



SAGAR PRODUCTIONS LIMITED

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CIN: L93000MH1980PLC170432; Website: www.sagarproductions.com

Date: 08.12.2023

To

Department of Corporate Services

BSE Limited

Phiroze Jeejeebhoy Towers,

Dalal Street,

Mumbai – 400 001

BSE Code: 532092

Subject: Intimation under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') - Earnings Call Transcript for the Second Quarter and Half Year ended September 30, 2023 and outlook of business.

With reference to our letter dated December 02, 2023, and pursuant to Regulation 30(6) read with Part A of Schedule III of the Listing Regulations, we are enclosing herewith the Earnings Call Transcript pertaining to the Financial Results for the Second Quarter and Half Year ended September 30, 2023, and outlook of the business of the Company.

You are requested to take the same on your records.

Thanking you.

Yours faithfully,

For, Sagar Productions Limited

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Deeksha Pathak

Company Secretary and Compliance officer

Place: Mumbai



“Sagar Productions Limited
Q2 and H1 FY24 Earnings Conference Call”
December 06, 2023



MANAGEMENT: **MR. CHETAN MERCHANT – MANAGING DIRECTOR – SAGAR PRODUCTIONS LIMITED**
MR. RIKIN PAREKH – DIRECTOR – SAGAR PRODUCTIONS LIMITED
MR. SHIVA KUMAR – DIRECTOR – SAGAR PRODUCTIONS LIMITED
MR. AMEY KULKARNI – DIRECTOR – SAGAR PRODUCTIONS LIMITED

MODERATOR: **MR. AMOGH DAHIWADKAR – CAPITALSQUARE FINANCIAL SERVICES PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to Q2 FY24 results and outlook of the business conference call of Sagar Productions Limited hosted by CapitalSquare Financial Services Private 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 star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Amogh Dahiwadkar from CapitalSquare Financial Services. Thank you and over to you.

Amogh Dahiwadkar: Good evening everyone. On behalf of CapitalSquare Financial Services, I welcome you all to Sagar Productions Limited Q2 and H1 FY24 Earnings Call. We have with us Mr. Chetan Merchant, Managing Director, Mr. Rikin Parekh, Director, Mr. Shiva Kumar, Director and Mr. Amey Kulkarni, Director from Sagar Productions Limited.

Now I hand over the floor to the management for the opening remarks and outlook on business. Over to you, sir. Thank you.

Chetan Merchant: Thank you, Amogh. ePuja amalgamated with Sagar Productions Limited after NCLT vide its order dated 8th May 2023 approved the scheme. With technology getting embellished in every aspect of life, it was only time before the spiritual industry also would be disrupted by technology. And hence, being in the spiritual space and being a technology company, we have applied to BSE for a name change from Sagar Productions Limited to ePuja Spiritech Limited.

ePuja is India's first online portal that offers access to religious ceremonies and remedies across 3,600 temples in India. ePuja bridges the gap between inaccessible holy places and the desire to visit and offer prayer at the temples. ePuja aims to keep the Indians stay in touch with the spirituality with over 7,000 pujas being made readily available at the click of a button.

Our aim of ePuja is to offer the service of convenience to one and all so that the younger generation too can understand the science behind Indian culture and ritualistic traditions and to benefit from them as their ancestors have done. ePuja started with Shiva Kumar Rao, our founder, who travelled over 4.5 lakh km across the length and breadth of India and created a formidable network of temples. Shiva brings with him insightful networking skills and a deep understanding of Indian culture and his constant involvement with cultural bodies and temples across India.

As Indians, we are spiritually more inclined and have demonstrated exhibiting some of the other traits to fulfil spiritual aspirations. Then it be praying at specific temples for specific issues that the temples are known for conducting pujas at home during festivals. Given this background, do you relate with any of these?

Your parents want to offer a specific prayer at a temple but are unable to travel. You stay overseas and want to offer a prayer at a specific temple in India. You have scheduled a trip to a holy shrine but not inclined to wait in long queues.

I am sure in some ways or another we have personally experienced several such issues. One leans towards spirituality at times good, bad or ugly, unarguably. Point being spirituality is a big recession-free industry in India with numbers ranging anywhere between 60-80 billion US dollars in 2023.

The market is further expected to grow at a CAGR of 10% during the forecast period of 2024-2032. We believe that online puja market has huge opportunity in a country like India where the Hindu population which is 1.35 billion is 80% and India is home to around 90% of the global population of Hindus. ePuja is India's largest online portal to offer pujas across 3,600 Hindu temples in India and has already conducted over 50,000 pujas till date.

Customers from more than 70 countries have conducted pujas through ePuja to whom non-perishable prasadam in the official envelope of the temple with the customer name personalized by the temple have been shipped. ePuja has a repeat order run rate of over 50%. ePuja is the largest player to offer more than 7,000 pujas on its portal.

ePuja is an asset-light, debt-free company operating with negative working capital as the money for the puja is being received in advance post which the puja is conducted and the prasadam shipped to the devotee. ePuja operates at a 40%-45% gross margin with the most of it translating to PBT margins. With the last 4 years being purely devoted towards building content and getting a handle in engagement and fulfilment related issues, the management is now looking at aggressive scaling up the business and we look forward to adding more 5,000 temples in the business.

Now I'll ask Rikin Parekh to discuss the quarter 2 results.

