we need to improve in all the things which we have been doing right till now. As a company, we have been committed to majorly three product segments which have SKUs around 20 under that. The market size of that itself is huge. We still are committed to those three major diseases or lifestyle. And our first aim is to touch Rs. 250 crores within these, and then simultaneously grow other SKUs and markets, penetrate the new markets so that from Rs. 250 crores to Rs. 500 crores become another milestone. What we feel is the first Rs. 250 crores would be in reach and, yes, till the time we reach Rs. 250 crores we would be developing our other segments, so that from Rs. 250 crores to Rs. 500 crores also become a good scale.

Amit Mehendale: Sir, what I meant was that, what are the growth drivers? Suppose for Rs. 250 crores we need to add roughly about Rs. 90 crores, Rs. 100 crores or so, so to add Rs. 100 crores, what are the growth drivers? I mean, how is the customer acquisition going to be or some color on that will be useful?

Manprit Singh Chadha: The growth drivers are basically with that database, churning that database to get another 10% of the growth from our current volume is clear. So, when we say that another Rs. 90 crores or I would say it like from Rs. 160 crores to Rs. 250 crores, around Rs. 80 crores, so the growth driver is 10% to 20% is from our current customers, and the further is acquisition of more customers, and lastly penetrating into the regions where we are still not there in overall India. We are there in Tamil Nadu, Karnataka, Andhra Pradesh, UP, Bihar, Rajasthan, and when I say the other states, I would say Gujarat, Maharashtra, North East, Jammu and Kashmir, all other states would add up to the revenue.

Amit Mehendale: Right, sir. And typically when we enter a state or when we want to scale up a particular state, what is the cost of acquisition like CAC for the customer at customer level? So, I am looking for CAC and LTV because I think on the presentation there was some mention of lifetime value of the customer.

- Manprit Singh Chadha:** More than cost of acquisition, when we enter a new state we run with a strategy of localizing our branding to that state language. So, the collaterals and the advertisements and the inventory which has to be developed is one of the major challenges. But once you enter that state with all these arms and ammunitions, then what we have felt is the cost of acquisition does not vary much all across India when we go state-specific. Rather, when we go state-specific, we are able to get a better leverage on the cost acquisition.
- Amit Mehendale:** Right sir. And what are the channels for acquiring a customer there?
- Manprit Singh Chadha:** Primarily we have three channels, we have split into television and online and online is divided into the Google and Meta.
- Amit Mehendale:** Great sir. And if you could mention the cost of acquisition, CAC, do you have a number that you can quote?
- Manprit Singh Chadha:** More than cost of acquisition, I would say which is quite apparent, is a range of 40% to 42% of our revenue goes into advertisement. And advertisement is our main armor of acquisition.
- Amit Mehendale:** Okay, great. Thanks. And sir, my last question is on the negative working capital, so how does that work? Because a lot of players who go B2C, they burn a lot of money. And if you have negative working capital that is great. So how does that work really?
- Manprit Singh Chadha:** Most of the brands on B2C burn definitely because of the high acquisition cost. We acquire at 40% is our acquisition cost for the customer, and the negative working capital is we have taken good payment cycles from our suppliers, from our manufacturers. And on the other hand, when we sell the product, we get the payment either upfront or maximum within four to five days.
- Amit Mehendale:** Right, sir. That's it from me. Thank you very much.
- Moderator:** Thank you. Next question is from line of Shruti Malpani from AARTH AIF. Please go ahead.
- Shruti Malpani:** Yes. Hi Manprit ji. Sir, I just had a few questions. So, I wanted to understand the increase of 27% in other income, so what has contributed to that?
- Manprit Singh Chadha:** All your wishes. And the way oversubscribed, I would not say oversubscribed our IPO, but the IPO funds for a good time were in fixed deposit and that's the interest income of the other income.
- Shruti Malpani:** Okay, okay. And sir, as I can see like our employee count has definitely increased, right, we have also gotten more people for calling executives and stuff. So, are they on our payroll or how does that work?
- Manprit Singh Chadha:** Yes, they are on our payroll.

