Date: June 3, 2022

Scrip Code – 532960, 890145	**DHANI – EQ, DHANIPP**
BSE Limited	**National Stock Exchange of India Limited**
Phiroze Jeejeebhoy Towers,	“Exchange Plaza”,
Dalal Street,	Bandra-Kurla Complex, Bandra (E).
MUMBAI – 400 001	MUMBAI – 400 051

Subject: Disclosure under Regulation 30 of SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015, as amended, Transcript of conference call – financial results for the quarter and financial year ended March 31, 2022

Dear Sirs,

We refer to our intimation dated May 31, 2022, informing that the Company has uploaded the audio recording of the conference call hosted by it on May 31, 2022 to discuss the financial results of the Company for the quarter and financial year ended March 31, 2022, on its website.

In this connection, pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find enclosed the transcript of the said conference call.

The said transcript is also being uploaded on the website of the Company.

Please take the above information on record.

Thanking you,

Yours truly,
For **Dhani Services Limited**

Lalit Sharma
Company Secretary

CC: **Luxembourg Stock Exchange, Luxembourg**

“Dhani Services Limited
Q4 FY22 Earnings Conference Call”

May 31, 2022

MANAGEMENT: MR. NIKHIL CHARI – HEAD, FINANCE AND INVESTOR RELATIONS, DHANI SERVICES LIMITED
MR. PINANK SHAH – GROUP CFO, DHANI SERVICES LIMITED.

Moderator: Ladies and gentlemen, good day and welcome to the Q4 FY22 Earnings Conference Call of Dhani Services Limited. As a reminder, all participant lines will be in the listen only mode and anyone who wishes to ask a question may enter "*" and "1" on their touchtone telephone. To remove yourself from the question queue, please enter "*" and "2". Should you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touchtone telephone. Please note that this conference is being recorded. I now hand the conference over to Mr. Nikhil Chari, from Dhani Services Limited. Thank you and over to you, sir.

Nikhil Chari: Thank you. And good evening, everyone. Thank you for joining our 4Q FY22 Update Call. So over the past year, we've been able to build a substantial customer base for our digital businesses, including the wallet customers, we've been able to cater to more than 5.2 crore customers since we launched our digital businesses. The total number of paid individual customers we were able to sell last year, including our credit product and e-commerce businesses were 78 lakhs, and our active paid customer base as of March 31st, 2022, stood at 61 lakhs. Given the evolving regulatory landscape, we are making changes and strengthening our business model for our credit product. We are moving away from a monthly subscription product to a model where we charge a onetime upfront annual membership fee to access our credit facility which can be used for shopping for a maximum of Rs.50,000. We have also retained many of the features that are customer value, such as payment entry easy installments at 0% interest paid on time, and 2% cash back on all orders in terms of Dhani cash, which can be used for future orders, and free delivery on orders.

On the e-commerce side as well. We have expanded our platform from being an inventory based model focused on select categories to a marketplace model where we can cater to virtually all consumer needs by onboarding third party suppliers. This way we have significantly expanded our product offering to our customers. Over 10 lakh products in over 100 categories virtually covering all consumer needs for our customer base. The marketplace also deploy additional revenue stream commissioned from, so increasing this rate is provided on a suppliers products. This business model increases greater customer engagement and stickiness and greater wallet share for us while allowing us to cater to our customer's needs in a comprehensive manner and in a very capital efficient way.

Now coming to the financial update for fully FY22. We recorded revenues of Rs.1465 crores for the full year FY22 compared to Rs.1363 crore in the prior year on an overall growth of 8% year-over-year. Profit after tax for the year was negative Rs.860 crores compared to negative Rs.230 crores in the prior year as we ramped up our digital businesses. Our legacy loan book continues to run down and as of end of last quarter stood at Rs.2199 crores from Rs.4160 crores in the prior year end. We continue to maintain a healthy balance sheet with cash and liquid investments over 1550 crores CRAR of 63.9% and a net worth of 5271 crores. Going forward, we have put in place a more robust business model both on our credit and e-commerce businesses and will enable us to grow in a capital efficient manner. So, this concludes our opening remarks and operator we can open up the line for questions. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Nikhil Agarwal from VT capital. Please go ahead.

Nikhil Agarwal: Sir my first question is, with regard to this explanation of paid individuals that is 78 lakhs and active paid customer base that is 61 lakhs, sir how exactly do we think we define the active customer base, what is the difference?

Nikhil Chari: So, the active customer base are the ones who have made a paid transaction over the past one year for our e-commerce businesses, or on the credit side who have paid at least one subscription fees.

Nikhil Agarwal: And sir the paid individuals that are 78 lakhs, they have also made at least one transaction in the last year, if I'm not wrong?

Nikhil Chari: That is correct.

Nikhil Agarwal: So, active basically means the people who are making it on a daily basis, is that correct?

