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Our Company was originally incorporated on September 28, 2020 as a Private Limited Company as “Influx Healthtech Private Limited” vide Registration No. 346825 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Central Registration Centre. Pursuant to a special resolution passed by the Shareholders at their Extra ordinary General Meeting held on May 09, 2022, our Company was converted from a Private Limited Company to Public Limited Company and consequently, the name of our Company was changed to ‘Influx Healthtech Limited’ and a Fresh Certificate of Incorporation consequent to Conversion was issued on May 23, 2022 by the Registrar of Companies, Mumbai. The Corporate Identification Number of our Company is U24299MH2020PLC346825.

Registered Office: 109, Ghanshyam Enclave Premises Co-op Soc Plot No. 856, Laljipada, Kandivali West, Mumbai - 400067
Maharashtra, India

Contact Person: Mr. Atul Kumar Ashok Kumar Shukla, Company Secretary and Compliance Officer; **Tel:** +91 7045997809 ;
E-mail: cs@influxhealthtech.com; **Website:** www.influxhealthtech.com

**ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS (DRHP) DATED FEBRUARY 04, 2025
NOTICE TO INVESTORS (THE “ADDENDUM”)**

Promoters of Our Company- Mr. Munir Abdul Ganee Chandniwala, Mrs. Shirin Munir Ahmed Chandniwala and Mr. Abdul Ganee Abdul Rasul Chandniwala

Initial public offer of up to 61,00,800 equity shares of face value of ₹ 10/- each (the “Equity Shares”) of Influx Healthtech Limited (“Our Company” or “IHL” or “the Issuer”) at an offer price of ₹ [•] per equity share for cash, aggregating up to ₹ [•] lakhs (“Public Offer”) comprising of a fresh offer of up to 50,00,400 equity shares aggregating to ₹ [•] lakhs (the “Fresh Offer”) and an Offer For Sale of upto 11,00,400 equity shares by the Promoter Selling Shareholder, Mr. Munir Abdul Ganee Chandniwala (“Offer For Sale”) aggregating to ₹ [•] lakhs, (hereinafter referred as “Promoter Selling Shareholder”) out of which [•] equity shares of face value of ₹ 10 each, at an offer price of ₹ [•] per equity share for cash, aggregating ₹ [•] lakhs will be reserved for subscription by the market maker to the offer (the “Market Maker Reservation Portion”). The public offer less market maker reservation portion i.e. Offer of [•] equity shares of face value of ₹ 10 each, at an offer price of ₹ [•] per equity share for cash, aggregating ₹ [•] lakhs is herein after referred to as the “Net Offer”. The public offer and net offer will constitute [•] % and [•] % respectively of the post- offer paid-up equity share capital of our company.

Potential Investor may note the following:

1. The Section I titled “*Definitions and abbreviations*” beginning on page 5 of the DRHP is updated.
2. The Section III titled “*Risk factors*” beginning on page 37 of the DRHP has been revised and updated.
3. The Section IV titled “*Introduction*” beginning on page 69 of the DRHP has been revised and updated.
4. The Section V titled “*About the Company*” beginning on page 139 of the DRHP has been revised and updated.
5. The Section VI titled “*Financial Information*” beginning on page 239 of the DRHP has been revised and updated.
6. The Section VII titled “*Legal and Other Information*” beginning on page 259 of the DRHP has been revised and updated.
7. The Section X titled “*Other Information*” beginning on page 397 of the DRHP has been revised and updated.

The above is to be read in conjunction with the **DRHP** and accordingly their references in the **DRHP** stand amended pursuant to this Addendum. Please note that the changes pursuant to this Addendum will be appropriately included in the **RHP**, as and when filed with the RoC, the SEBI and the Stock Exchange. All capitalised terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Prospectus.

On behalf of Influx Healthtech Limited
Sd/-

Place:- Mumbai, Maharashtra
Date:- May 14, 2025

Mr. Atul Kumar Ashok Kumar Shukla
Company Secretary & Compliance Officer

LEAD MANAGER



RAREVER FINANCIAL ADVISORS PRIVATE LIMITED
506, Arizona Heights, Opp Gujarat Vidhyapith, B/s Hyatt Regency,
Ashram Road, Navjivan, Ahmedabad- 380014, Gujarat, India
Tel No.: 079-4925 8260
Email: ipo.influxhealth@rarever.in
Investor Grievances Email id- IG@rarever.in
Website: www.rarever.in
SEBI Registration: INM000013217
Contact Person: Mr. Richi M. Shah

REGISTRAR TO THE ISSUE



MAASHITLA SECURITIES PRIVATE LIMITED
451, Krishna Apra Business Square Netaji Subhash Place, Pitampura, North
West, New Delhi, Delhi - 110034, India
Tel No.: 011-47581432;
E-mail: investor.ipo@maashitla.com
Investor Grievances Email Id – investor.ipo@maashitla.com
Website: www.maashitla.com
SEBI Registration No.: INR000004370
Contact Person: Mr. Mukul Agrawal

ISSUE PERIOD

ISSUE OPENS ON	[•]	ISSUE CLOSES ON	[•]
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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Offer Related Terms

Term	Description
Addendum/ Addendum to Draft Red Herring Prospectus	The Addendum dated May 14, 2025 to the Draft Red Herring Prospectus Dated February 4, 2025.
Monitoring Agency	[●]
Monitoring Agency Agreement	Agreement to be entered into between our Company and the Monitoring Agency prior to filing of the Red Herring Prospectus

Industry Related Terms

Term	Description
ZMA	Zinc Magnesium Aspartate
DHA	Docosahexaenoic Acid
BCAA	Branched-Chain Amino Acids
IPQC	In-Process Quality Control

SECTION III – RISK FACTORS

Internal Risk Factors

1. ***Our Company is reliant on the demand from the nutraceutical industry for a significant portion of our revenue. Any downturn in the nutraceutical industry or an inability to increase or effectively manage our sales could have an adverse impact on our Company's business and results of operations.***

Our Company is primarily engaged in the manufacturing of nutraceutical products, and as such, our revenues are highly dependent on our customers in the nutraceutical industry. The loss of any of our customers within this industry could adversely affect our sales and, consequently, our business and results of operations. Furthermore, if there is a shift in the practice of developing products in-house within the nutraceutical industry, it may negatively impact the demand for our products. Similarly, if our competitors or customers achieve a breakthrough in the development of a novel product or raw material, our products may become obsolete or be substituted by such alternatives, which would adversely impact our revenues and profitability. Additionally, if our competitors are able to improve the efficiency of their manufacturing processes, distribution, or raw material sourcing, and offer similar or higher-quality products at a lower price, our Company may be unable to adequately respond to such developments, which could further affect our revenues and profitability. There are no past instances in past three financial years and the stub period wherein the company's revenue materially impacted due to any factors affecting Nutraceutical industry.

2. ***Our existing manufacturing facility are concentrated in a single region i.e., Palghar, Thane, Maharashtra and the inability to operate and grow our business in this particular region may have an adverse effect on our business, financial condition, results of operations, cash flows and future business prospects.***

Our manufacturing unit, located in Palghar, Thane, Maharashtra, exposes us to risks of geographical concentration. Our success relies on our ability to efficiently manufacture and deliver products that meet customer demand. While we have not encountered significant operational disruptions in the past, our manufacturing facility is vulnerable to various risks, including human error, power outages, equipment breakdowns, supply chain interruptions, inefficiencies in production, obsolescence, loss of services from external contractors, and unforeseen events such as terrorist attacks, acts of war, break-ins, natural disasters, and industrial accidents.

If we are forced to shut down our manufacturing unit for an extended period, it would negatively impact our earnings, operational performance, and overall financial position. Additionally, rising living costs in the area may increase manpower expenses, potentially affecting our margins and cost competitiveness. In the event of an industrial accident, we could face production halts, further impeding our ability to meet commitments and damaging our business, operational results, and financial health. Moreover, any violation or non-compliance with the terms of regulatory approvals for our manufacturing unit could result in a halt or limitation of production until compliance is re-established, potentially causing delays. While we have not faced any significant disruptions in the past, we cannot guarantee that we will not experience issues in the future related to employee disputes, labor challenges, or other operational hurdles. Such disruptions could have a material adverse effect on our business, financial condition, cash flows, and results of operations.

Furthermore, our facility must comply with the directives of relevant government authorities, which introduces additional operational risks. Such risks could lead to personal injury, property damage, and potential civil or criminal penalties. Any delays in production or shutdowns at our facility whether due to workforce disputes, external factors, or unforeseen events could severely impact our operations and have a material adverse effect on our business, financial condition, and results of operations. Also, to date, our Company has not faced any such challenges.

3. *Our Company is dependent on few numbers of customers for sales. Loss of any of this large customer may affect our revenues and profitability.*

Our top 10 customers contribute 47.23%, 50.11%, 46.32% and 56.32% of our revenue from operation for the eight months period ended as on November 30, 2024 and financial year ended on March 31, 2024, March 31, 2023 and March 31, 2022 respectively. Our business operations are highly dependent on our customers and the loss of any of our customers may adversely affect our sales and consequently on our business and results of operations. While we typically have long term relationships with our customers, we have not entered into long term agreements with our customers and the success of our business is accordingly significantly dependent on us maintaining good relationships with our customers and suppliers. The actual sales by our Company may differ from the estimates of our management due to the absence of long-term agreements. The loss of one or more of these significant or key customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows. We cannot assure you that we will be able to maintain historic levels of business and/or negotiate and execute long term contracts on terms that are commercially viable with our significant customers or that we will be able to significantly reduce customer concentration in the future. Any decline in our quality standards, growing competition and any change in the demand, may adversely affect our ability to retain them. We cannot assure that we shall generate the same quantum of business, or any business at all, and the loss of business from one or more of them may adversely affect our revenues and results of operations.

However, the composition and revenue generated from these customers might change, as we continue to add new customers in the normal course of business. Though we believe that we will not face substantial challenges in maintaining our business relationship with them or finding new customers, there can be no assurance that we will be able to maintain long term relationships with such customers or find new customers in time. Further, there are no past instances in past three financial years and the stub period for loss of any customers which has impact on revenues and profitability.

4. *We have historically derived, and may continue to derive, a significant portion of our supply from top 10 Suppliers. Also, Our Company has not entered into long-term agreements with these suppliers. In the event we are unable to procure adequate amounts of raw materials, at competitive prices our business, results of operations and financial condition may be adversely affected.*

Our top 10 suppliers represented 38.24%, 39.44%, 38.84%, and 53.14% of our total supplies for the eight months period ended on November 30, 2024 and financial year ended on March 31, 2024, March 31, 2023, and March 31, 2022, respectively. We have not entered into long-term agreements with our suppliers, and as a result, the success of our business is significantly dependent on the business terms and conditions with them, which may change in the future based on our relationship with them. The actual purchases by our Company may differ from the estimates made by our

management due to the absence of long-term agreements. The loss of one or more of these significant or key suppliers, or a reduction in the amount of supplies we obtain from them, could have an adverse effect on our business, results of operations, financial condition, and cash flows. We cannot assure you that we will be able to maintain historic levels of business, negotiate and execute long-term contracts on commercially viable terms with our significant suppliers, or reduce supplier concentration in the future.

(₹ in lakhs)

Particulars	November 30, 2024		March 31, 2024		March 31, 2023		March 31, 2022	
	Amt.	% of Total Supplies	Amt.	% of Total Supplies	Amt.	% of Total Supplies	Amt.	% of Total Supplies
Top 10 Suppliers	1,507.24	38.24%	2,698.44	39.44%	2,055.57	38.84%	2,512.74	53.14%

We purchase active pharmaceutical ingredients (APIs) and other raw materials, such as Acerola Extract, Amalaki Extract, BCAA Instant, Beta Alanine, Calcium Citrate Malate, Citric Acid Anhydrous, Capsule CT/CT Size, and Coenzyme Q10, from third-party suppliers domestically. We do not have long-term contracts with our third-party suppliers. Instead, prices are negotiated for each purchase order, and we generally maintain relationships with multiple suppliers for each raw material. The terms and conditions, including the return policy, are outlined in the purchase orders. We prioritize sourcing materials from reputable suppliers and typically seek quotations from several sources. Our Company procures raw materials from multiple states across India, including Himachal Pradesh, Punjab, Uttarakhand, Haryana, Delhi, Rajasthan, Uttar Pradesh, West Bengal, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Kerala, Tamil Nadu, Puducherry, and Telangana.

As we do not have long-term contracts with our suppliers, and prices are based on quotes we receive, our suppliers are not contractually obligated to supply materials to us. They may choose to sell their products to our competitors instead. Any non-availability, shortage, or use of substandard raw materials could materially adversely affect our business. Additionally, power shortages or failures in the manufacturing process may impact our operations and financial results.

Moreover, any discontinuation of production or failure by our suppliers to adhere to delivery schedules or quality and quantity requirements could disrupt our manufacturing operations. We cannot guarantee that strong demand, capacity limitations, or other issues faced by our suppliers will not result in delays or shortages in the supply of raw materials. Further, since our suppliers are not exclusively bound to us, we face the risk that competitors may offer more favorable terms, which could lead suppliers to prioritize their business over ours. Further, there are no past instances in past three financial years and the stub period for loss of any suppliers which has impact on our manufacturing operations.

5. Too much Geographical concentration of our Business on specific location can impact our Business.

A major portion of our revenue for the eight months period ended on November 30, 2024 and financial year ended on March 31, 2024, March 31, 2023, and March 31, 2022, is derived from the states of Maharashtra, Gujarat, and Karnataka. This geographical concentration of our business increases our exposure to adverse developments related to competition, as well as economic and demographic changes in these regions, which may negatively affect our business prospects, financial condition, and results of operations. Factors such as competition, culture, regulatory

regimes, business practices, customs, and industry needs may differ in other markets where we may expand. Additionally, as we enter new markets and geographical areas, we are likely to compete not only with national players but also with local players who may have an established presence, greater familiarity with local regulations, business practices, and industry needs, stronger relationships with local distributors, dealers, and relevant government authorities, and a stronger financial position than ours. These factors may give them a competitive advantage over us. Our inability to expand beyond Maharashtra may adversely affect our business prospects, financial condition, and results of operations.

State	November 2024		FY 2024		FY 2023		FY 2022	
	Sales	%	Sales	%	Sales	%	Sales	%
Maharashtra	3874.24	61.29	6689.12	66.90	4581.94	60.25	3628.22	61.30
Gujarat	1238.13	19.73	1834.62	18.23	1992.72	26.20	1631.44	27.56
Karnataka	426.12	6.79	520.62	5.17	254.45	3.35	171.94	2.90
Total	5538.49	87.81	9044.36	90.3	6829.11	89.8	5431.6	91.76

Further, there are no past instances in past three financial years and the stub period wherein the business operations impacted due to too much geographical concentration of our Business on specific location.

6. Our reliance on certain industries for a significant portion of our sales could have an adverse effect on our business.

We are primarily engaged in the business of manufacturing of Dietary/Nutritional Supplements, Cosmetics, Ayurvedic medicines, veterinary feeds, and homecare products finding its application in Food, Drug, Cosmetics, Cleaning compounds, Agriculture and other industries. Consequently, our revenues are dependent on the end user industries that use our products as an input. The table set forth below provides customer segment split of our revenue from operations for the eight months period ended on November 30, 2024 and financial year ended on March 31, 2024, March 31, 2023, and March 31, 2022. The table mentioned below also highlights the fact that our company is highly dependent on Nutraceutical segment.

(₹ in lakhs)

Segment	For the period/financial year ended							
	November 30, 2024		March 31, 2024		March 31, 2023		March 31, 2022	
	Amount	In % terms	Amount	In % terms	Amount	In % terms	Amount	In % terms
Nutraceuticals	5,693.83	90.74%	9,346.66	93.50%	7,161.16	94.16%	5,663.90	95.67%
Homecare	3.08	0.05%	68.26	0.68%	16.40	0.22%	25.26	0.43%
Cosmetics	326.97	5.21%	300.68	3.01%	211.94	2.79%	86.87	1.47%
Ayurvedic	183.47	2.92%	193.10	1.93%	175.33	2.31%	92.29	1.56%
Veterinary	67.57	1.08%	87.81	0.88%	40.82	0.54%	51.85	0.88%
Total	6,274.92	100.00%	9,996.51	100.00%	7,605.65	100.00%	5,920.17	100.00%

Factors affecting any of these industries in general, or any of our customers in particular, could have a cascading adverse effect on our business, financial condition, and results of operations.

