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### AAKAAR MEDICAL TECHNOLOGIES LIMITED

Our Company was originally incorporated as 'Aakaar Medical Technologies Private Limited', a private limited company under Companies Act, 1956, pursuant to a certificate of incorporation dated June 20, 2013 issued by the Registrar of Companies, Mumbai, Maharashtra. Subsequently, our Company was converted into a public limited company pursuant to a resolution passed by our shareholders at an Extra-ordinary General meeting held on July 19, 2024 and a fresh certificate of incorporation dated November 18, 2024 was issued by the RoC, Central Processing Centre consequent upon conversion, recording the change in name of our Company from 'Aakaar Medical Technologies Private Limited' to 'Aakaar Medical Technologies Limited'. For details of change in the name and registered office of our Company.

Registered Office: 801, Heritage Plaza, Telli Galli Cross Road, Andheri (East), Mumbai-400069, Maharashtra, India.  
Corporate Identity Number: U74900MH2013PLC244717  
Contact Person: Anoopkumar Vishwanathan Pillai, Company Secretary and Compliance Officer; Tel: +91 84528 44024  
E-mail: [companysecretary@akaarmedical.in](mailto:companysecretary@akaarmedical.in) Website: [www.akaarmedical.in](http://www.akaarmedical.in)

#### OUR PROMOTERS: DILIP RAMESH MESWANI AND BINDI DILIP MESWANI

INITIAL PUBLIC OFFER OF UP TO 37,50,400<sup>^</sup> EQUITY SHARES OF FACE VALUE ₹10 EACH (THE "EQUITY SHARES") OF AAKAAR MEDICAL TECHNOLOGIES LIMITED' ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING SECURITIES PREMIUM OF ₹[●] PER EQUITY SHARE) ("ISSUE PRICE"), AGGREGATING UP TO ₹[●] LAKHS (THE "ISSUE") OF WHICH [●] EQUITY SHARES AGGREGATING TO ₹[●] LAKHS (CONSTITUTING UP TO [●] % OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY) WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] % AND [●] % RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

#### ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED April 26, 2025: NOTICE TO THE INVESTORS ("THE ADDENDUM")

This addendum ("Addendum") should be read in conjunction with the Draft Red Herring Prospectus dated February 28, 2025, filed with the Emerge platform of NSE Limited in relation to the Initial Public Issue of Aakaar Medical Technologies Limited.

In this regard, the Investor should note that certain updates and modifications have been made in various chapters of the Draft Prospectus as per the instruction of the NSE and such updates and modifications are being presented to the Investors for their information and reference by way of this Addendum to the Draft Red Herring Prospectus:

This Addendum is to be read in conjunction with the Draft Red Herring Prospectus and accordingly all references in the Draft Red Herring Prospectus stand amended pursuant to this Addendum. Please note that the changes pursuant to this Addendum will be appropriately included in the Red Herring Prospectus, as and when filed with NSE Limited and RoC. Please note that this Addendum does not reflect all the changes that have occurred between the date of filing of the Draft Red Herring Prospectus and the date hereof, and accordingly does not include all the changes and/or updates that will be included in the Red Herring Prospectus. Potential Bidders should read the Red Herring Prospectus as and when filed with the RoC, and the NSE before making an investment decision in the Issue.

All capitalized terms used in this Addendum shall unless the context otherwise requires, have the same meanings as ascribed in the Draft Red Herring Prospectus.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in 'offshore transactions' in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