Nikhil Chari: So, active as in those on March 31st, who are still continuing to pay now, there could be certain customers who would have paid a subscription fees earlier in the year but are no longer continuing. So, those have been excluded in the base as of March 31st.

Nikhil Agarwal: Okay. And sir another question with regard to this, what is the current retention rate with regard to One Freedom subscribers, or the Dhani card subscribers?

Nikhil Chari: So, as we mentioned in our presentation, given the evolving regulatory landscape, so we are fading out this monthly subscription model, and which is replaced by a model in which we will be charging a onetime annual membership fees for our customers to access our credit facility, and which can be used on an Dhani store for a maximum credit limit of Rs.50,000. So, given the guidance's by the regulator this subscription model going forward will not be applicable.

Nikhil Agarwal: Okay. So we will not have the monthly subscription all going forward, right. And sir apart from that, since we are moving on to do the digital model, are you going to onboard third party suppliers to cater to all needs of customers. What about the warehouses and what about the physical facilities that we already have, so we have around six warehouses and we had plans of opening physical stores. So how are we going forward with it?

Nikhil Chari: So, at present we do have four warehouses in the four metro cities, on the stores as we have communicated in the earlier calls, so the stores we had already phased out. And we're focusing on the inventory based model, from these four metro cities. And for the e-pharmacy part, that is the part that we are retaining on an inventory based model. However, for all other consumer categories it's the marketplace model that we are developing.

Nikhil Agarwal: Okay. So, just for the metro cities, there'll be an inventory model still in place for the four warehouses that we have?

Nikhil Chari: Yes, for the pharmacy part, correct.

Nikhil Agarwal: Correct, okay sir. And sir what would be the other expenses, if you could give us anything about other expenses?

Nikhil Chari: So, other expenses pertaining to what?

Nikhil Agarwal: Sir from the profit and loss itself, what are the other expenses that we are spending on?

Pinank Shah: Hi, this is Pinank here, so if you see the P&L which we've already factored in all of these items for last year the other expenses for the company were at Rs.640 crores. But this of course, includes, customer acquisition cost, et cetera going forward we will be significantly lower, because we've had a large push, which has happened for increase in our customer franchise through the course of last 12 to 18 months.

Nikhil Agarwal: All right sir. So with regard to the bifurcation of other expenses, what is the entire thing we're spending on, so acquisition involves a lot of things, the advertising thing, the promotional expenses, and others as well right. So are these things included in other expenses?

Pinank Shah: Yes, that is true.

Nikhil Agarwal: All right. And sir customer acquisition cost as mentioned earlier was 750 per paying subscribers. And if we include non-paying subscribers as well it would ramp up to about 1200. So what is it right now?

Nikhil Chari: So, as Pinank mentioned, going forward what we are focusing more on the +5 crore, members that we've already, customers already acquired. So this is the customer base that we predominantly focusing on. And if you look at the more recent data in terms of the orders that we're getting from our customers, we're already getting a new user ratio of approximately 35% to 40%. And which is being tapped from this already existing customer base. So given that, over the past year we've gathered a sizable customer base, our approach is how can we optimize in terms of conversion from this customer base going forward.

Nikhil Agarwal: Alright. Sir another thing about supplier margins, earlier we used to forego supplier margin for the – one freedom subscribers right, and now we have a take rate of about 10% from the supplier. So how does it work right now, so including cash back and discounts and offers that we have on the Dhani Store app apart from that, are we still making 10% on whatever we get from suppliers?

Nikhil Chari: So in a One Freedom, was a completely different product. So this marketplace model is something that we introduced only a couple of months back. And, here what we are, and the objective is to ultimately make up to 10%. commission from our suppliers and in products where we provide credit to our customers, the objective would be to go higher than this 10%.

Nikhil Agarwal: Right, after giving the discounts to the customers, right?

Nikhil Chari: Yes, this is the net.

Nikhil Agarwal: Alright. And sir just one last thing, I have this confusion about One Freedom, are we discontinuing the product, or are we going to use One Freedom card for this new model as well?

Pinank Shah: Yes, so the product is not discontinued, it has just changed in terms of the avatar, in terms of the entire construct, it is operating, but the overall parameters, the way we had been conducting it, it continues to remain the same for example, the repayment pattern over a 60 day period, et cetera so all of that to be

Nikhil Agarwal: Alright sir, sir one last question about the legacy loan book, by when do we expect it to run off and the interest income, hike that we see so we are still getting a lot of interest income is it because of the legacy loan book, or how are we seeing the legacy loan because as far as we see the new model, since the last say one year, we are relying on subscription fee for income as well. It is forming a major part of the income as well. So where do we see the interest income coming from and by when do we expect the legacy loan book to run out?