Such factors include, but are not limited to, the following:

- a) Seasonality of demand for our customers' products, which may cause our manufacturing capacities to be underutilized during specific periods;
- b) Our customers' failure to successfully market their products or to compete effectively;
- c) Changes in any registration requirements, non-renewal of registrations, imposition of a regulatory ban, or trade sanctions imposed across the country, or any such restrictions on the business, product, or our customers' final products;
- d) Loss of market share, which may lead our customers to reduce or discontinue the purchase of our products;
- e) Economic conditions of the markets in which our customers operate;
- f) Regulatory issues faced by these industries in India and internationally;
- g) Downturns or industry cycles that impact demand; and changes in technology, consumer tastes, or requirements that alter demand for our products.

Further, there are no past instances in past three financial years and the stub period wherein the company's revenue materially impacted due to any factors affecting Nutraceutical industry.

7. *We have not taken any steps to order the machinery/equipment required for the proposed expansion. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the equipment / machineries in a timely manner, or at all, the same may result in time and cost over-runs.*

As on date, we are engaged in the business of a contract manufacturing of Dietary and Nutritional Supplements, Cosmetics, Ayurvedic/Herbal Products, Veterinary Feed Supplements, Homecare Products, Active Pharmaceutical Ingredients (APIs), and finished dosage forms, including tablets, capsules, and injectables. To expand our operations, we propose to establish new manufacturing facility and for which, our Company intends to utilise a portion of Net Proceeds.

Our Company intends to utilize a portion i.e amount of ₹ 2,009.05 lakhs out of the Net proceeds for the purchase of equipment/machineries for proposed expansion as follows: -

Particulars	Amount to be funded from Net Proceeds (₹ in lakhs)	Status on Placement of Machineries Order
Amount to be spent on Purchase of Machinery for setting up of new manufacturing facility for Nutraceutical Division;	1,323.05	Company is yet to place 100% order of machinery
Amount to be spent on Purchase of Machinery for setting up of new manufacturing facility for Veterinary Food Division;	410.35	
Amount to be spent on Purchase of Machineries for Homecare and Cosmetic Division	275.65	
Total	2,009.05	

While we have obtained quotations from various vendors for capital expenditure to support our expanding operations, we have not placed any firm orders with them. For details, please refer to the '*Objects of the Offer*' beginning on page 103. These quotations are valid for a certain period and may be subject to revisions, as well as other commercial and technical factors. We cannot assure you that we will be able to undertake such capital expenditure at the costs associated with these quotations or that there will not be cost escalations beyond the contingencies proposed to be funded out of the Net Proceeds. Furthermore, the actual amount and timing of our future capital

requirements may differ from our estimates due to unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, engineering design changes, or technological changes. If we are unable to set up a new manufacturing plant within our estimated time frames, we may be unable to expand our business. There can be no assurance that we will complete any proposed expansion or upgrade in a timely manner.

8. *Our business activities are exposed to fluctuations in the prices of raw materials.*

Our Company relies on third-party suppliers to source the raw materials necessary for the manufacturing of our products. As we generally do not enter into long-term supply agreements, we are exposed to price fluctuations and the potential unavailability of these materials, particularly since a significant portion of our raw material requirements are met through the spot market. This exposes us to factors beyond our control that may influence the price at which we procure raw materials. Additionally, we face challenges in passing on such cost increases to our customers, which may affect our ability to maintain margins and profitability. Fluctuations in raw material prices could have a material adverse impact on our business, financial condition, and results of operations. While we benefit from favorable terms with our suppliers, including competitive pricing and reliable supply, any inability to secure high-quality materials in a timely and cost-effective manner could lead to production delays and disruptions in our delivery schedules, potentially resulting in the loss of customers and revenue.

9. *We may face several risks associated with the construction of the building of the Proposed Expansion, which could hamper our growth, prospects, cash flows and business and financial condition*

We intend to utilize a portion of the Net Proceeds of the Offer to set up the Proposed Expansion. For further details, see “*Object of the Offer*” beginning at page 103.

During the process of establishing the Proposed Expansion, we may face several difficulties such as cost overruns or delays for various reasons, including, but not limited to, our financial and market conditions, changes in business and strategy, competition, negotiation with vendors, variation in cost estimates including due to passage of time, incremental pre-operative expenses and other external factors such as changes in the business environment, receipt of regulatory approvals and interest or exchange rate fluctuations, which may not be within the control of our management. We cannot assure you that we will be able to implement the Proposed Expansion without facing delays or time and cost overruns.

Any delay in the aforementioned establishing of the Proposed Expansion, could lead to revenue loss for our Company. Further, our Proposed Expansion may be subject to delays and other risks, which may be caused due to certain other unforeseen events, such as unforeseen engineering or technical problems, disputes with workers, unanticipated cost increases or changes in scope and delays in obtaining requisite government approvals and consents. While we may seek to minimize the risks from any unanticipated events, it cannot be assured that all potential delays could be mitigated and that we will be able to prevent any cost and time over-runs and any loss of profits resulting from such delays, shortfalls and disruptions.

Further, the budgeted cost may prove insufficient to meet the requirements of the Proposed Expansion due to, among other things, cost escalation, which could drain our internal cash flows or compel us to raise additional capital, which may not be available on terms favorable to us or at

all. We cannot assure that we will be able to complete the aforementioned expansion in accordance with the proposed implementation schedule and any delay in setting up such plant in a timely manner, or at all, could have an adverse impact on our growth, prospects, cash flows and business and financial condition.

Also, information relating to the installed manufacturing capacity, actual production and capacity utilization of the manufacturing units included in this Offer Document are based on various assumptions and estimates and future production and capacity may vary.

We also cannot assure you that we will be able to receive the requisites approvals for the Proposed Expansion in a timely manner. If we are not able to receive the required approvals at all or if there is a delay in receiving the same, all other operations, which are to be undertaken for the completion of the expansion might also be delayed or we may also be compelled to evaluate alternate locations for completion of Proposed Expansion. Also, any variation in the utilization of the Net Proceeds as disclosed in this Offer Document shall be subject to certain compliance requirements, including prior approval of the shareholders of the Company.

The quotations for plant and machinery and building & civil works received by us from concerned vendors and contractors might expire and we may be compelled to purchase the same at a higher cost from the same or different vendors as the case may be. Our financial condition, results of operations and liquidity would be materially and adversely affected if the cost for the Proposed Expansion materially exceeds such budgeted amounts. For further details, see '**Objects of the Offer**' and '**Risk Factor - Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency and our management will have broad discretion over the use of the Net Proceeds**' on page 103 and 37 respectively.

11. Our expansion into new product categories and business verticals and a substantial increase in the number of products offered may expose us to new challenges and more risks. Our efforts to introduce new formulation and combination are dependent on the success of our formulation development team initiatives.

In recent years, we have expanded the product categories available across our platforms and websites. New product categories require us to understand and make informed judgments about consumer demand, trends, and preferences. We may misjudge these factors for new products offered by suppliers, sellers, and brand partners on our platforms, and face challenges in inspecting and controlling quality, regulatory requirements, handling, storage, and delivery of such new products. We may also need to price aggressively in new categories to gain traction with consumers and improve brand awareness, which may not be possible in instances where our customers impose restrictions on our ability to offer such products at a discount, thereby adversely affecting our gross margins.

We may also make substantial investments in launching such new products or business verticals on our platform. Additionally, we expect to obtain new products as a result of acquisition activity, which may require further investment. Expanding our offerings or business verticals may strain our management and operational resources. Achieving profitability with new product categories and business verticals may be difficult, and as a result, our profit margins may be lower than anticipated, which would adversely affect our results of operations. We cannot assure you that we will be able to recover our investments in introducing any new products, or that any such new

products will be successful by any measure. Furthermore, we risk diluting or losing our brand position as a premium beauty destination as we expand our business model and offerings to include mass brands, non-luxury items, or adjacent categories, which may alienate some high-value consumers.

Our inability to successfully develop and commercialize new formulations and combinations could adversely impact our business, growth, and financial condition. To remain competitive, we must develop, test, and manufacture new combinations that meet both customer expectations and applicable regulatory standards. We have established a dedicated formulation team that continuously works to develop various formula combinations. However, our investments in formulation and combination development may incur higher costs without a proportionate increase in revenues. Any failure on our part to successfully identify and commercialize new formulations and combinations could negatively affect our business, financial condition, and results of operations.

Further following are the developments made by company to achieve better product portfolio over the previous three years:

- **Unique Liquid Fill Technology:** Concepts like capsule-in-capsule, pellets-in-capsule.
- **Bi-Layer and Center-Filled Gummies:** Introducing innovative gummy designs.
- **Pectin-Free Gummies:** A new formulation approach for gummies.
- **Sugar-Free Fiber-Based Gummies:** A unique formulation focusing on health benefits.
- **Diskettes Formula:** A new product form for easy consumption.
- **Oral Film Strips:** Innovative delivery method for supplements.
- **Special Flavors for Supplements:** Custom flavors developed for various clients.
- **Ready-to-Drink Concepts:** New formulations for ready-to-consume products.
- **Nutritional Gel Concept:** Developing gels with multiple health benefits.
- **Coating Techniques for Soft Gelatin & Capsules:** Advanced techniques for coating soft gelatin, hard gelatin, and HPMC capsules.
- **Poped Snacks:** A unique range of snacking options.
- **Protein Bars:** Formulas for both whey and vegan clients.
- **Instant Oil-Removing Face Serums:** A unique cosmetic formula.
- **Instant Face Lifting Serum:** A groundbreaking cosmetic solution.
- **Anhydrous Sunscreen:** A water-free sunscreen formula.
- **Soft Gelatin Twist Capsules for Cosmetics:** Innovative single-dose twist capsules.
- **Dog and Cat Food:** Developed both non-veg and veg kibble for pets.

12. *There are certain discrepancies and non-compliances noticed in some of our corporate records relating to forms filed with the Registrar of Companies, taxation authorities and other public authorities. Any penalty or action taken by any regulatory authorities in future for non-compliance with provisions of all applicable law could impact on the financial position of the Company to that extent.*

In the past, there have been certain instances of non-compliance or delays or incorrect filings of certain forms along with other non-compliances of delays in filing statutory forms which have been subsequently filed by payment of an additional fee as specified by RoC. The following discrepancies have been found in the forms filed by the Company with the Registrar of Companies under the provisions of the Companies Act, 2013:

- Non-Disclosure of Company's web address in the Board's Report of Financial Year 2020-21, 2021-22 and 2022-23 pursuant to Section 134 of the Companies Act, 2013. The Company has since taken due care to comply with the necessary disclosures for FY 2023-24.

As a corrective steps, the company has filed an application for compounding of the non-compliance made with the Registrar of Companies vide SRN N30085369. The Status of said SRN is under process as on date of filing this reply. Further, in terms of Section 134 of the Companies Act, the company shall be liable to a penalty of three lakh rupees and every officer of the company who is in default shall be liable to a penalty of fifty thousand rupees.

- Non-Disclosure of loans from Director in the Board's Report pursuant to provisions of Rule 2 (viii) of Companies Acceptance of Deposit Rules, 2014, for the Financial Year 2020-21, 2021-22 and 2022-23. The Company has taken due care to comply with the necessary disclosures for FY 2023-24.

As a corrective steps, the company has filed an application for compounding of the non-compliance made with the Registrar of Companies vide SRN N30085369. The Status of said SRN is under process as on date of filing this reply. Further, in terms of Section 134 of the Companies Act, the company shall be liable to a penalty of three lakh rupees and every officer of the company who is in default shall be liable to a penalty of fifty thousand rupees.

- The below are the details of the error caused in ROC filing:

Name and Description of Form	Error in filing	Corrective steps / Remarks
Form SH 7 - Alteration in shares	The Company conducted Extra Ordinary General Meeting on April 04, 2024 for increasing its Authorised Share Capital from ₹10 crore to ₹25 crore, at time of filling the said form the date of the meeting is erroneously mentioned as April 01, 2024.	The Company has filed the Adjudication application with ROC for making the error good. The said application is pending with ROC.
Form MGT 7 - Annual Return	The Company erroneously reported incorrect Directorship categories of Mr. Abdul Ganee Abdul Rasul Chandniwala & Ms. Shirin Munir Ahmed Chandniwala in the Annual Return for the Financial Year 2021-22 and 2022-23	The Company has filed revised Annual Return with RoC vide SRN F98014749 and F98014426.

- The below are the details of the delay caused in ROC filing:

Name and Description of Form	Due Date of Filing	Date of Filing & SRN	Number of days delay	Reason for delay	Corrective steps / Remarks
Form MGT - 14 (Filing of Resolutions of AGM held on September 30, 2023)	October 30, 2023	November 18, 2023 & AA6182442	19 Days	Delay due to operational efficiency	Paid the additional fees to ROC.
Form ADT - 3 (Notice of Resignation by Auditor - M/s. Phirodia Bafna & Associates)	April 27, 2024	May 13, 2024 & F95478459	16 Days	Delay due to operational efficiency	Paid the additional fees to ROC.

Name and Description of Form	Due Date of Filing	Date of Filing & SRN	Number of days delay	Reason for delay	Corrective steps / Remarks
Form ADT - 1 (Appointment of Statutory Auditor - M/s. V B Goel & Co.)	April 27, 2024	May 15, 2024 & F95517827	18 Days	Delay due to operational efficiency	Paid the additional fees to ROC.

No show cause notice in respect to the above has been received by our Company till date and no penalty or fine has been imposed by any regulatory authority in respect to the same. There may be instances where notices, fines, or penalties could be imposed, which may adversely affect the Company's operations from a compliance perspective. There can be no assurance that no penal actions will be taken by the regulatory authorities regarding these non-compliances/delay/incorrect filing. If any adverse actions are taken, our financial results could be affected.

To ensure that the above discrepancies/errors/delay will not occur in future, our company has appointed designated employees responsible for monitoring statutory requirements and ensuring timely compliance of the same.

13. Optimal Capacity utilization of our manufacturing capacities and Information relating to the installed manufacturing capacity, actual production and capacity utilization of the manufacturing units included in this Offer Document are based on various assumptions. A decline in market demand or increased competition could negatively impact our sales and profitability.

As of the date of this Draft Red Herring Prospectus, we operate from our manufacturing facility located at Genesis Industrial Township, Kolgoan, Palghar, District Thane. Below are the details of the installed capacity and actual utilization –

Factory Unit 1 (Nutraceuticals)

Year	Installed capacity per day (Kg)	Actual production per day (Kg)	Optimal Capacity utilization (%)
01.04.2024-30.11.2024	10,000	9,300	93%
2024	10,000	7,300	73%
2023	7,000	5,800	83%
2022	5,000	3,500	70%
2021	2,500	2,000	80%

Factory Unit 2 (Cosmetics and Ayurvedic)

Year	Installed capacity per day (Kg)	Actual production per day (Kg)	Optimal Capacity utilization (%)
01.04.2024-30.11.2024	2,000	1,790	90%
2024	2,000	1,700	85%

Year	Installed capacity per day (Kg)	Actual production per day (Kg)	Optimal Capacity utilization (%)
2023	1,500	1,400	93%
2022	1,500	1,000	67%
2021	1,000	700	70%

Factory Unit 3 (Pet Supplement and Homecare)

Year	Installed capacity per day (Kg)	Actual production per day (Kg)	Optimal Capacity utilization (%)
01.04.2024-30.11.2024	1,800	1,190	66%
2024	1,800	1,100	61%
2023	1,500	800	53%
2022	1,500	300	20%
2021	NA	NA	NA

NA=Not Applicable

Our capacity utilization levels are dependent on our ability to carry out uninterrupted operations at manufacturing facility, the availability of raw materials, industry/ market conditions, as well as the product requirements of, and procurement practice followed by, our customers. In the event we face prolonged disruptions at our facility including due to interruptions in the supply of power or as a result of labour unrest, or are unable to procure sufficient raw materials, we would not be able to achieve full capacity utilization of our current manufacturing facility, resulting in operational inefficiencies which could have a material adverse effect on our business and financial condition. Also, information relating to the installed manufacturing capacity, actual production and capacity utilization of the manufacturing units included in this Offer Document are based on various assumptions and estimates and future production and capacity may vary.