For and on behalf of Aakaar Medical Technologies Limited

Sd/-  
**Dilip Ramesh Meswani**  
Managing Director  
Place: Mumbai  
Date: April 26, 2025

| Date: April 26, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| BOOK RUNNING LEAD MANAGER                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |  |
| <b>Indorient Financial Services Limited</b><br>B/805, Rustomjee Central Park, Andheri Kurla Road, Chakala,<br>Mumbai – 400093, Maharashtra, India<br><b>Telephone:</b> +91 9819934811<br><b>Email:</b> <a href="mailto:compliance-ifsl@indorient.in">compliance-ifsl@indorient.in</a><br><b>Website:</b> <a href="http://www.indorient.in">www.indorient.in</a><br><b>Investor Grievance Id:</b> <a href="mailto:wecare@indorient.in">wecare@indorient.in</a><br><b>Contact Person:</b> Vinit Shah<br><b>SEBI Registration No.:</b> INM000012661                                                 |  |
| REGISTRAR TO THE ISSUE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  |
| <b>Bigshare Services Private Limited</b><br>Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Center<br>Mahakali Caves Road, Andheri East., Mumbai-400093<br><b>Telephone:</b> +91 22 62638200<br><b>E-mail:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a><br><b>Investor grievance email:</b> <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a><br><b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a><br><b>Contact Person:</b> Vinayak Morbale<br><b>SEBI Registration No:</b> INR00000138 |  |
| ISSUE PROGRAMME                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |
| ANCHOR INVESTOR BID/ ISSUE PERIOD                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  |
| ISSUE OPENS ON                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |
| ISSUE CLOSES ON                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |

<sup>^</sup>Subject to finalization of Basis of Allotment

<sup>\*</sup>Our Company may, in consultation with the BRLM, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be 1 (one) Working Day prior to the Bid/Issue Opening Date.

<sup>\*\*</sup>Our Company may, in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs 1 (one) Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.

<sup>#</sup>The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Issue Closing Day.

## TABLE OF CONTENTS

|                                                                                                  |           |
|--------------------------------------------------------------------------------------------------|-----------|
| <b>SECTION I – GENERAL .....</b>                                                                 | <b>1</b>  |
| <b>DEFINITIONS AND ABBREVIATIONS .....</b>                                                       | <b>1</b>  |
| <b>SECTION II – RISK FACTOR.....</b>                                                             | <b>2</b>  |
| <b>OBJECTS OF THE ISSUE .....</b>                                                                | <b>8</b>  |
| <b>BASIS FOR THE ISSUE PRICE .....</b>                                                           | <b>10</b> |
| <b>SECTION – IV ABOUT OUR COMPANY .....</b>                                                      | <b>11</b> |
| <b>OUR BUSINESS .....</b>                                                                        | <b>11</b> |
| <b>HISTORY AND CERTAIN CORPORATE MATTERS.....</b>                                                | <b>22</b> |
| <b>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION.....</b> | <b>23</b> |
| <b>SECTION VI – LEGAL AND OTHER INFORMATION .....</b>                                            | <b>24</b> |
| <b>OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS .....</b>                                    | <b>24</b> |
| <b>GOVERNMENT AND OTHER STATUTORY APPROVALS.....</b>                                             | <b>25</b> |
| <b>DECLARATION.....</b>                                                                          | <b>26</b> |

**SECTION I – GENERAL  
DEFINITIONS AND ABBREVIATIONS**

**Issue Related Terms**

| <b>Term</b> | <b>Description</b>                                                                                                             |
|-------------|--------------------------------------------------------------------------------------------------------------------------------|
| “Addendum”  | This Addendum dated April 26, 2025, to the draft red herring prospectus dated February 28, 2025, filed by our Company with NSE |

## SECTION II – RISK FACTOR

### INTERNAL RISK FACTORS:

#### **BUSINESS RELATED RISKS**

2. **Our Business could be affected by volatility in the price of raw materials, utilities and natural resources and transportation costs etc. which if realized, could adversely affect our business, results of operations, cash flows and financial condition.**

While we rely completely on third parties for our manufacturing process, we are subjected to various risks like volatility in prices/utilities/transportation cost at the manufacturer level which if realized, could adversely affect our product pricing, profitability, results of operations, cash flows and financial condition as detailed below :-