Nikhil Chari: So, as you would have seen here the legacy loan book has reduced by close just 800 to 1000 crores through the course of last fiscal year, and the revenue loan book today, which is standing at about 2200 crores, we expect the same to runoff in the course of next 18 months or so, you're right interest income is primarily, catering is being derived from the legacy loan book and which is what we will continue to go on till the loan book is on balance sheet. Having said that, in terms of the new construct we've just explained on the product for One Freedom. As we move along and which is true for any typical card kind of a business, we will observe that there is a gradual movement from a fee income to an interest income as the business matures. And with the construct which we have put in place, we expect interest revenues also start coming in from the One Freedom product.

Nikhil Agarwal: By when sir if you could give a guidance of?

Nikhil Chari: Effective a 1st June.

Nikhil Agarwal: Alright. And what is the current impairment on the digital product, the current impairment, it was close to about 10% in the last two quarters, what is it right now from the unsecured lending and on the app that is the BNPL service?

Nikhil Chari: Yes, so the overall credit cost, which is there at a consolidated level for the quarter it is sitting at about 19 crores, the specific breakup of it is not there but if you were asking in terms of our NPAs or net NPAs are in the handle of about a little over 8%.

Nikhil Agarwal: Alright and the credit cost that is the provision against just the One Freedom loan that is just the app?

Nikhil Chari: No, any loan which is moving into any DPD bucket provisioning will have to be created accordingly.

Nikhil Agarwal: Right. So, the credit card in that sense the book is 19 crores and the NPA is 8%, net NPA is 8%.

Nikhil Chari: To give you an exact number if you want to look at the specific credit cost which we have in the NBFC which is there it is about 27 crores at a consolidated level for the NBFC.

Nikhil Agarwal: And 19 is the incremental?

Nikhil Chari: 27 is the number you should refer to from a lending book asset.

Nikhil Agarwal: And how much of it is for the digital lending?

Nikhil Chari: That split may not be handy, but majority of our loan book is any which ways even our legacy business had business which we'd conducted through the app. So it's a combined for both products.

Moderator: Thank you. The next question is from the line of Raj an Individual Investor. Please go ahead.

Raj: I have a three part question. First, where are things with the regulatory oversight and the issues you faced are they behind you, are they closed that's the first one. If you want to go ahead and address that, please.

Pinank Shah: Yes, so we've had an engagement with the regulator on this matter. And they've taken their observations and our entire product et cetera, we've kind of had a lot of new additions, which we've done in our product. So, that matter is pretty much something which we've already tried and explain and concluded, but any further updates, if any we will keep the investor community posted, for now there's nothing further from that matter.

Raj: Secondly, if you were to pitch to an investor today, let's say a venture capitalist, what would you pitch Dhani as, what's your strategy are you trying to be, when I look at you, I see so many facets, it's so hard to go to market with so many different facets at the same time. So it just seems to be a hotchpotch of things. I don't want to drop competitors names. But, you're competing with pretty much, four or five major apps out there. So it's kind of unclear to me what you really want to be when you grow up. Don't tell me a Super App answers it so?

Nikhil Chari: No, it's not a super app and, I would also say that we're going after a pretty good customer base in a pretty targeted and sharp manner. So if you look at our way going forward, on the e-commerce side, it's we are going after a marketplace model, where our target segment, that and the customer base that we've been able to gather over the last year or so, it's more of the middle to the lower middle income segment in tier two, tier three towns. And the product portfolios that you see on our app are not the usual branded products that you will see on other apps. So it's more like the unbranded and lesser known brands, but at very sharp price points. So that is a target segment. And that is our positioning and the idea to move in a marketplace manner is to offer a comprehensive range to a customer base, that we have been able to gather a sizable base over the last year, but in a very focused manner, and having the overlay of being able to provide credit gives that much more embarrassed that our competitors are not able to offer. So it's still a combination of the credit plus, the e-commerce model, but our target market is more the tier two, tier three. And that's where we are seeing our customer base to come from as well. And very sharp price points for unbranded and lesser known brands.

Raj: So, just a quick follow up before my third question to this is, if I look at you for step back and say, okay e-commerce, credit, and FinTech, let's say is one, third is the whole trading aspect of it. And let's say the fourth is this medical aspect of it, let's say doctor's consultation plus, pharmacy. So if I look at four pillars, and if I want to break it down into that, which has the most traction, that's a quick follow up.

Nikhil Chari: So as looking to the first two that you mentioned, so, this is the focus going forward. Even the doctor consultation part was predominantly earlier a part of our One Freedom product. So that is, less of a focus. So, going forward it's more about how can we cater to our customers in a comprehensive manner in terms of the daily needs in a capital efficient way and that's the marketplace model that we're going forward with, with the current lay over it.

Raj: Okay. What is your, when you say you address the tier two and three, what is your primary mode of customer acquisition for the one's you're focusing on?