A decline in market demand or increased competition could negatively impact on our sales and profitability. Optimal utilization of our manufacturing capacity is essential for maintaining cost efficiency; any shortfall in demand or operational inefficiencies may hinder achieving this optimal utilization, potentially affecting the return on investment from our new plant.

17. Our manufacturing activities are dependent upon availability of Skilled and Unskilled labour.

We have made arrangements for labor requirements at our manufacturing facility through a combination of on-roll employees and contract labor, as per our Company's needs. Our manufacturing operations rely on the availability of both skilled and unskilled labor. While we have not experienced any significant disruptions in the past due to labor shortages or disputes, we cannot guarantee that similar issues will not arise in the future. Any disruptions in labor availability could affect our production schedule and the timely delivery of products to customers, which may adversely impact our business and operational results.

<u>Financial Year</u>	<u>Employees at beginning of FY</u>	<u>Employees at Closing of FY</u>	<u>Employees Left</u>	<u>Employees Joined</u>	<u>Attrition Rate</u>
Up to Nov 24	170	170	11	11	6.47
FY 2023-24	166	170	9	13	5.29
FY 2022-23	150	166	7	23	4.22

FY 2021-22	145	150	4	9	2.67
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Our success is significantly dependent on our ability to recruit, train, and retain skilled manpower. High attrition rates or increased competition for talent may limit our ability to attract and retain the skilled workforce necessary to meet our future growth requirements. We cannot assure you that we will continue to have access to an adequate supply of skilled labor or that we will be able to scale our workforce in alignment with our business growth objectives. Any difficulties in securing the required labor force may negatively affect our business, financial condition, results of operations, and long-term prospects. For further details regarding our business, please refer to the section titled '**Business Overview**' beginning on page 155 of this Draft Red Herring Prospectus.

18. Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency and our management will have broad discretion over the use of the Net Proceeds

We intend to use Net Proceeds from the Offer towards (a) Funding capital expenditure requirements for setting up of manufacturing facility for Nutraceutical Division (b) Funding capital expenditure requirements for setting up of manufacturing facility for Veterinary Food Division (c) Purchase of Machineries for Homecare and Cosmetic Division and (d) General Corporate Purposes. For details of the objects of the Offer, see '**Objects of the Offer**' beginning on page 103. The funding requirement and deployment of the Net Proceeds mentioned as a part of the Objects of the Offer are based on current circumstances of our business, prevailing market conditions, and are subject to changes. The estimates for the proposed expenditure are based on several variables, a significant variation in any one or a combination of which could have an adverse effect. Furthermore, the deployment of funds has not been appraised by any bank or financial institution.

We operate in a highly competitive and dynamic industry and we may have to revise our funding requirements and deployment from time to time on account of various factors beyond our control, such as availability of material, inflation, employment levels, demographic trends, changing customer preferences, increasing regulations or changes in government policies, our Board's analysis of economic trends and business requirements, competitive landscape, as well as general factors affecting our business, results of operations, financial condition and access to capital such as credit availability and interest rate levels.

Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. Furthermore, pending utilization of Net Proceeds towards the Objects of the Offer, our Company will have the flexibility to deploy the Net Proceeds and to deposit the Net Proceeds temporarily in deposits with one or more scheduled commercial banks included in Second Schedule of Reserve Bank of India Act, 1939, as may be approved by our Board. Accordingly, prospective investors in the Offer will need to rely upon our management's judgment with respect to the use of Net Proceeds and there can be no assurance that we will earn significant interest income on, or that we will not suffer unanticipated diminution in the value of, such temporary deposits. Furthermore, various risks and uncertainties, such as economic trends and business requirements, competitive landscape, as well as general factors affecting our results of operations, financial condition and access to capital and including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business.

Also, any variation in the utilization of the Net Proceeds as disclosed in this Offer Document shall be subject to certain compliance requirements, including prior approval of the shareholders of the Company.

19. Company have not identified any alternate source of funding and hence any failure or delay on the part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule

Apart from planning based of proposed inflow of funds from the proposed Public Issue against part issue of fresh securities, the Management has not identified alternate source of funding the future plan and project.

We have neither approached any Bank or Financial institution, nor any third-party individual have shown interest in private placement of our securities, for alternate funding of our future plans. Absence of such alternate source of funding may hamper and delay our future planning and utilization schedule, and which may be subject to cost escalations and we may have to revise our funding requirements and deployment from time to time on account of various factors beyond our control, such as availability of material, inflation, employment levels, demographic trends, changing customer preferences, increasing regulations or changes in government policies.

20. The availability of counterfeit drugs, such as drugs passed off by others as our products, could adversely affect our goodwill and results of operations.

Entities in India and abroad could pass off their own products as ours, including counterfeit or pirated products. For example, certain entities could imitate our brand name, packaging materials or attempt to create look-alike products. As a result, our market share could be reduced due to replacement of demand for our products and adversely affect our goodwill. We have also invested in our products to prevent counterfeit versions of our products from being distributed in the markets. Such measures include, monitoring products in the market and initiating actions against counterfeiters, each of which entails incurring significant costs at our end. The proliferation of counterfeit and pirated products, and the time and attention lost to defending claims and complaints about counterfeit products could have an adverse effect on our goodwill and our business, prospects, results of operations and financial condition could suffer.

22. We rely on third-party transportation providers for both procurement of our raw materials and distribution of our products. Any failures by any of our transportation providers to deliver our raw materials or our products on time, or in good condition, or at all, may adversely affect our business, financial condition and results of operations.

We depend upon third-party transport service providers to either receive raw materials for our manufacturing purposes or to deliver the finished products to our customers. The majority of our products are transported using the road transport network. The disruption of transportation services due to natural calamities such as weather conditions particularly during monsoon season or flood, cyclone, earthquakes or man-made factors such as strikes, accidents, or other inadequacies in the transportation infrastructure, or any other factors that could impair the ability of our suppliers to deliver raw materials to us and our ability to deliver our products to our customers in a timely manner, may adversely affect the sale of our products. Such raw materials and our products may be lost, damaged due to improper handling, negligence, transport strike or accidents or any other force majeure events which may be beyond our control.

Additionally, if we lose one or more of our third-party transportation providers, than we may have to find new or alternative third-party transportation providers, which may not be available or if available may be at terms which might not be as favourable as those which we have in force with our current partners. Further, our third-party transportation providers may not carry adequate insurance coverage and therefore, any losses that may arise during the transportation process may have to be claimed under our marine insurance policy. In such case we may or may not receive adequate compensation for any such claims in full amount in a timely manner or at all, and consequently, any such loss may be minimized or may adversely affect our business, financial

condition and results of operations. Further, there are no past instances for any failures by any of our transportation providers.

24. The Company has in the past entered into related-party transactions and may continue to do so in the future.

Our Company has entered into certain transactions with our related parties. We confirm that all related party transactions as disclosed in Restated Financial Statements have been, conducted in compliance with the Companies Act, 2013 and all other applicable laws and regulations and conducted on the arms-length basis.

While we have entered into related party transactions in the past, we cannot assure you that we may not enter into such transactions in the future. However, we confirm that we will comply with the provisions of the companies Act, 2013 SEBI Regulations and other applicable laws or rules made thereunder in respect of the related party transaction to be entered into by the company in future. Further, there can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

For details on the transactions entered by us, please refer to “Related Party Transactions” under Section II, Summary of the Offer Document on page 33.

25. The improper handling, processing or storage of our products or raw materials, or spoilage of and damage to such products or raw materials, or any real or perceived contamination in our products or raw materials, could subject us to regulatory action, damage our reputation and have an adverse effect on our business, results of operations and financial condition.

Our products and raw materials are subject to risks such as contamination, adulteration, labeling errors, and tampering during manufacturing, transportation, or storage. While we conduct extensive quality testing at our facilities, we cannot guarantee that these tests will always be completely accurate. Certain products also require specific storage, handling, and transportation conditions, including precise temperature controls and safety protocols. Any failure in production or storage due to negligence, human error, or other factors could compromise the quality of our products and result in non-compliance with applicable regulatory standards.

Any actual or alleged contamination of our products or raw materials could harm our reputation, negatively impact sales, and potentially lead to legal proceedings, regardless of whether the allegations are substantiated. However, to date, our Company has not experienced any incidents involving product or raw material contamination, nor have we encountered any significant impact on our financial performance or results of operations in the past three fiscal years. Furthermore, any allegations regarding unauthorized contaminants in our products or raw materials whether or not food safety is a concern could damage our reputation, adversely affect sales, and lead to product liability claims or other legal actions against us and our customers. These consequences could arise even if the claims are unfounded. In past three financial years and the stub period, there have been no instances wherein the products and/or raw materials were contaminated, adulterated, labeling errors, and tampering during manufacturing, transportation, or storage process.

27. Product liability claims and product recalls could harm our reputation, business, financial condition, cash flows and results of operations.

We are exposed to risks related to product liability or recall claims if our products fail to meet the required quality standards or are alleged to cause harm or side effects to consumers. Legal proceedings and product liability claims could be initiated against us by various entities, including customers, distributors, or government agencies, for reasons such as defective products or services.

Moreover, we cannot guarantee that we will not face product recalls or significant product liability losses in the future, nor that we will not incur substantial costs in defending such claims. Currently, we do not maintain product liability or product recall insurance coverage. A product recall or liability claim could seriously damage our reputation and brand image, which would, in turn, adversely impact our business, financial condition, cash flows, and results of operations. Additionally, there have been no occurrences in the past three financial years that have negatively impacted our business due to high merchandise returns or disruptions in our shipping operations. There have been no material instances in past three financial years and the stub period, which can impact our financial position or cash flows or business operations, nor have our image and reputation been harmed in past due to product liability and/or product recall from market.

29. There are potential risks associated with the protection, enforcement, and defense of our intellectual property rights, and how could these risks impact our business operations and financial performance.

Our Company relies on trademarks and domain names, to protect our intellectual property and maintain a competitive edge in the market. These assets are vital to our business, but safeguarding them requires substantial financial, managerial, and operational resources. We use a range of measures, including legal protections, regulations, confidentiality agreements, and contractual obligations, to defend our intellectual property.

All of our Trademarks (IP) have been assigned to us vide Assignment agreement / deed dated August 9, 2024 and a written consent for domain and its content have been assigned / transferred to us vide Consent dated August 24, 2024, by the promoter Mr. Munir Abdul Ganee Chandniwala. Despite our proactive efforts, unauthorized third parties may in the future, misuse our trademarks or similar marks, replicate elements of our website's design, content, and features, or misappropriate proprietary information, such as trade secrets.

In the event we need to enforce or defend our intellectual property rights, we may face expensive and time-consuming legal proceedings. These could result in unfavorable rulings, limited recoveries, or settlement terms that fail to fully compensate us for the harm caused by infringement. Moreover, litigation, regardless of its outcome, could distract our management and technical teams, disrupting operations. Such challenges could have a material adverse effect on our business, financial condition, cash flow, profitability, and overall market position.

30. If we are unable to maintain an effective system of internal controls, we may not be able to successfully manage or accurately report our financial risks.

Effective internal controls are essential for managing our operations; preparing reliable financial reports, quality check before dispatch, inventory monitoring, quality control for preventing potential fraud and maintaining financial and operational health of company. However, these controls, or our compliance with them, may weaken over time due to evolving business conditions. There can be no assurance that deficiencies in our internal controls will not arise in the future, or that we will be able to implement and maintain adequate measures to address or mitigate any such deficiencies. Any failure on our part to effectively detect, correct, or mitigate deficiencies in our internal controls may negatively impact our ability to accurately report financial information, manage financial risks, and prevent fraud. In past three financial years and the stub period, there have been no such circumstances, wherein the company faced the financial risks.

31. The ability to pay dividends in the future will depend on the earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of the financing arrangements.'

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, working capital requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholder's investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see "*Dividend Policy*" on page 238 of this DRHP.

32. The manufacturing activities are subject to risks of operational hazards and can cause injury to people or property in certain circumstances

Our business operations are subject to hazards such as risk of equipment failure, work accidents, fire or explosion and require individuals to work under potentially dangerous circumstances or with flammable materials. Although we employ safety procedures in the operation of our blending Unit and maintain what we believe to be adequate insurance, there is a risk that an accident or death may occur in one of our Unit, while in the past there have been no such instance, however, an accident may result in destruction of property or equipment, environmental damage, delivery delays, or may lead to suspension of our operations and/or imposition of liabilities. Any such accident may result in litigation, the outcome of which is difficult to assess or quantify, and the cost to defend litigation can be significant. As a result, the costs to defend any action or the potential liability resulting from any such accident or death or arising out of any other litigation, and any negative publicity associated therewith, may have a negative effect on our business, financial condition, results of operations, cash flows and prospects. In particular, if operations at our units were to be disrupted as a result of any significant workplace accident, equipment failure, natural disaster, power outage, fire, explosion, adverse weather conditions, labour dispute, obsolescence or other reasons, our financial performance may be adversely affected as a result of our inability to meet customer demand or committed delivery schedules for our products.

34. The Company is exposed to counterparty credit risk and any delay in receiving payments or non-receipt of payments.

We are exposed to counterparty credit risk, to mean, any new or existing client(s) to whom we sell our products on credit, may default in timely payment or payment at all. Further, we may not be in a position to liquidate / sell the inventory in such a situation of default, in case such products / goods are customized and has only specific buyers. Such counter party credit risk depends solely on practices followed by Internal control system and long association with particular client. We may fail to assess their credibility, which might lead to financial impact and ultimately effect our operations and financial position, including liquidity.

35. The Company rely extensively on the systems, including quality assurance and quality control systems to maintain the quality of the products.

Our success will depend, in large part, on our ability to effectively implement our business and growth strategies. We cannot assure you that we will be able to execute our strategies in a timely

manner or within budget estimates or that we will meet the expectations of our clients and other stakeholders. We believe that our business and growth strategies will place significant demands on our senior management and other resources and will require us to develop and improve operational, financial and other internal controls. Any inability to manage our business and growth strategies could adversely affect our business, financial condition and results of operations. Further, our business operations including product quality, is to a large extent driven by our internal systems and control mechanism. Therefore, our continued growth is intrinsically linked to our being able to maintain adequate internal systems, processes and controls and our failure to maintain such systems could be an impediment to our growth. There are no instances in past three financial years and the stub period wherein we are unable to execute our strategies in a timely manner or within budget estimates or that we will meet the expectations of our clients and other stakeholders.

36. *Environmental, health, employee and safety laws and regulations may expose us to liability and result in an increase of our costs and a decrease in our profits.*

Environmental regulations in India have become progressively stricter, and there is a possibility that they will continue to tighten in the future. Our manufacturing facilities, which produce hair care, skincare, and beauty care products, inherently carry the risk of environmental damage. This could result in potential liabilities related to the discharge of pollutants, waste disposal, or hazardous material handling. In the event that any of our manufacturing facilities are shut down, we may still incur ongoing costs associated with compliance, appealing closure decisions, increasing production at remaining operational sites, and paying wages and other expenses, all while being unable to generate any revenue or products from those closed facilities. Consequently, these factors could lead to an increase in operational costs and a decrease in profitability.

Additionally, our business operations particularly in warehousing and manufacturing are subject to a wide array of laws and government regulations, including those concerning safety, health, and environmental protection. We must also comply with labor laws that govern areas such as minimum wage requirements, maximum working hours, overtime, working conditions, employment contracts, terminations, work permits, maintenance of regulatory records, and timely payment of statutory obligations. Failure to comply with these regulations could result in enforced shutdowns, sanctions by authorities, or involvement in litigation, all of which could have serious consequences for our business. These may include increased costs, penalties, the revocation of permits or approvals, or operational disruptions, which could negatively impact our business, financial condition, cash flow, and overall performance. In past three financial years and the stub period, there are no instances where the company failed to comply with Environmental, health, employee and safety laws and regulations.

37. *The industry in which the Company operates is capital intensive, and they may need to seek additional financing in the future to support the growth strategies*

Our company operates in a capital-intensive industry where production is majorly machine based, where cutting edge technology and perfection is the primary requisite. We have to constantly upgrade our machines and technology we use for production. As the industry progresses and develops, we are required to match the market expectations with respect to product quality, product effectiveness and production capacity. Also, to expand our product base and SKUs, segment / vertical, we may require new machines. This means we have to constantly upgrade our technology, systems and product contents. We may be requiring additional funding in future to maintain our growth trends and support our growth strategies. Additionally, the current capex plan and

investments are planned looking to meet all future requirements, which management can foresee currently.