- **Cost Volatility and Margin Impact:** Fluctuations in the cost of acquiring manufactured products, whether due to raw material price hikes, inflation, currency exchange rates, or revised contractual terms, could directly affect our profit margins and pricing strategy. Increased costs may either reduce profitability or necessitate higher selling prices, potentially impacting competitiveness and demand.
  - **Operational Risks at Third-Party Manufacturing Facilities:** Our manufacturers are subject to various operational risks, including:
    - Equipment breakdowns, power outages, and supply chain disruptions.
    - Labor disputes, accidents, or natural and man-made disasters.
    - Unavailability of critical raw materials, consumables, and spare parts.
    - Regulatory inspections or actions that may result in production halts or facility shutdowns.
    - Production inefficiencies leading to delayed order fulfillment or inconsistent output levels.
    - Regulatory and Contractual Risks: Our agreements with third-party manufacturers are subject to periodic renewals, renegotiations, and potential non-renewals. Additionally, evolving regulations and policy changes in the regions where we operate could impose stricter compliance requirements, leading to higher costs, shipment delays, or restrictions on specific product categories.
  - **Logistics, Shipment, and Delivery Delays:** Dependence on third-party manufacturers means we are also reliant on their ability to meet delivery timelines and shipment schedules. Any delays in production, regulatory approvals, or transportation bottlenecks could lead to stock shortages, order backlogs, and customer dissatisfaction.
3. **We rely on third party contract manufacturers (domestic and international) & loan licensing partners for manufacturing products & devices which we sell under our own Brand and any factors like Continuity of Supply, Financial Stability of Manufacturers, trade secret protection, safety concerns, quality control will affect our operations, business cash flows and financial condition**

*We rely on third party contract manufacturers (domestic and international) & loan licensing partners for manufacturing products & devices which we sell under our own Brand and any of the below factors will affect our operations, business cash flows and financial condition as below :-*

- **Continuity of Supply and Relationship Dependence:** Our ability to maintain a consistent supply of products depends on our relationships with third-party manufacturers. Any disruptions in these partnerships, supply chain constraints, or termination of agreements could impact inventory levels, order fulfillment, and business continuity.
- **Intellectual Property and Trade Secret Protection:** Given that third-party manufacturers have access to our proprietary formulations and technical specifications, there is a risk of misappropriation of intellectual property, leakage of trade secrets, or unauthorized use of our product designs, potentially leading to competition or counterfeit products in the market.
- **Financial and Business Stability of Manufacturers:** Any adverse financial conditions, bankruptcy, or business disruptions faced by our contract manufacturers may result in sudden supply chain disruptions, production delays, or non-fulfilment of commitments, affecting our ability to meet customer demand.

- **Liability and Safety Concerns:** Since we do not directly own or control manufacturing facilities, we may still be exposed to legal and financial liabilities for any workplace accidents, injuries to manufacturer employees, or safety-related incidents at contract manufacturing sites.
- **Quality Control and Compliance Risks:** Despite periodic quality oversight by our executives at manufacturing facilities, we remain dependent on the quality control systems, processes, and certifications of third-party manufacturers. Any failure to meet regulatory compliance, substandard production quality, or deviations from prescribed formulations could lead to product recalls, reputational damage, and potential legal liabilities.

Below is the break-up of revenue from product manufactured from third parties/loan licensing partners sold under our Brand in the five month period ended August 31, 2024 and last three years;