- Shruti Malpani:** Sir, but the employee benefit expenses, they have fallen down from FY '24. If our employees have increased, I just wanted to understand about that.
- Manprit Singh Chadha:** The employees have increased, but we have come up with a model. The number of employees have increased, but we have come up with a model so that the employee can actually devote less number of hours into the company so that his payout is not proportionate to what the payout was earlier. So, we are working it in a different way. Instead of stretching an employee and going into an overtime model, we are coming into so that he is able to take leaves, work, and home balance, so that my cost gets reduced at Sat Kartar and he gets ample time with his family.
- Shruti Malpani:** Okay. Would you be in a position to explain it further because --
- Manprit Singh Chadha:** Yes. I would explain it in a way. If a cost to company per employee is Rs. 20,000 or Rs. 25,000. So, if I have number of employees say 1,000. But on the other hand, if I have 1,400 employees, the number of employees goes up. But then, the leaves which he is taking, so the payout actually goes to him far less than what is his CTC.
- Shruti Malpani:** Okay. So, they are working lesser days.
- Manprit Singh Chadha:** Yes. And this facility is specially given to all those who have worked with us for at least two years.
- Shruti Malpani:** Okay. Okay, so this has been introduced in H2, right?
- Manprit Singh Chadha:** Yes.
- Shruti Malpani:** Okay. Got it. Also, our other expenses are increased by roughly 42%, so is it completely marketing spend or there is something else, another expenses also?
- Manprit Singh Chadha:** No. When you say 42% increase, that 42% increase if you compare it to revenue to the expense, that would be around 4% increase. This is we are talking about absolute number.
- Shruti Malpani:** Yes. I am talking about absolute numbers.
- Manprit Singh Chadha:** So, absolute number would not be the right benchmark for seeing the increase. The right benchmark would be, how it translates to the revenue. So, yes, it has increased by 5% and it is majorly around 3% is the increase in the advertisement cost from last year to this year. And we are working on that as to how that can be reduced further.
- Shruti Malpani:** So, but those advertisement expenses must be coming out of our IPO proceeds, right?
- Manprit Singh Chadha:** No, no, no, IPO proceeds is basically those advertisement expenses of IPO. And IPO we came out on 15th of January, on 17th of January we got listed. And moreover the IPO proceeds are

not all to be used for our regular working capital cycle where our advertisement expenses are being used.

Shruti Malpani: Okay. So, those are yet to be reflected. Like I saw that in the monitoring report, there are few agencies you have got contracts from, marketing agencies and stuff, so they will reflect in H1 of FY '26?

Manprit Singh Chadha: They would reflect and also they would not actually translate to the advertisement expenses because most of that is also on the branding where we have taken like a brand ambassador. So, actually if I am taking a brand ambassador and making an advertisement and getting it run for a good three years, so actually that brand ambassador expense would eventually translate and get capitalized.

Shruti Malpani: Okay, okay. So, we have classified a brand ambassador yet?

Manprit Singh Chadha: Yes, we have taken a brand ambassador in the South, and we are very soon taking another in North. I would not be able to disclose it the one which we are taking in the North, but you all would be having that news in next 15 days.

Shruti Malpani: Okay, okay. Great, noted. I just have one more question, then I will join back the queue. So, the PP&E, they have increased again, but the depreciation has fallen. So, I wanted to understand a little bit about that.

Manprit Singh Chadha: Which has increased? You said depreciation has fallen, but what has increased?

Shruti Malpani: PP&E. In that balance sheet, our assets, fixed assets as you can see.

Manprit Singh Chadha: Maybe I will not be able to answer this right now upfront. But one of the ways of this is there was an asset which is for a full year, which was diluted in the early part of the year and the asset which has been taken later in the year. So, the depreciation would certainly fall, and the asset base would increase.

Shruti Malpani: Okay. And sir, from a performance marketing spend, we will see the top line increasing in H1. There is no impact of those in FY '25 or there were?

Manprit Singh Chadha: Come again on this?

Shruti Malpani: So the performance marketing spend that we will be doing, right, from the IPO proceeds. So, we can see the increase in top line in H1 of this year or part of it has already been reflected?

Manprit Singh Chadha: Definitely in H1. Look, we are a company which are very conscious on the advertisement in the sense that our advertisement should give us the return on investment. We consider advertisement as an investment and not as a putting in money and then looking for it. But yes, that growth in

revenue, the advertisement which we do today, the growth you will see in H1 itself, but you will see far more growth in H2 and further years because of that advertisement. But it's not that that advertisement will not translate to revenue in the first half itself also, it will.

