

May 21, 2026

To,
The Manager,
Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, C-1,
Block- G, Bandra – Kurla Complex,
Bandra (East), Mumbai – 400051
Symbol: AAKAAR

Dear Sir/ Madam,

Sub.: Transcript of the earnings call held on May 15, 2026 at 4.30 P.M.

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to enclose herewith the transcript of the audio recording of the Company's Earnings Call to discuss the Financial Results for the year ended March 31, 2026, held on Friday, May 15, 2026 at 4.30 PM.

Kindly take the same on your records.

Thanking you.

Yours faithfully,
For Aakaar Medical Technologies Ltd.

Anoopkumar Pillai
Company Secretary and Compliance Officer



“Aakaar Medical Technologies Limited H2 & FY26 Earnings Conference Call”

May 15, 2026



**MANAGEMENT: MR. DILIP MESWANI – FOUNDER AND MANAGING
DIRECTOR – AAKAAR MEDICAL TECHNOLOGIES
LIMITED
DR. RAHUL SAWAKHANDE – CHIEF EXECUTIVE
OFFICER AND DIRECTOR – AAKAAR MEDICAL
TECHNOLOGIES LIMITED
MR. RAKESH PAREKH – CHIEF FINANCIAL OFFICER –
AAKAAR MEDICAL TECHNOLOGIES LIMITED**

MODERATOR: MS. SOUMYA CHHAJED –GO INDIA ADVISORS LLP

H2 & FY26 Earnings Call - Aakaar Medical Technologies Ltd

Soumya Chhajed

Good evening, everyone and welcome to H2 and FY2026 earnings call of Aakaar Medical Technologies Limited. We have on call with us Mr. Dilip Meswani, founder and managing director Dr. Rahul Savakhande, the Chief Executive Officer and Director, Rakesh Parikh, the Chief Financial Officer. We must remind you that discussion on today's call may include certain forward-looking statements and must be therefore viewed in conjunction with the risk pertaining to the business.

Thank you and over to you, sir.

Dilip Meswani

Good evening, everyone. I'm Dilip Meswani here, Founder and Managing Director of Aakaar Medical. Welcome to Aakaar Medical Technologies H2&FY26 conference call.

On behalf of the board and our entire team, I thank each of you, our investors, partners, and stakeholders for your continued trust as we complete our first full year as a listed company on the NSE EMERGE platform. When I reflect on financial year 26, I see a year that tested our resolve and validated our fundamentals. The year began with a deliberate restraint. We consciously tightened credit terms in H1, moderated sales growth, and took short-term pain in favor of long-term financial discipline.

That was not an accident. That was a choice, and H2 is proof that it was the right A deliberate, then a decisive rebound. H2 revenue came in at 41.63 CR, up to up by 23% year-on-year, and 64% over H1. With EBITDA of around rupees 10.95 CR and PAT of rupees 4 CR, both had record half-year levels.

For the full year, we closed the financing at 26 at 67 crores in revenue, 10.97 crores in EBITDA and 6.6 crores in PAT. Demonstrating a compounding profitability even though a year of significant transition. What makes this especially meaningful is that we achieved this while simultaneously strengthening the balance sheet.

Quarterly debtors days reduced materially across the year from 209 days in June 2025 to 167 days by March 2026. Short-term borrowings declined. Cash & cash equivalents are at 16 CR at year-end. The IPO capital is being purposely deployed, Rs.9.3 cr into working capital rationalisation. On the strategic front, FY26 was not just a year of financial recovery.

It was a year of material portfolio expansion and ecosystem building. We launched five high potential products. Letybo, Botulinum Toxin from Korea, which is a US FDA product. Saypha, new Saypha, which is now a US FDA approved fillers.

VM Corporation Italy, a very high potential exosome portfolio. And Xomage, again exosome portfolio from Korea. And also a very unique device from DermLite, which is from USA. Each representing a deliberate step into higher margin, clinically differentiated territory.

We expanded our customer base to over 6,300 doctors, practitioners, extended our footprint into tier 2 and tier 3 cities, and launched the Xelix partner clinic platform. We are now company with 10 years of PAT positive performance, and growing own brand portfolio at 37% revenues and product architecture that is increasingly differentiated and defensible. As we enter FY27, our priorities are clear. Discipline growth, margin expansion, improved operating leverage, and sustained value creation for all stakeholders. I now hand over to Dr. Rahul Sawakhande, our CEO, who will take you through the operational and business performance in detail.