| (Amount in ₹ Lakhs, unless otherwise stated)                               |                              |                                         |                              |                     |                           |                     |         |                     |                           |
|----------------------------------------------------------------------------|------------------------------|-----------------------------------------|------------------------------|---------------------|---------------------------|---------------------|---------|---------------------|---------------------------|
| Sr. No.                                                                    | Particulars                  | Five-month period ended August 31, 2024 |                              | Financial Year 2024 |                           | Financial Year 2023 |         | Financial Year 2022 |                           |
|                                                                            |                              | ₹ in Lakhs                              | % of Revenue from Operations | ₹ in Lakhs          | % Revenue from Operations | ₹ in Lakhs          | % Share | ₹ in Lakhs          | % Revenue from Operations |
| Revenue from Third-party contract manufacturers and loan licensing product |                              |                                         |                              |                     |                           |                     |         |                     |                           |
| 1                                                                          | Aesthetic Products           | 727.54                                  | 34.10                        | 896.89              | 19.45                     | 429.32              | 13.10   | 291.28              | 14.96                     |
| 2                                                                          | Devices & Device Consumables | 1,16.83                                 | 5.47                         | 496.76              | 10.77                     | 345.15              | 10.52   | 236.31              | 12.14                     |
| Total                                                                      |                              | 844.37                                  | 39.57                        | 1,393.65            | 30.22                     | 774.47              | 23.62   | 527.59              | 27.10                     |
| Total Revenue from Operations                                              |                              | 2,133.65                                | 100                          | 4,611.10            | 100                       | 3,278.46            | 100     | 1,946.5             | 100                       |

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

Our business is exposed to product liability claims and potential product recalls, which could have a significant impact on our reputation, financial condition, and operations. Any defect, safety concern, or adverse reaction arising from the use of our products could lead to claims from customers, healthcare professionals, or regulatory bodies, resulting in legal disputes, compensation costs, and reputational damage.

If a product is found to be non-compliant with regulatory standards or poses safety risks, we may be required to initiate a recall, leading to financial losses, regulatory penalties, and disruption in supply chains. Additionally, repeated recalls or product-related issues could undermine consumer confidence, reduce demand for our products, and impact long-term brand credibility.

As on the date of this Draft Red Herring Prospectus, we do not have product liability insurance coverage, which further exposes us to financial risk in the event of product-related claims or recalls. Any significant liability claim could result in high legal expenses, settlements, or compensation costs, which would have to be borne directly by the company, impacting our cash flows and financial stability.

Managing product liability risks requires strict quality control, regulatory compliance, and risk mitigation strategies. However, without insurance coverage, we remain vulnerable to potential financial and legal consequences arising from unexpected product-related issues, which could adversely affect our business operations and market position.

**5. Our Company requires significant amount of working capital for a continuing growth. Our inability to meet our working capital requirements may adversely affect our results of operations.**

Our Company requires significant amount of working capital for a continuing growth. Our inability to meet our working capital requirements may adversely affect our results of operations. Our business requires a

significant amount of working capital. We need to fund cost of inventory in advance based on projected demand from the doctors as well as provide credit period to our customers. As per the “*Objects of the Issue*” chapter on page 8 our net working capital requirement was ₹ 943.1.1 Lakhs, ₹ 1,500.11 Lakhs, ₹ 2,692.76 Lakhs and ₹ 2,991.54 Lakhs during the Financial Year 2022, 2023, 2024 & Five- month period ending August 31 respectively. In view of the above, we propose to utilise a portion of the Net Proceeds of this Offer amounting to ₹ 2,2250.00 Lakhs towards funding our working capital requirements for the Financial Years 2026 & 2027. While we believe that utilization of Net Proceeds towards funding of working capital would enable effective utilization of funds for further investment in business growth and expansion, such funding will not result in the creation of any tangible assets for our Company. Given our growth and expansion strategies could result in an increase in the working capital requirements. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, could result in a dilution of your shareholding. Accordingly, continued increases in our working capital requirements may have an adverse effect on our financial condition and results of operations.

8. **Our Company has reported negative cash flow in the past. Any negative cash flows in the future would adversely affect our cash flow requirements, which may adversely affect our ability to operate our business and implement our growth plans, thereby affecting our financial condition**

| Particulars                                                | (in ₹ Lakhs)                     |                        |                        |                        |
|------------------------------------------------------------|----------------------------------|------------------------|------------------------|------------------------|
|                                                            | 5 months ended<br>August 31,2024 | Financial<br>Year 2024 | Financial<br>Year 2023 | Financial<br>Year 2022 |
| Net cash generated/(utilized in) from operating activities | (349.79)                         | (804.40)               | (292.75)               | 48.40                  |
| Net cash utilized in investing activities                  | (6.60)                           | (3.83)                 | (32.03)                | (22.73)                |
| Net cash (utilized in)/generated from financing activities | 501.64                           | 819.10                 | 116.89                 | (80.91)                |