38. We have high working capital requirements. Our inability to meet our working capital requirements may have a material adverse effect on our business, financial condition and results of operations.

Our business requires significant working capital including in connection with our processing operations, financing our inventory and purchase of raw materials and our development of new products which may be adversely affected by changes in terms of credit and payment. We are required to maintain a high level of working capital because our business activities are characterized by long product development periods and production cycles. Delays in payment under on-going contracts or reduction of advance payments due to lower order intake or inventory and work in progress increases and/or accelerated payments to suppliers, could adversely affect our working capital, lower our cash flows and materially increase the amount of working capital to be funded through external debt financings.

We may face challenges in adequately financing our working capital needs due to various factors such as delays in financing disbursements, rising interest rates, or borrowing restrictions. These factors could lead to increased receivables and short-term borrowings, potentially impacting our financial health. Additionally, unforeseen expenses or regulatory changes could affect our future capital requirements, potentially leading to increased debt obligations and limitations on accessing cash flows. This could significantly impact our profitability and financial flexibility.

39. A shortage or non-availability of essential utilities (such as electricity, water) or essential services (such as railway network, road networks, etc.) could adversely affect our Company's results of operations and financial condition.

India's physical infrastructure is in developing phase compared to that of many developed nations. Any congestion or disruption in rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company's normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our Company's business operations, which could have an adverse effect on its results of operations and financial condition. There are no past instances wherein the company faced a shortage or non-availability of essential utilities (such as electricity, water) or essential services.

44. We require certain approvals and licenses in the ordinary course of business, and the failure to obtain or retain them in a timely manner all may adversely affect our operations.

We require certain approvals, licenses, registrations and permissions for operating our business. While we have obtained a significant number of approvals, licenses, registrations and permits from the relevant authorities. If we fail to obtain, renew, maintain or retain any of the required permits, approvals or licenses, including those specifically mentioned at Page 264 under **GOVERNMENT AND OTHER STATUTORY APPROVALS**, in a timely manner or at all, we could be subject to penalties by the relevant regulatory authorities and may cease to be permitted to operate our business, which may disrupt our operations and delay or prevent our expansion plans. Such

occurrences could adversely affect our business, financial condition, results of operations and cash flows.

Furthermore, our government approvals and licenses are subject to numerous conditions, some of which are onerous and require us to make substantial expenditure. If we fail to comply or a regulator claims we have not complied with these conditions, our business, prospects, financial condition, cash flows and results of operations may be adversely affected. Additionally, unfavorable changes in or interpretations of existing laws, or the promulgation of new laws, governing our business and operations, in the future could require us to obtain additional licenses, registrations and permissions. We cannot assure you that we will be able to obtain such additional licenses, registrations or permissions in the future, and our inability to do so could adversely affect our business, financial condition, results of operations and cash flows.

48. The Promoters and Promoter Group will continue to retain control over the Company after completion of the Offer, which will allow them to influence the outcome of matters submitted for the approval of the shareholders

The Promoter and Promoter group currently hold 1,81,23,864 shares constituting to 99.86% of the paid up capital of the company. The issue contains fresh issue and offer of sale by existing shareholders. Even after dilution pursuant to the proposed public issue, the promoters and promoter group continue to control more than 51% of shareholding in the company, which will allow them to influence the outcome of matters submitted for the approval of the shareholders, except in cases where they are interested in said matters. For more details about shareholding and break up of Shareholding, please refer to the section titled ‘*Capital Structure*’ on page 89 of this Draft Red Herring Prospectus.

51. The nature of our business exposes us to liability claims and contract disputes and our indemnities may not adequately protect us. Any liability in excess of our reserves or indemnities could result in additional costs, which would reduce our profits.

Time is often of the essence in our business operations. In the event of delays in our current or future services, we will not be able to secure extensions from our customers. Furthermore, in some contracts, if there is a delay due to deficiencies in our services, clients may have the right to complete the work at our risk and cost by engaging a third party. If we fail to perform in accordance with the terms of a particular contract, it could adversely affect our financial condition and business operations. Failure to effectively mitigate these risks could expose us to substantial costs and potentially lead to significant losses. Additionally, if there is a customer dispute regarding our performance or workmanship, the customer may delay or withhold payment to us. In past three financial years and the stub period, there have been no such circumstances, wherein the company was penalised or faced any financial loss due to delay in supply of our products nor there are any contract disputes.

52. Any adverse change in regulations governing our products and the products of our customers, may adversely impact our business prospects and results of operations.

Our products, as well as those of our customers, are subject to regulatory requirements that may change over time. Adverse changes in the regulations governing the development, licensing, and usage of our products including technical standards, specifications, and any new, stringent requirements could negatively impact our operations. In response to such changes, we may need

to modify our manufacturing and distribution processes, adjust our target markets, or incur capital expenditures to ensure compliance with the new regulatory requirements. However, we cannot guarantee that we will be able to meet all evolving regulatory standards. If we fail to comply with any new statutory or regulatory requirements, we may experience delays in obtaining approvals for new product manufacturing and marketing, or be required to withdraw existing products from the market.

Additionally, failure to meet the conditions attached to regulatory approvals, licenses, and permissions could lead to the suspension, curtailment, or revocation of our ability to market our products. Non-compliance could also breach agreements with our customers, resulting in legal consequences and operational disruptions. There is an inherent risk that we may unintentionally fail to comply with these regulations, which could lead to forced shutdowns or sanctions by regulatory authorities, as well as delays in receiving approvals for new products. Such developments would adversely affect our business, operations, and financial performance.

As a nutraceutical company, we operate in a highly regulated and controlled environment, heavily reliant on approvals from regulatory and health authorities. Any delay in obtaining or renewing required regulatory approvals or changes in the regulatory landscape in key markets could severely impact our business strategy and profitability. Nutraceutical products must be registered after testing for safety, efficacy, and environmental impact, and the regulations governing these products vary significantly by country. Some of our customers operate in such highly regulated markets, and our relationship with them is contingent upon our ability to maintain regulatory compliance as an approved supplier.

Our business and industry are regulated by various laws, rules, and regulations established by the Central and State Governments. These regulations may be amended or changed at short notice, at the discretion of the Government. If we fail to comply with applicable regulations or if there are adverse changes in the regulations governing our business or their implementation, we may incur increased costs or be subject to penalties, which could disrupt our operations and negatively impact our business and results of operations.

Furthermore, some of our existing product registrations require renewal. There is no guarantee that we will be able to obtain the necessary renewals or approvals for all our products, which could hinder our ability to sell certain products in regulated markets. Failure to adapt to regulatory changes or secure the necessary approvals could negatively affect our business operations. As we continue to grow, we will remain subject to increasing and stringent regulations. Any non-compliance with current or future regulations could lead to legal proceedings, third-party claims, regulatory fines, or penalties, all of which could harm our reputation, financial health, and overall business operations. Additionally, amendments to existing regulations could introduce new requirements, potentially forcing us to discontinue certain products, pay fines, or face litigation, further jeopardizing our financial condition and market position.

58. We have in this Prospectus included certain non-GAAP financial measures and Key Performance Indicators (“KPIs”) that may vary from any standard methodology that is applicable across our industry. We rely on certain assumptions and estimates to calculate such measures, therefore such measures may not be comparable with financial, operational or industry-related statistical information of similar nomenclature computed and presented by other similar companies.

We have included certain financial and operational measures in this Prospectus, which we believe to be non-GAAP financial measures (“Non-GAAP Measures”) and KPIs, in accordance with the SEBI ICDR Regulations. We compute and disclose such KPIs relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of companies such as us. These KPIs may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial and operational measures, and industry-related statistical information of similar nomenclature that may be computed and presented by other companies pursuing similar business.

61. We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and our industry contained in this Draft Red Herring Prospectus.

While facts and other statistics in this Draft Red Herring Prospectus relating to India, the Indian economy and our industry has been based on various government publications and reports from government agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the section titled ‘Industry Overview’ beginning on page 139 of this Draft Red Herring Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy elsewhere.

62. Unauthorized Use or Disclosure of Confidential Information could have negative impact on the overall performance of the Company

Our business involves the collection and management of confidential information, and any unauthorized access, use, or disclosure of such information could significantly harm our operations, reputation, and financial standing. Despite implementing measures to safeguard sensitive data, evolving security threats and potential breaches may expose us to legal and regulatory risks. Furthermore, there can be no assurance that our security protocols will be sufficient to prevent future incidents. Any failure to adequately protect confidential information could result in legal liabilities, financial loss, and reputational damage. However, there have been no instances in the past that have adversely affected our business, financial condition, cash flows, or results of operations due to unauthorized use or disclosure of confidential information.

63. Significant disruptions in our information technology systems or breaches of data security could affect our business and reputation.

We may face several cyber threats, including: (i) Phishing and Trojans, where fraudsters send unsolicited emails or malicious codes to customers to obtain sensitive account information or infect their devices to steal data; (ii) Hacking, where attackers target our systems to disrupt services and

damage our reputation; (iii) Data theft, which can be internal (by individuals with access to company data) or external (by cybercriminals attempting to steal our information); and (iv) Advanced persistent threats, where unauthorized individuals gain long-term access to our network without detection. Our systems may be vulnerable to breaches, potentially exposing sensitive data. Currently, we do not have a cybercrime insurance policy or an issuer data security policy in place. This exposes us to increased risk in the event of a security breach, as we may face financial losses, legal proceedings, and reputational damage without adequate coverage or protocols. Although we have not encountered significant disruptions or data breaches so far, the lack of these protective policies could have serious consequences for our business if such incidents occur. However, over the past three years, we have not experienced any major disruptions or data security breaches that have significantly impacted our operations or reputation.

External Risk Factors

64. Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Offer.

The Equity Shares will be listed on the NSE Emerge. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in this Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately two Working Days from the Bid Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchange is expected to commence within three Working Days of the Bid Closing Date.

There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise commence trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

65. Qualified Institutional Buyers ("QIBs") and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid, and Retail Individual Investors are not permitted to withdraw their Bids after Bid/ Issue Closing Date.

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/ Issue Period and withdraw their Bids until Bid/ Issue Closing Date. While our Company is required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed including Allotment pursuant to the Offer within three Working Days from the Bid/ Issue Closing Date or such other timeline as may be prescribed under applicable law, events affecting the Bidders' decision to invest in the Equity

Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

66. Subsequent to listing of the Equity Shares, we may be subject to pre-emptive surveillance measures like Additional Surveillance Measures and Graded Surveillance Measures by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.

SEBI and the Stock Exchanges, in the past, have introduced various pre-emptive surveillance measures with respect to the shares of listed companies in India (the “**Listed Securities**”) in order to enhance market integrity, safeguard the interests of investors and potential market abuses. In addition to various surveillance measures already implemented, and in order to further safeguard the interest of investors, the SEBI and the Stock Exchanges have introduced additional surveillance measures (“**ASM**”) and graded surveillance measures (“**GSM**”). ASM is conducted by the Stock Exchanges on Listed Securities with surveillance concerns based on certain objective parameters such as price-to-earnings ratio, percentage of delivery, customer concentration, variation in volume of shares and volatility of shares, among other things. GSM is conducted by the Stock Exchanges on Listed Securities where their price quoted on the Stock Exchanges is not commensurate with, among other things, the financial performance and financial condition measures such as earnings, book value, fixed assets, net worth, other measures such as price-to-earnings multiple and market capitalization.

Upon listing, the trading of our Equity Shares would be subject to differing market conditions as well as other factors which may result in high volatility in price, and low trading volumes as a percentage of combined trading volume of our Equity Shares. The occurrence of any of the abovementioned factors or other circumstances may trigger any of the parameters prescribed by SEBI and the Stock Exchanges for placing our securities under the GSM and/or ASM framework or any other surveillance measures, which could result in significant restrictions on trading of our Equity Shares being imposed by SEBI and the Stock Exchanges. These restrictions may include requiring higher margin requirements, limiting trading frequency or freezing of price on the upper side of trading, as well as mentioning of our Equity Shares on the surveillance dashboards of the Stock Exchanges. The imposition of these restrictions and curbs on trading may have an adverse effect on the market price, trading and liquidity of our Equity Shares and on the reputation and conditions of our Company. Any such instance may result in a loss of our reputation and diversion of our management's attention and may also decrease the market price of our Equity Shares which could cause you to lose some or all of your investment.

SECTION IV – INTRODUCTION

GENERAL INFORMATION

DETAILS OF KEY INTERMEDIARIES PERTAINING TO THIS OFFER OF OUR COMPANY

Monitoring Agency

As the size of the Issue exceeds ₹ 5,000.00 lakhs, our Company will appoint a credit rating agency registered with SEBI as the Monitoring Agency to monitor the utilisation of the Net Proceeds, in accordance with Regulation 262 of the SEBI ICDR Regulations, prior to the filing of the Red Herring Prospectus with the RoC.

OBJECTS OF THE OFFER

1. Object no 1 - Funding capital expenditure requirements for setting up of manufacturing facility for Nutraceutical Division

Reasons for setting up of new manufacturing unit for Nutraceutical Division

Over the past three years, the Company has demonstrated growth in Nutraceuticals division, achieving consistent and substantial revenue increases. In FY 2023-24, revenue from this segment was ₹ 9,346.66 lakhs, reflecting a growth of approximately 30.52% compared to ₹ 7,161.16 lakhs in FY 2022-23. In FY 2022-23, revenue increased by approximately 26.44% from ₹ 5,663.90 lakhs in FY 2021-22 to ₹ 7,161.16 lakhs.

Due to the increasing demand, the existing nutraceutical manufacturing facility is nearing optimal capacity utilization. To address this, the Company is planning to expand its production capabilities. In view of the above, the Company is planning to expand its Nutraceutical Division by increasing its installed capacity from 10,000 kg per day to 20,000 kg per day. Over the last three years, the Company has significantly increased its installed capacity in the Nutraceutical segment, as detailed below:

Financial Year	Installed Capacity per day (Kg)	Actual production per day (Kg)	Capacity utilization (%)
01.04.2024-30.11.2024	10,000	9,300	93
FY 2024	10,000	7,300	73
FY 2023	7,000	5,800	83
FY 2022	5,000	3,500	70

**Certified with Chartered engineer Garg & Associates, Membership number M-1707846 vide its certificate dated January 23, 2025.*

Our installed capacity increased from 5,000 kg per day in FY 2022 to 10,000 kg per day in FY 2024. In FY 2024, the average production per day was approximately 7,300 kg, compared to 3,500 kg in FY 2022, with a capacity utilization of 73%. With the planned expansion, the total installed capacity of the Nutraceuticals division will reach 20,000 kg per day in FY 2026. The incremental capacity added each year has been utilized by the following year, reflecting the need for further expansion. The current manufacturing facility for the Nutraceuticals division operates at more than 80% capacity utilization. Achieving 100% utilization is not operationally feasible due to space requirements, the need for efficient man-material movement, and the setup needed for linear production flow.

To meet increasing demand, the Company plans to expand operations by establishing a new manufacturing facility, which will begin commercial operations in the first half of FY 2027.

Through the utilization of issue proceeds, the Company will also introduce new product lines, including oral dispersible films and a beverages line (liquid supplements/tetra packs), to be manufactured at the new facility.

b) Expanding the Line for Snacking, Protein Bars and Protein Powder:

To meet the growing demand for healthy and convenient nutritional options, we are enhancing our manufacturing capabilities for snacks, protein bars, and protein powders. Currently operating on a small scale, this segment will benefit from significant capital investment in automated machinery, enabling large-scale production and greater efficiency. The proposed upgradation of our snacking lines, protein bar lines, and protein powder manufacturing line is a strategic move aimed at enhancing operational efficiency, increasing production capacity, and meeting the growing market demand in the nutraceutical and functional foods sector. This capital investment is based on a strong business case, supported by market data, internal assessments, and future growth projections.

