



CIN No.: U74900MH2013PLC244717

**Aakaar Medical Technologies Limited**  
(formerly: Aakaar Medical Technologies Pvt.Ltd.)  
A-801, Heritage Plaza, Teli Gali Cross Road  
Andheri (East), Mumbai – 400 069 INDIA  
Mob: + 91 9820317468  
E-mail: info@aakaarmedical.in  
www.aakaarmedical.in  
GST No: 27AALCA7587Q1ZK

**Date:** June 12, 2025

**To:**

**Indorient Financial Services Limited**  
B/805, Rustomjee Central Park,  
Andheri Kurla Road, Chakala,  
Mumbai – 400093, Maharashtra, India  
Dear Sir(s),

**Re: Proposed Initial Public Offering of equity shares of Rs. 10 [Rupees Ten Only] each ("Equity Shares") by Aakaar Medical Technologies Limited ("Company") (the "Issue" or "IPO")**

**Sub: History, Business and Management's Discussion & Analysis Chapters**

With reference to captioned subject, we confirm the following is true, fair and correct, accurate, not misleading and without omission of any matter that is likely to mislead, and adequate to enable investors to make a well informed decision and forms adequate disclosure for the purpose of incorporation in the Red Herring Prospectus and the Prospectus intended to be filed by the Company with NSE Emerge and the Registrar of Companies, Mumbai ("RoC"), with respect to the said IPO.

- A. **Changes in Name, Registered Office, MoA and AoA:** See Annexure I
- B. **History and Certain Corporate Matters:** See Annexure II
- C. **Our Business:** See Annexure III
- D. **Management's Discussion and Analysis of Financial Condition and Results of Operations:** See Annexure IV

Further, we confirm that other than as disclosed in **Annexure II**, (i) there are no material contracts to which the Company is party and the summaries of such material contracts in **Annexure II** fairly summarize the relevant material contracts; (ii) there are no agreements entered into by the key managerial personnel, directors, Promoter or employees of the Company, either by themselves or on behalf of any other person, with any shareholder or any third party with regard to compensation or profit sharing in connection with dealing in securities of the Company ~~and the summaries of such material contracts in Annexure II fairly summarize the relevant material contracts~~; (iii) there are no guarantees given to third parties by the Promoter of the Company who is offering shares in the IPO ~~and the summaries of such material contracts in Annexure I fairly summarize the relevant material contracts~~ *[strikeout as applicable]* and (iv) there are no subsisting shareholders' agreements (even if the Company is not party to such agreements) ~~and the summaries of such material contracts in Annexure II fairly summarize the relevant shareholders' agreements.~~

We confirm that any changes to the above will immediately be intimated to the Book Running Lead Managers to the IPO, till the date on which the securities of the Company to be issued pursuant to the IPO, start trading on NSE Emerge. In the absence of any communication from us, you may assume that there is no change in respect of the matters covered in this certificate.

This certificate may be relied upon by the legal advisor to the Issue and the Book Running Lead Managers to the Issue. All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the IPO related issue documents.

We hereby indemnify and agree to keep indemnified, saved, defended and harmless the Book Running Lead Managers and Legal Advisor to the proposed IPO of the Company and all persons claiming under them ("**Indemnified Persons**"), from and against all losses and/or damages arising as a result of the aforementioned representations made by me/us in order to disclose details of the same in the Red Herring Prospectus, the Prospectus, the Abridged Prospectus and any other addendum thereto (together referred as "**Issue Documents**"), for the Issue or arising as a result of any notices, proceedings, litigations, claims, penalties, demands and costs that may be made and/or raised on the Indemnified Persons by any concerned authority(ies)



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and/or with regard to any matter arising in connection thereto or otherwise by reason of the matter contemplated herein and/or sustained by the Book Running Lead Managers and/or the Legal Advisor to the Issue as a result of any statements, representations, assurances, confirmations hereinunder given being untrue.