Thank You.

Rahul Sawakhande

Thank you, Dilip sir. I welcome you all. I am Dr. Rahul, CEO at Aakaar Medical Technologies Ltd. I am happy to tell you that I completed 10 years this financial year and it has been a great journey for me, great learning journey and a great highly work driven and hard working journey for me last 10 years. We have been through lots of ups and downs, demonetization, COVID, the last year, Ukraine war, SME funding, winter, today. today what is happening at Hormuz and we have seen it all, the prizes going up and down.

So it has been really exciting and a journey that has kept me on toes. Last year we got listed on 27th of June. It was a very exciting moment in anybody's life. So was it in my life also.

Things did not turn out exactly how we planned this year. However, we have kept our momentum of having PAT positive for last 10 years, which gives some respite to us. And our second half typically has been in line with what our second half is. And we have been able to close the year slightly better than last year, though not to our liking.

And I still maintain, going forward, when we had our IPO launch that we need to maintain a CAGR of 30% and above to grow well and our eyes are set on getting listed on the main board. So we are working towards that. When we got listed last year, our debtor days were around 209 and I think we received a lot of feedback regarding cash flow and the debtor days from our investors and we tried to tighten our screws around our business. Though the normal nature of our business, which is B2B through doctors has been involving high credits and we started tightening our business and that did see slight downturn in terms of business while our collection started improving.

It has been historically that our collections were always 80% of our gross sales. I think we at certain point were crossing 110% of our gross sales, but the top line was still not improving as much. But we still kept the demand going, trainings ongoing. In the first half of last year, we kept conducting CMEs, workshops.

And if you see our H1 was slightly negative at 78 lakhs negative, which typically tells that our first half is loaded with a lot of investments on conferences, workshops. our internal cycle meetings and the second half typically is slightly expense light and our operational efficiency kicks in and our profitability always in the second half is better. Even for the current financial year our ratio of H1 to H2 is 38 to 62 percent which is again in line with our business model. However, we are trying very hard that we change this to an equitable distribution across all quarters and we have maybe a 50-50 kind of business where we are trying to work on our home care portfolio which has a demand through the year but still our business majorly is from doctors.

Also this year saw that we tried in spite of all the odds we tried to improve our operational efficiency where Aakaar grants have slightly increased in terms of revenue contribution to top rank to 37 percent which helped us in slightly bettering our gross margins from 54 to 59 percent and we are still trying to better this gross margin so that should be helping us in future for our business. The key highlights other than this were that Our business, even in device segment, has seen a slight degrowth, but our recurring revenue in device segment has also improved.

So today we stand at, out of our 100% business, around 93% of business is based on recurring revenue. So that gives us a strong signal that the annuity of our business will stay strong for future. and we are on a strong footing. Our consumer, doctor consumer user base from 5200 has grown to 6300 plus doctors.

That again is telling us that we are doing the right thing, we are growing the market and we are growing our reach. We started covering slightly interiors of India like cities like Ranchi, Agra, Varanasi has started showing growths. We have a headquarter in Dehradun and we are trying to cover those markets. So obviously the aesthetic market is now slightly penetrating these market pockets which are not as saturated and that would drive our growth in future.

Also, an important thing that happened over last year, we have taken a decision. Our typical business model is B2B CSA led model where we do business through our consignee sales agent PISPL and then we build doctors. Last year our 65% business happened through that model and 35% of our business happened through the stockist model where we build stockist and stockist build doctor. Going forward, we have seen that the industry is slightly moving towards distributed driven business where the distributors, the company builds the distributors and the distributors forward with the doctors.

And people are seeing better efficiency in terms of cash realization where the distributor sends to the doctor and he keeps control on the collections at local level. Also, it gives us operational efficiency in terms of less than 24 hours delivery of goods to the doctor. So that is where we are currently working on aggressively. Last year also saw us launching a few new products.

The first in case is the brand called Letybo which is USFDA approved and the first month of this year, this financial year, we got the stocks and we launched the brand and We are getting super exciting signals and I think we will be, so this replaces our brand the Siax in the market. Last year our injectable portfolio in which Siax and Saypha are the major contributors was almost flattish. Siax actually has a degrowth of 1.5 crores plus because the licenses for Letybo, the new brand, was supposed to be in place by November, but there was a certain internal delay at the DCGI level.