Moderator: Thank you very much. Sorry to interrupt you, Shruti. I request you to come back for a follow-up question.

Shruti Malpani: Sure.

Moderator: Thank you. Next question is from the line of Shantanu Basu from SMIFS Limited. Please go ahead.

Shantanu Basu: Hi, good afternoon. Thanks for giving me the opportunity to ask a few questions. So the first question that I have is with regards to your repeat customers. So, I see on your presentation that your repeat customer percentage is only 25%, so I think this is a low figure. So, A, how do you explain this low figure given the fact that you have been in business for quite a number of years? And B, how do you propose to actually improve this so that your marketing cost, which are now at 42% of revenues, would actually come down and enhance your profits? So that's one core question.

The second core question that I have is, you are in the niche Ayurveda space. And in this space, my understanding is quality of fruit, herbs, etc., matters. So, since all your manufacturing operations are outsourced, how do you ensure that the quality of the raw materials are maintained? What steps do you take? And also, how do you ensure the quality of the final product, the finished build or assets are also maintained? So, I wanted your thoughts on these two points. Thank you.

Manprit Singh Chadha: Sure, Shantanu. About your first question about the repeat ratio, we have been increasing this quarter-on-quarter. We were at around 22% at the beginning, a quarter before that we have been able to achieve 25%. This we are doing through a kind of a personalized journeys. We run health-goal-based marketing flows, especially for sexual wellness and addiction recovery and diabetes lifestyles. Also, proactive call reengagement, the wellness call every 30 to 60 days. What happened is, as we were growing we were not able to cater to all these things which we have now inculcated into the company and have made it a kind of a regular process, which we are hopeful that on quarter-on-quarter basis, this number would go up.

On your other question, on the quality, the contract manufacturing which we do is a kind of a unique model in which we have an end-to-end agreement with our manufacturers that their facility, they would be producing for us and we have full right and we exercise that right most of the times and regularly by doing audits for their facilities from where they are procuring and how the process of manufacturing is being conducted. Definitely not on all, once you do all

these, on the other hand, most of our batches, a sample batch is always sent for a kind of a quality check that is post-production. So, we have checks both pre-production and post-production.

Shantanu Basu: Okay. So that's helpful. Now just wanted to clarify, are these manufacturing facilities manufacturing only for Sat Kartar or are they manufacturing for others as well?

Manprit Singh Chadha: Out of six, two are only manufacturing for Sat Kartar, four they have taken our requisite approvals that they can manufacture for others also. But we have first right, as and when we feel that something is being infringed regarding our product, we have a right to stop them from doing that manufacturing.

Shantanu Basu: Okay, fine. And these audits are carried out by your team, right?

Manprit Singh Chadha: Yes.

Shantanu Basu: Okay. I just wanted to understand, I mean, just like you have the US FDA thing in the US, do we have something for the Ayurveda as well in India or is it left to the company like yours?

Manprit Singh Chadha: Your voice was cracking, could you repeat that?

Shantanu Basu: I mean, my understanding could be a bit puerile on this, but all I was saying was in the US you have the US FDA norm wherein they audit the outsourced facilities, right, the regulators government audit. But out here within the Ayush Ministry, is there something similar or is it left to the company, I mean, that is your company Sat Kartar?

Manprit Singh Chadha: How the Department of Ayush and over there the Ministry of Ayush does is from the formulation, definitely the formulation is purely vetted by them. They definitely give the suggestions and vet the formulation. Once they approve the formulation, then there are certain audits and requisite things which they actually get carried out on the manufacturing facilities to check that the process of manufacturing is also under the requisite guidelines.

Shantanu Basu: And are these audits periodically done or are those only one time?

Manprit Singh Chadha: They are periodically done.

Shantanu Basu: Fine, fine. Thank you.

Manprit Singh Chadha: Thank you. Shantanu.

Moderator: Thank you. Next question is from the line of Deepak Poddar from Sapphire Capital. Please go ahead.