We operate a working capital-intensive business, where increases in revenue drive proportionate increases in working capital requirements. This directly impacts our cash flow from operating activities. To meet these growing requirements, we rely on short-term borrowings, which are recorded under cash flows from financing activities. As a result, despite revenue growth, our cash flows from operating activities were negative in FY 2023, FY 2024, and for the five-month period ended August 31, 2024. If this trend continues, it may affect our liquidity position and our ability to fund operations or meet financial obligations without additional external financing. Also, the negative cash flows from investing activities was primarily due to purchase of office equipment's, furniture/fixtures & vehicles for the Company.

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. We may continue to have negative operating cash flows in future. If our Company is not able to generate sufficient operating cash flows, it may adversely affect our business and financial operations. For further details, see “Restated Financial Statement” on page 189.

9. **Our business is subject to seasonal variations that could result in fluctuations in our results of operations in a single financial year over different quarter.**

We are engaged in the business of selling Aesthetic Products which is subject to seasonal fluctuations. We typically see higher demand for our products during the 2<sup>nd</sup> half of the year led by festivals, marriage seasons & other culturally significant operations. These events typically drive higher demand for our products. Consequently, we observe higher revenues for the quarters ending December 31 and March 3. For further details please see “*MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION*” on page 231 which highlights the revenue break-up for first 5 & next 7 months for the last 3 years). Due to lower sales during the first two quarters, we continue to incur operating and fixed expenses, which is likely to negatively impact profitability within the same period . Given these

seasonal fluctuations, comparative analysis of operating results between different periods within a single financial year may not always provide a meaningful indicator of our overall performance.

**10. *Any product defect issues or failure by our suppliers to comply with quality standards may lead to the cancellation of existing and future orders, recalls and exposure to potential product liability claims.***

Any failure by us or our suppliers to achieve or maintain compliance with general quality standards may disrupt our ability to supply products sufficient to meet demand until compliance is achieved or, until a new supplier has been identified and evaluated. There can be no assurance that if we need to engage new suppliers to satisfy our business requirement, we will be able identify new suppliers in a timely manner, or at all. Failure to do so could lead to the cancellation or delays in fulfilling our existing and future orders and have a material adverse effect on our business and revenue.

Our Suppliers has received various quality control certifications for its Manufacturing Facilities based on their geographies. In spite of availing such quality certifications, quality-control procedures may fail to test for all possible conditions of use or identify all defects in the product. Any defect in our Company's products could also result in customer claims for damages. Any negative publicity regarding our Company, or products could adversely affect our reputation, our operations and our results from operations. We have long standing relations with our suppliers and have not faced any difficulties in dealing with them or instances of failure on their behalf in the past. However, we cannot assure in future if our suppliers tie up with our competitors and fail to fulfil our demands which could cause adverse consequences.

**18. *We face competition from both domestic and international companies, which may adversely impact our market position, growth prospects, and profitability***

We operate in the highly competitive and rapidly evolving medical aesthetics industry. Our product portfolio includes a wide range of cosmetic products and devices, offered under both our own brands, manufactured in India, and international brands that we distribute, sourced from countries such as Korea, Spain, Italy, and Austria. The market for aesthetic and cosmetic products is characterized by frequent innovation, evolving consumer preferences, and a strong emphasis on brand perception, safety, and clinical effectiveness.

We face competition from domestic companies that may have established local networks, lower cost structures, and deeper insights into regional customer preferences. Simultaneously, we compete with well-capitalized international companies with long-standing brand recognition, advanced R&D capabilities, and extensive global distribution networks. These players may be able to offer more innovative or differentiated products, engage in aggressive pricing strategies, or provide more favourable terms to customers and distributors.