The licenses came late. We had three months of no-product Botulinum Toxin in the market, which was launched in April this year. So that sale part will again recover and rather, it is now showing more better growth than the existing Siax business. We also launched a portfolio of synthetic exosomes from a company called VM Corporation in Italy.

It was launched in the month of December. It's a high-profile, high-premium product for select customers, which are Instagram and social media savvy. It's a highly marketable product. and we are seeing good offshoots now customers getting converted for these high price products and we see that the first half will surely a positive uptrend from this brand and they will contribute to our top line significantly.

We also are seeing the new launch of another exosome in another of division of ours which is the injectable business division where this brand again is showing good acceptance from doctors It's just 10 days of launch and we are getting good release from customers about the brand. So that again will help us improve our top line this year. Our internal brands like DRS1512, the hair care category, overall our hair care category is having a CAGR of 122%. The skincare and so home care for skin and hair is growing at around 30% CAGR.

The hair care category is in line with the overall market hair care category which is phenomenal level and our internal brand DRS1512 and Tubelite GFC both brands are growing fairly well and we are getting a good market share and we expect these brands to do well. DRS1512 forward going we have already conducted a clinical study at a doctor in Delhi and Mumbai and we are trying to now clinically show that these products have visible results. So this kind of study is now giving a strong signal that it's currently a cosmetic licensed product. We are working towards a medical device, a licensed product for this kind of product.

And that gives us more strength to launch it globally. The clinical study is just getting completed. And once the data is collected, we will publish the clinical data. And that will, again, further help us penetrate hair care market and it has a very good gross margin around 80% plus.

So that helps us improve our profitability in coming times. In terms of team size, our team size remain constant at 100 headcount in terms of the field executives. We are not looking at any major expansion this year. So I think from operational point of view, our expenses on the selling cost at salary level would remain more or less flatish.

And we expect that operational leverage to kick in our profitability at the end of the year. With that, I would like to hand over the call to Rakesh.

Rakesh Parekh

Yeah, thank you. Good evening to everybody. This is Rakesh Parekh, CFO of Aakaar Medical Technologies Limited. As far as the financials are concerned, our second half reflects a strong recovery. Business momentum, along with the significant improvement in the operation efficiency. Revenue for H2 stood at 42 crores registering a growth of 64.4% on half yearly basis and 23.1% on year to year basis.

Operating EBITDA increased sharply to 11 crores compared to 2 lakh rupees or 0.02 crores in first half. That is 2 lakh rupees in first half and the second half it is 11 crores and 8 crores it was in second half of 25. Translating EBITDA margin of 26.3%, expansion of 2625 bps and sequentially 168 bps year over year. Company has also reported a strong turnaround at the profitability level with PAT rising to 7 crores in second half as against a loss in first half that is 25-26 and 6 crores in second half of 25.

PAT margin improved to 17.77% reflecting enhanced operating leverage, better project execution, and disciplined cost management. On a full year basis, company reversed steady growth across key financial parameters. Revenue increased from 61.6 crores in financial year 2024-25 to 66.9 crores in 2025-26, while EBITDA improved from 9.81 crores to 10.97 crores. PAT grew from 6 crores in FY25 to 6.6 crores in FY26, reflecting continued focus on profitability growth and operational efficiency.

EBITDA margin improved from 15.94 crores in FY24-25 to 16.39 crores in FY25-26. PAT margin expanded from 9.7 to 9.9 crores. Balance sheet continues to remain healthy, supported by strong internal accruals and product financial management. Cash and cash equivalents are comfortable at 16 crores, providing adequate liquidity to support future growth opportunities and operational requirement.

IPO proceeds have been purposely deployed, and we continue to work towards strategic growth initiatives, operational strengthening and long-term value creation.

Soumya Chhajed

Thank you, sir. I request the participants to please raise their hand for Q&A round. OK, so first question we have from Natasha Singh. Please go ahead.

Natasha Singh

Thank you so much for giving the opportunity. So my question is, can the company sustain 26% EBITDA margin seen in H2, or was the path of the expansion due to one of such as a lower conference cost?

