# Q4 & FY26 Earnings Call - Health X Platform Ltd (earlier Sastasundar Ventures Ltd)

## Shrutee Barve

Hi everyone and a very good afternoon. I welcome you all to Health X Platform Limited Q4 & FY26 Earnings Cum Business Update Call. Please note that the discussion on today's call may include certain forward-looking statements and must be therefore viewed in conjunction with the risks pertaining to the business.
We have on call today Mr. Banwari Lal Mittal, the Managing Director and CEO and Mr. Lokesh Agarwal, CFO. So, I now request, I would like to hand over this call to Mittal sir to proceed with the opening remarks. Post that, we'll open the floor for Q&A. Thank you, and over to you, sir.

## BL Mittal

Welcome everyone to Health X Platform Limited (formerly known as SastaSundar Ventures Limited), Q4 and FY26 earning concall. We sincerely appreciate your continued trust and support as we continue building one of India's most capital efficient healthcare platform, focusing on making healthcare affordable, accessible and technology driven. We are delighted to share it here that this year we successfully transitioned to the HealthX identity reflecting our evolution from a healthcare commerce business into a broader healthcare ecosystem, spanning pharmacy distribution, digital healthcare, technology, diagnostic, and preventive care. At HealthX, we are guided by four enduring principles.

They shape everything we do. Innovation powered by technology, Value delivered with efficiency, impact driven by empathy, and trust built on authenticity. Our core values being genuine and being child are just not words on a wall. They are the cultural DNA of the organization.
We ensure that every product and service we offer is 100% genuine. And like a child, we remain curious, non-discriminatory, emotionally connected, and committed to growing every single day. Before diving into performance, we share a short brief on the company for the new participants today here. Many of you must be knowing we serve India through two powerful and complementary vertical as part of single business ecosystem.

Sastasundar App or B2C platform connects consumers directly to genuine medicine, diagnostic and wellness products. We offer real savings, counselling by trained health professionals, and AI-driven personalized care. Retailer Shakti, our B2B platform, is designed to empower India's retail pharmacies. We give them better margins, complete stock availability, transparent pricing, and dedicated support, enabling them to serve their customers with greater efficiency and trust.

Together, this platform forms one integrated ecosystem unified by data, AI, and unrelenting commitment to authenticity. Technology remains central to our strategy. We operate through centralized technology enabled fulfilment infrastructure with over 2 lakh square feet of warehousing capacity, more than double our earlier footprint. AI-lead automation across procurement, warehousing, inventory management, and order fulfilment is helping us improve efficiency, accelerate delivery timeline, and create a scalable operating model capable of supporting significantly larger volumes.

Coming specifically to FY26, which was indeed an important year for the Company, a major strategic milestone during the year was the launch of JITO, or All Certified Genetic Medicine category. To help the end of extensive pharmacy network, JITO aims to make high-quality health care significantly more affordable by offering medicine at prices up to 60% lower than leading branded alternatives. We believe this initiative has the potential to become an important core driver while further strengthening our mission of affordable health care. On the segment front, our B2B platform, Retailer Shakti, continues to emerge as one of the fastest-growing pharmacy supply chain platforms in India.

Since financing in 2019, the business has compounded at nearly 78% CAGR and now sells over 62,000 retail pharmacies, while partnering with more than 700 pharmaceutical companies. Our scale, technology, infrastructure, and deep retailer relationship provide a strong foundation for sustainable long-term growth. On the customer side, for B2B platform, B2C platform, SastaSundar continues to demonstrate strong traction with

improving customer engagement, repeat purchase, and operating efficiencies. For B2C, business remains highly capital efficient, supported by an inventory-light operating model and a working capital cycle of only 18 days, among the best in the industry.

Looking ahead, our focus remain on these strategic priorities, accelerating the growth of retailer safety, scaling up consumer healthcare platform, and expanding the JITO ecosystem across product and healthcare services, while continuing our investment in technology, automation, and platform capabilities that we believe will drive operating leverage and profitability over the coming years. From uniqueness perspective, I would request you to pay your attention on the fact that we measure our capital efficiency by providing the cost of capital at the rate of 9% and this scale of the business is built upon by total capital deployed, including the cost of capital, only rupees 259 crore.

Our growth rate, total capital efficiency, consumer experience, technology state and governance is what we are proud of. We remain confident on our long-term vision and continue to target 6,000 crores of revenue by Financial Year 2030, comprising 4,000 crores from B2B Retailer Shakti and 2,000 crores from B2C Operations by Sasta Sundar App, while progressively improving EBITDA margin and maintaining industry-leading working capital efficiency. As you are aware, our board of directors have approved a scheme of simplification of corporate structure. The details have been given in a detailed presentation filed with Stock Exchange under the scheme. The Finance Division shall be demerged and listed separately in the name of Microsec Resources Ltd.