Yours sincerely,

**For and on behalf of Aakaar Medical Technologies Limited**

**Dilip Ramesh Meswani**  
**Founder & Managing Director**  
**DIN: 06540985**  
**Place: Mumbai**



**C.C:**

**Legal Advisor to the Issue**  
**Vidhigya Associates**

A-105, Kanara Business Centre, Link Road,  
Laxmi Nagar, Ghatkopr East, Mumbai -400075  
Email: [rahul@vidhigyaassociates.com](mailto:rahul@vidhigyaassociates.com)  
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Encl:

Annexure I: **Changes in Name, Registered Office, MoA and AoA.**

Annexure II: **History and Certain Corporate Matters.**

Annexure III: **Our Business**

Annexure IV: **Management's Discussion and Analysis of Financial Condition and Results of Operations**



## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief History of our Company

Our Company was originally incorporated as 'Aakaar Medical Technologies Private Limited', a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated June 20, 2013 issued by the Registrar of Companies, Mumbai. Subsequently, our Company was converted into a public limited company pursuant to a resolution passed by our shareholders at an extraordinary general meeting held on July 19, 2024 and a fresh certificate of incorporation dated November 18, 2024 was issued by the Registrar of Companies, Mumbai, recording the change in the name of our Company from 'Aakaar Medical Technologies Private Limited' to 'Aakaar Medical Technologies Limited'.

### Changes in the Registered Office of our Company since incorporation

There has been no change in the registered office of our Company since the date of incorporation.

### MAIN OBJECTS OF OUR COMPANY

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

*To carry on in India or abroad the business of distribution of Dermatology/Cosmetic Medicines, all kinds and varieties of disposable and non disposable surgical instruments, Medical Equipments, Medical Devices, kits to provide treatment in Dermatology and to buy, sell, manufacture, import, export, distribute and otherwise deal in all kinds and varieties of cosmetics, non prescribed drugs, health care products, health aids, glamour products. to start clinics in India and abroad related to above.*

### Amendments to the Memorandum of Association of our Company since incorporation

The following changes have been made in the Memorandum of Association of our Company since incorporation:

Date of Meeting	Meeting	Nature of Amendment
September 01, 2015	EGM	Clause V of the Memorandum of Association was amended to reflect the increase in the Authorized Share Capital of our Company from ₹1,00,000 divided into 10,000 Equity Shares of ₹10 each to ₹ 10,00,000 divided into 1,00,000 Equity Shares of ₹ 10 each.
August 24, 2021	EGM	Clause V of the Memorandum of Association was amended to reflect the increase in the Authorized Share Capital of our Company from ₹10,00,000 divided into 100,000 Equity Shares of ₹10 each to ₹ 1,00,00,000 divided into 10,00,000 Equity Shares of ₹ 10 each.
July 19, 2024	EGM	Clause I of the Memorandum of Association of our Company to reflect the change in our name from 'Aakaar Medical Technologies Private Limited' to 'Aakaar Medical Technologies Limited'.
February 13, 2025	EGM	Clause III B containing "Objects Incidental or Ancillary to the attainment of Main Objects" sub-clause no. 1 to 28 was deleted and replaced by Clause III(B) "Matters which are necessary for furtherance of the Objects specified in Clause III(A)" containing the sub-clause no. 1 to 32.  The existing Clause III C containing the "Other Objects" sub clause no. 1 to 27 was deleted in full.

### Major Events in the history of our Company

Year	Major Events / Milestone / Achievements
June 20, 2013	Incorporated as Aakaar Medical Technologies Private Limited.
October 5, 2016	Entered into licensing, marketing and distribution agreement with Medytox Inc., South Korea for launch of Siax.
June 5, 2017	Launched our own brands Tubelite.
July 21, 2017	Launched our own brand Balback.
April 1, 2018	Entered into a tripartite agreement with ACPL and Croma Pharma GmbH for launch of



Year	Major Events / Milestone / Achievements
	Saypha filler (earlier known as Princess).
December 9, 2017	Launched our own brand Lytec.
October 27, 2022	Launched our own brand Etrellum.
August 3, 2023	Launched our own brand Swyada.
April 01, 2023	Entered into exclusive agreement in licensing, marketing and distribution with Regenera Activa Worldwide S.L for launch of Regenera ActivaAMT.
July 21, 2023	Entered into exclusive agreement in licensing, marketing and distribution with Tesslift Co. Limited.
August 6, 2024	Launched our own brand Exoluxe and DRS1512.
September 2, 2024	Launched our Own brand Eoluxe.
November 18, 2024	Conversion of our Company from a private limited company to a public limited company.