Rahul Sawakhande

Second half typically has lesser expenses, so that's the reason. So it is accrued over the year. Our EBITDAs have been strong and it will grow from here, but the H2 EBITDA typically is building with lesser expenses of conferences and other budgets.

Natasha Singh

Okay, so basically it will continue with the growth, right?

Rahul Sawakhande

Yeah, we have just started, and the business only grows from here. Every month there are new clinics ongoing and opening. And we have a great portfolio in place. So I think it should help us grow from here.

Natasha Singh

Okay. So my second question is how much of FY26 growth came from the price increase versus genuine volume expansion and customer additions?

Rahul Sawakhande

Price increases we have just taken now for the new stock that will be coming in. So there was no pricing that's building this growth.

It was rather the portfolio sales that we did, which has better gross margins. So like the haircare portfolio of DRS or we have certain products where the margins are better. So that's where the growth, better margins came in.

Natasha Singh

Okay, so I got it.

Thank you so much for taking the question. Wish you all the best.

Soumya Chhajed

Thank you. Next question is from Vedant Shah.

Please go ahead.

Vedant Shah

Hi, congrats on the good numbers. I just have one question. With a push towards stock-large distribution with a 90% plus target, will gross margins dilute in exchange for lower working capital and density?

Rahul Sawakhande

Actually, what we have done is our always front load discounts were given to doctors on slightly higher end because they were keeping the stocks and the payment and everything was done by the doctors directly. So, appointing a distribution channel in between helps us build doctors at a slightly lower quantity. And thereby, the margins, our gross margins, we have kept tight at 60% post realization from distributor.

So we are not diluting our margins. We are reducing the discounts at doctor level.

Vedant Shah

OK, thank you.

Soumya Chhajed

Thank you. Our next question is from Majid Ahmed. Please go ahead..

Majid Ahmed

Am I audible Sir?

Rahul Sawakhande

Yeah.

Majid Ahmed

Yes sir, thank you sir for the opportunity. Good set of numbers. So majorly like as you are getting into clinics and others, so what's the contribution as of FY25 and FY26 and how much are you expecting for next year?

From the clinic segment like 50 clinics you have opened right as of now?

Rahul Sawakhande

See the Xelix clinic platform has a unique positioning. Xelix clinic is a tool where we are utilizing our platform for marketing and getting customers to doctors. So it's kind of an integrated model.

The direct revenue from these customers is already there or it might slightly increase. The actual numbers from these clinics will kick in from this year because it's just appointment of these doctors. Initial groundwork has just started. The 16 clinics are already on board, and we are looking to have at least 50 clinics by the end of the year.

And we have internal criteria of some minimum business around 3 to 4 lakh rupees per month. So obviously that would kick in as a, so we would, for the next financial year reporting, maybe H1 or H2, we might have more clear data of Xelix separately presented to you, what these doctors are contributed to their topline. At present already these customers are one of the top users of our products and their average business is around 1 to 2 lakhs per month which will increase to 3 lakhs from this year start.

Majid Ahmed

You are saying 3 to 4 lakhs per month per clinic right?

Rahul Sawakhande

These clinics, that's where we want these clinics to be because we are investing in marketing these clinics and the entire platform. and we expect the clinic revenues to increase through our effort and their effort together. Also, this gives us a unique marketing leverage and the doctors who are, the consumers who are seeing these advertisements will also see our branded advertisements through this channel. Also, this channel becomes a direct channel for certain exclusive products to be launched.

So that's the vision.

Majid Ahmed

So what is the CAPEX for per clinic as of now?

Rahul Sawakhande

So this business model is doctor on doctor operated. There is no direct CAPEX.

We don't own the clinic. We are tying up all the clinics in a single chain. The brand name is Xelix as a platform. The doctor doesn't currently pay anything.

In future we might take a franchise for new doctors but currently nothing of that sort is there. So it's a scalable platform layer where it's more of a cross-sell engine where there is recurring consumption ecosystem that would be put in place so that these doctors consume our product and also the consumers become more aware about our brands marketing through this channel.

Majid Ahmed

It acts as more of a marketing channel than they separate as a business model to generate revenue through clinics. So that's not your...