Nikhil Chari: See here the good part is that, we already a sizable base that has been engaged with us over the last year and a half of more than five crore customers. So that is the immediate base that we're tapping into. And, we're seeing good traction with that in terms of getting them to convert to order more products on the store. So it's less about new customer acquisition, it's more about having the sizable base that we already have, how do we monetize that more effectively and efficiently. Having said that, we do have promotional campaigns going on in terms of Google Shopping, and Facebook, and influencer programs as well. But, we already have the luxury of a sizable customer base that has already engaged with us, and in terms of getting them to convert to this model that we're going forward with.

Raj: I'll take delivery of a fourth question, if you don't mind really quick, what are your value unlocking plans for shareholders specifically, if you have any in the next three to six months?

Nikhil Chari: The value unlocking plans will primarily come from the traction that we would see on this marketplace model and the Dhani plus model as we go forward. And, so it's while it's early days, but hopefully in the coming quarters we'll have traction on these fronts as well.

Moderator: Thank you. The next question is from the line of Arpan, an Individual Investor. Please go ahead.

Arpan: So, only two question here, the first is on the healthcare segment, where I can see that almost two third of the company workers are from healthcare segment. So how do you see this is going to turn around and by when this will start making positive contribution?

Nikhil Chari: See on the healthcare segment which relied predominantly on the physical warehouse infrastructure, as well as the campaign's that we had in terms of customer acquisition. So that is something that we have already reduced quite a bit. So going forward you won't see these kind of numbers on that segment.

Arpan: Understand, but if we see the quarter-on-quarter the overall billing is declining and declining very significantly, is it because now things have become normal, and there's no COVID and other issues, that's why these is a impact on the business or do you see growth in this segment?

Nikhil Chari: See the primary revenue stream on the health side was anyways, the e-pharmacy or the medicine delivery. So, that hasn't been impact with let's say the physical market or the physical clinics opening up. On the doctor consultation part, that was anyways, like I mentioned earlier was an add on product to our One Freedom product. So that was not a independent revenue generating stream. But on the pharmacy side, we still have good traction in terms of customers coming up and procuring medicines from us.

Arpan: And, do you see any impact of this RBI regulation on the credit card or I'm not sure if it's really applicable to you on your One Freedom card?

Pinank Shah: Yes, so the RBI regulations essentially, mandate NBFCs who want to go for a card like product to go and seek RBI approval for your product offerings, but if you see our revised product construct the way we've aligned ourselves, it is more in the nature of a limit which people can use for purchase on Dhani store itself. So which is something which is practically a live product any which ways and doesn't that get impacted in any manner.

Arpan: Understood thanks, maybe last question, if you can answer any plan for restructuring or any inorganic growth in future or in the near future?

Pinank Shah: No, nothing at the moment.

Moderator: Thank you. The next question is from the line of Rishi an Individual Investor. Please go ahead.

Rishi: I understand that this past few months have not been the easiest for the company and I appreciate the fact that you still conducting your conference call in the midst of settling all the issues, I just have a few questions, some of my questions were already answered. One thing that I wanted to ask was about the employee count at the end of March or even more recently, if you could tell us where you are in terms of employee count?

Nikhil Chari: We have gone through a rationalization process. So as you would have noticed from the previous quarters presentation, the employee count was approximately 23,000, which is currently at around 18,000.

Rishi: And the expenses, which are about 680 crores per annum, do you foresee that coming down?

Pinank Shah: Yes, so we are rationalizing our expenses as well. Large part of customer acquisition costs is actually something which we are going to be significantly lower as we go along. But yes, there is a expense rationalization plan which is currently under play.

Rishi: So, the new model sounds to be more like an Amazon Prime or sort of like Cosco model, which I'm more used to, and I understand it better. But also, do you have plans like people will not paying member do not get free delivery or lower discount and are they also allowed to shop on the app, if they're not a paying member?

Pinank Shah: So Rishi, you're right, it is more akin to an Amazon Prime kind of a product offering, there will be nuances which we will bring in as we see more and more traction. But the primary differentiator for people who are paying the fees and joining in for the program is availability of credit for purchase on the store. That's the primary distinction of course as you pointed out, there will be scenarios which will kind of get built out for people who can get free deliveries, et cetera. But as we speak right now we are in a franchise build up phase and would like to cater to as many customers as possible for the ones who would want to take credit, they can opt for the subscription or rather the plan offerings which we have or any which ways without that if someone wants to come on the store and make purchases through their own funds, they are most welcome to do so.

Nikhil Chari: But of course, the customers who avail the credit facility, they get additional benefits like a 2%. cash back on all orders, which they would get in terms of honey cash which they can use for future orders as an incentive and free delivery on the orders as well.

Rishi: Understand, thanks for that. And any news on the corporate card front, can that be considered as a close venture?

Nikhil Chari: Yes, that's not a focus as of now.