- Deepak Poddar:** Yes. Thank you very much for this opportunity. So, I have couple of things. I mean, we are talking about 40%, 50% kind of growth, so how do we see that, I mean, will it be evenly spread? Or do we see I mean quarter-on-quarter 10%, 12% kind of growth on a quarter-on-quarter basis to achieve like 40%, 50% kind of a growth on an annual basis? So how would the trend be like that?
- Manprit Singh Chadha:** Yes, the trend would be I would not say evenly spread but quite evenly spread. If we are aiming at a 40%, 50% growth year-on-year, it could be a few quarters would see a kind of not that kind of a growth or they could even be flat like this quarter, as I said, this May has been affected a bit by this Indo-Pak crisis and then some internal things like we had a fire inside. So as per our plan, it is quite evenly spread, but I would not say that it's a kind of strategically evenly spread.
- Deepak Poddar:** Okay, okay. Largely, I mean with some exception.
- Manprit Singh Chadha:** Largely.
- Deepak Poddar:** I mean, largely we expect quarter-on-quarter 10%, 12% kind of a growth, right, would that be a fair assumption?
- Manprit Singh Chadha:** Yes. And you would not see something like, okay, 1st Quarter was flat, 2nd Quarter was flat and everything coming in the last quarter.
- Deepak Poddar:** Yes, that will not happen. I got it. Yes. That's very helpful. And in terms of your margins, I mean, we have a very high gross margins, right, above 90%. So, as your revenue scale up, so how do you see your, I mean, PAT margin trajectory? I mean, currently I think this year was 6% and at Rs. 500 crores we are targeting 12% kind of a PAT margin, but in the interim, how do we see the ramp up in margins, I mean, FY '26?
- Manprit Singh Chadha:** I think that would also you would see quarter-on-quarter as you are seeing it now, and we have a lot of, I would not say as a cushion but as a spare capacity which would actually translate into our PAT quarter-on-quarter. One of the major two drivers which would actually give increase to the PAT are the AI models which we are coming up with, more personalization which would definitely increase the retention, and also the infrastructure facility and the employees which we have, there is a lot more capacity to build up on the turnover.
- Deepak Poddar:** Okay. So what you are saying we would see PAT margin improvement on a quarter-on-quarter basis?
- Manprit Singh Chadha:** Yes, yes, definitely.

- Deepak Poddar:** And on an annual basis, what sort of increase we are expecting in FY '26 and FY '27, I mean, to reach 12% in what three years? So currently we are at 6%, right, so there is a gap of 6%. So per annum what sort of increase we are targeting?
- Manprit Singh Chadha:** What I would say is, what we have done this year as compared to last year, at 27% growth on the top line and 55% growth on the PAT, that's our first benchmark, we have to break that, cross that, and year-on-year definitely we are going to beat our old performance.
- Deepak Poddar:** Okay. So this is not very clear. I mean, we are already targeting a revenue growth of 40%, 50%, right, this year.
- Manprit Singh Chadha:** Yes. So, 40% growth means we are targeting a growth from Rs. 160 crores to --
- Deepak Poddar:** Rs. 240 crores to Rs. 250 crores something like that.
- Manprit Singh Chadha:** Rs. 230 crores to Rs. 240 crores. So, on a quarter-on-quarter we can say around 7% growth, which on a cumulative basis 7% quarter-on-quarter is there, cumulative that would bypass 40%.
- Deepak Poddar:** Correct, fair enough. So that's on the revenue part, on the margin part, I mean this was 6% in FY '25, so what sort of PAT margin we are looking in FY '26?
- Manprit Singh Chadha:** '26, internally at Sat Kartar has made our benchmark to at least cross 9%, 9% to 10%.
- Deepak Poddar:** That's very clear. Okay. I got it right. Okay. That would be it from my side. All the very best to you. Thank you so much.
- Manprit Singh Chadha:** Thank you.
- Moderator:** Thank you. Next question is from the line of Divya Agarwal from Ficom Family Office. Please go ahead.
- Divya Agarwal:** Hi, sir. Thanks for taking my question. So, sir, I just wanted to know, how do you see the demand trend for Ayurvedic OTC products evolving in the next two years to three years?
- Manprit Singh Chadha:** Huge. The kind of queries we get, in fact people are keen to get more and more products, more products for each and every disease. If they call us for diabetes, they are already ready for their gut. In fact, beauty is one segment which people are actually looking for Ayurveda. I am not into the beauty segment, but left, right and center, every customer, whoever calls us is looking for more and more products. So the growth is humongous.
- Divya Agarwal:** Can you, sir, would it be growth of 10%, 12%, 20% in the industry?