Rahul Sawakhande

The business revenue will increase for Aakaar directly also because these clinics would then give more, more dedicated support. I'll give an example. If a clinic has a monthly purchase of say 15 lakh rupees and if currently, they give us 50,000 or 1 lakh or 2 lakh, they would have to increase their clinic support to us. And if I am sending patients for specific indications of...

Yeah. And if we, if I'm supporting them with this marketing activity, our doctor per clinic usage will go up for sure.

Second is for every service of a service, which is not using our product, like a hair transplant. And if I send a patient, I will be also charging commission on the service. So that would add to our revenue in coming years.

Majid Ahmed

Sir, because if you are also getting to hair transplant, I think that's a huge market. Like how are you trying to get products into that and scaling that segment? How much does that contribute as of now, hair transplant segment?

Rahul Sawakhande

Currently, we don't have anything in hair transplant as such. We have a device which we are, I mean, I think it is too early, but we have started working on manufacturing license and test license level and its application. So we are working on our own exclusive device and we are getting into manufacturing kind of setup for this device which we would want to patent if we get exclusivity and new technology, which would improve the hair transplant success rate by 90-95%. So, we are getting into that. Obviously, Xelix was the brand of the hair transplant device from which this clinic model started.

The idea of the entire clinic model germinated. We are getting into Xelix hair transplant devices. For now, the Xelix clinic, we will refer the patients of hair transplant to these clinics. And we would charge certain commission which is agreed between us.

Majid Ahmed

Sir, finally just wanted to know, you were saying about a particular product where the gross margin is north of 80%. So what type of revenue potential are you looking in that segment?

Rahul Sawakhande

See, in India, androgenic alopecia is a very rampant thing and more and more people are realizing it. I'll just give a parallel that a brand like Traya has crossed 300 plus crores and a brand like Mentop is around 300 crores plus. So healthcare is a big segment and it's growing very fast and people are realizing this. So DRS1512 has a strong potential, not just in India, but abroad. And it's our own proprietary formulation and with the results that it is showing in terms of clinical efficacy and dermatologists doing Trichoscopy analysis and showing results. It offers well for us. It could be a brand in reckoning in times to come.

Majid Ahmed

What revenue potential are we looking at in the coming years, if you can give some ballpark numbers?

Rahul Sawakhande

It's a big market, it could be in few hundred crores also in coming times, you don't know. At this point, direct B2B market cannot judge the market size because the data is not available.

The numbers that I told you about Traya and Mentop are published data. So it could be a major part of our business in coming times, especially in the healthcare category.

Majid Ahmed

So just finally, like, I'm unable to see your audited statement, audited natural statement in the exchange filings. So if you...

Rahul Sawakhande

Yeah, we are uploading the same. It's just getting out. We have uploaded. Maybe it must be server issue or something.

Majid Ahmed

Okay, sir. Okay, sir.

Soumya Chhajed

Next we have Mukesh Panjwani. Please go ahead..

Mukesh Panjwani

Hi, sir. Good evening.

Rahul Sawakhande

Good evening

Mukesh Panjwani

Sir, in your presentation, you have mentioned that you have a network of around 6300 DERMATs. So, can you give me the total nationwide number, how many dermatologists we have in India?

Rahul Sawakhande

In India, we in total have 17,600 registered with IADVL, non-registered would be around 2,000-2,000.

So, total 20,000 plus dermatologists, those practicing aesthetic around 8,000-9,000 today. And our coverage is around over 12,000 because we have launched a psoriasis product. So 12,000 is coverage. Our physical coverage at any point is around 4,000 to 6,000.

Rest, we are in touch with WhatsApp and email marketing and other sources.

Mukesh Panjwani

Okay, got it.

Rahul Sawakhande

So this 6,300 is not our chain. This is build customers.

We have built these customers.

Mukesh Panjwani

Got it, got it. And sir, is there any seasonality in our business like H2 is better than H1 like right now we saw that H2 is far better than H1.

Rahul Sawakhande

Over the years our ratio has been 40-60 H1 to H2 and this year also it's more or less same and that's what I said in my remarks that we are trying to see if we can equate it across all the quarters.

Mukesh Panjwani

Okay. Okay. But now like 27, we can expect that.

I'm asking like in this year, our H1 was not good. So in a coming year, like in FY 27, can we expect normal H1 in the terms of profitability and revenues both?