The existing shareholders will be allotted one equity share of the Finance Division against 3 equity shares held in the HealthX platform. There will not be any change in the existing shareholding of Health X Platform Ltd. In the hands of existing shareholder, the public shareholder of subsidiary Company, SastaSundar HealthBuddy Limited, shall be allotted shares of Health X Platform Limited. The valuations are, therefore, is on the basis of mirror image.

We would like to request you to visit our website, HealthXPlatform.com, for further information. With this, I would now request our CFO, Mr. Lokesh Agarwal, to take you through the detailed financial performance for quarter four and financial year 2026 ending. Thank you.

## Lokesh Agarwal

Thanks, Mittal ji. So, myself Lokesh Agarwal, I'll take you through the financial performance of the Company for the quarter and financial year ended March 2026. So, during this quarter, we delivered another strong operating quarter, reflecting a healthy topline growth and continuous improvement in our operational metrics. So, our revenue from operation increased to Rs 356 crores for this quarter, a growth of 22% year-on-year and 4% quarter-on-quarter driven by sustained growth across both the business verticals that is B2B and B2C.

Gross profit for the quarter increased by 45% year-on-year to increase 26.5 crores while gross margins improved to 7.3% as compared to 5.9% in the corresponding quarter of last year. This improvement reflects on account of better product mix as well as stronger procurement efficiency and operating excellence across our platform. EBITDA losses have reduced significantly to Rs. 20 crores as compared to 29 crores of quarter 4 of FY25 representing an improvement of nearly 29% year-on-year, while EBITDA margin improved to negative 5.5% as compared to negative 10.3% in the corresponding quarter of last year. At the PAT level, the loss for quarter stood at Rs. 12.9 crore as compared to a profit of 17.6 crore of Q4 FY25. The variation is primarily attributable to lower other income and exceptional items during this quarter.

However, operational performance has been continued to improve with stronger growth and gross profit generation and improving operating leverage across all boards in the business. Further, you would notice that the full year FY26 financial performance has improved substantially. The company reported revenue from operation of 1283 crore reflecting a growth of 18% year-on-year driven by steady performance across both our core business segments. Gross profit increased by 36.5% year-on-year to 96.5 crore while gross margin improved by nearly 100 basis point to 7.5% from 6.5% of last year.

EBITDA losses reduced significantly from 79 crore in FY25 to 65 crores in FY26 with EBITDA margin improving from negative 7.3% to negative 5%. Improvement in operational efficiency and disciplined cost management

supported a sharp turnaround in profitability with the company reporting a near PAT breakdown loss of negative 1.4 crore in FY26 as compared to a loss of 133 crore of FY25. From balance sheet point of view, we maintain a high capital efficiency wherein our working capital is among the industry best. We maintain 18 days working capital efficiency representing approximately 5% annual sales while capital employed is roughly Rs. 74 crores. We also have a cash balance of approximately Rs. 30 crores. This does not include our treasury.

This is purely cash and FD that is being held by us. So, coming back to our working capital efficiency, which is 5% of our annual sales, wherein we still manage to cross Rs. 1300 crore in annual revenue. Overall, the performance reflects the company's continued focus on scaling revenue while improving operational efficiency.

We remain committed to investing in technology, talent, and platform capabilities, which we believe will translate into stronger margin. Thank you.

With this, I'll leave the floor open for queries.

### Shrutee Barve
I request the participants to please use the raise hand feature for question
Praneeth, please go ahead.

### Praneeth
Hi sir, thank you for the opportunity. So I wanted to start with our JITO endeavour right now. So you mentioned that in our presentation that we have done with 15 and we have more in the pipeline.

Could you explain how has the reaction been in the market and what kind of sales are they doing? And have you identified any challenges that you didn't expect when you were going forward with this plan?

### BL Mittal
So, the JITO we have launched in both B2B and B2C platform. So there is no negative surprises.
Rather, there is positive surprises. And sales are going well. This is the first quarter only. So before the meaningful figures come in, we can discuss for the next quarter.
So, this quarter is the launching year, so in a few lakhs sales around, say, 30 lakhs per month we are doing. So it will take time to build up, but yes, the start is very good.

### Praneeth
So, these 30 lakhs, how is it spread between the B2B versus the franchise model? This is too early to discuss anything else.

