Jagsonpal Pharmaceuticals Ltd
Corporate Office: Plot No. 412-415, Nimai Tower, 3rd Floor, Phase-IV, Udyog Vihar, Sector-18, Gurugram -122015, Haryana (India)
Ph.: +91 124 4406710; E-mail: info@jagsonpal.com; Website: www.jagsonpal.com
CIN. : L74899DL1978PLC009181

A CSR Initiative

August 04, 2026

The Department of Corporate Services- Listing **BSE Ltd,** Phiroze Jeejeebhoy Towers, Dalal Street Mumbai-400 001 **Scrip Code: 507789**	The Department of Corporate Services- Listing **National Stock Exchange of India Ltd** Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051 **Symbol: JAGSNPHARM**

Subject: Earnings Call Transcript for Jagsonpal Pharmaceuticals Limited Q1 FY27 Earnings Conference Call held on July 30, 2026 at 2:30 P.M

Dear Sir/ Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed transcript for the Jagsonpal Pharmaceuticals Limited Q1FY27 Earnings Conference Call held on July 30, 2026 at 2:30 P.M. for discussion of Q1 FY27 Financial Results.

The same is also uploaded on Company's website.

We request you to take the above on record.

Thanking you,

For **Jagsonpal Pharmaceuticals Limited**

PRATHAM RAWAL
Digitally signed by PRATHAM RAWAL
Date: 2026.08.04 15:52:32 +05'30'

Pratham Rawal

Company Secretary & Compliance officer

Encl.: A/a

"Jagsonpal Pharmaceuticals Limited Q1 FY27 Earnings Conference Call"

July 30, 2026

MANAGEMENT:	**MR. MANISH GUPTA – MANAGING DIRECTOR, JAGSONPAL PHARMACEUTICALS LIMITED**
	MR. AMRUT MEDHEKAR – CHIEF OPERATING OFFICER, JAGSONPAL PHARMACEUTICALS LIMITED
	MR. NIRAV VORA – CHIEF FINANCIAL OFFICER, JAGSONPAL PHARMACEUTICALS LIMITED
MODERATOR:	**MS. SOUMYA CHHAJED – GO INDIA ADVISORS**

Moderator: Ladies and Gentlemen, Good Day and Welcome to Jagsonpal Pharmaceuticals Limited Q1 FY27 Earnings Conference Call.

As a reminder, all participants' lines will be in listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand over the call to Ms. Soumya Chhajed from Go India Advisors. Thank you and over to you ma'am.

Soumya Chhajed: Good day, everyone and welcome to Q1 FY27 Earnings Call of Jagsonpal Pharmaceuticals Limited.

We have on call with us Mr. Manish Gupta – Managing Director, Mr. Amrut Medhekar – Chief Operating Officer and Mr. Nirav Vora – Chief Financial Officer.

Please be reminded 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.

I now request the Management to take us through the same and provide some more insight on the quarter and year gone by. Post that, we will open the floor to Q&A. Thank you and over to you sir.

Manish Gupta: Yes, thank you Soumya and good afternoon, everyone. Thank you for joining us.

We are happy to share that we have started the first quarter on a positive note. The green shoots of growth which became visible in Q4 of last year are gaining roots and we have started the year stronger with a 9% growth in Q1.

The strong performance is also reflecting in the Pharmarackdata where JPL grew by about 18.9% in the quarter as against the industry growth of 11.6% in the period. I do believe that we are now on track of getting our growth to 1.5x industry growth rate in the quarters to come. This 9% growth in sales has translated into a 21% growth in operating EBITDA as well as a 22% growth in net profits for the company.

A key milestone during the quarter was the acquisition of controlling stake in Aequitas Healthcare at an enterprise value of about Rs.25 crores.

With FY26 revenue of Rs.53 crores, Aequitas provides JPL an immediate and meaningful entry into the hospital segment, thereby creating new opportunities through hospital formulary access, cross-selling and operating synergies.

I am confident that this acquisition will start contributing meaningfully to JPL's business from second year onwards.

Alongside investing for growth, continuing our tradition for rewarding shareholders, we completed a Rs.40 crores share buyback which has strong positive impact on our already healthy return on capital employed by another 340 bps. The buyback, which was subscribed 3.67x was made at a premium of about 40% to the then prevalent market price. Importantly, we have recouped almost 50% of this payout within this quarter, reflecting the strength of our business model as also discipline of execution.