1. Capacity Expansion and Production Output

The current installed production lines, while operationally sound, are limited by lower throughput, higher maintenance requirements, and restricted scope for automation. With the upgraded machinery and equipment, we can improve on the following

- **Snacking Line Capacity:** The new line is expected to increase deliver increase in output, allowing us to cater to larger volume orders and new product variants such as baked, popped, and air-fried snacks with enhanced efficiency.
- **Protein Bar Line:** The upgraded line is designed to increase production, which will help to fulfil larger orders and private label manufacturing demands.
- **Protein Powder Line:** The new machinery, incorporating better mixing, blending, and automatic packing systems, will boost the daily output.

This expanded capacity is aligned with anticipated demand from both domestic and export markets, especially as awareness of healthy snacking and protein supplementation is on the rise.

2. Market Demand and Client Diversification

India's health and wellness market is growing with the functional food segment (including protein bars, powders, and healthy snacks). The upgradation is essential to tap into this opportunity. With enhanced production capabilities:

- The Company can now entertain larger and more diversified client orders, including leading retail chains, e-commerce health brands, and global nutraceutical companies seeking white-label partners.
- Ability to serve multiple SKUs and packaging formats simultaneously will allow us to engage with niche and premium clientele across geographies.
- Entry into export markets, especially Middle East, Southeast Asia, and Europe, will become feasible due to production scale, quality consistency, and compliance with international standards (HACCP, FSSAI, GMP, etc.).

3. Automation and Quality Consistency

Automation will play a critical role in:

- Reducing dependency on manual labour, thus minimizing human error, reducing contamination risks, and ensuring consistent batch quality.
- Ensuring uniform taste, texture, weight, and packaging integrity, which are critical parameters for both domestic and export markets.

This can lead to improved quality control, fewer product recalls, and better brand perception in a quality-sensitive market.

4. Cost Efficiency and Operational Benefits

The new lines are expected to:

- Reduce labour time and manhours required for a process
- Can help in Lowering product wastage and rejections by increasing yield and thus overall profitability.
- Improve line uptime and also help in producing consistent product

5. Scalability and Strategic Positioning

This upgradation is not just a reactive step but a proactive capacity building initiative aimed at long-term scalability. It will help the Company position to sustain competition and a step forward for future capacity building in future years to come.

a) Land Acquisition

Our Company has identified **Industrial** land for the nutraceutical division located at Plot No. 59, Gut Nos. 242 and 246, Survey Number 49, Kolgaon, District Palghar, Thane, Maharashtra, India (3,204 square meter). This property is owned by Mr. Munir Abdul Ganee Chandniwala and Mr. Shirin Munir Ahmed Chandniwala and was acquired through a conveyance deed registered with the Sub-Registrar of Palghar (Serial No. 3346/2023).

Additionally, our company entered into a Memorandum of Understanding dated July 19, 2024 read with amendment MOU dated January 30, 2025, with the owners to purchase the same parcel of land for an agreed consideration of ₹ 1,50,00,000 (Indian Rupees One Crore Fifty Lakhs only). As part of this agreement, the company has already paid token money of ₹ 11,00,000 (Indian Rupees Eleven Lakh) from the internal accruals. The remaining consideration will be paid using the proceeds from the issue.

b) Building & Civil Works – “Other confirmations relating to suppliers”

We have also received a quotation from M/s Arjunkumar Babubhai Sagar, located in Vadali, Gujarat, for an amount of ₹1,320.69 Lakhs. This quotation is valid till October 31, 2025. These quotations have been acquired to compare pricing and secure competitive rates for the proposed capital expenditure. The company has finalized the quotation from M/s. Fass Construction which is lower than that of M/s. Arjunkumar Babubhai Sagar.

c) Plant & Machineries – “Other confirmations relating to suppliers”

We have also received a quotation from M/s Tyromach Solutions, located in Mumbai, for an amount of ₹1,331.07 lakhs, valid for 6 months days starting from January 31, 2025. These quotations have been acquired to compare pricing and secure competitive rates for the proposed capital expenditure. The company has finalized the quotation from M/s. Keshar Technafine which is lower than that of M/s Tyromach Solutions.

d) Implementation Schedule

The Implementation Schedule is as follows:

Particulars	Estimated month of	
	Commencement	Completion
Land Acquisition	Token Amount is given on dated 05-08-2024	To be Completed on or before 30-09-2025
Civil works on Factory Building	September 2025	February 2026
Placement of orders for plant and machinery and other ancillary equipment's	February 2026	February 2026
Arrangement of Power	February 2026	February 2026
Installation / implementation of plant and machinery and the ancillary equipment's	March 2026	March 2026
Trial run/ validation	April 2026	April 2026
Commercial production	April 2026	-

Note: The above timelines with respect to the implementation are as planned and indicative; and are dependent on funding timeline from the Net Proceeds.

2. Object no 2 - Funding capital expenditure requirements for setting up of manufacturing facility for Veterinary Food Division

We currently manufacture veterinary feed supplements in various forms including Tablets, Liquid orals, Oral Sprays, Powders, Bolus, Gels, Ointments, Creams for animals and are further targeting the pet food market to diversify our portfolio.

To provide top-tier nutrition for animals, supporting their health and well-being while capturing new growth opportunities in this expanding market, we will manufacture nutrient-rich dry food known as Kibbles, for pets, focusing on quality and health benefits. Our company has already started R&D on kibble formulations to meet the rising demand for high-quality, nutrient-rich pet food.

These kibbles will feature:

- **Glucosamine and chondroitin** to support joint health and mobility.
- **Omega-3 and omega-6 fatty acids** for a healthy, shiny coat.
- **Prebiotics and probiotics** to promote a balanced gut microbiome.
- **Essential vitamins and antioxidants** to strengthen the immune system.

In FY 2024, our pet supplement division operated at 61% of its total installed capacity (1,800 kg). We propose to utilize the proceeds from issue to set up new a manufacturing facility for veterinary food division, as the same aligns with our existing segments of Human nutrition and supplements and existing product portfolio. Adding veterinary food manufacturing facility will enable us to increase our product offerings in the sector we operate. The said facility will allow us to manufacture vegetarian and non-vegetarian food for Cats, Dogs, horses and other pet animals, which will expand our existing product offerings and will enlarge our range of products.

Adding veterinary food manufacturing facility will enable us to increase our product offerings in the sector we operate. The said facility will allow us to manufacture vegetarian and non-vegetarian food. This food for Cats, Dogs and other pet animals, which will expand our existing product offerings and will enlarge our range of products.

The Revenues from Veterinary Segment for FY 2022-23 was Rs. 40.82 Lacs, which drastically increased to 87.81 Lacs in FY 2023-24 resulting into an increase by 115% within a year. Similarly, during stub period i.e April 2024 to November 2024, the company has already accounted to revenues of Rs 67.57 lacs from this division / segment. This statistics and upward trend have provided justifiable basis to the management to come to conclusion that adding new machinery and production lines will help increase the company to expand its product portfolio, diversify its concentration to other segments and also cater more customers

Currently, we are conducting small-scale trials in our factory, experimenting with various ingredient combinations to refine the formulations and deliver the best results. The following are the Company's expenditure towards Research & Development (R&D) activities, particularly in relation to the development of kibble formulations:

(Figures In Rupees)

Particulars	Upto Nov 2024	FY 2023-2024	FY 2022-2023	FY 2021-2022
Total Sales from Veterinary Feed Supplements	6757000	8781000	4082000	Nil
R&D Expenses	412000	2445000	3890000	Nil
Sales from R&D	2828297	4765220	1490644	Nil

%age from sale from R&D	41.86 %	54.27 %	36.52 %	Nil
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a) Land Acquisition

Our company has identified **Industrial** land for the veterinary food division located at Plot No. 28, Gut 243 (pt), 244, 295(pt), Survey no. 27 (pt) , Kolgaon, Dist. Palghar-Thane (1350 square meters). This property is owned by Mr. Munir Abdul Ganee Chandniwala and Mr. Shirin Munir Ahmed Chandniwala and was acquired through a conveyance deed registered with the Sub-Registrar of Palghar (Serial No. 5939/2023).

Additionally, our company entered into a Memorandum of Understanding dated July 19, 2024 read with amendment MOU dated January 30, 2025, with the owners to purchase the same parcel of land for an agreed consideration of ₹ 69,00,000 (Indian Rupees Sixty-Nine Lakh). As part of this agreement, the company has already paid token money of ₹ 10,00,000 (Indian Rupees Ten Lakh) from the internal accruals. The remaining consideration will be paid using the proceeds from the issue.

b) Building & Civil Works – “Other confirmations relating to suppliers”

We have also received a quotation from M/s Arjunkumar Babubhai Sagar, located in Vadali, Gujarat, for an amount of ₹1,320.69 Lakhs. This quotation is valid till October 31, 2025. These quotations have been acquired to compare pricing and secure competitive rates for the proposed capital expenditure. The company has finalized the quotation from M/s. Fass Construction which is lower than that of M/s. Arjunkumar Babubhai Sagar.

d) Implementation Schedule

The Implementation Schedule is as follows:

Particulars	Estimated month of	
	Commencement	Completion
Land Acquisition	Token Amount is given on dated 05-08-2024	To be Completed on or before 30-09-2025
Civil works on Factory Building	September 2025	February 2026
Placement of orders for plant and machinery and other ancillary equipment's	February 2026	February 2026
Arrangement of Power	February 2026	February 2026
Installation / implementation of plant and machinery and the ancillary equipment's	March 2026	March 2026
Trial run/ validation	April 2026	April 2026
Commercial production	April 2026	-

Note: The above timelines with respect to the implementation are as planned and indicative; and are dependent on funding timeline from the Net Proceeds.

3. Object no 3 - Purchase of Machineries for Homecare and Cosmetic Division

Our Company intends to allocate capital expenditure for the installation of additional machinery and equipment at our existing manufacturing facility located in Palghar-Thane. Our Company proposes to use part of net proceeds to the extent to ₹ 275.65 lakhs to meet capital expenditure for the installation of new machinery for the homecare and cosmetic product line. The following are the benefits for Purchase of Machineries for Homecare and Cosmetic Division'

- a) Anticipated Market Growth: Our market Business development team forecasts that there is sufficient growth share which the Company can take in the market as there is constant demand in Homecare and Cosmetic product which seems to remain in near future also. To proactively meet this anticipated surge and avoid potential supply constraints, it is prudent to expand the production capabilities in advance. As the product development team is ready with various formulations which can be commercialised with the input of machineries.
- b) Product Line Diversification: The Company is in the process of diversifying our product portfolio within the Homecare and Cosmetic segments. As seen in the new machine list, the Company intends to diversify its portfolio in Homecare by introducing detergent bar line, new style of packaging machines in cosmetics which are unique. Also entering into colour cosmetic like lipstick and nail polish lines will diversify their current portfolio from majorly personal care to colour cosmetics also. The introduction of new products necessitates specialized machinery that is not available within their current equipment list, thereby justifying the need for new acquisitions.
- c) Technological Advancements: Investing in state-of-the-art machinery will enhance the production efficiency, reduce operational costs, and improve product quality. Modern equipment often offers higher throughput and better energy efficiency, aligning with their goals of sustainability and cost-effectiveness.
- d) Strategic Capacity Planning: While the current capacity utilization stands at 66%, this figure reflects an average across all product lines. Certain production units are operating at near-full capacity, and the planned machinery will alleviate these bottlenecks, ensuring balanced operations across divisions.
- e) Competitive Advantage: Enhancing the manufacturing capabilities positions the Company competitively in the market. It enables them to respond swiftly to market trends, fulfill larger orders, and strengthen relationships with key clients by assuring them of the Company's ability to meet increased demand promptly.

The decision to invest in new machinery is a strategic move to position the Company for future growth, market responsiveness, and operational optimisation. This proactive approach ensures that they remain as per industry trends and are well-prepared to meet both current and future market demands.

Other confirmations relating to suppliers

We have also received a quotation from M/s Tyromach Solutions, located in Mumbai, for an amount of ₹275.78 lakhs, valid for 6 months days starting from January 13, 2025. These quotations have been acquired to compare pricing and secure competitive rates for the proposed capital expenditure. The company has finalized the quotation from M/s. Keshar Technafine which is lower than that of M/s Tyromach Solutions

Monitoring of utilization of funds

In accordance with Regulation 262 of the SEBI ICDR Regulations, our Company will appoint a monitoring agency to monitor the utilisation of the Net Proceeds, including the proceeds proposed to be utilised towards general corporate purposes, prior to filing of the Red Herring Prospectus with the RoC. Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Net Proceeds (including in relation to the utilisation of the Net Proceeds towards the general corporate purposes) and the Monitoring Agency shall submit the report required under Regulation 262(2) of the SEBI CDR Regulations, on a quarterly basis, until such time as the Net Proceeds have been utilised in full. Our

Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose and continue to disclose the utilisation of the Net Proceeds, including interim use under a separate head in its balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilised, till the time any part of the Fresh Issue proceeds remains unutilised. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Fresh Issue from the Objects; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Directors' report, after placing the same before the Audit Committee

BASIS FOR OFFER PRICE

Key Performance Indicators of peer companies for the latest available period ended 30th September 2024 are as follows :

<i>Particulars (Restated)</i>	<i>Quest Laboratories Limited</i>	<i>Sudarshan Pharma Industries Limited</i>
Revenue from operations (<i>₹ in Lakhs</i>)	4,262.57	22,535.02
EBITDA (<i>₹ in Lakhs</i>)	1,136.55	1,584.16
EBITDA Margin (%)	26.66%	7.06%
Profit After Tax for the Year (<i>₹ in Lakhs</i>)	800.84	591.86
PAT Margin (%)	18.79%	2.63%
Net Worth	7,981.30	11,753.35
Capital Employed	8,966.92	24,387.12
RoE (%)	10.03%	5.04%
RoCE (%)	13.27%	6.83%
Net Working Capital Days	123	54
Debt to equity ratio (times)	0.12	1.07
Fixed Asset Turnover Ratio (in times)	3.81	9.96

^Not Annualised

Notes:

1. Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
2. EBITDA is calculated as Profit before tax + Depreciation + Finance Cost - Other Income.
3. EBITDA Margin is calculated as EBITDA divided by Revenue from Operations.
4. PAT Margin is calculated as PAT for the period/year divided by revenue from operations.
5. Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account.
6. Capital Employed is calculated as Net worth + Long Term Borrowings + Short Term Borrowings + Current maturities of long-term borrowings + Interest accrued but not due.
7. Return on Equity is ratio of Profit after Tax and Shareholder's equity
8. Fixed Asset Turnover Ratio is calculated as Revenue from Operations divided by Fixed Assets.