### BL Mittal
There is no meaningful conclusion can be drawn into this. This is the second month only. So, I mean, but yes, if you want to divide it, then you can divide it. Two-third is coming from Retailer Shakti, one-third from SastaSundar.

### Praneeth
Understood, sir. And one question is regarding our expansion beyond pharmacies itself, like hospitals and other final customers. So, how are we on that endeavour and are we not focusing? What is the situation there?

### BL Mittal
So, the hospital business, we are approaching them with our USP of emergency filling in next day. Otherwise, the hospital business, according to us, is not very profitable. It's a credit-driven business, and we avoid credit. So that is very highly capital-intensive business.

But yes, there is a very unique opportunity for us to fill the stock when they need it, because we have the capacity of logistic and fulfilment centre next day guarantee. So we are approaching all the hospitals to have

our backup arrangement, they can take purchase from their regular suppliers. But when they are feeling that their stock is out, supply will take time. That is a very good space.
And we think that 5%, 6% of their sales, maybe purchases, maybe rotate to retailers. But yes, that's a good area. We have started in this quarter. Let us see how this pan out.

### Praneeth
So, are we planning on offering any credit? Or would it be on the regular cash and carry-based as we are doing right now?

### BL Mittal
No, we don't have any credit in our system. So whenever they are purchasing, they have to purchase cash and carry cases.

### Praneeth
Including for hospital channel also?

### BL Mittal
Anybody. I mean, we discourage any type of credit. Because our business, we are into platform business. And essentially, we are not into credit business. We are not making an ecosystem which is based on credit.

### Praneeth
Understood, sir. And coming to our AI consulting that we've already indicated in the last commentary.
So, could you explain what is the market readiness of this product and how much more time would it take to let's scale up?

### BL Mittal
This will take enough time because the consumers are not yet ready because 90% of our customers are not habituated to apply the AI. But we have to be ready because all of a sudden, it will come as a matter of habit. So, we have made the product for B2B called RetailAir, which will be automated filling centres for our customers in B2B segment and counselling tool in our B2C app.
But we are trading very cautiously because any launching and market rollout need a large amount of capital to be deployed. And according to our study, the market is not yet ready. But we are ready, so we will wait for another six months before rollout. And once we think that market will respond, it will roll out in a slow fashion. Well, these are very good futuristic things, but before market is ready to roll out, we need huge capital. And as I have said in my opening space, if you compare all the startup in India and what we built, the total capital deployed, including 9% cost of capital is only 259 crores. So we are very very capital conservative and when we spend capital, we do it persistently.

### Praneeth
Understood, sir. But you mentioned the fact that we need to have some more like substantial capital that needs to be invested for it to take market ready, right? So how much more capital will we be investing over the last six months or year into this consulting app?

### BL Mittal
No, we have assigned total investment in our stake, including our B2C platform, at around 150 crores. So already around 75 crores will be deployed.
So, 75 more crores will be deployed. That's it. And by that way, our stake will be fully ready.

### Praneeth
Understood, sir. And one question is regarding expanding beyond medicines itself for distribution. That's a surgical and other things that some of our competitors are doing. So how do we think about that? And are we in any pipeline to scale that business also just beyond medicines?

BL Mittal

No, we have already started offering surgical and devices in our Retailershakti and B2B retailers and B2C Sastasundar there. We have added nutraceutical category also. As far as the pharmaceutical and wellness category is concerned, almost all are now available at both the platforms. Now we'll expand to personal care and beauty care that we will do by next quarter.

So by 31st December, 2026, this will be rolled out, beauty care and personal care in our platforms. But sir, let's say for now, what is the split between, let's say medicines versus non-medicine revenue in the overall retailer-shakti split?

Non-medicine right now is very low, it's around 2% only and we plan to make it by within a year to the extent of 10% of our sales.

### Praneeth
Got it, sir. And our other expenses have shrunk considerably despite considering the fact that we had, last time, a one-time experience of not getting a payment. So why has that been this year?

### BL Mittal
Other expenses have decreased primarily because of the fulfilment centre employees. Earlier, they were outsourced; now we have taken them on our payroll. If you have seen, there is an increase in employee expenses and a decrease in other expenses. So those outsourced employees, we have taken on our payroll to give them a good experience of being employed properly.
They have loyalty towards the company, and that is the reason.

### Praneeth
So, apart from the resilience of them staying with us, is there any other factor for the change in strategy from contracting to making them part of the payroll?

### BL Mittal
The primary reason is that we want their loyalty because a large pool is fulfilment centre and logistics guys, and there is huge competition from other e-commerce companies. So, the key differentiating point we can make for them is to give them a priority to work with SastaSundar in the ecosystem.
So that they can stay, and that has paid off very well. And our attrition rate has very, very significantly come down to a very low level. So now they work on our payroll, and they feel proud to be part of the larger ecosystem.