Over the last four years, we have focused on building a business that consistently delivers profitable growth, strong cash generation and disciplined capital allocation.

Between FY22 and FY26, our EBITDA and PAT has grown 2.5x, compounding at almost 25% annually, while our free cash flows have increased 8x. This transformation has enormously strengthened our balance sheet, which coupled with our integration skills, has positioned us well in pursuing strategic inorganic opportunities.

The quarter gone by also saw a change in the Board of Directors. We acknowledge the valuable contribution of Ms. Pallavi Dinodia Gupta over the last four years, who stepped down citing personal commitments.

We are delighted to welcome Mr. Anil Kumar Matai, who joins the Board as an Independent Director. Mr. Matai brings with him more than three decades of distinguished leadership experience across pharmaceutical and healthcare sectors. With his rich experience and deep understanding of the industry, Mr. Matai brings immense value as we continue to scale our business and pursue growth opportunities.

Looking ahead, our priorities remain unchanged, accelerating organic growth, successful integration of Aequitas and evaluating value-accretive inorganic opportunities, all while maintaining disciplined capital allocation.

With that, I now hand over the call to our Chief Operating Officer – Amrut, to Discuss the Operational Performance.

Amrut Medhekar: Good afternoon, everyone and thank you, Manish and thank you, all for joining the call.

Let us talk about how we are moving Jagsonpal from good to great in the Indian pharma market. This quarter was not just about steady execution, but we believe that some of the steps taken in the right direction have started showing some positive outcomes.

We have laid the groundwork for a new phase of value creation built on four clear pillars -- One, which is accelerating organic growth. Second, brand building. Third, productivity increase. And fourth, inorganic value-accretive opportunities. Here is the plan and what we have started delivering.

In terms of accelerated organic growth, our branded prescription business is the engine of Jagsonpal and this quarter we tuned that engine.

We are deliberately shifting the portfolio away from high volume and low margin acute therapies towards higher value, stickier semi-chronic and specialty treatments.

The increasing focus on semi-chronic and specialty therapies has significantly enhanced our quality and productivity of our new launches, with average monthly sales run rate almost doubling for these new brands. This is a structural change and it would not happen overnight, but we are confident that we will see more meaningful results in the coming future. This strategy is not just about changing geography and scale, it is about deepening our clinical relevance.

By launching some complex generics and niche formulations, we are taking share in the premium tier.

Our semi-urban push, backed by highly trained field force, is already improving month-on-month market share as well as rankings. We are growing faster than the industry and the revenue that we are adding is of superior quality.

Second pillar is our brand building efforts. In India, products meet the needs and brands earn loyalty. We have rebalanced our marketing investments to move Jagsonpal from a product-centric to brand-centricity. We are shifting our traditional volume-led promotional practices to a more focused scientific promotion model, enabling more meaningful physician engagements and better long-term brand building.

We are launching brands with patient education ecosystem as well as building trust with our HCPs.

When a doctor prescribes our Jagsonpal brand, they are choosing our good reputation for quality and efficacy and not just a molecule. That premium is already showing up in our bottom line. The early green shoots from the brand premiumization are visible. As Manish ji said, even it is visible in a gross margin as well as on the PAT growth.

Our power brand portfolio is also reflecting a growth of 19% versus the market growth of 16%. Today, our five brands rank #1 in respective molecules while 14 brands are among the top five. During this quarter, brands including Maintane, Indocap, Endoreg and Lycored continue to outperform their respective therapy markets.

Third initiative is on the productivity improvement side and I call it operational excellence. Growth without margins, improvement is hollow. As our M.D. sir said, we will grow revenue and that growth must translate into stronger profits.

What may appear as small operational changes including redesigned training interventions, more effective residential briefing meetings, aligned incentive structures and focused one-on-one mentoring of new hires has started showing some transformation.

One of the significant constraints of growth for the industry has been attrition. We have implemented a range of people-centric initiatives including MBA program for our sales team, we have a very exciting incentive which is named as "Bahubali," our enhanced reward and recognition system for the team. These seemingly very small but impactful interventions have strengthened our engagement, improved our retention and driven meaningful behavioural changes across the organization supporting our long-term sustainable growth agenda.

This quarter, we rolled out a company-wide lean and green productivity improvement program. We are doing more with less while maintaining our quality standards. This productivity gain has already started contributing towards better EBITDA margin and healthier P&L.