Rahul Sawakhande

It will be better than last year.

Mukesh Panjwani

Okay okay and so what we are doing on working capital side to make our operating cash flow positive and to reduce the data days inventory days

Rahul Sawakhande

I'll answer these two questions separately in two separate parts.

Inventory is a separate question because there are certain regulatory related things so the inventory is on slightly higher side.

Regarding our data days and our overdue collections now with the change of business model from 1st of April and we are putting in tight controls to the distributors so that they pay us within 40 to 45 days of billing and forward they will also control the billing to doctors and second is our billing to doctors individual doctors would be on a slightly lower quantity and that's why we are billing more number of customers than focusing on small numbers. So I think we are very positive that we want to get this down to 110. I think I have said in my previous call also, getting down further would be slightly difficult, especially the kind of business we are in.

If you move towards more of home care business, I think it might go down also. But ours is more professional care product used by doctors in clinic. So it should hover around 110 to 100. In the coming times and if it happens, I think it would be cash flow positive end of the year.

Mukesh Panjwani

Okay. Okay. Okay. And where do you see Akaar in next three to four years?

Rahul Sawakhande

I want to be myself on the main board at least in the next three years. That's the dream. And if our Xelix platform does well, we would be very much there. Other than that also, Xelix or no Xelix, we are still on the course and we are very positive that we should get on the on growth trajectory once again.

I think last year we listened to too many people. I think this year we hope that we will continue our regular business model and we'll try to keep the controls tight, but we will focus on top line. I think the numbers would happen.

Mukesh Panjwani

Okay. And we have seen very good improvement in EBITDA margins. So do you think that these margins are sustainable going ahead?

Rahul Sawakhande

It is 100% sustainable. Ours is more of an operational efficiency that will kick in, I think, in the coming years because we have invested upfront in the feed force deployment and we have multiple divisions.

So we have five divisions operating at this point, one for devices, four for consumable products, and each division we have a headcount. headcount that is dedicated, which was invested as an investment to market those products. So obviously the turnover increases at 30 and if the salaries increase at 10 to 12% or 14% maybe in future, obviously the operational efficiency will kick in and the EBITDAs will improve. Okay.

Mukesh Panjwani

Okay. Thank you so much, sir. And all the best.

Soumya Chhajed

Next, we have Charchit Maloo.

Soumya Chhajed

Please go ahead. You're not audible. OK, I'll take next one for now. We have Arpit Rajan.

Please go ahead.

Arpit Rajan

Hello, am I audible?

Rahul Sawakhande

Yeah.

Arpit Rajan

Okay, first of all, congratulations on your numbers.

What I wanted to ask was, so half to revenue growth, you know, appears extremely strong at 64% half yearly and half yearly. How much was this simply deferred demand from half one due to higher credit policies and should investors expect a normalization in FY27 growth rates?

Rahul Sawakhande

Our growth rates I think would be better than last year overall because as I said our majority of the portfolio is getting stabilized. A new toxin we have launched which is a big market of 200 crores at least at the doctor level of the data that we know, and we are operating currently at around 3.5 crores only.

The top number brand is around 100 plus crores so if we take market share it would itself give us a good growth this year. Our filler has got USFDA approval so that again is kicking in well. Our DRS1512 and Tubelite is growing well and it gives us good gross margins. And I think our number one brand, the Yellow Peel Inno Expo Lightning Cream is around 13 crores and we are looking to make it around 20 plus crores.

So it should drive our growth positively. Our top 10 brands currently contribute around 65-67% of what. So our focus this year is to grow our top contributing brands and the new brands will contribute and add to the top line. So I think we are very much focused on growing the numbers.

As I have always said, I want to keep our CAGR at 30% going forward. So I think we are on track.

Arpit Rajan

Okay. Also, I wanted to ask that you had mentioned that F1 weakness was deliberate.

If that's the case, then why was the business model earlier dependent on such extended credit cycles in the first place?

Rahul Sawakhande

Basically, the entire industry of aesthetic is on the same business model because it's a new market we are creating. The doctor doesn't have a patient immediately. The patients have to be converted and plus these are high price point, high ticket to the doctors.