### Praneeth
And in terms of cost, would this strategy increase it or decrease it?
Like, how will it do in terms of cost on a net-net basis?

### BL Mittal
Net-net basis, it remains the same. It does not make much difference because the outsource agency will give, say, 3% to 4% cost, but that we also incur in our internal administration. So, on a net-net basis, it remains the same.
It does not impact cost much.

### Praneeth
And in terms of, we had guidance that by the end of the year we'll turn Retailer Shakti profitable and Health Buddy probably next year. So, how are we in that journey? So, in terms of breakeven, are we on track or? So, what is the situation there?

### BL Mittal
No, no, we are on full track. Retailer Shakti is running almost at breakeven, and both our businesses I must explain that both Retailer Shakti and SastaSundar's businesses are contribution-margin positive. We recover the entire variable cost of fulfilment.

And so the losses are coming primarily from our tech investment and our advertisement in building the brand of SastaSundar and JITO. So both the businesses are contribution-margin positive, and Retailer Shakti is covering their corporate costs also. So yes, that has been achieved in the last quarter only.

### Praneeth

Got it, sir. And the last question is regarding our demerged business, Microsec. So what are the exact assets that are getting split between both? I understand that one business will remain for healthcare, and the remaining financial arm and other things are going into Microsec. So could you just give a broad view on what assets are exactly being transferred?
Because I think we wanted to merge Innogrow also into it. So what exactly are the assets that are getting shifted to that company?

### BL Mittal

So, the entire operating business, including treasury, SastaSundar HealthBuddy Ltd., our material subsidiary company, will be merged into Health X Platform Limited (formerly SastaSundar Ventures Limited). So the healthcare business will have both the businesses, SastaSundar and Retailer Shakti, plus a treasury of around ₹400 crores as part of the core business treasury.
And Microsec Resources will have an asset base of around, subject to exact calculation, around ₹140 crores. Out of this ₹140 crores, around ₹100 crores will be financial assets in terms of investments, and ₹40 crores, at book value, are real estate. So, ₹140 crores will be the asset base of Microsec Resources.

### Praneeth

And this real estate, it is not for Health Buddy, right? What real estate exactly is it?

### BL Mittal

No, it is not for Health Buddy, except that one real estate in Newtown, Calcutta, has been rented to Health Buddy. So, Health Buddy will continue to pay the new company rent.
Other than that, those are other surplus assets, primarily for investment purposes, that we plan to sell in due course.

### Praneeth

Understood, sir. Thank you for answering.

### Shrutee Barve

Thank you, sir. Next question we have from Moksh. Moksh, please go ahead. Hello.

### Moksh

Hi. Good afternoon. So, my first question, I am actually new to the company, so pardon if it is a repetitive question or something.
I want you to understand that you said in the last question, you are keeping the majority of the treasury part in the company still with the operations, am I right? Some part of 140 crores will be taken.

### BL Mittal

Majority treasury of around 400 crore rupees will remain in the operating company, and around 100 crores will go to Microsec Resources.

### Moksh

So my question was, what is the reasoning behind doing this? Why are you separating 140 into separate companies instead of just selling it to the main company and then maybe returning the cash in some way?

### BL Mittal

No, the treasury we will deploy in the business. The treasury is not a permanent treasury to remain in it. As we grow, we need investments into our operating business. So we have clearly identified that these 400 crores we will invest into the next round of growth.

So, once we have an ambitious plan of ₹6,000 crore turnover by 2030, we will need to build additional fulfilment centres that we have given in our presentation. There will be additional capital warehousing incoming. There will be a need for some working capital. And so, yes, we have calculated that.
And if, after three or four years, you find that there is an exit strategy, then we can return the sale proceeds from both the companies in the same way. So, keeping it in an operating company makes sense because, in two years, there will be some losses. So, treasury income gets a benefit of taxation in the operating company. In Sastasundar Healthbuddy, we don't need to pay tax on treasury income, while in Microsec Resources, treasury income is taxable.
So, shareholders save a good amount of tax, around 25%, on the income. That is an added benefit of keeping treasury in an operating company.

### Moksh
My question was on the lines that you are separating 140 crores into a separate company. What is the reasoning behind demerging that company from this company?

### BL Mittal
So, Microsec Resources, after demerging, will be listed separately. And Microsec Resources will issue shares to all the shareholders of Health X Platform Limited, one share against three shares held by them.