Rikin Parekh:

Good evening everyone. To give you a glimpse of the Q2 results, we've done a top line of approximately INR30 lakhs. We've done an EBITDA of INR20 lakhs that translates to approximately 75%. We've done a PAT of INR1 lakh which is around 3.5%. To just take a slightly deeper dive into the numbers, we've got total 1,750 orders out of this. 85% was from India which translates to 1,574 orders. 183 orders were out of India.

Average order value for the Indian pujas or the Indian customers was approximately INR2,200 per order and for the orders that have come from outside India, the approximate order value size was INR5,500. To give you another insight in terms of number of pujas, what I've discussed right now is number of orders. Each order can have multiple pujas. So I'm just going to give you a perspective on what is the number of pujas also that have happened.

Approximately we've conducted close to 4,000 pujas around 40 havans in this quarter. We've also done a soft launch of the Astrology vertical in this Q2 where we've started receiving a small order flow even for the Astrology where we have 2-3 offerings. One is to ask a question online, second one is to speak to the astrologer and third one is to meet the astrologer.

So I'm happy to say that with the soft launch itself, we've managed to get approximately 15-18 questions in that quarter and we're slowly ramping up that segment as well. Yes, that's it from the results side.

Moderator: Should we start the question and answer session, sir?

Rikin Parekh: Yes, sure.

Moderator: Thank you very much. We will now begin the question and answer session. We have a first question from the line of Bhakti Ojha from CapitalSquare Financial Services. Please go ahead.

Bhakti Ojha: Good evening, sir. As per my understanding, the major business happens on the advance payment. Then why trade receivable is showing at INR1.4 crores in gone HF Financial 24?

Rikin Parekh: Yes. So, hi, Bhakti. Good evening. Can you just repeat your question once? Hello?

Moderator: Bhakti, can you repeat your question, please? We're not able to hear you.

Bhakti Ojha: The major business happens on advance payment. Then why trade receivable is showing at INR1.5 crores?

Rikin Parekh: Right. So, I completely understand what this is showing you is of the Sagar Productions business, which was going on till I would say the first quarter of this year. Right. We are in process of, I would say, cleaning it up. Right. But this is trade receivables for the business that was done at Sagar Productions, which was in some film editing and post-production work. Right. So, that is what is showing in the books. I believe over the next two quarters, those receivables will be cleared.

Bhakti Ojha: Okay. Thank you.

Moderator: Thank you. We have a next question from the line of Sudhir Padyar from Consultant Capital Advisors. Please go ahead.

Sudhir Padyar: Good evening. Brilliant. So, yes, it's a wonderful business that you're in. And like you rightly mentioned during your introductory call, it's a recession-proof business. Can you just let me know as to on an average day, what is the number of pujas that you conduct today?

Rikin Parekh: Sure. Just give me a moment. So, on an average, today we are doing approximately 40 to 50 pujas on a daily basis.

Sudhir Padyar: On a daily basis. Okay. And what was this run rate during COVID times when there was a complete lockdown, just for us to get a sense of how the business transpired?

Rikin Parekh: So, it was... Just give me a moment. I'll just pull it out. So, during COVID, this was approximately more close to like the 9,500 number.

Sudhir Padyar: 9,500. Okay. So, even during COVID times, you basically had the puja orders actually coming in?

Rikin Parekh: Yes, yes, absolutely. It was, I would say double. Now, it is kind of normalized in that sense.

Sudhir Padyar: Okay. Okay. Okay. My second question is how many... You said you have a temple network close to about 7,000?

Rikin Parekh: No, sir. 3,600 temples.

Sudhir Padyar: 3,600 temples. Okay. And of this, would you have an 80-20 ratio, which means that 80% of your puja is being booked from less than 20% of your temples? How many active temples do you have as of date?

Rikin Parekh: You could go with that. What I would like to add in this, Sudhir, is that a lot of our pujas come from the remedy puja segment, right? Remedy pujas typically are driven by your astrology or your nine planets, where some of the other people have some of the other issues going on because of the planetary positions not being in favor.

Right. Just to give you another example to this is your Kalsarpa, right? One-sixth of the global population today, global population I am talking, right? It suffers from this Kalsarpa Yog, where no matter what the individual is doing in terms of effort, he just doesn't get the result. Right? So, the puja that you do, right, to take care of this situation is a remedy puja.

Right? So, this way you could have issues with, you know, your Shani, Sade Sati, or Mangal, Rahu, etc. Right? So, I would say we have a lot of pujas that are coming on the remedy side. I hope that answers your question.

Sudhir Padyar: Not really exactly.

Shiva Kumar: If I may add, I am Shiv Kumar here. Hi Sudhir. The remedy pujas are our basic bread and butter. All right.

Sudhir Padyar: Correct.

Shiva Kumar: Which is basically a recession proof, I mean, irrespective of what auspicious time or inauspicious time, those generate our business. And out of the 3,600, we can say around one and a half to 2,000 temples are, regularly on our orders.

Sudhir Padyar: Okay. So, of the 3,000 temples that you are saying, about thousand-odd temples are being regularly catered to on account of remedy puja, if I'm getting it correct.

Shiva Kumar: On a day-to-day basis or we can say weekly basis. No, on an annual basis.

Sudhir Padyar: I mean, I'm taking a broader, on an annual basis.