As we grew over the last 10 years, we have started expanding our reach so that the per doctor billing goes down and then eventually the per doctor billing goes up. They use multiple brands at a lower price so the consumption happens faster. So the whole idea is to increase consumption at doctor level by billing them multiple products but

at lower quantity so that they have good scope of consumption. So I think it should improve in the coming times but the distributor model is looking to be better as proven by even the other counterparts like Allergana and Galderma got into the same model.

So we are working on a proven model now. So hopefully that would bring us better margins and better credit control.

Arpit Rajan

Okay, understood. That's it from my side.

Soumya Chhajed

Next, we have Charchit Maloo. Please go ahead.

Charchit Maloo

Thanks a lot for the opportunity. I'm quite new with the company. So like I have one question regarding our own brand. So I guess you, earlier you mentioned like we are contributing 40% of revenues from our own brands.

So going forward, what's our target from this? Like, are we still maintaining 40% or gonna increase that? Like what's the trajectory?

Rahul Sawakhande

Our focus is to improve top line and there are a lot of new technologies that come from outside India and those brands come at a premium.

So when we try to increase our top line, the new brands that we have launched recently like Letybo, Xomage or VM Portfolio. If their benefit kicks in, they will suddenly increase the top line more than what we are expecting at this point in time. So our focus is to increase our portfolio overall in terms of value. Like suppose this year we have done say 25 crores, I would increase it to 50 so the profitability will automatically improve.

The ratio is slightly beyond my control because India still is not developing those technologies so that's why like when I'm saying that we're working on our own hair transplant device or our own mesotherapy product like DRS1512 the whole idea is that maybe we can market this in other markets outside India in future and our top lines would be much better with our own portfolio but for now we cannot directly control because of technology in India is not still at par with what it is developed outside, especially Korea or European markets.

Charchit Maloo

And like what kind of margins do we have from this again?

Rahul Sawakhande

We have kept our gross margin targets at 60%.

So we try to keep it at that.

Soumya Chhajed

Thank you. Next we have Khushbu Singhania. Please go ahead. Hello.

Khushbu Singhania

My first question is that cash and cash equivalents stand at 16 crores. But how much of this is truly free cash versus IPO proceeds yet to be utilized?

Rakesh Parekh

The IPO proceeds yet to be utilized is around about 14 crores plus the interest from the FD. It has been kept as an FD.

So totalling to 15.3 crores. So, that is the amount that is in FD and that is to be utilized as far as the IPO is concerned and that is including in the 16.3 crores of the cash and cash equivalents.

Khushbu Singhania

Okay, understood. My second question is that you deployed 20 crore of IPO capital into working capital rationalization.

Should investors interpret this as the business structurally requiring high working capital support?

Rakesh Parekh

No, no, actually it is not 20 crores, it is around about 27 crores has been the IPO proceeds. Out of which 3.3 crores have been utilized as a share issue expenses. Balance is 23 crores, wherein the 9 crores has to be utilized in 25-26.

So, 9.35 crores is as per the DRHP which has to be utilized in 2025-26 and balance 14 crores has to be utilized in 2026-27. So, 20 crores have not as of utilized. 31st March 2026 we have utilized only 9.35 not 20 crores.

Khushbu Singhania

Okay, but 20 crores is to be utilized for working capital rationalization

Rakesh Parekh

Yes, yes. Yeah, so that's my question.

Khushbu Singhania

Should investors interpret this as a business structurally requiring high working capital support?

Rahul Sawakhande

It typically requires because we are low on.....

We have invested a lot of money near the theme and expansion and launching a lot of new products.

At this point, Aakaar is I think one of the first few companies which has the broadest consumable portfolio in terms of category. So if I want to put it in good parlance, Aakaar is Amazon of aesthetics. is that. So, also our limited to private, sorry, private limited to limited conversion has its own challenges of conversion of licenses from private limited to limited, then we have certain minimum order quantities for each product.

So while this conversion is happening, we need to maintain inventory. So that's why the working capital is strongly required to maintain this inventory at one point and second, also we have invested upfront in the team. So we have to maintain the team till the operation leverage kicks in.

Khushbu Singhania

Okay, thank you.

Soumya Chhajed

We will wait for a minute. Request the participants to please mute yourself. Okay, sir.

Thank you, Dilip sir, Rahul sir, Rakesh sir and Anoop sir.

I think we are good to conclude the call.

Thank you for your time.

Thanks everyone.