- Manprit Singh Chadha:** I would say, look, you all have a lot of data and it's an industry which is in a growing phase. At 10%, 12%, 20%, 25%, it's just kind of, again, a cumulative factor. If there's a 10% to 12% growth, fine. The data says 12% CAGR, but then I would say actually the data says Rs. 16 billion in 2034. But as per my study and my understanding, it's going to surpass that. The industry is going to surpass that and companies like us are going to be far more than these numbers.
- Divya Agarwal:** Right, right. So the next question I wanted to ask is in terms of competition, in the segment going up because one of the listed players is also planning to enter into OTC products, so do you think that would affect your margins or your revenue?
- Manprit Singh Chadha:** I would not say that as a competition because we would not treat ourselves as a company which is into the OTC area. We are a call-driven model. We are into a niche, therapeutic focus, and speed plus scale. We are into the deep pockets of India where the OTC products are difficult to reach.
- Divya Agarwal:** Okay. Got it, sir. And lastly, I just wanted to know what's the industry margins like the industry standards of the margins in the OTC Ayurvedic products.
- Manprit Singh Chadha:** In OTC, the margins would be around, from a manufacturing level to going into the OTC level, and if you take out what is being distributed among the counters, the margins would be around anywhere from 15% to 20%.
- Divya Agarwal:** You are talking about EBITDA margins or PAT margins, sir?
- Manprit Singh Chadha:** EBITDA margins.
- Divya Agarwal:** Okay, EBITDA margins. So, you also plan to take it to 15% to 20%, right?
- Manprit Singh Chadha:** Yes. EBITDA margins 15% to 20%.
- Divya Agarwal:** Got it, sir. That was helpful. Thanks, and all the best.
- Moderator:** Thank you. Next question is from line of Shubham Gupta, Individual Investor. Please go ahead.
- Shubham Gupta:** Yes. First of all, sir, congratulations for the great results. My question is basically, how AI will help you in increasing the margins and all? So, can you just give some brief on that?
- Manprit Singh Chadha:** We are very hopeful and confident about AI coming in and helping us in the sense that today, I am not saying that we will not be a human intensive organization, but yes, there are times when that data can be rotated again and again. The customer can come to us and interact with us at odd hours. So those odd hours and data analysis and, in fact, we have a test phase ready wherein AI is talking to a customer in, if not better way, in a same quality way as a human support person

is talking. So that would help in scaling the things fast and also having a kind of a customer interaction at odd hours.

Shubham Gupta: Got it, sir. Thank you. Sir, I have one more request. Like, if possible, can you give like monthly updates on the revenue or like quarterly results if possible?

Manprit Singh Chadha: Definitely.

Shubham Gupta: Thank you, sir.

Moderator: Thank you. Next question is from the line of Aditya from Sterling Securities. Please go ahead.

Aditya: Yes, sir. Good evening. Sir, my first question is in respect to the key business update that you have shared with regards to curated spiritual offerings. So, what kind of business and what are you thinking behind this, entering this kind of business? Just wanted to hear from your side.

Manprit Singh Chadha: On the spiritual front, we always believe that health is not only the body. Apart from body, it's the mental health and the mental well-being which is very important for a human being. A lot of customers when they call us, if they are calling us for, which is quite not our hero product, but one of our product is regarding the sleep therapy and the mind calmness. Therein a person also comes up with the idea that I have been meditating a lot and I want something more to that which could actually help me into my sleep cycle and my disbalance with my, I would not say disbalance with my thoughts, but with my say, depression. So, getting him a kind of a willpower through spirituality, some products, and that again is a big growing market in India. So, we just thought why not to add that to our system. And when the customer base is the same, why not add additional revenue to that.

Aditya: Correct. And sir, what kind of products we are going to add it in? And should we expect any commercializing in this fiscal year, what kind of revenues or something that we are targeting for this year? Any internal targets, thoughts?

Manprit Singh Chadha: Still we are working on that. I think by the next call when the few SKUs would be added, I will keep all of you updated on that. But right now, we have just internally taken a kind of a conscious decision and approval that we would start venturing into this. But yes, still a lot is going into this where I can actually give you a clue as to what SKUs it would be. But I would be the first one to come up front and say that what we are actually doing is this.