### Moksh
I got that.
I was asking about the reasoning behind the demerge. Why do we need to do that? If I'm not wrong, you said that you wanted to majorly dispose of those assets, right?

### BL Mittal
Yes. Microsec Resources. There are two parts. One is the corporate office of Microsec itself, and one is the corporate office which has been given on rent to Sastasundar HealthBuddy. So these two properties are used in the business. Others are lands.
Those are valuable properties. So we will sell those and properly capitalise Microsec Resources. So, we hope to have a good amount of capital in Microsec Resources also.

### Moksh
Understood. On the treasury and investments, currently before the demerger, what would be the approximate value of the investments and treasury right now for the entire entity?

### BL Mittal
So, in the entire Health X entity, there are around 500 crores of treasury. 400 crores are lying in Health X Limited, and 100 crores in Microsec Resources.

### Moksh
And what would be the average yield that we have generated for every 2–6 years approximately on the entire amount?

### BL Mittal
So, the yield is around, we have a very specific policy to generate a yield between 10% to 12% per annum.

### Moksh
And how do we ensure that these amounts that we are invested in, which we are holding for the long-term growth of the company, do not run into losses? I was going through our investments, and there are some unquoted share investments, as well as several AIFs that we have invested in, private credit institutions, and some of them. What is the policy there to ensure that those amounts do not result in loss or blocking of capital assets?

### BL Mittal

There is no capital loss. I am from an investment banking background. So, you must acknowledge the fact that we have built this company with very, very low capital. And any capital-efficient business cannot be built by playing straight rules within a framework where we're going to invest in government bonds and earn 7%.
So, I myself have been an investment banker. We fully understand this return ratio. And by properly managing the risk, we can improve the yield from 7%–8% to 10%–12%. So there is a 4% gain.
So, on 500 crores, that 4% results in 20 crores. And that significantly offsets the losses. We have been doing that for so many years, and we don't find anything improper.
So, within the 12% category also, we have a sufficient amount of surety and security. The unquoted shares which you are talking about are also part of structured deals. Those shares are only NSE shares. So we may profit out of that also.
And then there is an arrangement structured out of that only. So don't derive conclusions from it, but you must appreciate the fact that by playing the template industry approach, we will make only 7% to 8%. And we are a startup company. Rather than raising further capital from investors, we have bought back the shares of Mitsubishi Corporation. So that amount of capital efficiency will not come by following the typical template of managing investments.
We are a business organisation. We take a certain amount of risk by calculating risk in business operations. So, to a certain extent, we take measured risk in treasury management also. Not an out-of-the-way risk, but certain risks which we understand because we fully understand how treasury functions. Therefore, we are managing it prudently, and we have cut losses significantly through that.

### Moksh

I understood that.
My next question was actually on the lines of the NSE IPO. I was going through the balance sheet, and our approximate cost of acquisition is around ₹1,600 per share, while the listed value is considerably higher.

### BL Mittal

On NSE, we will make around 15% annualised returns.

### Moksh

Right, sir. So I was calculating that we are going to net approximately around ₹95–100 crore if we cash out those shares. What is the plan for those?

### BL Mittal

We are getting a good amount of dividend also. So why not? Some part, I mean 5–10%, we can invest in such types of deals where we feel there is almost 90% surety of returns. If we don't do that, then we have to settle for a 6–7% return. That is not a good call.
By that, you know, we measure ourselves against a cost of capital of 9%, with what capital we deploy in the business. It is not fun to deploy the capital and then wait for ROC. The fun is in not deploying much capital and still making a great company.

### Moksh

Totally agree.
My next question was, sir, what is our current penetration in the Kolkata and West Bengal market?

### BL Mittal

Our West Bengal market share is around 5% to 7%, depending upon the pockets. So, we command a good market share.

### Moksh

Understood.
So my question was on the lines that, West Bengal being our home market, if we are able to command 5–7% penetration, what is our strategy for the newer territories we are getting into, like Lucknow, so that we can increase our penetration much faster?

### BL Mittal
Yes. In the Northeast, we are growing by more than 50% year by year.
And in Northern India also, we are growing by more than 25%–30%. This growth is higher than West Bengal's growth. So our Northern operations are highly successful. In fact, we had to double the fulfilment centre capacity in Noida.
And the Northeast is also very highly successful. So both geographies are increasing very rapidly. We firmly believe that in the next two or three years, those geographies will also command a 5%–7% market share, without a doubt.

### Moksh
Right, I got that part.
So my question is, what are we going to do from here on to increase our penetration more aggressively? What are the practices or things that we are doing for that, apart from building bigger facilities and enabling faster deliveries?

