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- relocation / reallocation of production lines and temporary shifting of certain production activities, any delay in reconstruction, capacity transfer, equipment calibration, quality revalidation or stabilisation of operations may adversely impact our production schedules, customer fulfilment timelines, revenues, cash flows and financial performance.
4. **Product quality and compliance risk:** Sale of expired, defective, contaminated or non-compliant products, or failure to meet applicable quality standards, may expose us to product recalls, regulatory action, penalties, termination of supply arrangements and reputational harm. In Fiscal 2024, contamination at the Thoothukudi Facility led to suspension of operations for six to seven months and direct losses of ₹6,56,96,863, along with additional fixed-cost absorption of ₹1,51,48,225 and corrective capex of ₹1,55,00,000. In Fiscal 2026, incorrect selenium dosage in MNP batches resulted in financial loss of ₹4,23,04,470. Any recurrence of similar incidents may adversely affect our production schedules, revenues, cash flows, customer relationships, regulatory standing and overall financial condition.
5. **Raw material procurement and price volatility:** We do not have long-term, fixed-volume or price-protected contracts with our raw material suppliers. Expenses towards purchase of raw materials were ₹1,624.58 million, ₹1,548.34 million, ₹1,382.66 million and ₹1,868.53 million, representing 60.71%, 47.65%, 46.44% and 67.09% of revenue from operations for the nine month period ended December 31, 2025, Fiscal 2025, Fiscal 2024 and Fiscal 2023, respectively. Any increase in raw material prices or supply disruption may adversely impact margins and production schedules. Any increase in raw material prices, delay in availability, supplier-side quality issue, import restriction, logistics disruption or inability to pass on cost escalations to customers in a timely manner may adversely affect our production schedules, order fulfilment, customer relationships, margins, cash flows and overall financial performance.
6. **Supplier concentration and import dependence:** Our top 10 suppliers accounted for ₹864.74 million, ₹749.52 million, ₹824.51 million and ₹1,005.21 million, representing 53.15%, 46.19%, 48.02% and 51.54% of total raw material purchases for the nine months period ended December 31, 2025, Fiscal 2025, Fiscal 2024 and Fiscal 2023, respectively. Further, imported raw materials amounted to ₹386.18 million, ₹240.02 million, ₹509.15 million and ₹448.60 million constituting 23.73%, 14.79%, 29.65% and 23.00% of total purchases during such periods, respectively, with imports concentrated from countries such as China, Singapore, Malaysia, Poland, UAE, Germany and Netherlands. For the nine months period ended December 31, 2025 and Fiscal 2025, China, Singapore and Malaysia together accounted for a significant portion of our foreign procurement. Such dependence exposes us to global supply chain disruptions, foreign exchange volatility, import restrictions, tariff or non-tariff barriers, geopolitical developments, logistics delays and increased freight costs.
7. **R&D and product commercialisation risk:** Our growth and ability to remain competitive depend on successful research, development, testing, scale-up and commercialisation of new products across our branded nutrition, clinical nutrition, wellness nutrition and therapeutic nutrition categories. During the nine months period ended December 31, 2025 and the last three Fiscals, we developed 11 new branded nutrition products across categories such as clinical nutrition, sports nutrition and wellness nutrition, of which nine products have been launched and sold, while two products are presently under the process of commercialisation/launch. Product development is subject to various uncertainties, including timely identification of market trends, availability of suitable ingredients, stability and taste trials, regulatory approvals, quality validation, customer acceptance, pricing, packaging and successful scale-up from laboratory or pilot batches to commercial production. There can be no assurance that our future R&D initiatives will result in commercially viable or profitable products.
8. **Counterfeit and look-alike product risk:** Counterfeit, imitation or look-alike products may harm our brand reputation, erode customer trust and adversely affect our business, particularly as our products are sold across branded nutrition, institutional formulations and international markets. Such products may imitate our brand name, packaging or labelling, causing loss of sales, dilution of goodwill and potential consumer complaints if such products are inferior or unsafe. As on the date of the RHP, we have 53 registered trademarks in India and 11 international trademark registrations. However, enforcement of intellectual property rights may be time-consuming, costly and uncertain. Any inability to prevent or address such counterfeit activity may adversely affect our brand equity, customer confidence, revenues and financial condition.