Aditya: No problem. We will wait for it. And sir, secondly, my second question would be on respect to the kind of products that we deal in. I have went through some of your, not just competitors but the other products that are available in the markets of some different companies, but somewhere I feel that our products are quite priced higher than the other companies. So, do we have any

strategy like to lower down the price and build up on the volume or something, or what's your plan on this?

Manprit Singh Chadha: For our current range of products, we do not have any strategy to lower the price. But yes, for similar kind of products, for similar diseases, we are planning to have a kind of a smaller, say, if this product is for 30 to 60 days, we are planning to come up with a 15-day cycle product wherein we would like to capture the market which we are losing out and complement that with our existing revenue.

Aditya: Good. Got it. Final question would be on the next leg, probably we have 16 odd remedies to the problems that humans have. So, what kind of more remedies or next thing that you will be trying to enter in for our kind of growth that we are guiding for, what are the new ventures that you are seeing here?

Manprit Singh Chadha: No, no more remedies more than these 16, because out of these 16, four are giving us 80% of the revenue. So out of the balance eight, we will be developing them further to enhance the revenue and those four, in fact, if I come up with the figures, those four itself have potential to reach Rs. 500 crores. So, presently, there is no further plan to make the 16 as 32. But yes, sub-SKUs under these, definitely, because every disease which we come up with, that is a big investment. But putting these up would be far more easier task to reach Rs. 500 crores.

Aditya: Got it, sir. Thank you. Thank you very much and sir, thank you, and all the best.

Manprit Singh Chadha: Thank you.

Moderator: Thank you. Next question is from the line of Prafull Rai from Arjav Partners. Please go ahead.

Prafull Rai: Sir, just one question. We spoke of some inorganic acquisitions; do we have any acquisitions in pipeline in mind or are we working on some of these target acquiring companies?

Manprit Singh Chadha: Yes, we have a small acquisition. We recently uploaded that after our Board meeting, a company by the name PlantoMed. That's a small acquisition. That company has a niche area in diabetes and a fantastic repeat ratio of as high as 60%. So, we wanted to take that company and understand the good points of that company. Though the company has a very low revenue at this stage, but for a knowledge transfer we thought it's best to acquire that company and grow.

Prafull Rai: Thank you, sir. Thank you very much.

Manprit Singh Chadha: Right.

Moderator: Thank you. Next question is from the line of Shantanu Basu from SMIFS Limited. Please go ahead.

Shantanu Basu:

Thank you for giving me the opportunity again. Sorry, I missed the call for some minutes, so I may be asking a question which was already asked nonetheless. So, you have plans of increasing the PAT margin from 6% to 12% in the long run, and I suppose the key driver would be expansion of EBITDA margin. So, how do you propose to get to that? I mean, would it be price increases or would it be operating leverage or would it be a combination of both, if you can explain in detail?

And the second is with regards to your competitive sphere. I just want to understand more about your competitive sphere and competitors. If you can name some of your direct competitors, that would be helpful. And any foray into export markets, because Ayurveda is gaining traction not just in India but in other parts of the world as well, so any thoughts on that? These are my current questions. Thank you.

Manprit Singh Chadha:

I will answer each and one, but first, I would take up the export thing. Currently, at least in the next six months, our vision is nowhere for the export strategy, as we feel that in the kind of the ticket size we are in, we are well placed in India and have a lot of market in India itself. So, opening a new venture and a new stream, at least in the next two quarters, is not one of our priorities. But yes, I am not saying no to that, we might think of that at the end of this financial year, when we can start planning for that.

On the margins, which we are thinking from 6% to 9% or 10% by the end of the coming financial year, and the upliftment of EBITDA margins, if you see our financials, we are very much heavy on our salary and infrastructure front which translates to around 26% to 28%, and that capacity of ours is good enough to take us to a turnover of Rs. 210 crores, because a lot of component in that is fixed apart from being semi-variable and variable component. So, a clear 3% margin is there which we can pull out from there.

On your other question on do we plan to increase our price? No, that also is not the strategy right now to increase the price of our current products. But yes, we always strive to bring in new products with a higher price range, and that is one of our fields which we keep on testing. And definitely with that the average ticket size, club ticket size or an average order size does increase and that we have been doing consistently since last 24 months.