### BL Mittal
The penetration we need can be achieved from the same infrastructure. You know, from West Bengal, we have started penetrating Odisha, Bihar, and Jharkhand from here. And from the Northern Noida warehouse, we are catering to UP.
Now, in Lucknow, we have started building differently. And then the entire NCR, Rajasthan, and Haryana—those geographies we already supply to. From Assam, we supply to the entire Northeast. So there is no issue at all.
But now we are planning to go deeper into those markets. We are also planning to build 10,000 smaller warehouses to have rapid fulfilment in nearby towns also. So we are moving one by one, not in a hurry.
We are making very cautious decisions in everything that we do, and we are happy with the way the company is growing through a cautious approach. So the growth is coming with the discipline that you can appreciate in our spending and investing.

### Moksh
I got it.
My last question was on the lines that the new fulfilment centres in Lucknow, Udaipur, and Patna are approximately 2.5 lakh square feet of space. What was the approximate capex that went into them, and how much time did it take for us to go live?

### BL Mittal
So, we are building Udaipur, Lucknow, Patna, Guwahati, and additional warehouses in West Bengal. So the total capex we have planned is 234 crores.
Out of that, 134 crores we plan to take as bank loans, and around 100 crores we plan to deploy from the treasury.

### Moksh
Okay, got it. Thank you very much. That's it.

### Shrutee Barve
Thank you. Next question we have from Vilina Jain. Vilina, please go ahead.

### Vilina Jain
Hi, sir. So firstly, I want to understand from the fulfilment centres which we have, we recently expanded our capacity. So from the current warehousing and the fulfilment centre which we have, what revenue scale can we achieve? Like the 6000 crore top line which we are targeting, can we achieve it from our current base?

### BL Mittal
The current base, so from current three warehouses?

### Vilina Jain
Yes.

### BL Mittal
6000 crores is difficult. Therefore, we are building another warehouse in Udaipur, Lucknow, Patna, and an additional warehouse in West Bengal.
So, we have already started building this warehouse capacity. And we need an additional warehouse in Baruipur definitely, or Noida warehouse; we are making the capacity double. So, around September, we will shift to the new warehouse, which is double the existing capacity. And we have already planned for ₹6,000 crore revenue. So, by including this new capacity, we will be sufficient to service ₹6,000 crore revenue.

### Vilina Jain
Okay, and so what would be the capex that we will be doing for the expansion?

### BL Mittal
The total capex, as I have said earlier, will be ₹234 crores.

### Vilina Jain
Oh, ₹234 crores, got it. Secondly, sir, you mentioned that we are already contribution-margin positive for both our Retailer Shakti and Health Buddy businesses.
Would it be possible to share what percentage margins we are doing there? And what is the gap between the contribution margin and operating margin that is leading to negative EBITDA for us right now?

### BL Mittal
So, we are making the system of that MIS. Probably from the next quarter, we will disclose to the stock exchange the rollout of the contribution margin vis-à-vis fixed cost.
Right now, that information, these are the proprietary tech capabilities. So, we don't want to move ahead and disclose that information to the public. So, from the next quarter, we will probably be able to disclose contribution margin and tech cost separately.

### Vilina Jain
Okay. So, with scale, as we reach ₹6,000 crores top line, as we move towards it, what are the peak operating margins that we can do when the leverage starts kicking in?

### BL Mittal
So, at ₹6,000 crores, we estimate that our EBITDA should be around 5%. And our PAT and cash should be 4% of the revenue. So, that is the estimate we are aiming for.

### Vilina Jain
Okay.
With respect to JITO, sir, you did mention that it is relatively newer. But what are our targets with the JITO expansion in terms of revenue and margins?

### BL Mittal
Margins are very heavy because these are private-label brands.
So, margins will range from 30% to 40% plus. And because this is a private label, it will take a certain amount of time before we build up. So, we have started, and the initial response is very, very good, more than what we expected.
But let it build up. I think from the third to fourth quarter, we'll be able to tell you how it will pan out. It is too early to comment upon that.

### Shrutee Barve
All right. Thank you, sir. Thank you.
Next question, we have from Harshit Khadka. Please go ahead.

### Harshit Khadka
Thank you for the opportunity.
I just wanted to understand, what ROE are we targeting for the next two years, for FY27 and FY28?

### BL Mittal
FY27 and FY28 ROE is not much because there may be some negative profits. But for FY29 and FY30, the ROE will be very significantly higher. And we are building a business of around 40% ROE going forward once we achieve this scale.