SECTION V - ABOUT THE COMPANY

BUSINESS OVERVIEW

OUR PRODUCT PORTFOLIO:

The company is actively focused on expanding its portfolio of innovative health and wellness products. Our product lines, including tablets, capsules, powders, syrups, softgelatin, and various nutraceutical offerings such as nutritional gummies and vegan protein bars, reflect our dedication to bringing cutting-edge, science-backed health solutions to consumers. The summary of the products launched by the company on a year-by-year basis:

Year	Name of Products	Year	Name of Products
2021	<ul style="list-style-type: none"> Nutritional Gummies Liquid Fill Capsule Vegan Protein Bars Vegan Powders Range 	2024	<ul style="list-style-type: none"> Ayurvedic Gummies Oral Dissolving Powder Pet Food for Dogs Nutrition Toppers for Pets Popped Chips
2022	<ul style="list-style-type: none"> Effervescent Tablets Waterless Sunscreen Dry Shampoos 	2025	<ul style="list-style-type: none"> Pet Food for Cats Nutritional Oral Gel
2023	<ul style="list-style-type: none"> Wafer Protein Bars, Peanut Butter Bar Pet Floor Cleanser Face Mask 		

The number of products offered for each segment over the last three FY and the stub period:

Sr. No.	Segments	No of Products offered			
		Up to Nov 2024	2023-24	2022-23	2021-22
1	Nutritional Supplement	2408	2957	2683	1995
2	Cosmetics	278	250	208	93
3	Ayurvedic / Herbal	84	81	71	59
4	Veterinary Feeds	34	45	73	35
5	Homecare	5	30	24	29

Product portfolio wise revenue bifurcation for the last three FY and stub period

Detailed breakdown of the revenue for each product portfolio									
Nutritional Supplement									
S r	No of Products	Revenue (In lakhs)							
		Upto Nov 2024	%age	2023-2024	%age	2022-2023	%age	2021-2022	%age
1	Tablets, Capsules, Others Powders, Protein Powder and Nutritional Combo Kits	3561.00	56.75	4009.34	40.11	4073.82	53.56	2695.97	45.54
2	Liquid Orals, Softgels, Emulsion, Oral Drops Nutritional Oil and Oral Spray	666.24	10.62	998.3	9.99	961.09	12.64	600.17	10.14
3	Lozenges, Jellies, Gummies and Bar	345.64	5.51	645.1	6.45	64.54	0.85	159.31	2.69

4	Effervescent Tablets and Liquid-Fill Capsules	147.06	2.34	259.76	2.60	190.63	2.51	54.47	0.92
5	Candies and Gym/Sports Supplements	935.98	14.92	3351.01	33.52	1800.3	23.67	2118.29	35.78
6	Others*	37.91	0.60	83.15	0.83	70.78	0.93	35.69	0.60
	Sub- Total	5693.83	90.74	9346.66	93.50	7161.16	94.16	5663.90	95.67
Cosmetics									
1	Skin Care and Body Care Products	201.04	3.20	185.67	1.86	74.91	0.98	34.43	0.58
2	Hair Care and Beard Care Solutions	96.23	1.53	90.87	0.91	114.35	1.50	43.35	0.73
3	Face Masks and Soaps	14.67	0.23	16.14	0.16	10.03	0.13	7.57	0.13
4	Others#	15.03	0.24	8.00	0.08	12.65	0.17	1.52	0.03
	Sub- Total	326.97	5.21	300.68	3.01	211.94	2.79	86.87	1.47
Ayurvedic / Herbal formulations									
1	Tablets, Capsules, and Powders	89.09	1.42	113.29	1.13	108.77	1.43	52.58	0.89
2	Liquid Orals and External Applications such as Ointments, Creams, and Lotions	52.88	0.84	78.91	0.79	65.49	0.86	39.71	0.67
3	Others#	41.5	0.66	0.9	0.01	1.07	0.01	0	0.00
	Sub- Total	183.47	2.92	193.10	1.93	175.33	2.31	92.29	1.56
Veterinary Feed Supplements									
1	Tablets, Liquid Orals, and Oral Sprays	33.08	0.53	62.62	0.63	31.51	0.41	51.85	0.88
2	Powders, Boluses, and Gels	34.11	0.54	25.19	0.25	9.31	0.12	0	0.00
3	Others*	0.38	0.01	0	0.00	0	0.00	0	0.00
	Sub- Total	67.57	1.08	87.81	0.88	40.82	0.54	51.85	0.88
Homecare									
1	Bathroom Cleaners and others	3.08	0.05	68.26	0.68	16.40	0.22	25.26	0.43
	Sub- Total	3.08	0.05	68.26	0.68	16.40	0.22	25.26	0.43
	Grand Total	6274.92	100	9996.51	100	7605.65	100	5920.17	100

*Others (Nutritional Supplement and Veterinary Feed Supplements) - includes income from scrap sales, transportation charges, design and packing charges, barcodes, and other miscellaneous operational incomes.

#Others (Cosmetics and Ayurvedic / Herbal formulations) - includes income from scrap sales, FDA charges, transportation charges, design and packing charges, barcodes, and other miscellaneous operational incomes.

The details of customers and revenue for the last three financial years and stub period:

A) Number of existing and new customers for three FY and stub period:

Particulars	Up to Nov 2024		2023-2024		2022-2023		2021-2022	
	Numbers	%age	Numbers	%age	Numbers	%age	Numbers	%age
Existing Customers	417	86.69	422	77.43	351	71.63	NA*	-
New Customers	64	13.31	123	22.57	139	28.37	420	100.00
Total	481	100	545	100	490	100	420	100

*Note: - The company started its production from FY 2021-22. Hence, all customers were 'new'.

B) Revenue from the existing and new customers for the last three FY and stub period (In lakhs):

Particulars	Up to Nov 2024		2023-2024		2022-2023		2021-2022	
	Amt	%age	Amt	%age	Amt	%age	Amt	%age
Existing Customers	6027.41	96.06	9434.43	94.38	5999.63	78.88	NA*	-
New Customers	247.5	3.94	562.07	5.62	1606.01	21.12	5920.17	100.00
Total	6274.91	100	9996.5	100	7605.64	100	5920.17	100

*Note: - The company started its production from FY 2021-22. Hence, all revenue was from New Customers.

OUR COMPETITIVE STRENGTHS

Formulation Development Department

The Formulation Development Department comprises a team of 8 professionals. This team is responsible for the design, development, and optimization of our diverse product formulations, ensuring that all products meet the highest standards of safety, efficacy, and quality.

The team possesses expertise in various fields, including pharmaceutical sciences, nutraceuticals, cosmetics, and commerce. Their diverse educational backgrounds enable the team to approach formulation development from multiple perspectives, ensuring innovative solutions and maintaining the high quality of our products.

Notable Formulation Developed

- **Unique Liquid Fill Technology:** Concepts like capsule-in-capsule, pellets-in-capsule.
- **Bi-Layer and Center-Filled Gummies:** Introducing innovative gummy designs.
- **Pectin-Free Gummies:** A new formulation approach for gummies.
- **Sugar-Free Fiber-Based Gummies:** A unique formulation focusing on health benefits.
- **Diskettes Formula:** A new product form for easy consumption.
- **Oral Film Strips:** Innovative delivery method for supplements. Oral Film Strip (OFS) is a notable formulation that has gained significant attention in the nutraceutical and pharmaceutical industries due to its convenience, rapid dissolution, and enhanced bioavailability. Oral Film Strips, also known as Oral Dispersible Films (ODFs), are designed to dissolve instantly when they come into contact with saliva, eliminating the need for water and making them ideal for paediatric, geriatric, and dysphagic patients. They ensure faster absorption, improve patient compliance. Additionally, ODFs offer better stability, precise dosing, and the potential for incorporating taste-masking technology, may make them a preferred choice for nutraceuticals like vitamins, minerals, and herbal extracts.
- **Special Flavors for Supplements:** Custom flavors developed for various clients.
- **Ready-to-Drink Concepts:** New formulations for ready-to-consume products.
- **Nutritional Gel Concept:** Developing gels with multiple health benefits.
- **Coating Techniques for Soft Gelatin & Capsules:** Advanced techniques for coating soft gelatin, hard gelatin, and HPMC capsules.
- **Poped Snacks:** A unique range of snacking options.
- **Protein Bars:** Formulas for both whey and vegan clients.
- **Instant Oil-Removing Face Serums:** A unique cosmetic formula.
- **Instant Face Lifting Serum:** A groundbreaking cosmetic solution.
- **Anhydrous Sunscreen:** A water-free sunscreen formula.
- **Soft Gelatin Twist Capsules for Cosmetics:** Innovative single-dose twist capsules.
- **Dog and Cat Food:** Developed both non-veg and veg kibble for pets.

Note: The company does not hold any patents or exclusive rights for formulation specified under “Notable Formulation Developed”.

STRATEGIES

Grow our Nutraceutical and Veterinary Food Division and purchase machinery for the Homecare and Cosmetic Division

Our growth strategy is focused on expanding our brand presence and enhancing our capabilities within our Nutraceutical, Homecare, Cosmetic, and Veterinary Food Divisions. We aim to drive growth through key initiatives that include expanding our manufacturing facilities and acquiring advanced machinery to cater to the growing demand in these sectors. The Revenues from nutraceuticals Segment for FY 2021-22-23 was Rs. 56.63 Crores, which increased to 71.61 Crores in FY 2022-23 and further increased to Rs. 93.46 Crores in FY 2023-24 resulting into an increase by 26.45% and 30.51% respectively. Similarly, during stub period i.e April 2024 to November 2024, the company has already accounted to revenues of Rs 56.93 Crores from this division / segment.

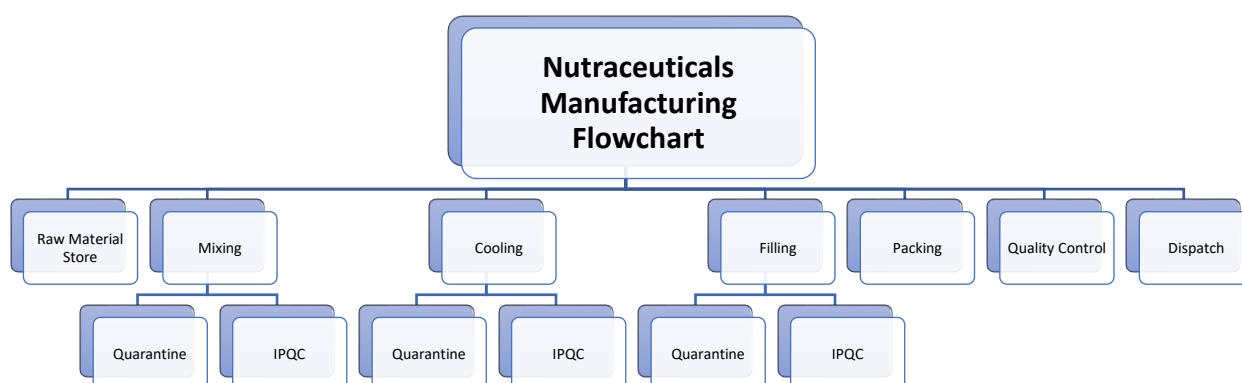
Further, Revenues from Cosmetics Division for FY 2021-22 was Rs. 86.87 Lacs, which increased to 211.94 lacs Crores in FY 2022-23 and further increased to Rs. 300.68 Lacs in FY 2023-24 resulting in an increase by 143.97% and 41.87% respectively. Similarly, during stub period i.e April 2024 to November 2024, the company has already accounted revenues of Rs. 326.97 Lacs from this division / segment.

These statistics and upward trend have provided justifiable basis to the management to come to conclusion that expanding and new machinery / production lines will help the company to cater larger orders from existing clients and also increase its product portfolio.

OUR BUSINESS MODEL

At Influx, we specialize in contract manufacturing a wide range of products across various sectors, including Dietary/Nutritional Supplements, Cosmetics, Ayurvedic/Herbal Products, Veterinary Feed Supplements, and Homecare Products, solely serving B2B clients.

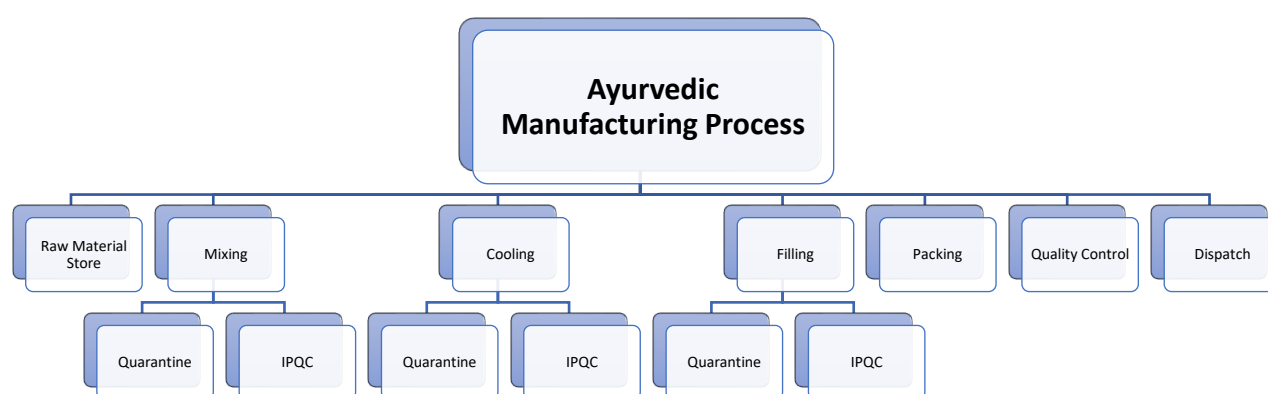
Flow Chart of Nutraceuticals Manufacturing Process:



1. **Raw Material Store:** Dispensing are performed by stores department in presence of Production & QA personal, by weighing / measuring and transferring specific amounts of materials required as per bill of material.

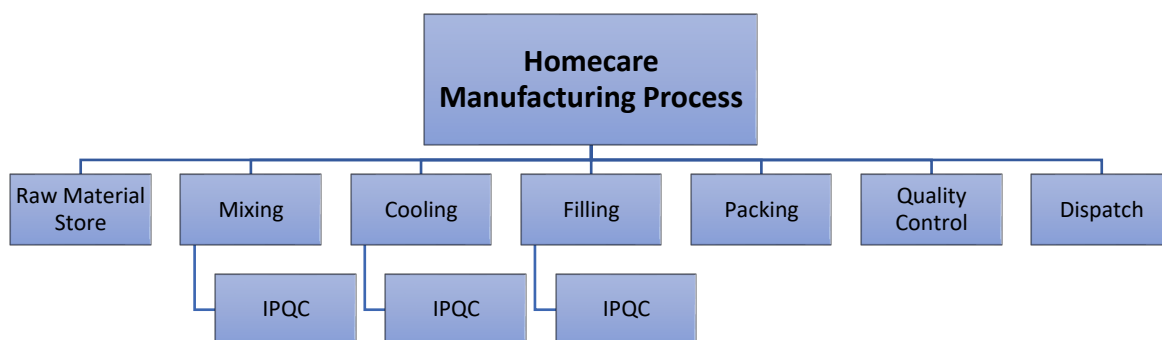
2. **Mixing:** All dispensed & sifted raw material mixed in a clean mass mixer in manufacturing area. The active pharmaceutical ingredient required to be blended with other excipients.
3. **IPQC Check:** All the activities dispensing/manufacturing and packing performed during different production stages to be monitor by QA personal for all the parameter per product specific BMR/BPR.
4. **Filling:** After the manufacturing completed, bottle filling process will be performed for product as per product specific BMR/BPR.
5. **Packing:** After the bulk release from QC and line clearance done by QA person further filling and packing process to be done of by Production.
6. **Analysis of Product by Quality Control:** After coating, sampling done by QC person & testing performed by QC person as per product specification and after QC release, product can be release for dispatch by QA.
7. **Dispatch:** After final packing of product and Finished product released by QC, authorized by QA, dispatch person will generate Invoice for product dispatching.

Flowchart of Ayurvedic Manufacturing Process :



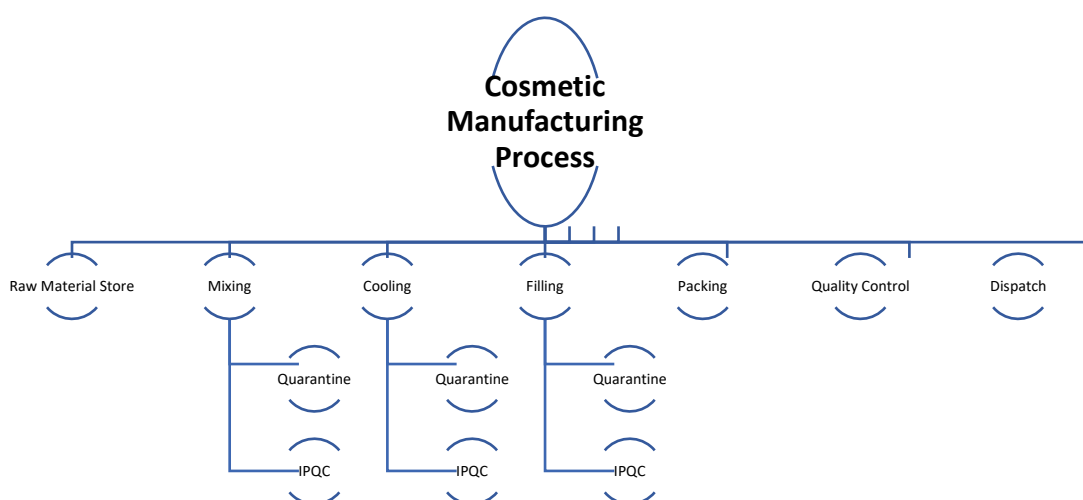
1. **Raw Material Store:** Dispensing are performed by stores department in presence of Production & QA personal, by weighing / measuring and transferring specific amounts of materials required as per bill of material.
2. **Hot Mixing:** All dispensed & sifted raw material mixed in a clean vessel in manufacturing area. The active pharmaceutical ingredient required to be mixed with other excipients.
3. **IPQC Check:** All the activities dispensing/manufacturing and packing performed during different production stages to be monitor by QA personal for all the parameter per product specific BMR/BPR.
4. **Cooling:** After the mixing completed, transfer the batch in another vessel for cooling.
5. **Filling:** After cooling completed, transfer the batch for tube or bottle filling.
6. **Packing:** After filling, transfer the filling tube for final packing.
7. **Analysis of Product by Quality Control:** After coating, sampling done by QC person & testing performed by QC person as per product specification and after QC release, product can be release for dispatch by QA.
8. **Dispatch:** After final packing of product and Finished product released by QC, authorized by QA, dispatch person will generate Invoice for product dispatching.