Yes, Shantanu, have I been clear or any other on this point?

Shantanu Basu:

You have been very clear. Thank you for that. And what about the competition, if you could name a few of your competitors, direct competitors?

Manprit Singh Chadha:

I actually can't find any direct competitor which is because why we always place Sat Kartar as different as it is very difficult to find a competitor in which we could see all human-to-human type business across pan India, to the deepest pocket of India, to each region these Tamil Nadu,

Karnataka, North India, at this ticket size. So, I have not been able to find any competitor in this sphere.

Shantanu Basu: Just to understand, you have not been able to find competitor because of your extensive reach or is it because of your exclusive product profile? Because I believe your product profile is not that exclusive, diabetes and other things are catered to by other competitors as well, right?

Manprit Singh Chadha: It's not because of my exclusive product; it's because of my exclusive human-to-human language-centric interaction.

Moderator: Thank you. Shantanu, I would request you to come back for a follow-up question please.

Shantanu Basu: Okay, thanks.

Moderator: Thank you. Next question is from Abhishek Garg, Individual Investor. Please go ahead.

Abhishek Garg: Thank you for the opportunity. Hi, Manprit ji, how are you?

Manprit Singh Chadha: Hi, how are you? Good.

Abhishek Garg: Manprit ji, I just wanted to understand the revenue guidance for next year and the PAT guidance for next year, FY '26.

Manprit Singh Chadha: I said that earlier also that we are aiming at a 40% to 50% growth.

Abhishek Garg: Understood, sir. And sir, if it is possible, what is the revenue run rate in the current quarter, I mean, the Q4, the quarter that has gone by, what is the run rate that we are already in, in terms of revenue?

Manprit Singh Chadha: Which we just closed?

Abhishek Garg: Which we have just closed, yes.

Manprit Singh Chadha: Which we just closed, that was Rs. 48 crores.

Abhishek Garg: So roughly we are already at a run rate of around Rs. 190 crores. Rs. 200 crores. Is that the correct estimate?

Manprit Singh Chadha: Yes, Yes. Right.

Abhishek Garg: And sir, is our business seasonal even or is it like, I mean is Q4 generally heavy or generally should we assume that all four quarters are equally in terms of contribution to the overall revenue?

- Manprit Singh Chadha:** Generally, 4th Quarter is a bit heavy but not that skewed in a way that the 1st Quarter and the 4th Quarter would be too different. But yes, there are times when some events happen like in some territories a kind of a monsoon or a heavy floods kind of a thing which actually impacts not the customer acquisition but the end delivery, and that translates to a kind of a hamper to the sale. But yes, overall, I would say, it's not seasonal, our business is not seasonal.
- Abhishek Garg:** Understood. And sir, should I assume that we are already at let's say around 7% margin in Q4?
- Manprit Singh Chadha:** No, okay.
- Abhishek Garg:** I mean, just our margin.
- Manprit Singh Chadha:** Yes.
- Abhishek Garg:** And there is still further room for this to grow?
- Manprit Singh Chadha:** Yes, definitely.
- Abhishek Garg:** Understood, sir. Understood. Thank you very much, sir. Thank you. Great set of results.
- Moderator:** Thank you very much. Ladies and gentlemen, as there are no further questions, I will now hand the conference to the management for closing comments.
- Manprit Singh Chadha:** Nice interaction, and thank you all for being with us today, and for continued trust in Sat Kartar Shopping Limited. Our focus for the coming quarters is clear, as I said in most of the question-and-answer things; people personalization is what we are looking at and AI tools, expanding product offerings but into the same diseases, enhancing reach across rural and semi-urban India, of course, enhancing compliance, capital discipline and operational excellence.
- Our mission remains rooted in Ayurveda, but our approach is powered by analytics, technology, and human connection. We are building not just a business but a movement towards mindful wellness. And we are doing so in a way that is sustainable, scalable, and strongly grounded in consumer trust.
- Thank you once again, and we look forward to growing together. Sat Kartar.
- Manprit Singh Chadha:** Thank you very much.
- Moderator:** Thank you very much. On behalf of Arihant Capital Markets Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines. Thank you.