Shiva Kumar: To give you an example, for example, if you look at the Ashtavinayak Ganpati temples in Maharashtra, the order flow shoots up during this Ganpati festival.

Sudhir Padyar: I understand. I understand.

Shiva Kumar: Similarly, every God will have a Jayanti or on its own festival important days, those days, those orders shoot up. Rest of the time, it's normal only.

Sudhir Padyar: No, I understand that. So, I'll tell you where I'm coming from. Right. So, I don't have much understanding of the business. So, I'm just trying to delve a little bit deeper. So, what I'm trying to figure out is you already have a temple network of close to about 3,000.

Shiva Kumar: 3,600.

Sudhir Padyar: And yes, 3,600. Right. And in your, you know, sort of call, introductory call, you mentioned that you're looking at increasing the temple network. The reason I'm asking you this is I feel that if you already have, you know, detailed enough temples in your kitty right now, should we not try and, you know, cater to actually fulfilling our capacities in the existing temples rather than look out for new temples?

Shiva Kumar: Okay, I'll answer that. I got your point. See, what happens is India is a land of temples in the sense that there are almost 10 lakh and above temples in India.

Sudhir Padyar: I get it.

Shiva Kumar: We have networked the most important ones, popular ones, and famous ones. Okay. There's a whole lot that have to be networked to our temple. The reason is, see, tomorrow if some miracle happens in some temple, unknown temple, and suddenly it comes on TV or on news channels, the popularity surges. So, we might not have looked at the temple at all. Due to popularity by some customers, messages come on chat and ask, do you have that temple? I would like to offer a puja there. So, there are old ancient temples which suddenly become popular due to some newsflash or breaking news or some controversy or whatever.

Sudhir Padyar: Okay.

Shiva Kumar: So, those temples need to be added overall. Like, for example, I had one case in Jharkhand and Bihar on Chinnamasta Devi temple. It's basically a very ancient temple. Recently, three or four customers wanted to offer pujas to that. We couldn't do that because we're yet to network it. Similarly, each region will have some unique old temples which are not yet in the limelight.

Sudhir Padyar: Okay.

Shiva Kumar: But which can add significantly to our order flow.

Sudhir Padyar: Okay. Okay. Okay. And...

Shiva Kumar: I get your point. What is the point? I get your point that what is the need to add more temples when existing ones are more than enough?

Sudhir Padyar: Yes, that is what I was trying to figure out.

Shiva Kumar: Like, each temple, it may be the same deity. An Ashtavinayak or eight temples clustered in Maharashtra, for example, or an Navagraha temple in Tamil Nadu.

Sudhir Padyar: Okay.

Shiva Kumar: There are still people rushing to Siddhivinayak in Bombay, for example.

Sudhir Padyar: I understand.

Shiva Kumar: So, the same deity in different temples.

Sudhir Padyar: I get it. I get it.

Rikin Parekh: I'd also like to add, Sudhir, on this, the same query that...

Sudhir Padyar: Yes.

Rikin Parekh: See, I'll give you another example. Today, I'm sure we all have something called a Kuladevata, right? Or a Kuladevi.

Sudhir Padyar: Yes.

Rikin Parekh: Kuladevi. Correct? Yes. So, now I would say that we don't have any of these Kuladevi, Kuladevata temples still networked on our platform.

Sudhir Padyar: Okay.

Rikin Parekh: Right. So, that itself, I mean, I'm just trying to put a number. There would be at least thousand or more just different, different Kuladevis or Kuladevatas which can easily be brought on the platform. And you have to also understand, or rather let me explain it to you, that every family or every, family is not the right word. Clan. Yes, every clan. Yes, Shiva, right. Clan.

Every clan has this one Devi or Devata they puja to, right? They offer puja to, right? And those pujas, because today what is happening, these Devi, Devata temples are not on the platform. It is quite difficult to, you know, do something there on a regular basis. I'll give you my own example, right? My Kuladevi is somewhere in Gujarat in a small town called Amreli.

But I can't do much. I just land up going once in a year, maybe once in two years, you know, just for a darshan and I come back. But if the same temple is available on this network, I would probably offer a puja every month.

Sudhir Padyar: Okay.

Shiva Kumar: And to add to that, the Kuladevata or clan, your Vanshka Dev, God, means your larger family tree God, it is not the God or the deity, it's the place of worship. Like your family deity may be Ganpati or Devi. So going to any Devi doesn't work. And as Rikin mentioned, there are literally thousands of temples. In Kerala, there is a place called Palakkad. In that district, there are 300 clan temples.

Sudhir Padyar: Okay.

Shiva Kumar: One district in one small state can have so much. And like that, there are, I mean, it's a huge ocean out there.

Sudhir Padyar: I understand. I understand. Okay, I'll ask one last question before I leave it. And if there are any follow up questions, I'll come back. My last question is, so do you have different verticals in your revenue base or it's only pujas that you have physically now?

Rikin Parekh: Yes. So, Sudhir, currently we are doing pujas, havans. These two are our mainstay verticals right now. We've done a soft launch on astrology right now, very recently.

Sudhir Padyar: Brilliant. Okay.

Rikin Parekh: We've started with two very, very high end experienced astrologers. Right. Then just to give you a little bit perspective, we are also looking at religious tourism extremely actively. We had done a pilot run with MakeMyTrip a couple of years back and I'm talking just before COVID. That had got a phenomenal response. So we are looking to revive that partnership with MakeMyTrip and Goibibo for the temple guided tours, VIP temple guided tours. And just to put some numbers to that, like within two months of our pilot run with MakeMyTrip, we had got, I think, approximately over 1000 customers.