Flowchart of Homecare Manufacturing Process :



1. **Raw Material Store:** Dispensing are performed by stores department in presence of Production & QA personal, by weighing / measuring and transferring specific amounts of materials required as per bill of material.
2. **Mixing:** All dispensed & sifted raw material mixed in a clean vessel in manufacturing area. The active pharmaceutical ingredient required to be mixed with other excipients.
3. **IPQC Check:** All the activities dispensing/manufacturing and packing performed during different production stages to be monitor by QA personal for all the parameter per product specific BMR/BPR.
4. **Bottle Filling:** After the manufacturing completed, bottle filling process will be performed for product as per product specific BMR/BPR.
5. **Analysis of Product by Quality Control:** After filling, sampling done by QC person & testing performed by QC person as per product specification and after QC release, product can be release for dispatch by QA.
6. **Packing:** After the bulk release from QC and line clearance done by QA person further filling and packing process to be done of by Production.
7. **Dispatch:** After final packing of product and Finished product released by QC, authorized by QA, dispatch person will generate Invoice for product dispatching.

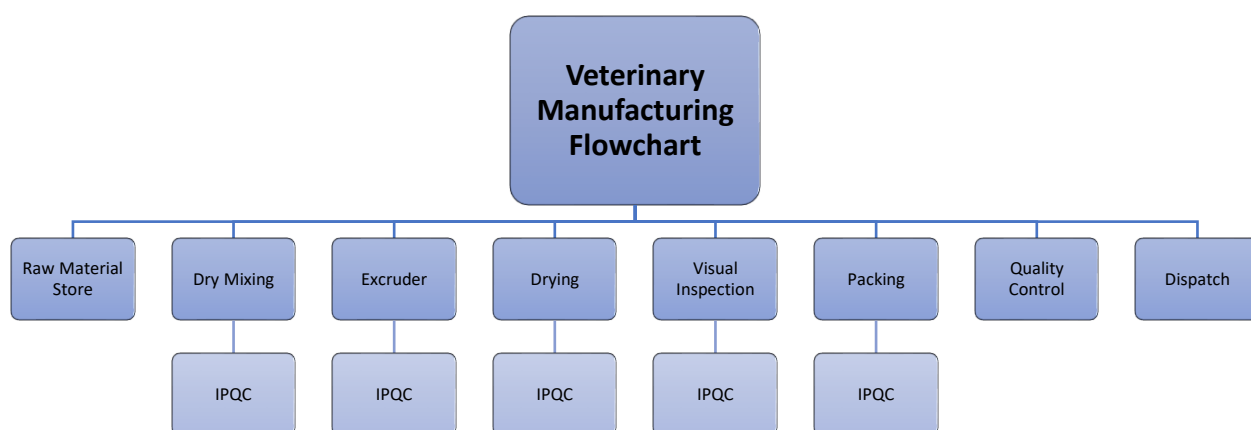
Flowchart of Cosmetic Manufacturing Process :



1. **Raw Material Store:** Dispensing are performed by stores department in presence of Production & QA personal, by weighing / measuring and transferring specific amounts of materials required as per bill of material.

2. **Hot Mixing:** All dispensed & sifted raw material mixed in a clean vessel in manufacturing area. The active pharmaceutical ingredient required to be mixed with other excipients.
3. **IPQC Check:** All the activities dispensing/manufacturing and packing performed during different production stages to be monitor by QA personal for all the parameter per product specific BMR/BPR.
4. **Cooling:** After the mixing completed, transfer the batch in another vessel for cooling.
5. **Filling:** After cooling completed, transfer the batch for tube or bottle filling.
6. **Packing:** After filling, transfer the filling tube for final packing.
7. **Analysis of Product by Quality Control:** After coating, sampling done by QC person & testing is performed by QC person as per product specification and after QC release, product can be release for dispatch by QA.
8. **Dispatch:** After final packing of product and Finished product released by QC, authorized by QA, dispatch person will generate Invoice for product dispatching.

Flowchart of Veterinary Manufacturing Process :



1. **Raw Material Store:** Dispensing are performed by stores department in presence of Production & QA personal, by weighing / measuring and transferring specific amounts of materials required as per bill of material.
2. **Dry Mixing:** All dispensed & sifted raw material mixed in a clean vessel in manufacturing area. The active pharmaceutical ingredient required to be mixed with other excipients.
3. **IPQC Check:** All the activities dispensing/manufacturing and packing performed during different production stages to be monitor by QA personal for all the parameter per product specific BMR/BPR.
4. **Excruding:** After dry mixing, pass the material through excruder for proper shape & size.
5. **Drying:** After excruding, dry the material properly.
6. **Filling:** After the manufacturing completed, filling process will be performed for product as per product specific BMR/BPR.
7. **Analysis Of Product By Quality Control:** After filling, sampling done by QC person & testing performed by QC person as per product specification and after QC release, product can be release for

dispatch by QA.

8. **Packing:** After the bulk release from QC and line clearance done by QA person further filling and packing process to be done of by Production.
9. **Dispatch:** After final packing of product and Finished product released by QC, authorized by QA, dispatch person will generate Invoice for product dispatching.

MANUFACTURING UNITS

Established in 2021, Unit I specializes in the manufacture of nutraceutical products, including tablets, capsules, powders, liquid orals, softgels, lozenges, and jellies. This unit, leased by the company, spans an area of approximately 9,676 square feet, with a current installed capacity of 10,000 kg per day.

CAPACITY AND CAPACITY UTILIZATION

The Below are the details of the installed and the utilized capacity of all three units.

Factory Unit 1 (Nutraceuticals)

<i>Period</i>	<i>Installation Capacity Per Day</i>	<i>Actual Production Per Day</i>	<i>Capacity Utilisation %</i>
01.04.2024 to 30.11.2024	10,000 kg	9,300 kg	93%
FY 2024	10,000 kg	7,300 kg	73%
FY 2023	7,000 kg	5,800 kg	82%
FY 2022	5,000 kg	3,500 kg	80%

Factory Unit 2 (Cosmetics and Ayurvedic)

<i>Period</i>	<i>Installation Capacity Per Day</i>	<i>Actual Production Per Day</i>	<i>Capacity Utilisation %</i>
01.04.2024 to 30.11.2024	2,000 kg	1,790 kg	89%
FY 2024	2,000 kg	1,700 kg	85%
FY 2023	1,500 kg	1,400 kg	93%
FY 2022	1,500 kg	1,000 kg	66%

Factory Unit 3 (Pet Supplement and Homecare)

<i>Period</i>	<i>Installation Capacity Per Day</i>	<i>Actual Production Per Day</i>	<i>Capacity Utilisation %</i>
01.04.2024 to 30.11.2024	1,800 kg	1,190 kg	66%
FY 2024	1,800 kg	1,100 kg	61%

NA=Not Applicable

The above figures are certified by Garg & Associates, Chartered Valuer, Membership No M-1707846, Category - Plant Machinery and Vehicles, Dated January 23, 2025.

Over the last three years, the Company has significantly increased its installed capacity. To address the future demand, the Company is planning to expand its installed capacity. Achieving 100% utilization

is not operationally feasible due to space requirements, the need for efficient man-material movement, and the setup needed for linear production flow.

PROCUREMENT AND RAW MATERIAL

Our company procures a wide range of raw materials, including active pharmaceutical ingredients (APIs) and specialized extracts such as Acerola Extract, Amalaki Extract, BCAA Instant, Beta Alanine, Calcium Citrate Malate, Citric Acid Anhydrous, Capsule CT/CT Size, and Coenzyme Q10 from third-party suppliers within India.

The raw materials required for the production of the end-use products are generally provided by the company. However, in certain cases where the client insists on supplying the raw materials, the company is open to accommodating the client's request. Nevertheless, the company handles the procurement and provision of all necessary materials for the manufacturing process.

HUMAN RESOURCE:

We believe that our employees are among our most important assets and are critical to maintaining our competitive position in the industry. As of today, we have a total workforce of 163 permanent employees on a payroll basis. Additionally, the company employs contract workers as needed, depending on demand.

For contract Labor, we have entered into agreements with two vendors:

Agreement 1 – M/s Mangalmurti Enterprise

Agreement 2 – M/s Bhumika Enterprise

The breakup of the employees: -

Sr. No	Particular	Nutraceuticals	Homecare /Cosmetic	Aurvedic	Pet
1	Permanent employees	141	10	8	4
2	Labor on Contract Basis*	78	0	0	0

**As for the quality check process, the Company has implemented a robust system to monitor and ensure the quality of work done by the contract labor. This includes regular inspections, supervision by site managers to maintain high standards and compliance with the Company's specifications.*

The Company has entered into agreements with two vendors for contract labors. The number of contractual laborers associated with the Company for the last three financial years and the stub period is as follows:

Year	No of Contractual Laborers
Upto November 2024	78
2023-24	78
2022-23	76
2021-22	74

The breakup of the Permanent employees: -

Sr. No	Department	Nutraceuticals	Homecare /Cosmetic	Ayurvedic	Pet
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1	Production	111	6	5	2
2	Accounts	4	0	0	1
3	Qc/ R&D	3	1	0	0
4	Management	15	1	1	1
5	Store	8	2	2	0
Total		141	10	8	4

None of our employees are represented by a labor union or covered under any collective bargaining agreement. We have not experienced any work stoppages, and we consider our employee relations to be strong and positive. We place significant emphasis on the training and development of our workforce. Mr. Munir Abdul Ganee Chandniwala, our Promoter and Managing Director, plays a key role in overseeing training programs designed to enhance technical, managerial, and leadership skills. These programs aim to ensure our employees are well-equipped to excel in their respective roles. The details of employees associated with the Company and the attrition rate over the past three financial years are as follows:


Financial Year	Employees at beginning of FY	Employees at Closing of FY	Employees Left	Employees Joined	Attrition Rate
Up to Nov 24	170	170	11	11	6.47
FY 2023-24	166	170	9	13	5.29
FY 2022-23	150	166	7	23	4.22
FY 2021-22	145	150	4	9	2.67




IT AND IT SYSTEMS

Our corporate office is equipped with modern computer systems, advanced software, uninterrupted power supply, high-speed internet connectivity, security infrastructure, and other essential facilities required to ensure the seamless functioning of our business operations. The IT systems and infrastructure used by the Company are owned by the Company and are not taken on a right-to-use basis. The servers are maintained at a registered office of the company, and the Company ensures the protection of its IT infrastructure. In terms of cybersecurity, the Company has implemented necessary measures in line with industry best practices to safeguard its systems, including regular security audits and updates to prevent unauthorized access and data breaches. The primary software utilized by our company includes *Tally - A comprehensive system for business accounting and inventory management.*

INTELLECTUAL PROPERTY

All Intellectual Property Rights (IPR) are currently registered in the name of the Promoter, Mr. Munir Abdul Ganee Chandniwala. He has assigned all his Intellectual Property Rights (IPR) to the Company for a token consideration of Rs. 1/- An agreement was executed between the Promoter and the Company on 9th August 2024, formalizing this assignment. The Company currently does not own any trademark or Copyright. However, the Company uses following Trademark:

S.NO	Original Trademark Name	Application No.	Class	Current Status	Registration Date	Valid Upto
1.		3257103	CLASS: 5	Registered	May 12, 2016	May 12, 2026

S.NO	Original Trademark Name	Application No.	Class	Current Status	Registration Date	Valid Upto
2.		3257102	CLASS: 29	Registered	May 12, 2016	May 12, 2026
3.		3799320	CLASS: 5	Registered	April 07, 2018	April 07, 2028
4.		1448950	CLASS: 5	Registered	May 05, 2006	May 05, 2026

Note- The given Intellectual Property details belong to the Copyright

INSURANCE

The Company has maintained adequate insurance coverage over the past three years. There have been no instances where losses exceeded the insurance cover, nor have there been any claims that surpassed the liability insurance coverage. The Company ensures that its insurance policies provide sufficient coverage to address potential risks, and we have not experienced any situations where this coverage was inadequate.

SWOT ANALYSIS

Strengths:

- 1. Comprehensive Product Portfolio:** The Company offers a wide range of products across various categories, including dietary/nutritional products, cosmetics, Ayurvedic/herbal products, veterinary feeds, and homecare solutions. As of the latest fiscal year, the Company offers over 3000 products, contributing to a diverse and resilient portfolio.
- 2. Commitment to Quality and Innovation:** The Company has consistently invested in R&D to improve product formulations and introduce innovative solutions. Our R&D efforts span various product categories including pharmaceuticals, cosmeceuticals, nutraceuticals and ayurvedic products, among others, within and outside India. As of March 31, 2024, we operate one dedicated R&D units and engaged Eight R&D person across our businesses.
- 3. Competitive Advantage in Quality and Pricing:** The Company maintains a strong reputation for quality, with certifications from major industry standards. It also leverages economies of scale to offer competitive pricing, which allows it to cater to both premium and value-conscious consumers.
- 4. Robust Marketing and Distribution Network:** The Company has established a strong marketing and distribution network that allows it to effectively reach a wide and diverse consumer base, supporting its growth and market presence.
- 5. Experienced Leadership:** The Company's leadership team consists of industry veterans with decades of experience, contributing to effective strategic planning and execution. The Managing director has over 20 years of experience in the industry, ensuring a steady and knowledgeable leadership approach.

Weaknesses:

1. **Dependence on Nutraceutical Growth:** A significant portion of the Company's revenue is derived from the nutraceutical segment, which accounted more than 90% of the total revenue in FY 2023-24. This dependency exposes the Company to market fluctuations in this sector.
2. **Need for Additional Financial Resources:** The Company is in the process of securing additional capital to fund expansion plans, especially in emerging markets. The requirement for external financing is expected to increase as the Company scales operations.
3. **Limited Market Reach:** While the Company has a strong presence in Maharashtra and Gujrat, its Domestic reach is still limited.
4. **Reliance on Existing Customer Base:** A significant portion of the Company's revenue comes from a core group of long-standing customers. While customer loyalty is strong, this dependence may hinder growth if the customer base is not sufficiently expanded.
5. **Competitive Pressure:** The Company faces growing competition from both established and new market players. This is particularly evident in the growing dietary/nutritional segment, where new entrants are constantly emerging with innovative products and competitive pricing strategies.

Opportunities:

1. **Growing Consumer Demand for Innovation:** Consumer demand for new, innovative products continues to grow, particularly in the dietary/nutritional and cosmetics segments. The Company is well-positioned to capitalize on this trend by focusing on R&D and product innovation.
2. **Rising Demand in Emerging Markets:** The Company has identified emerging markets, particularly covered all Indian market and then in Asia and Africa, as areas for significant growth. These markets are experiencing an increase in disposable income and consumer demand for health-related and wellness products.
3. **Geographic and Market Expansion:** The Company plans to expand its footprint in international markets. As part of its strategy, it is exploring entry into additional countries, where demand for the Company's products is expected to rise.
4. **Innovation and New Product Development:** Continuous innovation and new product launches represent a major growth opportunity. The Company has a robust pipeline of products slated for release in the coming fiscal years, which are gaining traction.

Threats:

1. **Low Consumer Awareness:** In certain markets, especially emerging economies, consumer awareness of the Company's products is still developing. This could pose a challenge to sales growth, especially in new geographic regions.
2. **Government Scheme Delays:** The Company's business in certain segments, such as veterinary feeds, may be impacted by delays in the implementation of government schemes and regulations, which could affect the timely release of new products.
3. **Professional Skill Shortage:** The Company's ability to innovate and maintain high operational standards is challenged by the shortage of skilled professionals in certain markets. This can potentially slow down product development and impact growth.