Last and most important which development has happened in this quarter about Aequitas acquisition. Organic growth builds the base while smart inorganic moves multiply it. I am proud to announce that Jagsonpal has completed the acquisition of Aequitas in this quarter. This is strategic and not transactional. Aequitas brings complementary capabilities. It expands our network by almost 49 institutional medical representatives, access to over 1,000 hospitals and relationships across 4,000 specialty doctors. Not just this but it will give distribution muscle to accelerate JPL brand entry into high-growth hospital segment. This will certainly save us years of market entry time. Due diligence was done, integration planning is already underway and we expect the projected synergies to create significant value over the next 36-months. Aequitas is the catalyst and that will help us move from a solid prescription player to a market leader.

On the road ahead, combined accelerated growth, organic growth, brand pricing power, productivity-led margin expansion and the contribution from Aequitas, the outcome is going to be hopefully compelling. Starting with a revenue base of Rs.53 crores, we are targeting Rs.10 crores EBITDA by year two post-integration, driving higher revenue contribution and improving profitability from FY27.

Jagsonpal is now positioned for a greater compounding growth. We have the vision, we have the execution capability and we expect to deliver on the promise.

Thank you so much for your trust once again. I now look forward to Mr. Nirav for his perspective on the performance.

Nirav Vora: Thank you, Amrut Sir, and good afternoon, everyone.

Q1 FY27 was another quarter of strong execution and consistent financial delivery. During the quarter, we delivered healthy revenue growth, expanded operating margins, strengthened our return ratios and continued our commitment to enhancing share-to-value through the successful completion of our share buyback.

Revenue from operations increased close to 9% year-on-year to Rs.82 crores, while gross profit grew over 10% to Rs.54 crores, with gross margins improving to 65%-plus.

Operating EBITDA increased by around 21%, standing close to Rs.19 crores, with margins above 23%-plus, expanding by 240 bps.

PAT grew by 22% to Rs.13 crores, while margins improved by 176 bps to 16%.

Strong operating cash generation is one of the key sources of our strength, supported by disciplined working capital management that enables us to convert a significant portion of our earnings into cash.

Our commitment to enhancing shareholder value is reflected in the successful completion of our Rs.40 crores buyback, half of which has already been added back to the closing cash-in-cash equivalents, thereby maintaining a healthy closing cash balance of Rs.170 crores.

Our capital efficiency also stands improved in ROC and ROE, expanding by approximately 340 bps and 250 bps respectively.

I am pleased to share that we have successfully completed the acquisition of 85% stake in Aequitas Healthcare for a consideration of Rs.20.8 crores. This strategic acquisition marks Jagsonpal's entry into the fast-growing hospital segment and is expected to create value through commercial and operational synergies. Integration is underway and we expect the benefits to become progressively visible in the coming quarters.

Before I conclude, let me briefly reflect on the company's progress over the last four years. During this period, we have generated over Rs.250 crores of operating cash, which has been judiciously deployed towards strategic acquisitions, including Yash Pharma for over Rs.90 crores, as well as shareholders' returns through a dividend of over Rs.40 crores and buyback of Rs.40 crores.

You may also recollect that the board recommended a dividend of 200%, including a special dividend of 75% in April '26. This will be paid out on receiving approval from the shareholders at the ensuing AGM.

Going forward, we remain committed to disciplined capital allocation, balancing investment in organic as well as inorganic growth, while creating sustainable long-term value for our shareholders.

With that, we conclude our prepared remarks and we are now happy to take your questions. Thank you.

Moderator: We will now begin the question-and-answer session. The first question is from the line of Mihir from Fident AMC. Please proceed.

Mihir: Yes, hi. I have a few questions. The first question is, what explains the difference between external sales growth and our commission growth? So, from the 18% IPM growth, we only reported 9%. Is it a function of timing? Is it a function of higher discounts or would you like to give a bit more color of why is that the case?

Amrut Medhekar: Thank you for your question. See, these are the sales which are not primary sales. The primary sale is what the company sells to the stockists, and the reports that you get from the market research companies is secondary sales, which is from stockists happening to the market. So, these are stockists out data. Therefore, there will be always a variance in terms of growth or even the value which is reported between this report and any pharma company in the industry. These variances should not have been so higher. We are looking into it as to why this has happened. But sometimes it happens in terms of your statistical, I will say, consideration of some geographies, which may not be so very well represented by Jagsonpal, but yet, when you do a universal count of the representative universe of stockists, you try and statistically correct that. So, sometimes that happens, which I have seen during my last 30-years of experience in the pharma industry. For many companies, it will happen often.