### Key awards, accreditations or recognitions

The table below sets forth some of the awards, accreditations or recognitions received by us:

Excellence in Aesthetic Innovation & Service at Starz of India 2024



"Best New Launched Doctor Prescribed Skin Care Cosmetic Range in India" for Tubelite Brand Aakaar at GEA Awards 2019

### Significant financial and strategic partnerships

As of the date of this Red Herring Prospectus, our Company does not have any significant financial or strategic partnerships.

### Time/Cost Overrun in Setting up Projects

As on the date of this Red Herring Prospectus, our Company has not experienced any time/cost overrun in setting up any projects or business operations.

### Launch of key products or services, entry into new geographies or exit from existing markets





For details of entry into new geographies, see "*Major Events / Milestone / Achievements*" on page 1.

**Defaults or rescheduling of borrowings with financial institutions/banks**

There have been no instances of rescheduling/ restructuring of borrowings with financial institutions/ banks in respect of our current borrowings from lenders.

**Material acquisitions of businesses or divestment of business / undertakings, mergers, amalgamation or revaluation of assets, if any since incorporation**

Our Company has not made any material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. since its incorporation.

**Capacity/facility creation, location of plants**

Our Company does not have any plants as on the date of this Red Herring Prospectus.

**Agreements with Key Managerial Personnel or Senior Management or Directors or Promoter or any other employee**

As on the date of the Red Herring Prospectus, except as disclose under "*Terms of appointment of our Executive Directors and Compensation Paid*" on page **Error! Bookmark not defined.**, there are no agreements entered into by our Key Managerial Personnel or Senior Management or Directors or Promoters or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third-party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

**Other confirmations**

There are no inter-se agreements/ arrangements to which the Company or any of its Promoters or Shareholders are a party to and therefore, there are no clauses/ covenants which are material and which needs to be disclosed, and that there are no other clauses / covenants in the inter-se agreements or arrangements or the Articles of Association which are adverse / pre-judicial to the interest of the minority / public shareholders of the Company and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision, other than the ones which have already disclosed in this Red Herring Prospectus. Further, there are no agreements, deed of assignments, acquisition agreements, SHA, inter-se agreements, agreements of like nature to which the Company or any of its Promoters or Shareholders are a party.

There are no material clauses of our Articles of Association that have been left out from disclosures having bearing on the Issue or this Red Herring Prospectus.

No Directors or KMPs of our Company are appointed pursuant any inter-se agreement/agreement to which our Company or any of its Promoters or Shareholders are a party to.

There is no conflict of interest between the suppliers of raw materials and third-party service providers (crucial for operations of the Company) and the Company, Promoters, Promoter Group, Key Managerial Personnel and Directors.

There is no conflict of interest between the lessor of immovable properties and the Company, Promoters, Promoter Group, Key Managerial Personnel and Directors.

**Details of guarantees given to third parties by our Promoters offering their Equity Shares in the offer for sale**

This is a fresh issue of Equity Shares and our Promoters are not offering their Equity Shares in the Issue.

**Holding company**



As of the date of this Red Herring Prospectus, our Company does not have a holding company.

**Our subsidiaries**

As on the date of this Red Herring Prospectus, our Company does not have any subsidiaries.

**Details of our Associates**

As on the date of this Red Herring Prospectus, our Company does not have any Associates.

**Joint Venture of our Company**

As of the date of this Red Herring Prospectus, our Company does not have any joint ventures.





## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

*You should read the following discussion of our financial condition and results of operations together with our Restated Financial Statements for Financial Years ended on March 31, 2025, 2024 and 2023 including the notes and significant accounting policies thereto and the reports thereon, which appear elsewhere in this Prospectus. You should also see the section titled "Risk Factors" beginning on page Error! Bookmark not defined, which discusses a number of factors and contingencies that could impact our financial condition and results of operations. The following discussion relates to our Company, unless otherwise stated, is based on restated audited financial statements.*

*These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI ICDR Regulations and restated as described in the report of our auditors M/s C B Mehta & Associates, Chartered Accountants which is included in this Red Herring Prospectus under the section titled "Financial Information - Restated Financial Statements" beginning on page Error! Bookmark not defined. The Restated Financial Statements have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. We do not provide a reconciliation of our Restated Financial Statements to US GAAP or IFRS and we have not otherwise quantified or identified the impact of the differences between Indian GAAP and U.S. GAAP or IFRS as applied to our Restated Financial Statements.*

*This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements because of certain factors such as those described under "Risk Factors" and "Forward Looking Statements" beginning on page Error! Bookmark not defined, and Error! Bookmark not defined, respectively, and elsewhere in this Red Herring Prospectus.*

*Accordingly, the degree to which the financial statements in this Red Herring Prospectus will provide meaningful information depends entirely on such potential investor's level of familiarity with Indian accounting practices. Our Financial Year ends on March 31 of each year; therefore, all references to a particular Financial Year are to the twelve-month period ended March 31 of that year. Please also refer to section titled "Certain Conventions, Currency of Presentation, Use of Financial Information and Market Data" beginning on page Error! Bookmark not defined, of Red Herring Prospectus.*

### BUSINESS OVERVIEW

"Aakaar Medical Technologies Private Limited" was incorporated in the year 2013 under the leadership of Mr. Dilip Meswani who has been in the Aesthetic business since more than 25 years. He commenced his journey in the aesthetics business in 1999 through a proprietary business which was primarily selling Aesthetic Devices and then shifted his entire business under Aakaar Medical Technologies Private Limited.

We are a medical aesthetic & cosmetic dermatology company dealing in a wide range of aesthetics & specialized cosmetic products & devices. Our product range includes both Own brands (domestically manufactured products) and Imported Brands (distribution of imported brands) from countries such as Korea, Spain, Italy, and Austria. We've established a distinctive presence in the medical aesthetic market by exclusively focusing on business-to-business(B2B) channels for product distribution and sales. We supply our products & devices primarily to dermatologists, plastic surgeons, aesthetic physicians who then sell these products to their end consumers as well as use certain device consumables as part of their treatments. We derive majority of our revenue from Aesthetic products and will continue to focus on our Aesthetic products pipeline.

Over the last 3 years, we have witnessed impressive growth, with our revenue from operations climbing from ₹ 3,278.46 lakhs in Financial Year 2023 to ₹ 6,158.28 lakhs in Financial Year 2025.

### Key Performance Indicators of our Company

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analysing the growth in comparison to our peers. The KPIs disclosed below have been approved, by a resolution of our Audit Committee dated February 25, 2025 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to





any investors at any point of time during the three years period prior to the date of filing of this Red Herring Prospectus. Further, the KPIs herein have been certified by M/s. C B Mehta & Associates, Chartered Accountants, the Statutory Auditor of our Company by their certificate dated February 25, 2025. Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Offer Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

Particulars	(₹ in lakhs, unless otherwise stated)		
	Financial Year 2024-25	Financial Year 2023-24	Financial Year 2022-23
Revenue from Operations <sup>(1)</sup>	6158.28	4,611.10	3,278.46
EBITDA <sup>(2)</sup>	973.69	499.89	352.86
EBITDA Margin <sup>(3)</sup> (%)	15.81	10.84	10.76
PAT <sup>(4)</sup>	603.95	287.02	215.31
PAT Margin <sup>(5)</sup> (%)	9.81	6.22	6.57
Net Worth <sup>(6)</sup>	2320.28	1252.56	956.54
Return on Net Worth <sup>(7)</sup> (%)	33.81	25.88	24.35
Return on Capital Employed <sup>(8)</sup> (%)	21.02	17.68	22.30
Revenue from own brands <sup>(9)</sup>	2311.15	1393.65	774.47
Sales team <sup>(10)</sup> (Nos)	129	128	88
Number of Customers Billed <sup>(11)</sup> (Nos)	5236	5,205	4,507