### Harshit Khadka
So, any broad range for FY29 then?

### BL Mittal
Yes. In FY29, we should be making around 3% of the revenue as profit. So, say in that year we remain at around ₹4,500 crores. So, 3% will be around—how much will it be?
₹120 crores. But the capital deployed will be hardly ₹300–400 crores. So again, ROE will be very, very high.

### Harshit Khadka
All right, sir.
Understood. Thank you.

### Shrutee Barve
Thank you.
Next question, we have from Dhariya Trivedi.
Sir, please go ahead.

### Dhariya Trivedi
So, given that our new warehouses are going to be operational in the current financial year, what revenues are we targeting from Retailer Shakti in FY27?

### BL Mittal
FY27, I mean, we don't give year-by-year guidance because it's very difficult in our business. There will be some quarter-to-quarter difference.
But for the June quarter, I think that since we have the April-May figures, we must be ending around ₹400 crores. And for the June quarter, we expect that it will be the best quarter in the company's history. In the Flipkart era, in FY23 and FY24, when we had the partnership with Flipkart, in Q3 we had the highest turnover of ₹374 crores. So, the current quarter, we estimate to close at around ₹400 crores revenue, and that will be the best quarter in the history of the company.
And you can stipulate that by giving some growth to the yearly revenue. As I said, we are in the building phase; we are a startup company, so there may be some quarterly variance. It does not go linearly, but definitely we hope to have a good year. I think, from the figures of April, May, and June, this is already 12th June, and we are comfortable crossing ₹400 crores.

### Dhariya Trivedi
Right. So, if you just annualize that for four quarters and, given the fact that we are going to be operationalizing the new warehouse, if all goes well, we should be notch of, say, ₹1,700-odd crores for Retailer Shakti in FY27, right?

### BL Mittal
That you can stipulate, but that is not guidance from me because some quarters may vary. But I can say that it will be the best year in the history of the company, both from the revenue side and from Jito's margin expansion, and also from an operating-use-case perspective.
And I'm pretty sure that we will build a very good company and will be able to show results this year. We are very excited.

We have taken a large number of innovative initiatives last year, and those are resulting in a good amount of outcomes this year. So, through JITO, Retailer Shakti, and three additional warehouse capabilities, the April-May-June results are showing good potential, both in terms of sales and profitability. And we hope to have a good year. Yes.

### Dhariya Trivedi
Right. And how much EBITDA margin—are we sticking to our earlier guidance of 1% for the entire financial year for Retailer Shakti?

### BL Mittal
Retailer Shakti, yes. Retailer Shakti, yes, yes.
That is true.

### Dhariya Trivedi
Okay. And what is the additional square feet of warehousing space that will go live this year?

### BL Mittal
So, the additional warehousing space going live this year, by 31st March, will be around 1 lakh square feet only.

### Dhariya Trivedi
1 lakh additional, right?

### BL Mittal
Yes, yes.

### Dhariya Trivedi
Okay, okay. And the current capacity would be how much?

### BL Mittal
2.5 lakh. 2.5 lakh is the current capacity. By 31st March FY27, we will have added 1 lakh square feet of capacity, and we will start building another 4 lakhs.
So, that will provide year-by-year additional capacity. We will take action to build 5.52 lakh additional warehouse capacity in Udaipur, Lucknow, Patna, Guwahati, and the Baripur additional warehouse. So, total capacity will be more than 8 lakhs.

### Dhariya Trivedi
More than 8 lakhs. Perfect.
Right. And earlier, we had given very aggressive guidance for SastaSundar as well. So, I mean, how are things progressing on that front?

### BL Mittal
Sasta Sundar is doing very well, and we hope to meet the guidelines.

### Dhariya Trivedi
Okay, because this year the growth was rather muted. I mean, we didn't see too much growth in FY26.

### BL Mittal
That is what I am telling you. You need to see it from my angle. So, please don't see quarter to quarter. We measure the company by quarter.
Because last quarter, we transformed our HealthBuddy Store into Jito Store, and that transition takes a certain amount of disruption in sales of branded medicines. That happened with every model. But by this year-end, because the time for growth has started coming again.

So, quarter-to-quarter performance is not linear because ours is not a linear company. We see our Company as a startup company only. We are still at a very early stage. We will experiment with certain things, apply technology, and then scale.
We may be slow in one quarter and faster in the next quarter because there are only two ways of learning. Either we deploy huge capital and take the risk of more losses, or we become capital-efficient and choose to go slow in the experimental stage. So, we opt for the second option.
So, the learning comes at a very negligible cost. And that is the beauty of this type of company. If I can stipulate that we become even a ₹1,600–1,700 crore revenue company with profitability this year, that is built only on ₹250 crores. If you compare this with other startup companies, then you can see the massive difference.