PROPERTIES

We operate from our registered office and manufacturing units. Further, all transactions related to the leasing of properties by the Company from the Promoter, Promoter Group, and the subsidiary company of the Company are conducted on an arm's length basis. The details are provided below: -

Sr. No.	Address of Premises	Name of the Lessor	Tenure	Consideration	Area	Purpose
Registered office						
1.	109, Ghanshyam Enclave Premises Co-op Soc Plot No. 856, Laljipada, Kandivali West, Mumbai City, Mumbai, Maharashtra, India, 400067	Mr. Munir Abdul Ganee Chandniwala and Ms. Shirin Munir Ahmed Chandniwala.	01/04/2024 to 31/03/2027	₹1,50,000 per month	650 Square Feet	Registered Office
Factories						
2.	Plot No 9, Phase II, Genesis Industrial Township, Kolgoan, Palghar, Dist. Thane, Maharashtra, India – 401404	Mr. Munir Abdul Ganee Chandniwala and Ms. Shirin Munir Ahmed Chandniwala.	01/01/2025 to 31/12/2027	₹2,00,000 per month	899 Square Meter (Appx. 9676 Square Feet)	Factory Unit
3.	Plot No 10, Phase II, Genesis Industrial Township, Kolgoan, Palghar, Dist. Thane, Maharashtra, India – 401404	Mr. Munir Abdul Ganee Chandniwala	01/04/2024 to 31/03/2027	₹1,50,000 per month	13,000 Square Feet	Factory Unit
4.	Plot No 57, Phase I, Genesis Industrial Township, Kolgoan, Palghar, Dist. Thane, Maharashtra, India - 401404	Mr. Munir Abdul Ganee Chandniwala and Ms. Shirin Munir Ahmed Chandniwala.	01/04/2024 to 31/03/2027	₹2,10,000 per month	14,000 Square Feet	Factory Unit
5.	Plot No 01, Phase I, Genesis Industrial Township, Kolgoan, Palghar, Dist. Thane, Maharashtra, India - 401404	Mr. Munir Abdul Ganee Chandniwala	01/04/2024 to 31/03/2027	₹1,40,000 per month	14,000 Square Feet	Factory Unit

Sr. No.	Address of Premises	Name of the Lessor	Tenure	Consideration	Area	Purpose
6.	Shop No. A-13, GAT NO - 248/250/56, Kolgoan, Palghar, Dist. Thane 401 404, Maharashtra, India	Kiran Electricals	10/09/2024 to 09/08/2025	Rs. 48000 per month	3368 Square Feet	Godown

**The lease agreement is duly registered and stamped.*

RESEARCH AND DEVELOPMENT :

Our in-house research & development (R&D) team focuses on creating new formulations based on current health trends, global product approvals, and opportunities in the pharmaceutical, wellness, and nutraceutical sectors. During the product development process, each potential product goes through thorough clinical and stability studies, scale-up procedures, and a careful regulatory approval process before it is launched.

Our R&D efforts span various product categories including pharmaceuticals, cosmeceuticals, nutraceuticals and ayurvedic products, among others, within and outside India. As of March 31, 2024, we operate one dedicated R&D units and engaged Eight R&D person across our businesses. The team members within the R&D have a diverse set of qualifications.

COMPETITION :

The Company operates in a dynamic and competitive environment. It faces competition from various domestic entities across its business segments. The competitive factors include, but are not limited to, market demand, product differentiation, pricing strategies, and the ability to adapt to evolving consumer preferences and market conditions. The Company continuously evaluates its competitive position and strives to maintain and improve its market standing.

In addition, market conditions, economic factors, and shifts in consumer preferences may impact the competitive landscape. The Company continuously monitors the competitive environment and takes strategic actions to enhance its product offerings, improve operational efficiency, and strengthen customer relationships. However, the Company cannot guarantee that such efforts will be sufficient to protect or improve its competitive position in the future.

KEY INDUSTRY REGULATIONS AND POLICIES

OTHER APPLICABLE REGULATIONS :

- Food Safety and Standards (Labelling and Display) Regulations 2020
- Food Safety and Standards (Packaging) Regulations 2018
- The National List of Essential Medicines, 2022
- The Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954 (the “DMRA”)
- Water (Prevention and Control of Pollution) Act, 1974
- Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
- The Noise Pollution (Regulation and Control) Rules, 2000

OUR MANAGEMENT

Management Organization Structure

Brief Profile of the Senior Management Personnel:

Mr. Atul Kumar Ashok Kumar Shukla, aged 35 years, is the Company Secretary & Compliance Officer of our Company. He was appointed as the Company Secretary & Compliance Officer of our Company at the meeting of the Board of Directors with effect from May 02, 2024. He holds a degree of Company Secretary from the Institute of Company Secretaries of India. He has worked as practicing Company secretary and consultant in individual capacity from June 2016 to May 2019. He has also worked as Assistant Company Secretary for a period of June 2019 to March 2022 at M/s. Amikasha Bhatiwara, Practicing Company Secretary. He has experience of more than 6 years in the field of legal and Compliance.

Shraddha Vighnesh Chunekar, aged 40 years, serves as an Accounts Executive in our Company since June 01, 2021. She holds a degree of Bachelor of Commerce from the University of Mumbai and brings over 17 years of experience in the field of accounting. Her professional journey includes roles as an Account Executive at Gurukrupa Constructions from March 2006 to March 2007, at Star Stainless Steel from April 2007 to May 2014 and at Influx Healthcare from September 2015 to May 2021.

Tushar Vijay Belkar, aged 31 years, serves as an Accounts Executive in our Company since June 01, 2021. He holds a degree of Bachelor of Commerce degree from the University of Mumbai and brings over 8 years of experience in the field of accounting. He has served as an Account Executive in Influx Healthcare from 2016 to 2021.

Jyoti Nilesh Rewale, aged 31 years, serves as an Accounts Executive in our Company since June 01, 2021. She holds a degree of Bachelor of Commerce degree from Shreemati Nathibai Damodar Thackersey Women's University and brings over 9 years of experience in the field of accounting. She has served as Account Executive in Influx Healthcare from June 2015 to May 2021.

Prashant Hemant Tare, aged 48 years, serves as a Business Development Officer in our Company since February 1, 2023. He holds a degree of Bachelor of Commerce from Mumbai University. He brings over 27 years of Experience and his professional journey includes roles as an Export Assistant and Warehouse Incharge at Sapphire Life Sciences Pvt. Ltd. From January 1998 to March 2004, as a Production Coordinator at P.S.M. Pharma from May 2004 to March 2006, as a Production Coordinator & Depot Manager at Mac Remedies Pvt. Ltd. from March 2006 to February 2017, as a Business Development Manager at Sunrich Life Sciences from February 2017 to January 2021.

Sneha Anil Jadhav, aged 37 years, serves as a Business Development Officer in our Company since June 01, 2021. She holds a degree of Bachelor of Commerce from Mumbai University and brings over 16 years of experience in the field of Business Development. Her professional journey includes roles as a Sales Co-ordinator at PSB Sign System, as a Merchandiser in Retail Operation at Naagal Garments Industries Pvt. Ltd., as an Admin Assistant at Metallo Mondo Company and at Tele Mall Company, as a Sales coordinator at Shreeji Woodcraft Pvt. Ltd. and as a Business Development Officer at Influx Healthcare.

Rachana Ramesh Parab, aged 31 years, serves as a Business Development Officer in our Company since June 01, 2021. She holds a degree of Bachelor of Commerce from Mumbai University and brings over 11 years of experience in the field of Business Development. She has served as Business Development Office in Influx Healthcare from February 2014 to May 2021.

Manisha Ganesh Parmar, aged 28 years, serves as a Purchase Executive in our Company since February 01, 2023. She holds a degree of Bachelor of Commerce from Mumbai University and brings over 8 years of experience in the field of Procurement. Her journey includes roles as a Purchase Executive at Influx Healthcare from June 2016 to May 2021.

Tushar Madhukar Varthe, aged 27 years, serves as a Purchase Executive in our Company since June 01, 2021. He holds a degree of Master of Commerce from Mumbai University and brings over 4 years of experience in the field of Procurement Field.

Pravesh Hareshwar Sankhe, aged 27 years, serves as a Purchase Executive in our Company since December 01, 2021. He holds a degree of Master of Commerce from Mumbai University and brings over 4 years of experience in the field of Procurement. His professional journey includes roles as an Accountant at Shree Sai Metal Finishing from December 2019 to November 2020.

Aditya Mahendra Patil, aged 26 years, serves as a Packing Material Store Executive in our Company since June 01, 2021. He holds a degree of Bachelor of Arts from Mumbai University and brings over 8 years of experience. He has served as Store Incharge & purchase Executive in Influx Healthcare from March 2017 to June 2021.

Mangesh Madhavrao Mohite, aged 50 years, serves as an Assistant Production Manager in our Company since July 01, 2023. He holds a degree of Bachelor of Science from Pune University and brings over 20 years of experience in Production. His journey includes roles as a Production Chemist at M/s. Maneesh Pharmaceuticals, M/s. Vardhaman Remedies Pvt. Ltd. and Goldwin Medicare Ltd.

Mushir Istiyak Khan, aged 42 years, serves as a Senior Production Chemist in our Company since February 09, 2022. He holds a degree of Bachelor of Science from Mumbai University and brings over 20 years of experience in Production Field. His professional journey includes roles as a Production Chemist at Fredun Pharma Ltd. from August 2004 to March 2006, Aurochem Pharma Pvt. Ltd. from March 2006 to October 2009, Mva Pharma Pvt. Ltd. from December 2009 to June 2010, Densa Pharma Limited from April 2011 to May 2013, Mancare Pharma Pvt Ltd. from June 2013 to April 2014, Prashi Pharma Pvt Ltd. from April 2014 to December 2019 and at McCoy Pharma Pvt Ltd.

Palgharwala Moiz M, aged 36 years, serves as a Chief Operating Officer in our Company since June 01, 2021. He holds a degree of Bachelor of Pharmacy from Mumbai University and brings over 12 years of experience in Production. He has served as Production Manager in Influx Healthcare.

Vrunda Atul Bhokare, aged 45 years, serves as an Assistant Production Manager in our Company since January 09, 2021. She holds a Higher Secondary Certificate from the Mumbai State Board and brings over 20 years of experience in the Production Field. Her professional journey includes roles as Accounts Executive and Supervisor at Pooja Drugs Pvt.Ltd. from August 2004 to September 2019.

Shital Vishal Thakur, aged 30 years, serves as a HR and Admin Executive in our Company since January 09, 2021. She holds a degree of Bachelor of Commerce from Mumbai University and brings over 8 years of experience in the HR Field. Her journey includes roles as HR & Office Assistant at Laxmi Mould Pvt. Ltd. from August 2016 to March 2020.

KEY MANAGERIAL PERSONNEL

Mrs. Shirin Munir Ahmed Chandniwala	
Designation	: Whole Time Director
Date of Appointment at current Designation	: July 30, 2024
Qualification	: Bachelor of Commerce from Hemchandracharya North Gujrat University
Previous Employment	: NA
Overall Experience	: More than 12 years of experience in the field of trading of packaging materials.
<u>Remuneration paid in F.Y. (2023-24)</u>	: <u>NIL</u>
Remuneration Payable in F. Y. (2024-25)	: ₹24.00 Lakhs p.a.

SECTION VI - FINANCIAL INFORMATION

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

Year-on-year basis increase in clients (product-wise) for each of the segments of the Company for the past three preceding financial years

Year	Nutraceutical	Cosmetic	Ayurvedic	Pet Care	Homecare
FY 2024	567	434	70	45	10
FY 2023	493	400	43	30	10
FY 2022	430	340	33	35	7

Financial performance of the Company for the last three FY and stub period

In FY 2021-22, the Company achieved revenue from operations of INR 5,920.17 Lakhs, with the nutraceutical segment being the prominent contributor at ~95.7% of the total revenue from operations. This was primarily with the expertise of our key management personnel, project management and operations team in the nutraceutical segment, we earned an EBITDA margin of ~10.4% and PAT margin of ~7.5%.

In FY 2022-23, the Company achieved revenue from operations of INR 7,605.65 lakhs registering a significant growth of ~28.5% Y-o-Y. During the period, nutraceuticals segment contributed to ~94.2% of the total revenue from operations. This significant growth in revenue is due to capacity expansion to 7,000 kg per day in FY 2022-23 from 5,000 kg per day in FY 2021-22 in nutraceuticals segment. The Company was managed to attain an EBITDA margin of ~14.1% and PAT margin of ~9.5%. The Company was able to source raw materials at a cheaper rate resulting in lower cost of material consumed. Thus, the company's profit margins increased despite increase in employee benefits, statutory depreciation and other expenses.

In FY 2023-24, the Company achieved revenue from operations of INR 9,996.51 lakhs registering a significant growth of ~31.5% Y-o-Y. During the period, nutraceuticals segment contributed to ~93.50% of the total revenue from operations. This significant growth in revenue is due to capacity expansion to 10,000 kg per day in FY 2023-24 from 7,000 kg per day in FY 2022-23 in nutraceuticals segment. The Company was able to achieve an EBITDA margin of ~16.9% and PAT margin of ~11.2%. The cost of the material used reduced as a result of the Company's ability to source raw materials at a cheaper cost and efficient usage of the same. Thus, despite marginal increase in employee benefit and other expense, the Company yielded an increase in profit margins of the Company.

For the eight months period ended on November 30, 2024, the Company achieved revenue from operations of INR 6,274.92 lakhs with EBITDA margin of ~18.9% and PAT margin of ~12.7%. The cosmetic segment share increased to ~5.2% of the total revenue from operations with the nutraceutical segment contributing ~90.7% of the total revenue from operations.

Rationale for increase in PAT and PAT margin in FY 2023 and FY 2024

The PAT has increased from ₹719.63 lakhs in FY 2023 to ₹1,222.08 lakhs in FY 2024, and the PAT margin has risen from 9.46% in FY 2023 to 11.22% in FY 2024. This improvement is primarily due to the increase in sales of higher-margin products. The company has shifted its focus to products that yield higher margins, as well as low-volume products, resulting in an increased PAT margin. Furthermore, the company has efficiently improved its sales mix by concentrating on products that generate higher margins.

SECTION VII - LEGAL AND OTHER INFORMATION

GOVERNMENT AND OTHER STATUTORY APPROVALS

Tax Related Authorisations

Authorization granted		Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Valid upto
GST	Registration Certificate [Maharashtra]	<u>Goods and Services department</u>	27AAFCI8246N1ZY	June 10, 2022	Perpetual

OTHER REGULATORY AND STATUTORY DISCLOSURES

NSE Eligibility Norms

4. Track record

The company should have positive free cash flow to Equity (FCFE) for at least 2 out of 3 FY preceding the application.

<i>(₹ in lakhs)</i>			
Particulars	2023-24	2022-23	2021-22
Net cash flow from operations	981.09	643.15	429.29
Less: Purchase of fixed assets (net of sale proceeds of fixed assets)	(925.56)	(452.48)	(286.31)
Add: Net total borrowings (net of repayment)	(46.10)	18.44	56.85
Less: Interest expenses (1-Tax)	(0.47)	(0.72)	(0.39)
Free cash flow to equity (FCFE)	8.96	208.40	144.41

SECTION X - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

Material Contracts

11. Certificate by Garg & Associates–Independent Chartered Engineer dated January 23, 2025.

Material Documents for The Offer

12. Audit Committee Resolution dated January 20, 2025, in relation to KPIs.
13. Monitoring agency agreement dated [●] among our Company and the Monitoring Agency.

DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. We further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

Signed by the Directors of our Company				
Sr. No.	Name	Category	Designation	Signature
1.	Mr. Munir Abdul Ganee Chandniwala	Executive	Managing Director	Sd /-
2.	Ms. Shirin Munir Ahmed Chandniwala	Executive	Whole Time Director	Sd /-
3.	Mr. Abdul Ganee Abdul Rasul Chandniwala	Non- Executive	Director	Sd /-
4.	Mr. Vipul Balubhai Patel	Non- Executive	Independent Director	Sd /-
5.	Mr. Ashok Kumar Jain	Non- Executive	Independent Director	Sd/-
Signed by the Chief Financial Officer and Company Secretary of our Company				
1.	Mr. Ashish Ghanshyam Shah	Whole – Time	Chief Financial Officer	Sd /-
2.	Mr. Atul Kumar Ashok Kumar Shukla	Whole – Time	Company Secretary	Sd /-

Place: Mumbai, Maharashtra

Date: May 14, 2025