\*Not Annualized

1. **Revenue from Operations** = This amount is Revenue from Operations as appearing in the Restated Financial Statements.
2. **EBITDA** = Profit for the period / year, plus tax expenses, finance costs, depreciation and amortization expenses, extraordinary items and reduced by other income.
3. **EBITDA Margin** = EBITDA divided by Revenue from Operations
4. **Profit After Tax (PAT)** = This amount is Profit for the period/year as appearing in the Restated Financial Statements.
5. **PAT Margin** = Profit for the year/period divided by Revenue from Operations.
6. **Net Worth** = Share capital + Balance in Profit and Loss account + Securities Premium account
7. **Return on Net Worth** = Restated Net Profit (Loss) after tax for the year/period divided by average of net worth at beginning and end of the year
8. **Return on Capital Employed** = Earnings before interest and taxes divided by average capital employed. Capital Employed includes Tangible Net worth, Long-Term Borrowing and Short-Term Borrowing less cash and cash equivalents and other bank balances
9. **Revenue from own brands** = Revenue from products sold under the Umbrella of Aakaar Brands
10. **Sales team** = Sales executives of the Company as at the end of the respective period which drive our revenue which includes sales executives on ground as well as sales managers
11. **Number of Customers Billed** = End customers which includes Doctors, Aesthetic Surgeons & Clinics Chains billed in a Year which can be either through PISPL/Stockists/Distributors/directly by the Company

KPI	Explanation
Revenue from Operations	Revenue from operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of the Company and size of our business.
EBITDA	EBITDA provides information regarding the operational efficiency of our business as it considers all sources of our core income.
EBITDA Margin	EBITDA Margin is an indicator of the operational profitability and financial performance of Company's business.
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin	PAT margin is an indicator of the overall profitability and financial performance of our business.
Net Worth	Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the Company.
Return on Equity	Return on Equity is an indicator of our efficiency as it measures our profitability. It shows how efficiently we generate profits from our shareholders.
Return on Capital Employed	Return on capital employed provides how efficiently the Company generates earnings from the capital employed in the business.
Revenue from own brands	It indicates how the company is gradually increasing its turnover from their own brand business which is also a higher margin business.
Sales Team	It indicates the increasing reach of our business as well as the growth of the business which is primarily driven by the sales executives.
Number of	It indicates the YOY increase in our number of doctors and in-turn highlight how is the





KPI	Explanation
Customers Billed	Company growing its clientele pan India.

## STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

For details in respect of Statement of Significant Accounting Policies, please refer to the Restated Financial Statements under chapter titled “*Financial Information - Restated Financial Statements*” beginning on page **Error! Bookmark not defined..**

## FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “*Risk Factors*” beginning on page **Error! Bookmark not defined..**

We believe that our results of operations, cash flows and financial condition during the periods under review and future periods will be affected due to the factors such as ability to acquire new customers, providing differentiated products, developing new products, research and development etc. Our operations and financial condition will also be affected by factors such as our ability to secure, maintain and expand existing partnerships, expanding customer base, managing working capital cycles and receipt of payment from customers, managing on time delivery of our products and effective execution of our operations.