### Dhariya Trivedi
Right, right.
Understood. All right. Thank you, sir. Thanks a lot.

### Shrutee Barve
Thank you. Next question we have from Preet Shah. Please go ahead.

### Preet Shah
So, Mittal sir, many thanks for taking the first step for simplifying the company which we have been trying since many years. So now this is a good starting point for us as an investor. So my question is, how do we expect Microsec to be valued post-listing? Like what AUM and earning base would investors underwrite?

### BL Mittal
Microsec, you must take the book value. Tangible assets are under 140 crores, real estate basis. So that you can expect right now. And then post-date, it depends upon the listing. But today, the valuation can only be measured by the book value.
So the book value of Microsec Resources is estimated to be around 140 crores.

### Preet Shah
Okay, perfect, sir. And how about the AUM that the company handles? Is it something that you can share at this stage of time?

### BL Mittal
There is not much AUM. That company AUM, you must be talking about the PMS license. That is not active. That we are carrying; maybe that has certain background.
But that business was long sold in 2016 only, so that is the license only, though there is no AUM assets. But yes, there is a treasury of 100 crores of financial assets and around 40 crores of real estate at book value. So that 140 crores is the asset valuation, and based upon that, you can take a call.

### Preet Shah
Do you have any aggressive plan for Microsec? Because you and Ravi Kant Sir both come from the hardcore equity investment kind of a background.
Do you have any aggressive plan for Microsec post-listing, like to revive that as an active AUM or NBFC sort of a company, or will your focus only be on healthcare?

### BL Mittal
I mean, the healthcare opportunity in system, the RetailerShakti and Health X together, is so massive that we don't want to divert my mind or Ravi's mind anywhere else. So, from my perspective, I will fully focus on Health X Platform Limited. But yes, financial services is also a great business.
And yes, I have interest. I have certain hobbies. My heart lies in financial services also. But we will look at a certain amount of partnership, maybe with some people's team.
But that we will look at only after this year, because this year we have an ambitious plan of our AI applications. We have the ambitious plan of our growth. We are building new warehouses.

So there are so many initiatives. JITO we have launched, and building JITO's network, we have to make it successful. So there are so many things on the agenda.
But we will look into it after 30th March 2027, once the demerger process is completed, how can we do so. And if we are not able to do so, then either we get it delisted, we merge this company into another service company, but we will not keep the shareholders' value or worth in a deadlock position where those are held up in a slow-moving holding company. That is the challenge we don't like, and we don't want to do that, and we don't intend to do this. Either we partner with some people as a team, or we get a good exit for the shareholders.
That is what our intention is.

### Preet Shah
Yeah, many, many thanks, sir, for sharing this insight. All the best, and we are very much excited to see how we are building the Company and bringing impact to the healthcare industry as a whole.

### BL Mittal
Thanks.
You have always been supporting us, and we value your contribution. And I firmly believe that we are building a great company in India, and people will remember this building. Apart from solving a bigger issue in society, this will yield a massive economic value addition to the shareholders also. So we hope to do great things.

### Preet Shah
Sir, we have full confidence. And the way the company grew from 20 crores or 50-odd crores 10 years back all the way to today at 1400 crores is a commendable achievement under your leadership. And now, the way AI is shaping around and the proactively the Company is investing in this AI platform, we are also very excited to see that. So yeah, we are very confident, Sir, and thanks for all your hard work.

### BL Mittal
I would like to mention a very important factor, that while others are building their company by purchasing revenue and deploying capital, we sold our revenue, we recapitalized the company, and then we began. And rather than placing fresh capital, we bought back the shares of Mitsubishi Corporation. That is how this company has exemplified capital efficiency, apart from innovation.

### Preet Shah
Completely agree, sir. Most of the people, like our competitors, are not considering the rate of debt in all the calculations, which we are from day one. Patient capital cycle.
So that is something very interesting to see. At least we are very confident, sir. And the way you are so proactive and sharing all the insights with the young generation and all, you will always be a leader for us. And definitely, we are learning many things from you. So thanks for this. Thank you.

### Shrutee Barve
This was the last question for the call. Thank you for the participation. And now I request the management to give their closing remarks.

### BL Mittal
So thank you, guys. Hope to travel together in building one of the great companies in India. We are a startup company with a great vision.
So please go to our website, HealthXPlatform.com, and send me your suggestions on how we can improve the shareholders' value in a better manner. My email ID is blmittal@sastasundar.com. Thank you so much. Thanks, everyone.