Sudhir Padyar: Brilliant. Brilliant.

Rikin Parekh: Yes. So then, unfortunately, COVID happened. We took, we had to take a backseat because there was no traveling at all. Right. And now we are looking to revive that relationship and probably be able to launch it maybe by the end of Q4 of FY24. That's the target right now.

Sudhir Padyar: Okay. And just to understand this better, what was the average ticket size for this MakeMyTrip deal that you had had?

Rikin Parekh: So typically how it works is we had three offerings there. Right. Like Silver, sorry, Bronze, Silver and Gold. Bronze is going to be just like a VIP temple guided tour. You do your darshan and you go out. The Silver one would have a small ritual included, say, for example, like a small Abhishek or something like that or an aarti or something like that.

Sudhir Padyar: Okay.

Rikin Parekh: Right, and the Gold offering would have a more elaborate ritual. It could be a havan. It could be, say, two or three different kind of abhisheks that happen to the different lords of those temples. Right. Ticket sizes, as you wanted to understand, the basic one was INR1000, which is Bronze.

Sudhir Padyar: Okay.

Rikin Parekh: That would also depend or vary from temple to temple, but I'm just giving you a perspective.

Sudhir Padyar: Understand.

Rikin Parekh: The silver offering was approximately INR1,500 to INR1,800 bucks per person.

Sudhir Padyar: Okay.

Rikin Parekh: Right. And the Gold would be in the range of INR3,000, INR3,500, INR4,000 depending on -- INR5000.

Sudhir Padyar: Okay.

Rikin Parekh: Yes.

Sudhir Padyar: And just the last follow up on the same thing. Right. So, this thousand customers that you acquired, what are the average ticket size that you got? I mean, most people coming in Bronze or, you know, there were a good number of people coming to Silver and Gold also.

Rikin Parekh: No. So, majority of them were Bronze and Silver. Typically, it would be a family of three or four.

Sudhir Padyar: Okay.

Rikin Parekh: Right. So, for us, if it's a family of four, we're charging INR4,000. Of course, if there is a child, we don't charge for that.

Sudhir Padyar: Correct.

Rikin Parekh: Yes. But typically the ticket size, even in the Bronze as a family would be to the tune of INR3,000 to INR4,000.

Sudhir Padyar: Correct. So, is it fair to assume INR2000 on average?

Rikin Parekh: Sorry, I didn't get you.

Sudhir Padyar: Now, would it be fair to assume an average ticket size of INR2,000, including most Bronze and Silver?

Rikin Parekh: Yes.

Sudhir Padyar: Yes.

Rikin Parekh: It could be a little higher, but yes, you can, you can look at INR2,000 as conservatively.

Sudhir Padyar: Okay. So, that's in line with our existing average ticket size of pujas that we're getting right now.

Rikin Parekh: Yes.

Sudhir Padyar: Brilliant. So, the benefit of this tie up could be a volume spurt that you can get on back of the traffic that comes on MakeMyTrip site.

Shiva Kumar: Cross selling also.

Sudhir Padyar: I'm sorry. Yes. Cross selling. Of course. Of course.

- Chetan Merchant:** Yes. Yes. Correct. So, we are in touch with a travel website. Basically, they have approximately 75,000 agents and 20 million customers whom we are looking at engaging with.
- Sudhir Padyar:** Okay. Okay. And what stage would we be? I mean, if you can disclose that?
- Rikin Parekh:** We've just started the discussion with this, this travel player. Maybe you could say we've just started initial stages.
- Sudhir Padyar:** Okay. Thank you.
- Moderator:** Thank you. We have our next question from Padmaja Ambekar from Parmeshwari Advisors. Please go ahead.
- Padmaja Ambekar:** Thank you for the opportunity, sir. So, recently you have announced fundraise through preferential allotment. Can you please throw some light on the deployment of these funds and what will be the roadmap for the growth?
- Rikin Parekh:** Sure. Good evening, Padmaja. So, see, just to give you a perspective on the deployment of capital, there are a few things that we are looking to do. Primarily, as we just discussed, adding a temple network, 5,000 temples on the network. That is one area of deployment. Second one is developing or upgrading our technology on the website as well as creating Android and iOS application.
- The third space is to create content, do marketing and getting more engagements through different social media channels. And then to support all of this, we will also need to increase manpower. So, that is the fourth area of deployment. And fifth, we are also actively looking at meaningful small acquisitions in the digital marketing space.
- The fifth space where we want to deploy funds is, you know, to create omnichannel presence. So, we are also looking at putting up kiosks on major airports across India. So, these are primarily the areas where we are looking to deploy funds.
- Padmaja Ambekar:** Thank you so much sir.
- Moderator:** Thank you. We have our next question from the line of Nipa Haria from Nipnil Investment. Please go ahead.
- Nipa Haria:** Good evening, all. I would like to know, I think you mentioned right now this quarter, the pujas were around 4,000. So, what was it compared to the last quarter?
- Rikin Parekh:** Sorry, what was the question? Please come again.
- Nipa Haria:** This quarter, and this quarter you mentioned you had pujas around about 4000, right? Puja offerings?
- Rikin Parekh:** Puja offerings, yes.
- Nipa Haria:** Yes. So, what was it compared to the last quarter?