## RESULTS OF OUR OPERATION

(₹ in lakhs, unless otherwise stated)

Particulars	Financial Year 2024-25	% of Total Income	Financial Year 2023-24	% Total Income	Financial Year 2022- 23	% Total Income
Revenue from Operations	6158.28	99.71	4,611.10	99.66	3,278.46	99.71
Other Income	17.79	0.29	15.94	0.34	9.39	0.29
<b>Total Income (A)</b>	<b>6176.07</b>	<b>100.00</b>	<b>4,627.04</b>	<b>100.00</b>	<b>3,287.85</b>	<b>100.00</b>
Cost of Material Consumed	353.03	5.72	186.88	4.04	-	-
Purchase of Traded Goods	2306.94	37.35	2,199.59	47.54	1,926.31	58.59
Changes in inventory of finished goods and work in progress	(37.48)	(0.61)	(292.62)	(6.32)	(425.52)	(12.94)
Employee benefits expense	1290.25	20.89	1,036.01	22.39	772.82	23.51
Finance Cost	170.95	2.77	113.76	2.46	43.06	1.31
Depreciation and amortization expense	12.48	0.20	13.54	0.29	8.94	0.27
Other expenses	1271.85	20.59	981.35	21.21	651.99	19.83
<b>Total Expenses (B)</b>	<b>5368.02</b>	<b>86.92</b>	<b>4,238.51</b>	<b>91.60</b>	<b>2,977.59</b>	<b>90.56</b>
<b>Profit before extraordinary Item and Tax (A-B)</b>	<b>808.05</b>	<b>13.08</b>	<b>388.53</b>	<b>8.40</b>	<b>310.25</b>	<b>9.44</b>
Extraordinary Item		0.00	-	-	-	-
<b>Profit Before Tax (A-B)</b>	<b>808.05</b>	<b>13.08</b>	<b>388.53</b>	<b>8.40</b>	<b>310.24</b>	<b>9.44</b>
(i) Current tax	208.27	3.37	110.82	2.40	101.35	3.08
(ii) Deferred tax	(4.17)	(0.07)	(9.31)	(0.20)	(6.42)	(0.20)
<b>Profit for the year</b>	<b>603.95</b>	<b>9.78</b>	<b>287.02</b>	<b>6.20</b>	<b>215.32</b>	<b>6.55</b>

## Review of Restated Financials

### Financial Year 2024-2025 compared with Financial Year 2023-2024

#### Revenue from Operation



Revenue from operations increased by 33.55% from ₹ 4611.10 lakhs in Financial Year 2023-2024 to ₹ 6,158.28 lakhs in Financial Year 2024-2025 primarily due to increasing revenue from the existing customer base & addition of new product SKUs resulting higher sales of own brand products

#### **Purchase of traded goods**

Purchase of traded goods increased by 4.88 % from ₹ 2199.59 lakhs during Financial Year 2023-2024 to ₹ 2306.94 lakhs during Financial Year 2024-2025 mainly due to increase in revenue.

#### **Employee Benefit Expenses**

Employee benefit expenses had increased by 24.54% from ₹ 1036.01 lakhs in Financial Year 2023-2024 to ₹ 1290.25 lakhs in Financial Year 2024-2025 in line with the annual salary and director remuneration increments. Though employee expense as a % of revenue has declined in FY 2025 by 1.50% as compared to FY 2024 primarily due to economies of scale with higher revenues as incremental salaries do not increase at the same level as the revenue

#### **Other Expenses:**

Other expenses increased by 28.60% from ₹ 981.35 lakhs in Financial Year 2023-2024 to ₹ 1271.85 lakhs in Financial Year 2024-2025. This is primarily due to increase in advertisement expenses as well as increase in CSA commission which is directly a percentage of the increasing revenue.

#### **Depreciation and Amortization Expenses**

Depreciation & Amortization expenses had decreased by 7.83% from ₹ 13.54 lakhs in Financial Year 2023-2024 to ₹ 12.48 lakhs in Financial Year 2024-2025 which was primarily due to near zero capex in the financial year 2024-25.

#### **Finance Cost**

Finance Cost had increased by 50.27 % from ₹ 113.76 in Financial Year 2023-2024 to ₹ 170.95 in Financial Year 2024-2025. This is primarily due to increase in short term borrowings from ₹ 1505.66 lakhs as at March 2024 to ₹ 2273.83 lakhs March 2025 which was by increase in cash credit facility from the bank.