Rishi: And so, when you say that the new RBI guidelines does not allow a card like business model, the fact mean, you cannot do a generic BNPL like the kinds of like Zest money, for example, they allow people to use their BNPL for free, but they charge the merchants, is that something that you're able to do, because given that you have a fantastic payments platform, and wallets and everything, it's a shame not to do something which seemingly inferior companies are able to do very well?

Pinank Shah: Rishi, the interpretation of RBI regulations is slightly different, it does not not allow companies like ourselves to offer this product, it very well does allow, in fact we've gone through a rigorous entire flow and walk through process with the regulator. So it just entails that you need to take a formal approval from RBI to offer any of such products. That's the only distinction, but it does not limit us from going and feeding that market. But, as a combination of the acceptability of the product in the construct in which we are offering today and our intent to actually, channelize people to buy on Dhani store itself, rather than go on some third party store and spend through the offering of our credit products, we would want to channelize all of that capital towards allowing people to purchase on our own store, and which is the intent with which we realign the product.

Rishi: Okay, understood. And any update on the ADR plans, we were looking at that for this?

Pinank Shah: As you would have realized our business model is evolving as we see, more stability and traction around that that's something which we will take it on board again, but right now the focus is to kind of get this franchise built out.

Rishi: Okay. And final question, given that it's now a sort of like a complete B2C business, like Flipkart and Meesho and others. What is the management doing in terms of like self, re-establishing the brand, it does seem to have taken a hit in terms of, I know, there's a lot of privilege YouTube videos and stuff like that, but that does seem to hamper image of the brand a little bit, is there any plans from the management side to boost up the brand image?

Nikhil Chari: Rishi, if you look at our customer franchise, it's very solid, it's like I said, we have five crore plus customers that we've been able to engage over the course of the last year. And the traction that we seeing in terms of getting them converted to come onto a marketplace. So, we are seeing it's early days, but we are seeing good, healthy traction. So, I'm not sure what direction your question was from, but we are seeing pretty healthy traction**.**

Moderator: Thank you. The next question is from the line of Craig Elliot from NWI. Please go ahead.

Craig Elliot: Firstly, thank you for spending this time with us this evening. Very much appreciated as you know we're longtime supporters and shareholders. Two quick questions, the first is, when we're thinking about the model in terms of profit margin expectations. Appreciate that you provided some detail on customer acquisition costs, which we can expect to come down compared to the year that just finished. Now the other big area on the expenses was employee benefits. Now was that particularly large due to the workforce rationalization, so we also should expect that in the year to come, that will be a lower number, that's question one. And then question two is, as of 31, March 2022, the 61 lakh individual paid customers, would you see that as a trend or a goal, let's say would be your goal now, though you also mentioned that maybe we should start looking more at revenue per customer, and not really the number of individual paid customers. So a few more thoughts on that and on the employee benefit expenses, please. Thank you.

Pinank Shah: Yes, Craig hi, Pinank here. Thank you for your kind words, yes you're right to interpret that the employee benefit expense, has been higher because of the scale up which the company has been going through, and it will get rationalized through the course of this fiscal year.

Nikhil Chari: Yes. And coming to your second question, Craig, you're right. Going forward, the appropriate metrics would be the number of orders and the revenue per customer and because we are transitioning away from a subscription based model, so those would be the metrics that we would be focusing on going forward.

Moderator: Thank you. The next question is from the line of Rahul Jain an Individual Investor. Please go ahead.

Rahul Jain: Just wanted to get a little bit more clarity, though you explained in detail. What exactly is the company's vision, where we see ourselves in next three years or five years. Secondly, like other group companies are we planning to sell the company also?

Pinank Shah: Coming to, the first part of your question, in terms of the vision, our vision really hasn't changed in terms of addressing the unmet needs of the middle income segment in our country, both from a credit perspective and everyday consumer product perspective. So our vision remains intact as we had embarked on this journey when we launched our digital businesses. What has morphed or adapted is the business model, moving from a subscription based model to a direct credit model on our store as well as moving from an inventory based model to a marketplace model, but the vision remains the same. So that hasn't changed over the course of the last two years.

Rahul Jain: Yes, what about second question?

Pinank Shah: Yes, so there's nothing specific for us to update you. As we explained the focus is going to be around building out the marketplace model and building out the credit products availability for customers to be able to purchase on the marketplace. The intent is to have the digital franchise which the company has created to continue to see how we can monetize that as we go along and all the investments, which we've made in this customer franchise through the course of last 12 to 18 months, how we are able to see to speak those customers in a much meaningful manner through the offering of these two product categories.

Rahul Jain: Okay. Last question from my side, from last four years investors have not made any money in your stock, do you have any responsibility towards them or you don't count them at all?

Nikhil Chari: No, of course we have full responsibility on that and like yourselves we all are fully invested in the company and making this a success. As you would have noticed, in our presentation as well, our founder and CEO, himself has increased his stake over the last few months. So definitely we are all aligned with you.