- Rikin Parekh:** No, so you mean the number of pujas booked is what you are asking, right? So, last quarter, we had approximately 3,400 pujas that were booked.
- Nipa Haria:** Okay.
- Rikin Parekh:** Yes. And this quarter, we've done approximately 4,000.
- Nipa Haria:** Okay. Now, out of this, how much was outside India?
- Rikin Parekh:** Yes. So, outside India, if I have to look at it from a revenue perspective, it is approximately 25%, which is out of India. 75% is in India. Okay.
- Nipa Haria:** And now, the geographical breakup of this number of which areas there are maximum, how it is?
- Rikin Parekh:** So, when you're talking about out of India orders, we get primarily we get orders from US, UK, Canada, Australia, Singapore, and UAE. These are the primary geographies. Besides that, of course, we do get orders from various countries in Europe, South America, which also includes your Argentina and going up north even Finland.
- But majority of the orders from out of India are from these countries. Within India, if you have to look, I would say the skew is more towards south of India. So, I would say around 35% would be coming from south of India. Right. And I would say balance 65 from across India. But yes, south of India has a slightly heavier skew.
- Shiva Kumar:** And urban centres have got, give us more business like big cities or, you know, medium sized cities also.
- Nipa Haria:** Okay. So, the new additions, what you're going to do in temple, that would be more on the south side or north side? What is the plan?
- Rikin Parekh:** Shiva, would you like to come in?
- Shiva Kumar:** Yes. South, we have a sizable network already. We need to add more in the north, or west of India rather.
- Nipa Haria:** Okay. Okay. Okay. Thanks a lot, sir.
- Rikin Parekh:** Thank you.
- Moderator:** Thank you. We have a next question from the line of Ravindra Jain, an individual investor. Please go ahead. Mr. Jain, we have requested to use your handset, please.
- Ravindra Jain:** Yes, sure. So, basically, I want to understand with regards to the astrology segment. So, we have seen over the years, there are so many players in this. So, how do you see the competition coming?
- Rikin Parekh:** If I heard it right, you want to understand our take on the competition, right?

- Ravindra Jain:** That's right. Yes.
- Rikin Parekh:** Yes. Okay. So, just to give you a perspective, I feel that there are a lot of players without a doubt, but we are just still scratching the surface. As Shiva just mentioned, there are more than like 8-10 lakh temples, right, that are there. More than that, I would also say that with astrology coming in, Vastu, that is also another thing we are, you know, kind of considering and the religious tourism that we are looking at, right? We become primarily like a one-stop shop.
- Today, if you look at any of the other competitors, right, a lot of them are very area-centric or I would say state-centric. I don't want to take any names, but that's where it is. And besides that, just looking at astrology, just a single vertical, right, that itself has so much potential to drive business on three fronts.
- One would be astrology consultations itself. Two, helping us get more orders on our portal and three, it will also then help us, you know, get more orders on the product front, right? And if you look at the industry per se, right, it's a huge industry.
- It's standing at 60 to 80 billion today as we speak. And it has a CAGR of more than 10% over the next 5-7 years. So, I believe competition is going to be great. There is enough and more to be made by multiple players.
- Ravindra Jain:** Okay, sure.
- Rikin Parekh:** I hope, that answers your question.
- Ravindra Jain:** Okay, fine. Thank you.
- Moderator:** Thank you. We have our next question from the line of Tony Nawani, an individual investor. Please go ahead.
- Tony Nawani:** Good evening, sir. I would like to know, what is this inventory of INR5.5 crores of?
- Rikin Parekh:** Yes, so, Tony, as we just said, right, this is all pre the amalgamation where Sagar production was in the business of film editing, post-productions. They've got some rights of some films that they've edited and done some post-production work on. We are trying to see how it can get monetized over the next three quarters to four quarters that element will get monetized.
- Tony Nawani:** Okay. And normally, this [PujaSync 0:30:58] business is more of advanced payments and all.
- Rikin Parekh:** Yes.
- Tony Nawani:** Why this trade is showing INR1.4 crores?
- Rikin Parekh:** Correct. So, I think I did answer that question to somebody else before. Again, that is pre amalgamation. It was work done by Sagar production on a couple of short ad films, etcetera. Those are receivables that they have to still be able to still receive. So, we're trying to figure out how we can get that done. We are hopeful that those receivables will be in over the next two quarters.

Tony Nawani: Next two quarters. By this financial year, it will be completed?

Rikin Parekh: Hopefully, we are hoping that it will get completed.

Tony Nawani: Okay. Thank you so much.

Moderator: Thank you. We have a next question from the line of Sudesh Ganesh Kamath, an individual investor. Please go ahead.

Sudesh Kamath: Good evening.

Rikin Parekh: Good evening, sir.

Sudesh Kamath: Yes. So, one of my questions was related to competition, which I think you've already answered. The other thing which I wanted to know is whether you have Puja product segment, wherein, a lot of people have requirements of specific Puja items, which may not be locally available. So, they be looking at buying from authentic sources. So, do you have something of that kind?

Rikin Parekh: Yes. So, again, just to give you a perspective, we did -- again, we had done a pilot on the ePuja shop, just pre-COVID, when I discussed the same time during the Make My Trip pilot was being run. Right. We had a good response then. But then due to issues of getting the delivery in time, we had to bring it down. We are considering to start an ePuja store probably by first quarter of the next year.