As a result, we may face challenges in maintaining or expanding our market share. Increased competition could lead to pricing pressures, higher marketing and distribution costs, and reduced margins. Moreover, failure to respond effectively to competitive pressures, whether in terms of product innovation, customer engagement, pricing, or brand positioning, could adversely impact our revenues, profitability, and long-term growth prospects.

**19. *Unanticipated Delays in Product Implementation/Product Launch and Cost Overruns Could Adversely Affect Our Business, Financial Performance, and Competitive Position***

In the medical aesthetics industry, success relies heavily on timely introduction, customization, and scaling of new products, devices, and technologies. Our business involves a mix of domestically manufactured products under our own brand and distribution of imported brands from international markets such as Korea, Spain, Italy, and Austria. The process of launching new products, whether developed in-house or sourced from global partners, requires significant planning, coordination, and investment across product design, clinical validation (where applicable), regulatory compliance, logistics, marketing, and training.

Any Unanticipated delays may arise at any stage of this process due to technical setbacks, regulatory bottlenecks, delays in international shipments, supplier-related issues, or challenges in adapting products to

meet domestic market standards and consumer expectations. Such delays can prevent us from capitalizing on market opportunities, erode our first-mover advantage, or result in the loss of customer confidence.

While we have not faced any material persistent delay in the past three Fiscals and stub period any Persistent delays or cost inefficiencies may also weaken our market positioning, limit our ability to respond to evolving industry trends, and impair our long-term growth strategy. If we are unable to effectively manage timelines and costs associated with product implementation, it could have a material adverse effect on our business operations, financial condition, and overall competitiveness in the medical aesthetics space.

**41. We have not obtained credit ratings and may not be able to access capital to finance our operations and future growth of our business, which could have a material adverse effect on our business, results of operations, financial condition, cash flows, and future prospects.**

The cost and availability of capital, among other factors, depends on our credit rating. We have not received any credit ratings, as of the date of this Draft Red Herring Prospectus. Credit ratings typically reflect, amongst other things, the rating agency's opinion of the financial strength, operating performance, strategic position, and ability to meet obligations of a company. The non-availability of credit ratings may increase borrowing costs and constrain our access to capital and lending markets and, as a result, could adversely affect our business and results of operations. In addition, non-availability of credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements.

**42. Our insurance policies may not be adequate to cover all losses incurred in our business. An inability to maintain adequate insurance cover to protect us from material adverse incidents in connection with our business may adversely affect our operations and profitability.**

We have obtained a number of insurance policies in connection with our operations and including property insurance, product insurance, marine insurance and employee insurance. Details of our insurance coverage as of August 31, 2024 is set out as below;

| Particulars                                                                | As of August 31, 2024(Amt in INR Lakhs) |
|----------------------------------------------------------------------------|-----------------------------------------|
| Insurance coverage (A)                                                     | 1,600.00                                |
| Value of Asset Covered in the Books as at August 31,2024                   | 1,505.73                                |
| Net assets*(B)                                                             | 3,990.19                                |
| Percentage of insurance coverage vis-à-vis the total assets of our company | 37.73 %                                 |

While we are of the opinion that the insurance coverage which our Company maintains for its business would be reasonably adequate to cover the normal risks associated with our business, we may not have identified every risk and further may not be insured against every risk because such risks are either uninsurable or not insurable on commercially acceptable terms, including operational risk that may occur and the occurrence of an event that causes losses in excess of the limits specified in our policies, or losses arising from events or risks not covered by insurance policies such as COVID-19 and other pandemics, or due to the same being inadequate, could materially harm our cash flows, financial condition and future results of operations. We cannot provide any assurance that our insurance will be sufficient or effective under all circumstances and against all hazards or liabilities to which we may be subject. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all.