Moderator: Thank you. The next question is from the line of Rishikesh Oza from Robo Capital. Please go ahead.

Rishikesh Oza: Sir my first question is, what is the retention rate in the last 12 months?

Nikhil Chari: As we mentioned earlier, since our model is changing from a subscription based model where we talk about retention rates to a model where it's more about paying upfront fee, and then utilizing credit on our Dhani store itself. So the retention rates would not be applicable over here. And on the marketplace, like we said it's only a couple of months since this is something that we launched, the relevant metrics we would share with you as this business model progresses.

Rishikesh Oza: Okay, got it. Sir, second question on your credit cost and your negative carry, so if I see last you would say that around $15 per subscriber, you used to take as credit for negative carry. So can you just provide a break up of how much is the credit cost and how much is the negative carry?

Nikhil Chari: So again, Rishikesh this is more applicable in the old product construct, where we used to give per subscription, or per subscriber, what our negative carry cost was in terms of rupees. So, this metric will really not be applicable in the construct going forward. But just to add to what Nikhil mentioned, Rishikesh, the way we're looking at the business as it is getting evolved, is that there is a credit period which is available on the marketplace from the sellers, which is available to us and we are in turn offering credit period to our customers. We're looking to see how that negative carry cost can be absolutely minimized by trying to map both the construct in terms of the offer. So, the long term plan which we have is more to look at it as a technology and a marketplace model where we are able to utilize the entire back end and the ecosystem to bring in as many sellers and products as possible and get as many customers as possible to come and buy those products if required be on credit as well.

Moderator: Thank you. The next question is from the line of Ronak Mantri from Marsh McLennan. Please go ahead.

Ronak Mantri: See my question is on governance part, as any credible company institution, you are a shareholder and your people working for you need to know what is going on in our company in the last two months, your stock and went down 80% in value, yet no one from the top management has come to any news channel to speak what exactly is going on in the company. Even you have not given any notification on BSE so that your investor can be aware what is going on in your company. So, I don't know how governance will play at Dhani and if it does not, I don't know how will shareholder earn anything out of it?

Pinank Shah: Hi, Ronak thank you for your question. And the feedback which you're sharing What we would like to update you on this matter is, for any disclosures which we have been making, from time-to-time at a appropriate moment has been a continuous engagement from the company side including the engagement which we are having on this particular earnings call. So, we've also transparently explained the kind of business model, which we're looking to conduct, et cetera. Other than that, share price, et cetera to be honest, we will not be able to comment that's an independent separate question. Yes, from a business perspective we would always like to be engaged with all our investor community and take this feedback that you shared with us having said that, as I explained, we are engaged even with this earnings call, and we will continue to keep engage with you all.

Ronak Mantri: You're correct on that part, I was just saying for example, your previous company say Mr. Gangan Banga, he comes on television every three to six months to explain what is going in the company, even their shares went down. But investors are completely aware what is going in the company, with Dhani, we didn't know what is going on. So everything is in a dark mode. Because unless and until top management comes in front of national television and speaks what is going on, then only your investor can know what is going on.

Pinank Shah: So, Ronak television is one channel of communication, your feedback is very well taken and appreciated. As I explained, we've continued to engage through our investor presentations and the calls which we are having at the moment as we continue to conduct over every quarter. But, your feedback is very well received.

Moderator: Thank you. The next question is from the line of Abhijit Mahajan from AB Financial. Please go ahead.

Abhijit Mahajan: So, I've been joining this calls quite regularly for past about four to five instances. And the way in which the company has changed the business model it's quite agile and free to pass approach. So appreciate for that. However, I would like to understand all this trial and error and the change what you are going through, where do you see the silver lining, that we find the right business model and we continue and then grow on that in the long run, because this whole evolution phases is ticking it has been like last 12 to 18 months, maybe?

Pinank Shah: Yes, Hi Abhijit thanks for your question. And, you're absolutely right, the evolution of the business model is coming from the learning's and the idea is that, given our vision of catering to the daily needs of the mass Indian population in a capital efficient manner is something that is something that has evolved over the last couple of years. And so, if you look at the model going forward both on the e-commerce side, as well as on the credit side, it's a capital light manner, as well as offering maximum services to the customer base that we've already been able to gather over the last couple of years. This is something the model has that as a vault into going forward.

Abhijit Mahajan: And how do you see the profitability and revenue numbers say six months, 12 months, 18 months down the line. What are the projections by when this company will get back into cash flow positive mode?

Nikhil Chari: Frankly, too early to say hopefully we'll have answers to that question in a quarter or a couple of quarters. But what we would like to emphasize, the couple of points in terms of the customer base that we've already been able to gather over the last year or so in terms of the five crore plus customers who have engaged with us, as well as the capital light nature of the model going forward.