#### **Profit after Tax**

The Profit After Tax increased by 110 % from ₹ 287.02 lakhs in Financial Year 2024 to ₹ 603.95 lakhs in Financial Year 2025 which is largely in line with the Profit Before Tax. This was a result of :-

1. Increasing sale of higher margin products as well as improving share of own brand products resulting in a 2-2.5% increase in the gross margins of the Company. Since the margins of the company vary based on product to product and with higher sales of higher margin products it leads to better profitability
2. With Increasing turnover there have been economies of scale which has led to savings in employee benefit expenses as the employee cost and incremental salaries do not increase at the same level as the revenue

#### **Financial Year 2023-2024 compared with Financial Year 2022-2023**

##### **Revenue from Operation**

Revenue from operations increased by 40.65% from ₹ 3278.46 lakhs in Financial Year 2023 to ₹ 4611.10 lakhs in Financial Year 2024 primarily due to increase in Product SKUs and increase in customer base.

##### **Purchase of traded goods**

Purchase of traded goods increased by 14.19 % from ₹ 1926.31 lakhs during Financial Year 2023 to ₹ 2199.59 lakhs during Financial Year 2024 mainly due to increase in revenue.





### Employee Benefit Expenses

Employee benefit expenses had increased by 34.06% from ₹ 772.82 lakhs in Financial Year 2023 to ₹ 1036.01 lakhs in Financial Year 2024 mainly due to increase in team size.

### Other Expenses:

Other expenses had increased by 50.52 % from ₹ 651.99 lakhs in Financial Year 2023 to ₹ 981.35 lakhs in Financial Year 2024. This is primarily because increase in selling expense as sales and sales team size increase, company invested in brand development by spending more on marketing, increase in CSA commission as diversion of consumable sales.

### Depreciation and Amortization Expenses

Depreciation & Amortization expenses had increased by 51.45% from ₹ 8.94 lakhs in Financial Year 2023 to ₹ 13.54 lakhs in Financial Year 2024 which was primarily due to purchase of office equipment's.

### Finance Cost

Finance Cost had increased by 164.18% from ₹ 43.06 Lakhs in Financial Year 2023 to ₹ 113.76 in Financial Year 2024. This is primarily due to increase in short term borrowings.

### Profit after Tax

The Profit After Tax increased by 33.29% from ₹ 215.32 lakhs in Financial Year 2023 to ₹ 287.02 lakhs in Financial Year 2024 which is largely in line with the Profit Before Tax. This was a result of increase in sales of own brand product and overall sales.

### CASH FLOWS

Particulars	(in ₹ Lakhs)		
	Financial Year 2025	Financial Year 2024	Financial Year 2023
Net cash generated/(utilized in) from operating activities	(540.63)	(804.40)	(292.75)
Net cash utilized in investing activities	(5.40)	(3.83)	(32.03)
Net cash (utilized in)/generated from financing activities	1071.02	819.10	116.89

### Cash Flows from Operating Activities

In period of 12 months ending Financial Year 2024-2025, cash flow from operating activities after working capital and taxes was at (540.63) Lakhs. Cash flow from operating activities was negative on account of the working capital cycle of the company.

In period of 12 months ending Financial Year 2023-2024, cash flow from operating activities after working capital and taxes was at (804.40) Lakhs. Cash flow reduced was negative mainly on account of increase in working capital requirements of the company.

In period of 12 months ending Financial Year 2022-2023, cash flow from operating activities after working capital and taxes was at (292.75) Lakhs. Cash flow was negative mainly on account of increase in working capital requirements of the company and loss incurred during the period.

### Below is the key reason for negative cash flow from operating activities in the last 3 years :-

Our business is a working capital-intensive business which is not based on order books. We need to maintain an inventory of aesthetic products to supply to dermatology clinics where the demands can be pressing from the clinics and timely delivery plays a key role for customer satisfaction. We also need to provide payment terms of 90-120 days to long term customers with no history of bad debts to maintain healthy relationships with them.