Mihir: Got it. So, let us say, would you realistically say that a mid-to-high teen growth for Jagsonpal pharma on the revenue front is something which is likely? So, when you say you are going to outgrow the market 1.5x, is it on the secondary sales front? Is it on revenue front? How do you actually go about entering it?

Amrut Medhekar: No, our belief is that both these sales, primary and secondary, ideally should always move in the similar direction and similar line. However, there will be always a buffer of inventory, which will also be built in between. So, we continue to maintain our guidance that our objective will be to breach this 1.5x of our promise as compared to the Indian pharma industry.

Mihir: Got it. One more question which I have is, last four months Jagsonpal Pharma seems to have grown materially faster. What actually has changed in the last three, four months or maybe it would have started a few months back, but the rewards of which has been reflected in the numbers at least for the last four months and do you see this trajectory kind of continuing or accelerating as we move into FY27?

Amrut Medhekar: So, pharma companies have a large basket of brands. You have to carefully choose which are those brands which you would like to build and have a focused marketing expenses as well as marketing focus on those brands. So, I think our selections have gone right. That is one part. The second part is that the delta that these markets are also delivering for the other companies is also good. So, I expect this to only accelerate from here. The second is, of course, we have done small little things which are more technical in nature which I cannot be discussing on this call, but I think overall we have been able to bring down our attrition, so, team building is happening. We are able to strengthen our leadership. We are doing a lot of training and coaching programs to build the competencies and capabilities of the team and I think some of these steps are also slowly and gradually translating towards the outcome.

Mihir: Got it. And my last question is on Aequitas. So, it seems like you have given a very aggressive guidance of almost like a Rs.10 crores EBITDA from the current Rs.50 lakhs EBITDA which they reported in FY26, can you give a bit more colour on how do you accelerate EBITDA growth from Rs.50 lakhs to Rs.10 crores? Does that EBITDA also have some component of let us say older promoter salaries which kind of gets weighed off and how will the progression be? Will the Rs.10 crores EBITDA be on a current Rs.55 crores or do you see acceleration in top end growth as well kind of driving a lot of incremental EBITDA margins going forward?

Amrut Medhekar: So, this is primarily a brand asset which has a very good reputation in the hospital pharmaceutical supply business. Second piece is that the kind of asset that we are talking about is the people asset which is very good, very lean and thin and very focused on the corporate hospital chains where relatively you are able to get better margins as compared to the government institution accounts, whether it is public sector or whether it is state or central government. And therefore, the quality and the trust that we got from this brand on Jagsonpal should help us cross-sell the brands. So, some of the Jagsonpal growth engines will also get a fresh entry into hospital which will give us incremental value which we expect to directly flow into our EBITDA. Second piece which I would like to clarify, since you mentioned it that the salaries will go away, but those promoters will continue to serve us as you have seen that we acquired only 85% and 15% still continues to be with those promoters and they will continue to drive the business which they have been doing. Third, very value-accretive thing that we are planning to do is some of the new age brands which have very high usage in terms of value per patient as well as in terms of volumes per ICU bed. Those have been identified very carefully and we are ready to launch them and hopefully some of them will see very large value accretion happening over the next two to three years' time. And therefore, the window which has been given to you is two years and Rs.10 crores.

Mihir: Got it. Thank you and all the best.

Moderator: The next question is from the line of Sajal Kapoor from Antifragile Thinking. Please proceed.

Sajal Kapoor: Thank you for taking my question. Hi, team, good afternoon. I have three questions. First is, what will be the earliest evidence that Aequitas integration is working? And second is as you build the hospital business, what is the hardest capability to develop? What has surprised you the most since you acquired Aequitas?