9. **Geographical concentration in domestic sales:** A majority of our domestic revenue is generated from certain key states, including

- Maharashtra, Karnataka, Tamil Nadu and Gujarat. These four states together accounted for ₹615.35 million, representing approximately 52.36% of our domestic sales for the nine month period ended December 31, 2025, and ₹722.53 million, representing approximately 57.51% of our domestic sales in Fiscal 2025. This concentration exposes us to region-specific risks, including changes in state-level regulations, food safety or public health policies, competitive intensity, distributor disruptions, climatic events, public health concerns and local economic conditions. Any adverse development in these states may disproportionately affect our domestic sales, customer relationships, distribution network, revenues, cash flows and financial condition.
10. **Cross-border operational and regulatory risks:** A significant portion of our revenue is derived from exports, with revenue from rest of World amounting to ₹1,493.66 million, ₹1,990.06 million, ₹1,878.06 million and ₹1,777.37 million, representing 55.82%, 61.25%, 63.08% and 63.82% of revenue from operations for the nine months period ended December 31, 2025, Fiscal 2025, Fiscal 2024 and Fiscal 2023, respectively. Our exports to over 75 countries expose us to cross-border risks, including changes in import-export regulations, tariffs, non-tariff barriers, product registration requirements, foreign exchange fluctuations, geopolitical instability, sanctions, logistics delays and differing food safety and regulatory standards. Any adverse development in key export markets may affect our ability to fulfil orders, increase compliance or operating costs, delay shipments, reduce margins and materially impact our revenues, cash flows and results of operations
11. **Suboptimal capacity utilisation:** Our manufacturing facilities have experienced underutilisation across product categories, which may limit operating efficiencies and affect absorption of fixed costs. For the nine months period ended December 31, 2025, capacity utilisation was 27.59% for dry premix, 17.04% for liquid premix, 31.57% for MNP, 27.39% for RUF and 49.70% for clinical nutrition. Such underutilisation is influenced by factors such as demand variability, tender-based and project-driven orders, procurement cycles of government and development agencies, SKU diversity, frequent batch changeovers, packaging constraints and raw material availability. If we are unable to improve capacity utilisation, our operational efficiency, margins, profitability and financial condition may be adversely affected.
12. **Health, safety and environmental compliance risk:** Our operations are subject to evolving health, safety, food safety, environmental, pollution control and hazardous waste regulations, including requirements under FSSAI and Legal Metrology laws. These regulations govern, among others, manufacture, storage, labelling, packaging, distribution, waste management, emissions and product safety standards. Any failure to comply with applicable laws or obtain / maintain required approvals may result in regulatory action, fines, litigation, product restrictions, shutdown of manufacturing facilities, revocation of licences or increased compliance costs. Such events may adversely affect our operations, reputation, cash flows, financial condition and results of operations.
13. **Manufacturing disruption risk:** Any disruption in production, shutdown of facilities, machinery breakdown, regulatory restriction or operational constraint at our Nashik, Chennai, Thoothukudi or Uzbekistan facilities may affect our ability to manufacture products and meet customer demand in a timely manner. In connection with the Nashik Facility regularisation / reconstruction process, current capacities of 8.10 MT/day for dry powder premix, 0.75 MT/day for liquid premix and 8.0 MT/day for RUF products may become unavailable unless mitigation measures are implemented successfully. Any delay in implementing such measures, inability to shift production, capacity shortfall, quality revalidation requirement or extended downtime may delay order fulfilment, affect customer relationships and adversely impact our revenues, operations and financial condition.
14. **Foreign currency fluctuation risk:** We are exposed to foreign currency fluctuations on account of both import of raw materials and export of finished products. Import costs from foreign suppliers were ₹386.18 million, ₹240.02 million, ₹509.15 million and ₹448.60 million for the nine months period ended December 31, 2025, Fiscal 2025, Fiscal 2024 and Fiscal 2023, respectively, while export revenues were ₹1,493.66 million, ₹1,990.06 million, ₹1,878.06 million and ₹1,777.37 million during the same periods. Since adverse movement in INR against foreign currencies may increase our import costs, reduce export realisations, affect pricing and create margin volatility, any significant currency fluctuation may adversely impact our cost structure, profitability, cash flows and financial condition.
15. **Weighted average return on Net-worth for Fiscal 2025, Fiscal 2024 and Fiscal 2023 based on Restated Financial Information is 9.13%.**
16. **The Offer comprises only Offer for Sale by the Selling Shareholders.** The Selling Shareholders will receive the entire proceeds from the Offer (after deducting applicable Offer related expenses) and our Company will not receive any part of the proceeds of the Offer.

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