So, sometime in April of '24, we should be able to do it, where we'll be selling articles like Rudraksh, gemstones, all different Puja Samagris, Yantras, Dhooops, Incense sticks, etcetera. Yes. So, that is definitely on the cards. As of now, we are looking to launch it by the first quarter of the next financial year.

Sudesh Kamath: Yes. Thank you. The other thing which I wanted to ask you is, what are -- how are your plans to scale up the business? Like, you have a good network set up right now. And the order flow is also there, but how would you like plan to scale up the business?

Rikin Parekh: Right. So, Mr. Sudesh, we are actively looking at doing some large corporate tie-ups. I'll give you one example. Again, extremely initial talks with a large broker, I don't want to name it yet, where we are trying to tell them that we can offer a Puja for every new DEMAT account opened, by that large broker. And the idea behind that is to be able to connect or touch your customer or consumer at a sentimental level rather than just having him at an operational level.

Today, just trying to -- just adding more to it, it's like, a broker is praying that my client makes profit or for that matter, it could be even a health insurance company, where the health insurance company along with the insurance policy, may, we can look at bundling something, some Puja or through the agents, we can sell the Pujas, where it is saying that the agent is praying for the good health of the customer, right. So, such large tie-ups are going to be very, very important in scaling up.

Of course, besides that, we are going to increase our presence on all social media handles, channels, deploy some, I would say, influencers, more content creation. But yes, broadly, these are the few ways that we look that we can scale it up fast.

Sudesh Kamath: Sir, another thing which I wanted to understand is, like for high ticket Pujas, does the customer have live coverage of the Puja being done or anything of that sort?

Rikin Parekh: Yes, so for, typically for the Havans that we do, the customer has an option where he can have a live viewing of the Havan as and when it's done. Besides that, he also records the entire Havan and sends a DVD to the client for his keepsake along with the Prasad.

Shiva, would you like to add something more to this?

Sihiv Kumar: Yes, see, most Havans are big ticket size orders. So, people come online and we live stream it to the customer. And most people living abroad, they order or most of our Havan orders come from international customers. So, it's a family time, they sit in front, their family relatives in India, the main client sitting in US or UK, we all do a group live streaming for them. Apart from that, some people request a DVD also. So, the customer has the option to take DVD or live streaming or both.

When it comes to temples, most temples don't allow camera or mobile phones inside the premises. So, there the customer gets the Prasadam in the temple's official envelope with the client's name written on it. That authenticates our puja offering in a temple. Havan, we live stream it.

Sudesh Kamath: Sir, the other thing which I wanted to know is, the larger temples have also launched their own website for accepting pujas. So, is it possible that the customer will directly go to the temple websites and book the pujas?

Sihiv Kumar: Sir, temples having their own website are still very miniscule in number. If you look at the, as I told there are about 10 lakh-odd temples in India, there may be around 10 or 20 websites of temples offering puja booking services. They will have this generic websites with a page on history of the temple, mythology of the temple, images will be loaded on the website. Puja booking option on the temple's official website, they are still in very small numbers.

Sudesh Kamath: Right. Okay, sir. All the best.

Sihiv Kumar: Tirupati will have or Somnath will have, but huge number, no? There's hardly scratch the surface.

Sudesh Kamath: Another thing which I wanted to know, do you have been, so like larger ticket Havan, so do you have a concept of Samuhik pujas being done where lot of people contribute, those who want to do that puja contribute for those kind of Havans?

Rikin Parekh: Did you mean something like a subscription Havan or a group Havan?

Sudesh Kamath: Yes, yes. So, suppose we do have group Havan -- and you want to do some Vishnu Yagya. So, the cost may be like for a single individual, may be exorbitant, but he wants to be part of it.

- Sihiv Kumar:** So, we have that option also, but that runs only on specific days. Like for example, Vishnu Havan as you told will be popular on a Vaikunth Ekadashi or Lord Shiva Havan on a Mahashivratri. Okay, on those days we run, but most customers prefer individual exclusive customized Havans, because Havan also is done for remedy only.
- So, person is suffering from a severe health problem, they'll do a Mahamrityunjaya Havan when the person is suffering, when he's going inside the operation theatre or a surgery room. So, Samuhik happens on festival days, I agree, but usually our customers prefer customized exclusive rituals.
- The fruits of the Havan gets distributed to everybody. If you do it exclusively, the client receives it fully for his benefit. That's the belief in doing Havan.
- Sudesh Kamath:** Yes. Thank you, sir.
- Sihiv Kumar:** Thank you.
- Moderator:** Thank you. We'll take the next question from the line of Shubhangi, an individual investor. Please go ahead.
- Shubhangi:** Hi, sir. Good evening. Firstly, I appreciate what you're doing for people who actually can't travel and the satisfaction they get by offering prayers to these temples. But when I see the business viability, you mentioned that you intend increasing the network. So, when you all do that, what is the kind of monetary arrangement that you'll have with the temples? Is there a minimum number of pujas that you'll need to commit to them? Or how does that work?
- Rikin Parekh:** Shiva, would you like to take that?
- Sihiv Kumar:** Yes. You mean to say that, how do we assure temples minimum number of orders, right?
- Shubhangi:** Yes. I mean, how do you end up getting them into your network?
- Sihiv Kumar:** See, temples are not run like profit and loss centres. Temples are basically institutions of social importance. So, a temple will run whether it gets one devotee or 100 devotees, whether pujas come to it or not. Usually what we do is, the temple priest is our agent there. We link up with the temple priest. Temple priests are usually hereditary people whose family members worship in the temple since generations. So, a temple priest will go to that particular temple every day, whether a devotee comes or doesn't come.
- So, when we get an order from any customer, we send a payment to the temple, the official fees for that particular ritual. We also send a payment to the priest. That's the sort of Dakshina to him. And we also pay for the puja articles, coconut, garland, whatever is the puja article set for that particular temple. So, we arrange the whole thing and we share the customer's nakshatra, gothra, details with the priest and with the temple.
- And if the customer has opted for any specific date, we provide that date and the time also for the priest. So, temples run. It's not run like a profit and loss thing, a temple will have a trust, it will have funds for their rituals. So, it's not a profit and loss sort of entity.