Amrut Medhekar: To the last question, there has been no surprises. As you know, Sajal, that we are not a very, very large organization which can afford to take decisions and ignore few of the shortcomings which might be there in each business. So, therefore, a lot of due diligence has been done and accordingly the value fixation or enterprise value has also been decided. So, there have been no shocks or surprises for us post-acquisition. Second piece is, you asked me the evidence of first instance of success for Aequitas. I am pretty sure about it that numbers will speak maybe in the next two quarters. And you also asked, I think the second question was, what is success, what is the challenge for running a business? You all know that, obviously, most of these hospital teams are also run by the private equities and there are a lot of pressure in terms of top line and bottom line growth for them also. So, they are hard negotiators. So, I think one skill which we need to learn as a team is how do we have a good proposition for the hospital which is making both the sides win-win. #2 is, it is a lean and thin team. You have very, very small 49-people on board which are completely focused on these corporate hospital chains. But most importantly, they bring with them on table very long and very strong and deep relationship with the hospitals, be it with the doctors, HCPs, or be it with the nursing staff, or be it with the administrative and purchase teams. So, I think that is going to be a lot of value addition for us also in Jagsonpal to learn from them and grow on that. So, it is more of a piggy ride for some of the Jagsonpal entry into hospital, besides the value that they have been already delivering. I hope I answered to your satisfaction, but I am open to further questions.

Sajal Kapoor: Sure. That is helpful, Amrut. I have got more questions. Perhaps I will rejoin the queue and thank you.

Amrut Medhekar: Thank you.

Moderator: The next question is from the line of Ansh from Capital One. Please proceed.

Ansh: Congratulations on a great set of numbers, sir. So, I just had two questions. So, one, can you mention what would be the size of Maintane as compared to MAT? And what point does it become large enough to change the portfolio weighted growth rate, sir?

Manish Gupta: Sorry, come again. Can you repeat your question, please?

Ansh: I am sorry. Can you specify what would be the MAT value for Maintane? And at what point does it become large enough to change the portfolio weighted growth rate?

Amrut Medhekar: If I had to give you the numbers, I will give you in terms of percentages so that our internal numbers are not fully in public in terms of brand value. I can tell you what is coming in the public domain, which is Pharmarack numbers, which talks about a value of close to around Rs.46 crores is what it is showing in Pharmarack. Out of which, if I give you a breakup, Rs.34 crores is Maintane injections and Rs.13 crores is Maintane tablets. In terms of growth on both the SKUs, we are ahead of the molecule market growth. Second piece, I think if I have understood correctly and deciphered correctly, your question is whether it will change the portfolio picture. So, I think it is a very big brand for us. It is, I think, one of the top three brands for our company. And therefore, if this brand fires well, it does well. Obviously, it is extremely value-accretive and extremely good for the organization, because our priority focus continues to be in the Gynecology.

Ansh: Okay, sir. That is helpful. And so, what would be the PCPM, sir, for this quarter? And I am assuming this is what is leading our guidance, correct?

Amrut Medhekar: Exact PCPM numbers, I am sorry, Ansh, I would not be able to give that, but you can safely assume from our report because you have the top line and you have the number of people. But however, across businesses, there are different sets of PCPMs because we have four different verticals into prescription business, which is dermatology, which is gynecology, which is orthopedics, and we have

GPCP. So, each vertical has a different PCPM. However, we are targeting upward of 2,50,000 in terms of people productivity.

Ansh: Okay, sir. That is helpful. Thank you, sir.

Moderator: The next question is from the line of Neelam from Perpetuity. Please proceed.

Neelam: Thanks for the opportunity and congratulations on some good set of numbers. My first question is on the Aequitas acquisition. So, could you help us understand what is the current product profile, what are the key therapies, leading products, and the mix between branded products and institutional tenders?

Amrut Medhekar: Institutional tenders? Okay, I will give you the mix of products. So, primarily, since it is a hospital business, it is an ICU usage portfolio, which comprises predominantly antibiotics, including the latest generation antibiotics. Number two would be some of the volume enhancers. Number three would be some of the injectables which are used in perioperative usage, including a bit of anesthesia, a bit of nutrition, and the four species around the pain reliever and a little bit of anti-acid, which is used inside the hospital post-operative for the patient. So, these are the four broader buckets under which the product lies today. What was the second question, Neelam?

Neelam: Yes, I just wanted to know the mix between branded products and institutional tenders?

Amrut Medhekar: So, all of them are branded. I mean, since we do not participate in the government tenders, it is a purely corporate hospital chain pharma business.

Neelam: Understood. And what would be the product concentration look like, like top-10 products, how much does it contribute to the Rs.53 crores sales?