Abhijit Mahajan: Okay, one last question. So, as this business model evolves, I'm going a bit into the next quarterly call maybe. So do you see any further business models which are being looked at this moment maybe it's a data I'm not sure if you want to share but then the next quarter do I expect anything new again, popping up and saying we are moving on the track again, or you're planning to continue down this route?

Pinank Shah: Nothing new at the moment.

Moderator: Thank you. The next question is from the line of Keshav Heda from HSBC. Please go ahead.

Keshav Heda: So, where in you mentioned in the start of the call wherein you changed your business model to an annual subscription from your monthly subscription basis. So how is it going to benefit you from the previous one?

Nikhil Chari: It aligns the product to the guidelines that the regulator has.

Pinank Shah: And more importantly Keshav, it is a model in which we believe that there is a much wider customer franchise, which we will be able to cater to. By just the virtue of the fact that there is a overall customer data which has got built out and we would want to maximize reach in terms of reaching to as many customers as possible, allowing customers to pay a annual fee and avail the credit facilities for purchase on the Dhani store, it actually evolves to be beneficial to us from two perspectives. One is of course, it aids into higher retention from customer standpoint, and two, we are able to channelize all the credit which we are offering for allowing customers to buy on Dhani store itself. So, earlier customers would go to a third party store and use the card there and utilize our credit facilities, we are actually promoting customers to come on our own store and do the purchases instead of going out and doing and possibly buying the same product elsewhere.

Keshav Heda: Okay, thank you for that. And the other question is about how the unit economics is going to get affected over here. So where in you mentioned about modeling would be about revenue per customer and your revenue per order. So what are we expecting going forward, how much can you shed some light on that?

Nikhil Chari: See from a unit economics, Keshav the model over here is to get a commission from the suppliers. And as Pinank had mentioned earlier, there is a credit period that we get from the supplier is well so in terms of the money tied up so that period is going to be minimal for us, and in a capital light manner given the model is to get permission from the suppliers on every transaction that are done. So, that's how would be the way to think about economics going forward.

Keshav Heda: Okay. And the other question is, so are we looking for any further expansion as we move forward for marketplace. So currently we have as early we mentioned four warehouses to cater into metropolitan cities, but other than that are we looking forward to expand?

Pinank Shah: No, there is no plan to expand the inventory model infrastructure. What we're focusing on is onboarding suppliers and products on the marketplace site, where we have approximately already on boarded more than 10 lakh SKU on the marketplace side. So this is something that we will continue to build out.

Keshav Heda: And so there will be, another question is that when we think our business model to annual basis, so how much impact on revenue are we looking at and in terms of customer base if you can share some things on that?

Pinank Shah: So it's early days, Keshav, it's being implemented from 1st to June, but our expectation will be we will be able to bring in a much wider set of customers to adopt this product offering from us, but possibly in the subsequent earnings call, we'll have much more clarity.

Moderator: Thank you. The next question is from the line of Vivek Kanda, Individual Investor. Please go ahead.

Vivek Kanda: So Nikhil, I'm very not happy with the way stock price have actually gone down. I'm a pretty old investor in Indiabulls and you just mentioned that founder Mr. Sameer Gehlaut did increase the stake, so in Indiabulls every time the founder increase the stake, the stock price has actually gone down. So this always happen in last eight years. And Nikhil you have only your e-commerce marketplace. So Indiabulls as I know social e-commerce and I have come to know that has completely shut down. So any specific reason for that, the social e-commerce has put in our shut down. So, on one side, you have shut down e-commerce in Dhani you are starting marketplace of e-commerce. So, I am not sure if Dhani would be successful in this or not?

Pinank Shah: Hi, Vivek. We cannot comment on any other company.

Vivek Kanda: But Nikhil sir, Indiabulls is

Pinank Shah: We cannot comment on any other company as well as on the store.

Vivek Kanda: - others grew as a e-commerce.

Pinank Shah: No, the entire management is aligned towards building this franchise, and our incentives were also aligned along with yours. And, that's what we're working towards, we cannot comment on anything.

Vivek Kanda: So, recently PayTM mall valuation has gone down by 99% so, already India is in a loss of e-commerce Flipkart is there, Amazon is there, then how are you going to compete with them, e-commerce is a loss making business, I am not sure that Dhani will ever be able to come into profits. The way things are happening every quarter you guys give that we are going to change this, we are going to change this, every quarter things are changing, loss is increasing. So, I'm, not actually confident that Dhani is never going to come into profit again. Although, I'm very disappointed, I'm a very old investor in Indiabulls, since 2008 and 2009, and I am very disappointed, whatever that happened in last four years, I pay like Rs.240 for a Right issue. In December I paid like Rs.108, okay few crores rupees of mine are invested. Now, the stock prices trading at Rs.51, how you will justify that?