**43. Increasing employee compensation in India may erode some of our competitive advantage and may reduce our profit margins, which may have a material adverse effect on our business, financial condition, cash flows and results of operations**

Employee compensation in India has historically been significantly lower than employee compensation in the United States and Western Europe for comparably skilled professionals, which has been one of our

competitive strengths. However, compensation increases in India may erode some of this competitive advantage and may negatively affect our profit margins. Employee compensation in India is increasing at a faster rate than in the United States and Western Europe, which could result in increased costs relating to sales managers and other midlevel professionals. We may need to continue to increase the levels of our employee compensation to remain competitive and manage attrition. Compensation increases may have a material adverse effect on our business, financial condition, cash flows and results of operations.

## OBJECTS OF THE ISSUE

### Means of Finance

We intend to finance the Objects from the Net Proceeds. Accordingly, we confirm that we are in compliance with the requirements prescribed under Paragraph 9(C)(1) of Part A of Schedule VI and Regulation 230(1)(e) of the SEBI ICDR Regulations and there is no requirement for us to make firm arrangements of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised through the Issue and existing internal accruals. In case of shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilising our internal accruals and/ or availing further borrowings. Further, if the actual utilisation towards any of the objects is lower than the proposed deployment, such balance will be used for funding other objects as mentioned above or towards general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 15% of the Gross Proceeds or ₹10 crore, whichever is lower from the Fresh Issue in accordance with the SEBI ICDR Regulations.

### Existing & Estimated working capital requirement

(₹ in Lakhs)

| Particulars                          | Financial<br>Year<br>2022 | Financial<br>Year<br>2023 | Financial<br>Year<br>2024 | Five<br>months<br>period<br>ending<br>on<br>August<br>31, 2024 | Financial<br>Year 2025 | Financial<br>Year 2026 | Financial<br>Year<br>2027 |
|--------------------------------------|---------------------------|---------------------------|---------------------------|----------------------------------------------------------------|------------------------|------------------------|---------------------------|
|                                      | Restated                  | Restated                  | Restated                  | Restated                                                       | Estimated              | Estimated              | Estimated                 |
| Current Assets                       |                           |                           |                           |                                                                |                        |                        |                           |
| Inventories                          | 699.80                    | 1,125.33                  | 1,417.94                  | 1,505.73                                                       | 1,959.98               | 2,577.92               | 3,128.28                  |
| Trade Receivables                    | 557.05                    | 1,023.32                  | 1,626.25                  | 1,945.70                                                       | 2,254.11               | 2,996.38               | 3,637.53                  |
| Short Term Loans & Advances          | 0.00                      | 0.00                      | 0.00                      | 0.00                                                           | 0.00                   | 0.00                   | 0.00                      |
| Other Current Assets                 | 249.65                    | 54.60                     | 206.62                    | 196.40                                                         | 294.21                 | 398.46                 | 519.74                    |
| Total (I)                            | 1,506.70                  | 2,203.25                  | 3,250.81                  | 3,647.83                                                       | 4,508.31               | 5,972.76               | 7,285.56                  |
| Current Liabilities                  |                           |                           |                           |                                                                |                        |                        |                           |
| Trade Payables                       | 162.00                    | 252.98                    | 181.69                    | 196.72                                                         | 367.50                 | 383.95                 | 426.58                    |
| Other Current Liabilities            | 373.00                    | 416.72                    | 292.56                    | 338.80                                                         | 405.39                 | 543.77                 | 680.44                    |
| Short Term Provisions                | 28.59                     | 33.44                     | 83.80                     | 120.77                                                         | 113.25                 | 155.24                 | 197.27                    |
| Total (II)                           | 563.59                    | 703.14                    | 558.05                    | 656.29                                                         | 886.14                 | 1,082.96               | 1,304.30                  |
| Net Working Capital (I) – (II)       | 943.11                    | 1,500.11                  | 2,692.76                  | 2,991.54                                                       | 3,622.17               | 4,889.80               | 5,981.26                  |
| Internal Accruals/Existing Net Worth | 743.11                    | 1000.11                   | 1,392.76                  | 1391.54                                                        | 1622.17                | 1639.80                | 2,781.26                  |
| Total Borrowings                     | 2,00.00                   | 5,00.00                   | 1,300.00                  | 1600.00                                                        | 2000.00                | 2000.00                | 2200.00                   |
| IPO Proceeds                         | -                         | -                         | -                         | -                                                              | -                      | 1,250.00               | 1,000.00                  |