Amrut Medhekar: Top 10 products would be anywhere upward of 50%, half of our total sales, and similarly, close to around 50-hospitals will contribute majority of our top line out of the total 1,000-hospitals that we cover. So, we have a lot of headroom to grow.

Neelam: Got it. And in terms of Jagsonpal's existing products, cross-sell opportunities, could you identify which products would be most suitable for hospital cross-selling?

Amrut Medhekar: From the Jagsonpal side?

Neelam: Yes.

Amrut Medhekar: So, obviously, all the current existing baskets will be primarily looking at our power brands, which I think in the earlier question also I answered. So, obviously, all our prescription brands which have very good equity outside the hospital, we would like to also have our presence inside these corporate hospitals, starting with Indocap, Endoreg, Maintane, and also Eukroma and KTC, all of them.

Neelam: Got it. Okay. And generally, hospital businesses have longer working capital cycles. So, could you give us some sense around how is the working capital cycle for Aequitas currently and how are we looking at the overall Jagsonpal's lean working capital cycle going forward with this acquisition?

Amrut Medhekar: Yes. I mean, obviously, the productivity is also bigger there. The volume and ticket size is also bigger. Productivity is much larger in the hospital segment. So, the flip side is that how do you manage your credit cycle? So, we have a strategy in place, and we will be trying to align our strategy along with the Aequitas current credit terms that they have.

Manish Gupta: And Neelam, to add on to that, obviously, we cannot work with the same working capital cycle in Aequitas as we do in JPL. So, therefore, you will see that, a), it is a subsidiary route and not a BTA route that we have adopted. So, we do not want to mix up the two businesses in terms of practices. Both will have their own working capital cycle. Clearly, Aequitas working capital cycle is longer than JPL. We intend to improve it, but it will not get aligned with JPL.

Neelam: Understood. Okay. And sir, lastly, on our indication of Rs.10 crores EBITDA by year-two for this business, could you give us some roadmap in terms of what kind of scale can we achieve in this business? What margins are we targeting in the next two years? And how much of it would be probably Jagsonpal's cross-selling? And how much would be organic growth of the existing business?

Amrut Medhekar: From Aequitas alone you are talking?

Neelam: Yes.

Amrut Medhekar: Aequitas alone, we are looking at around Rs.100 crores of business within two and a half years' time, starting from now. So, we are looking at '28, '29 as the FY. And I think we have given that in the board deck as well. And we are certainly targeting upward of Rs.10 crores of EBITDA. So, these are the two numbers that we are going to change here.

Neelam: Got it. That is helpful. Thank you so much.

Moderator: The next question is from the line of Harshil from BTH Capital. Please proceed.

Harshil: Hi, sir. Thanks for the opportunity. My question is related to Maintane brand. Basically, if I look at the growth profile of Maintane, most of our company's growth has been coming from that molecule itself. So, how do you look at the concentration risk here? And how do we mitigate it? And similarly, what are the other products you think have the potential to scale up like an Indocap or Maintane in our current product basket?

Amrut Medhekar: I am not able to fully decipher it. The brand is doing well internally for us. But, if your question is that it is going to have a resounding effect on the portfolio? Then of course, yes, the way currently it is performing. But other brands are also doing reasonably well. So, you look at Metadec, you look at Lycored, you look at Equirex, you look at Divatrone, all the brands, including Endoreg or Pru. These brands are also doing better than the market for sure. However, as I said that these are only small steps. The growth is yet to pick up and we expect that this momentum will only get stronger in the coming quarters, because these are all prescription brands. And growth of prescriptions over a period of time, it always depends on the new patient's journey, stickiness to the prescription which doctors prescribe. But most important is how do you get the brand loyalty from the prescriber community itself.

Harshil: Okay, sir. Thank you.

Moderator: The next question is from the line of Vansh Gupta from Prescient Capital. Please proceed.

Vansh Gupta: Hi, sir. Thank you for the opportunity. So, sir, can you just please share what are some of the key hospital chains in which Aequitas is currently empanelled, and that you believe will be key drivers of your growth that you envisage for the next few years, and also the geographies in which these hospitals are located?

Amrut Medhekar: This is Pan India presence. Predominantly, all the top corporate hospital chains in our deck that we shared yesterday, it contains the names of those hospitals as well. The top six hospitals are, of course, Max, Manipal, Vedanta, Cloudnine, Rainbow, and also, we have Aster DM as well.