Extended payment terms need to be provided to the clinics for them to maintain more flexibility in managing income and outflows, ensuring that the clinic has enough funds to cover operational costs. With the company experiencing robust growth at a CAGR exceeding 35% in recent years, the working capital gap will inevitably expand in tandem with revenue growth. With sustained improvements in profit margins and revenue growth, cash flows from operating activities are expected to strengthen over time. Additionally, the proposed Objects of the Issue positions the company well to address any negative operating cash flows arising from the working capital gap and continue the revenue growth of the Company.

#### **Cash Flows from Investment Activities**

In period of 12 months ending Financial Year 2024-2025, cash flow from investing activities was at (5.40) Lakhs. This was mainly on account of purchase of certain office equipment's by the Company

In period of 12 months ending Financial Year 2023-2024, cash flow from investing activities was at (3.83) Lakhs. This was mainly on account of purchase of certain office equipment's by the Company.

In period of 12 months ending Financial Year 2022-2023, cash flow from investing activities was at (32.03) Lakhs. This was mainly on account of purchase of furniture and fixtures and vehicles.

#### **Cash Flows from Financing Activities**

In period of 12 months ending Financial Year 2024-2025, the net cash received from financing activities was ₹1071.02 Lakhs. This was mainly on account of increase in utilization of cash credit facility.

In period of 12 months ending Financial Year 2023-2024, the net cash received from financing activities was ₹819.10Lakhs. This was mainly on account of increase in short term borrowings.

In period of 12 months ending Financial Year 2022-2023, the net cash received from financing activities was ₹116.89Lakhs. This was mainly on account of increase in short term borrowings.

#### **Information required as per Item (II) (C) (iv) of Part A of Schedule VI to the SEBI Regulations:**

**An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:**

**1. Unusual or infrequent events or transactions**

There has not been any unusual trend on account of our business activity. There are no Unusual or infrequent events or transactions in our Company. The transactions are as per usual business operations.

**2. Significant economic changes that materially affected or are likely to affect income from continuing operations.**

We do not foresee any significant economic changes that will affect our operations.

**3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.**

Apart from the risks as disclosed under Section "**Risk Factors**" beginning on page **Error! Bookmark not defined.**, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

**4. Future changes in relationship between costs and revenues**

Our Company's future costs and revenues will be determined by growth of industry in which we operate, economic activities and government policies and consumer preferences. As the revenue from our own brand business increases the cost of goods sold will decline

**5. Increases in net sales or revenue and Introduction of new services or increased sales prices.**





We keep launching new products under our brands as well as enter into tie-ups with new brands to distribute their products in the normal course of business which will drive our revenue going forward. We feel these steps will help us to continue our strong growth trajectory.

**6. Status of any publicly announced New Service or Business Segment**

Our Company has not announced any new Service or Business Segment.

**7. Seasonality of business**

The trend in the business over last 3 years has been a higher revenue in the second half of the year as compared to the first half and we expect the same trend to continue going forward. We typically see higher demand for our products during the 2nd half of the year led by festivals, marriage seasons & other culturally significant operations. These events typically drive higher demand for our products

**8. Dependence on few customers/ clients.**

We are catering to Acsthetic Physicians pan India and have a strong association with our customers. Our customer base is wide and we do not depend on select few customers for our business. For details see "**Our Business**" on page **Error! Bookmark not defined.**

**9. Competitive conditions**

Competitive conditions are as described under the section titled "**Competition**" under "**Our Business**" beginning on page[•].

**10. Details of material developments after the date of last balance sheet i.e. March 31, 2025**

Except as stated below no material developments have taken place after the date of last balance sheet i.e. March 31, 2025, that could materially/adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months :-

We entered into an exclusive distribution agreement with Invex India Private Limited dated 11/04/2025 for distribution of their selected products under brand name "Tinefcon" for Psoriasis