- Shubhangi:** So, I was just following-up on that question, which you answered to one of the participants that the flow of money that you are going to see will be used to increase the network. So, I was trying to understand if there is any cost?
- Rikin Parekh:** Yes, so, Shubhangi, just to add to what Shiva said, there is no real prerequisite when we bring a temple on board on the platform. There is no prerequisite that this is the minimum commitment that we will give you etcetera.
- Shubhangi:** I see. Okay. So, right now, we are focused pretty much on Hinduism and the temple segment. Are we also intending to expand it to the other religions and the places of worship which also could be worshipped by people?
- Rikin Parekh:** So, I will give you a very honest answer, Shubhangi. Right now, we have just scratched the surface with the Hindu temples where even at 3,600, it's too small a network. As Shiva pointed out, there are more than 10 lakh temples. We need to first make sure that we have fully, I would say, utilized the entire network in terms of a number of temples, a number of customers and when we see growth stagnating is when probably we will consider some other religions for that matter.
- And look at it from a different perspective that today in India, we have a population of what close to 140 crores people. 80% are Hindus. Right. And when we are looking at 80% Hindus, which is close to 100 crores people being Hindus. So, today, even if we manage to bring 2 crores customers, that is just 2%. And I mean, utilizing any one service of the puja itself, that in itself will be a huge achievement.
- Shubhangi:** Sure. And lastly, I was just also trying to understand, people who've been doing the pujas or booking pujas online, what would be the segment that normally ends up doing it? So, is it relatively in the older category who are well versed with digital or is it the younger one? How does that...
- Rikin Parekh:** Typically, Shubhangi, how it works is that one, there will be one family member, generally between the age group of 35 to 50, right, that one person will be booking the pujas. Of course, the pujas are done for multiple family members, right. So, there will be one puja done for a child also who is say 18 years or 15 years old. And then there will be another puja, the same person is booking for his father or mother, who is maybe 75 or 80. So, if you ask me exactly, so that at what age group people are placing the orders, our calculated guess is between the age of 35 and 50.
- Shubhangi:** I understand. And like you mentioned, one of the segments that you're looking at was one of the brokers and people who are...
- Rikin Parekh:** Yes, yes.
- Shubhangi:** Similarly, are there other avenues that you all have thought of that you all can actually go in or similar corporate tie-ups that you're looking at?

- Rikin Parekh:** Yes, yes. So, just again, just to add more to that, you can look at, say, fertility clinics, right. We have a couple of temples on our network, which are known, to help for conceiving for couples. So, that will take us to fertility clinics. Then we have temples which are specific for, getting jobs. So, that will look at your job portals like your naukri.com or a monster.com or, such portals.
- Then we have temples which are known for, removing obstacles in marriages, right, that allows us to, reach out to a Shadi.com or Bharat Matrimony, right. Then we have for -- so, that way we have for multiple issues, we have multiple temples, right. So, any such large tie-ups, right, can make the volumes go through the roof.
- Shubhangi:** I agree, sir.
- Rikin Parekh:** Yes. Even for that matter, I would say large, these housing companies or other real estate developers, could be our potential for our corporate tie-ups.
- Management:** Griha Pravesh or buying a property.
- Rikin Parekh:** Sorry.
- Shubhangi:** So, also that we need to one more question. So there are these sort of fundings that are required by people to do the house puja and, other different pujas. And sometimes it becomes tough for people to find the right person or someone who is trustworthy. Do you all intend setting up a network of, these funders who can also go depending on the area and stuff? Has that been one of the thoughts?
- Rikin Parekh:** So, definitely. You know what, I am actually happy that a lot of things that are on the cards, you guys are already kind of anticipating it. So, yes, we are looking at Pandit at Home service as well. Again, this is on the drawing board yet. Looking to probably launch it in maybe Q2 of the next financial year. Because the important part, in a Pandit at Home service, we need to make sure that one, we need to do a very, very thorough background check of the Pandit, right? You don't want any mishaps happening at a customer's house.
- And two, we need to make sure that, the Pandits are extremely good in terms of well-experienced and, they are able to say the shlokas, etcetera in the right fashion. And if the Yajman or the person who is getting the puja done, if he has questions regarding the shlokas, he should also be able to explain everything. Right? You don't want the nook and corner Pandits who don't really have the experience. Right? And of course, for this, we are also looking to leverage our existing network of the Pandits which are there in the 3600 temples as well, because that will add more authenticity as well. Right.
- Shubhangi:** Right. This is very helpful. Wish you all the best.
- Rikin Parekh:** Thank you.
- Moderator:** Thank you. We have a next question from the line of Priyadarshi Srivastava, an individual investor. Please go ahead.