Vansh Gupta: Right. And so these are the top customers from which you are envisioning the next two years of growth from Aequitas, right?

Amrut Medhekar: Yes.

Vansh Gupta: So, just a couple of more questions. I believe you had hinted at some first-in-India or breakthrough molecule pipeline that the company was developing. Can you please share some developments on the same if you have any?

Amrut Medhekar: Come again, sorry.

Vansh Gupta: So, in the prior quarters, I believe the management had hinted at some first-in-India or breakthrough molecule pipeline. Can you please shed some light on the developments on the same if you have any?

Amrut Medhekar: No, we never mentioned this. I do not recall this in the earlier call if it has been discussed. But obviously, we are looking at some of the opportunities wherein we are able to get first-in-India opportunity in the available basket of our therapies, which is gynae, ortho or derma. If we are able to get first to launch opportunity, great. Or otherwise, at least in the first wave of launch, which may be five companies or select 10-companies only, we would like to be part of that.

Vansh Gupta: And are there any such products under development for this year, sir?

Amrut Medhekar: This quarter, sir, we have been able to launch one product, which is among the first wave of launches. We expect one more such opportunity in the current quarter to happen.

Vansh Gupta: Got it, sir. Sir, just for the growth that the company is envisaging for the next two years, not just the Aequitas portfolio, but the organic growth, can you please shed some light on the key brands that you are focusing on that you believe will propel the growth for the company going forward?

Amrut Medhekar: See, I am extremely positive on one of the largest brands in our portfolio, which is Indocap. It has a lot of niche and a lot of scope and opportunity, both. So, we will be trying our level best to see that this brand exponentially increases in terms of its current versus its recent past I would say. Second, of course, Maintane is already doing better and we expect it to continue to do better. The third brand that certainly is on our radar to gain momentum is Endoreg, which is going to be our mainstay in terms of our gynecology prescription basket currently. And on the dermatology side, obviously two brands, which is Pru and Eukroma. That is what we are looking at.

Vansh Gupta: Got it, sir. That is all from my end, sir. Thank you so much.

Amrut Medhekar: Thank you.

Moderator: The next question is from the line of Sajal Kapoor from Antifragile Thinking. Please proceed.

Sajal Kapoor: Yes, thanks again. It is a bookkeeping question, maybe related to working capital. I see a pattern. What execution habits changed after FY24 that unlock such a step change in working capital? I mean, working capital has improved dramatically since FY24. So, I am not taking hospital acquisition into consideration obviously. I am just trying to understand what has changed in the operating system to make such a dramatic improvement in net working capital?

Amrut Medhekar: Our practices now are in line with the best in the industry in terms of collections. That is what we have kind of ensured. And therefore, it is reflecting in the quality of business. Fundamentally, it is all about debtor collection that makes the difference in working capital. I mean, all others are important, but collecting money on time is what really matters as far as working capital is concerned. And here now we are in line with the best in the industry.

Sajal Kapoor: No, I appreciate that, Manish. See, the quality of business was good in 2024 as well. So, I am just looking at the screener data. You may be tracking it slightly differently. But take the rate of change as an example. So, the debtor days were 19-days in 2024 and they are largely similar; 2025 was 18-days. 2026 was 22-days, so, again, in that ballpark of 20-days, give or take. Inventory days has improved from 68-days in 2024, we dropped to 51- days. So, that is positive, thumbs up. Payable days, I think, has gone worse actually. So, that is, I mean, again, 35-days versus 40-days, same ballpark. The material improvement that is happening is happening in the cash conversion cycle as a result of working capital days. So, working capital days used to be 52 in March '24, that dropped to 9-days in '25 and 11-days last year. That is a significant change.

Amrut Medhekar: So, two major changes which Sajal you highlighted is in terms of value. You look at it, value contribution is primarily from the part of inventory control.

Sajal Kapoor: Say that again, Amrut. I did not quite catch that.

Amrut Medhekar: The material change is primarily happening because of the inventory control. While our collection cycles have continued to be same in spite of organically growing the business, yet our collection cycles have only become stringent. And number three, of course, there is a debtor control, which is much, much better in terms of any overdues in the market. And the last piece that possibly is working for us is creditors I think.