Nikhil Chari: Thank you for your support for all these years. To your first part of the question in terms of competition, and how we differentiate it. So, our target segment is quite sharp in terms of where in the economic segment and the geographic segment that we're focusing on and consequently we've aligned our supplier base and the product portfolio in-line with in terms of these being the lesser known brands and the unknown brands at very sharp price point. And this is something, that while the signs are very early but we are seeing traction in terms of with this approach and so, this is what the approach for us is going to be going forward and in terms of the differentiation compared to the other marketplaces.

Vivek Kanda: Okay. And then even I have heard that this lenders are taking to NCLT so is it true, I am not sure it could be a rumor too.

Pinank Shah: No, Vivek it is an absolute rumor there is nothing of this sort.

Vivek Kanda: Okay. Thanks a lot. I may be a harsh investor but, I am badly disappointed with the way my wealth has gone down. If you see in India, this FinTech company they are getting such high valuations, healthcare companies FinTech company, they're getting such high valuation, the IPOs are coming at as such high valuations, and Dhani is just not trading at a half a billion valuation and even though it has raised so much of funds that QIB at RS.450 then again Rs.192 then, Right issue at Rs.240, stock options Rs.150, Again, the ESOP Rs.68, and then the stock price is continuously coming down so everybody is in loss, the founders, the employees, everybody, investors all are currently in loss. So you guys should do something to enhance the investors value, stock value.

Pinank Shah: Sure, Vivek your feedback is very well received. Thank you so much for your patronage for all these years and we will continue to try our best to execute in a manner in which it is appreciated by the investor community.

Moderator: Thank you. The next question is from the line of Prasada Rao Kilaru, Retail Investor. Please go ahead.

Prasada Rao Kilaru: So in February, the news reports suggest that even though the customers are not booked loans their phone number is being used for booking the loans, so after that note the share prices have crashed sort of percentage price, can you shed some light on that, maybe rectify that, what's going on, we are not aware of that so far?

Pinank Shah: Hi, Prasada, the news report which you are talking about is pertaining to certain products, processes which has been prevalent across the industry, and has been offered in a construct by many, many other lenders as well. Obviously, the company has taken many, many steps to tighten these parameters significantly, and ensure that these kinds of events do not recur. But yes, we had a media flat to some extent due to these events happening, but that is behind us. And we are not, we've kind of tightened our system significantly.

Prasada Rao Kilaru: Okay, fine. And one more question I just have in the near future, maybe in FY23 or FY24, do you expect the company to come into profitability?

Pinank Shah: As we shared, it's an evolving model, our intent will be to do so. But as Nikhil shared earlier, as well, as we see some more metrics evolving on the this particular business in which hopefully we'll be able to update you over the course of next one or two quarters we will have much more clarity on the same.

Prasada Rao Kilaru: Okay. Because last time, last two or three quarters ago, I heard that you expect to come into the profitability in FY22. I heard that, anyway you're saying it's taking a long time. Like, even you're getting clarity in the next two or three quarters you said. Thank you for that.

Moderator: Thank you. The next question is from the line of Rishi, Individual Investor. Please go ahead.

Rishi: I had a question regarding the new model the Dhani Plus model. So when you say Rs.500 per annum, so that's going to be just on the store, is it fair to assume that Dhani stocks would sort of be separated from because it used to be under the One Freedom construct so, would be sort of expect that will be a standalone offering going forward and if at all, would you be keen to spend that off again because, if you look at a Dhani stocks it's probably far better than most other brokerages out there which are trading at multiple valuations of the Dhani. So would you be willing to do that in the future?

Pinank Shah: So, Rishi Dhani stocks will continue as an independent product, the one product Dhani Plus as we're talking about is more focused around credit availability for customers to purchase on Dhani Store, Dhani Stocks will continue to operate separately.

Rishi: Okay. And for Dhani Store, is the logistics maintained internally or is it a third party logistics provider?

Nikhil Chari: So the deliveries are done by third party logistics providers, but in terms of visibility to the customer it's like you have an Amazon or a Meesho it's a one stop shop as far as our customers are concerned. But the logistics are done by a third party logistics providers who directly pick up the inventory from the suppliers and deliver directly to the customers.

Rishi: Okay, and I see a lot of advertisements are done one day sale offer, and the Summer Sale offers any idea I know it's too early but any idea GMV or would you be publishing the GMV going forward every quarter?

Nikhil Chari: It's early days, hopefully going forward, we will be able to give you more of those metrics as we go along.

Moderator: Thank you. As there are no further questions, I would now like to hand the conference over to Mr. Nikhil Chari for closing comments.

Nikhil Chari: Thank you everyone for joining the call. For any follow up questions, please feel free to reach out to the contact information given at the back of the presentation. Thank you for your time.

Moderator: Thank you. On behalf of Dhani Services Limited that concludes this conference call. Thank you for joining us and you may now disconnect your lines.