- Priyadarshi Srivastava:** Good evening, sir. And thank you for the opportunity, sir. Sir, I just wanted to know what is your marketing and advertising expense as a percentage of revenue currently? And as you wish to go in the other streams and tie ups and also how it will go up and what is your view on that?
- Rikin Parekh:** Good evening, sir. So to give you some clarity on that, currently we are spending approximately INR1 lakh a month that will translate to INR12 lakhs annually on marketing. Within that also, we are spending 50,000 on Google Adwords. Right. And so far, we've been able to establish a one is to three ratio with Google Adwords where INR1 spent gives us typically business of INR3. The balance is the balance INR50,000 we spend is towards creating different creative, making different creatives, posting them on different social media handles, etcetera. Right. And we completely need to revamp the social media presence. So yes, that's what the current marketing expenses are.
- Priyadarshi Srivastava:** Okay, but and how you see as you are like getting into other streams like temple tourism and other tie-ups, so this will go up or?
- Rikin Parekh:** Definitely, sir. I think, we are looking to ramp up the marketing spend at least, I would say, three to four times, in a phased manner, where every time we, increase the marketing spend, we would like to, do a A-B testing, figure out what's working, what's not working, and then keep allocating more to what is working. But yes, we definitely looking at, pushing up this to at least four to five times from what we are today.
- Priyadarshi Srivastava:** Okay, so as a percentage of revenues, how would you like to like, what would be your ideal?
- Rikin Parekh:** Sir, the percentage of revenue currently, if I take it on an annual basis, it will be approximately 10%, 12%. We are looking to push that at least to 30%, 35% of the revenue.
- Priyadarshi Srivastava:** Okay, thank you and all the best.
- Rikin Parekh:** Thank you.
- Moderator:** Thank you. We have our next question from the line of Lakshmi Shah from Ekadanta Investment. Please go ahead.
- Lakshmi Shah:** Hello. Good evening, everyone.
- Rikin Parekh:** Good evening, ma'am.
- Lakshmi Shah:** My question is, as you have mentioned in quarter two FY'24, the company have posted revenue of INR29 lakh. What was the breakup of this revenue?
- Rikin Parekh:** So, yes, 97% of the revenue was coming from ePuja and the Havan business. And 3% from the astrology bit because we've just done a soft launch yet. We are kind of learning the ropes on the astrology end. But yes, going forward, we do see astrology segment picking up substantially.
- Lakshmi Shah:** Okay, and how do you see growth coming from this segment?
- Rikin Parekh:** From the astrology segment or from the ePuja?

Lakshmi Shah: From astrology segment?

Rikin Parekh: Yes. So, we believe that, I mean, today it's an extremely small base, right? So, we think that over the next two to three quarters, we should be able to get at least 30%, 35% of our total revenue from the astrology segment.

Lakshmi Shah: Okay.

Rikin Parekh: And the other thing, we believe that going forward, astrology also will play a key role in driving business even for the ePuja segment, right? Because typically what happens in a consultation is that the astrologer will suggest that you need to do certain Pujas and maybe use a certain Gemstone or a Rudraksha, right? So, the endeavour is to make sure that whatever these recommendations are also are done or fulfilled through the platform. So, it's an amazing upselling or a cross selling opportunity as well.

Lakshmi Shah: Okay. Thank you.

Rikin Parekh: Thank you.

Moderator: Thank you. We have a next question from the line of Sudhir Padiyar from Consultant Capital Advisors. Please go ahead.

Sudhir Padiyar: Yes, hi. Just so, one of my questions was kind of asked in a different way by the participant. Just wanted to check on what is our customer acquisition cost as on date?

Rikin Parekh: So, Sudhir, customer acquisition cost, I'll not be able to give you a pinpoint number because we have a fairly high repeat order ratio, right? But currently, we are looking at -- what we land up spending per customer -- a new customer would be in the range of INR6 to INR700.

Sudhir Padiyar: INR6 to INR700, basically? Okay.

Rikin Parekh: Yes.

Sudhir Padiyar: But that's significantly lower than the metrics which is usually shared by other startups?

Rikin Parekh: Yes. So, that comes to INR600 INR700 bucks because of the high repeat ratio, right? Today, I have acquired you as a customer, right? But over a period of two months, you managed to give me orders worth INR20 or INR30,000. So, I will probably reduce my acquisition cost by that much.

Sudhir Padiyar: Correct. I get it. And since you mentioned about repeat customer, what is the repeat ratio in your metrics?

Rikin Parekh: So, typically, we have a repeat ratio of 50%.

Sudhir Padiyar: Okay.



Rikin Parekh: Yes. So, 50% of our clients keep coming back on a yearly, some come back quarterly, right, to keep placing orders for newer Pujas or different Pujas depending on the festival, depending on their need, even Havan's for that matter.

Sudhir Padiyar: Okay. Okay.

Rikin Parekh: Does that answer your query?

Sudhir Padiyar: Yes. Yes. That does. That does. Thank you so much and wish you all the best.

Rikin Parekh: Thank you. Thank you, Sudhir.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. On behalf of CapitalSquare Financial Services Private Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.