Manish Gupta: We are paying on time. I mean, now the very clear diktat is same day payment as per due date. There is not a single day extra. So, Sajal, I think if you look at the data, our larger dip in working capital came between FY22 to FY24. Cash conversion days dropped from 59-days to 22-days. Thereafter, yes, it has gone down, but now numbers are so small that they feel extrapolated, but actual real benefit came between FY22 to FY24.

Sajal Kapoor: And Manish, is the digital transformation you took about a year or maybe two years back, is that also contributing, because it may have been a paper-based system, manual tracking, and now we have better analytics and digitization is kind of yielding the results that you might have expected?

Manish Gupta: Sajal, I will partly have but Amrut respond to this, but my own experience is you cannot attribute improvements to single factors in the kind of industry we operate in. There are hundreds of initiatives going on across all the firms, and each one of them matter. Individually, there is no one which is bigger than the other. Every initiative, as Amrut mentioned in his speech, these are all things that have been initiated, digital is one of them that also is contributing, but there is no singular parameter which has dramatically changed our way of doing business. Amrut, do you want to add?

Amrut Medhekar: No, I think, Sajal, it is very difficult to list out, but there has been also a classification of importance of specialty, therapy, which molecules are delivering more delta in terms of market, how our brands are tracking, what is our strength in which specialty, what should be the increased frequency of doctor visits, customer visits, in what calendar cycle we should be doing it, what will be our order cycle, how do we split up the orders so that there are no bend days at the end of any quarter, so you have split up order for each stock case. So, a lot of discipline has been worked upon. These are all granular, very small little things, Sajal. But eventually I think these will create a very strong foundation for the organization where the growth is profitable and sustainable growth.

Sajal Kapoor: Understood. That is helpful. Thank you so much and all the very best.

Moderator: The last question is from the line of Anubhav Mukherjee from Prescient Capital. Please proceed.

Anubhav Mukherjee: Sir, I just have one question. The gross margin profile for Aequitas seems to be low for a completely branded business and also much lower than our business. So, can you share some colour on why is that?

Amrut Medhekar: For a hospital business, it will be like this. The margins will be much thinner versus a branded prescription business, because there you have doctors choice towards or buyers towards a particular brand due to its name, image, quality associated with it over a long-term use. But in hospital settings, it is more than the brand, it is always the price that comes first. Obviously, brand becomes number two there. So, largely if you look at, all the large organizations will have similar kind of quality, all the large companies and good companies, but what makes the difference in terms of which brand they will have choice to stock would be the price. And therefore, your margins always come under pressure while dealing with the corporate chains. So, you cannot have a comparison between these two business models. They are independent. As Manish has said, this will continue to operate as a subsidiary. We are making efforts to improve the gross margins as well with some identified products where you are able to charge a big premium from the market being a little more innovative, being a little more novel in terms of your entry point. I hope it answers partially to your question.

Anubhav Mukherjee: Yes, sure. And sir, the margin improvement for this business like Aequitas will come from like you are alluding to like gross margin improvement, but will it come mainly from that gross margin improvement or like productivity gain and operating leverage?

Amrut Medhekar: This will happen. So, one is, of course, productivity increase will continue to be our objective. But, at the same time, we are looking at a product mix improvement. So, the products which will have higher gross margin, that is where we are going to be more aggressive. That will be our primary purpose. Number two, we have already pre-identified and pre-populated some of the innovative products where you have a differential delivery or a differential, I will say, entry point where you will be able to charge a little more premium as compared to your current market. And therefore, in the longer run, I feel slowly and gradually these gross margins will also go up. Now, it all depends on how quickly we are able to unfold it and execute it on the field. So, this is too early. I think this is not even the first month. I think we should be able to convey to you more clearer in the coming quarters.

Anubhav Mukherjee: Got it. Thanks. That is all from my side.

Moderator: Ladies and gentlemen, that was the last question for today. I now hand over the conference to the management for closing comments. Over to you, sir.

Nirav Vora: Thank you, all participants, for your valuable questions and engagement. We appreciate your interest in Jagsonpal. Should you have any further queries or any requirement of additional information, please do not hesitate to contact our investor relationship team at Go India Advisors. We remain committed to engaging with you all, fostering transparent communication as we continue advancing our objectives of creating value for our stakeholders. Thank you once again for your participation and wishing you a very good evening.

Moderator: Thank you. On behalf of Go India Advisors, that concludes this conference. Thank you for joining us and you may now disconnect your lines.