**Assumptions for working capital requirements (Holding Days)**

| Particulars                    | Financial Year 2022 | Financial Year 2023 | Financial Year 2024 | Five months period ending on August 31, 2024 | Financial Year 2025 | Financial Year 2026 | Financial Year 2027 |
|--------------------------------|---------------------|---------------------|---------------------|----------------------------------------------|---------------------|---------------------|---------------------|
|                                | Restated            | Restated            | Restated            | Restated                                     | Projected           | Projected           | Projected           |
| Current Assets                 |                     |                     |                     |                                              |                     |                     |                     |
| Inventories                    | 268                 | 222                 | 222                 | 218                                          | 207                 | 207                 | 201                 |
| Trade Receivables              | 108                 | 88                  | 105                 | 126                                          | 108                 | 105                 | 100                 |
| Other Current Assets           | 35                  | 17                  | 10                  | 7                                            | 14                  | 14                  | 14                  |
| Total (I)                      | 411                 | 327                 | 337                 | 351                                          | 329                 | 326                 | 315                 |
| Current Liabilities            |                     |                     |                     |                                              |                     |                     |                     |
| Trade Payables                 | 78                  | 50                  | 38                  | 28                                           | 34                  | 34                  | 29                  |
| Other Current Liabilities      | 74                  | 49                  | 31                  | 22                                           | 22                  | 22                  | 22                  |
| Short Term Provisions          | 4                   | 4                   | 5                   | 7                                            | 6                   | 6                   | 6                   |
| Total (II)                     | 156                 | 104                 | 75                  | 58                                           | 62                  | 63                  | 57                  |
| Net Working Capital (I) – (II) | 255                 | 223                 | 262                 | 293                                          | 266                 | 263                 | 257                 |

**Justification for Working Capital Levels - Trade Payables**

Break-up of Dues payable to MSME & Other Creditors:-

| (₹ in Lakhs)          |                    |                    |                    |                    |
|-----------------------|--------------------|--------------------|--------------------|--------------------|
| Particulars           | As at Aug 31, 2024 | As at Mar 31, 2024 | As at Mar 31, 2023 | As at Mar 31, 2022 |
| Dues to MSME          | 15.24              | 37.61              | 34.75              | 41.79              |
| Dues to Others        | 181.48             | 144.08             | 218.23             | 119.87             |
| Total Trades Payables | 196.72             | 181.69             | 252.98             | 161.66             |

## **BASIS FOR THE ISSUE PRICE**

### **Comparison of Accounting Ratio & KPIs with Industry Peers**

We have a unique business model/use case when compared to any Indian/Global listed Industry Peer in the Comparable Markets which is highlighted as below :-

- i. **Business Model** :- With our customers being Aesthetic Physicians/Dermatologists we follow a B2B business model as against an D2C business model
- ii. **Target Customers** :- Our Target Customers are Aesthetic Doctors as against the end consumers who are served by our target customers
- iii. **Use Case** :- Our use case is for individual seeking Clinical grade products/solutions for specific skin or hair concerns which are recommended by Aesthetic Doctors as against products for everyday beauty & personal care

Therefore no Indian or Global Industry Listed Peers are available in the market for comparison of Key Performance Indicators of the Company.

## SECTION – IV ABOUT OUR COMPANY

### OUR BUSINESS

#### Product Segment wise revenue split :

| Product Segments                       | Five- month period ended August 31,2024 |               | Financial Year 2024 |               | Financial Year 2023 |               | Financial Year 2022 |               | CAGR Segment Wise** % |
|----------------------------------------|-----------------------------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|-----------------------|
|                                        | (₹ in Lakhs)                            | % Share       | (₹ in Lakhs)        | % Share       | (₹ in Lakhs)        | % Share       | (₹ in Lakhs)        | % Share       |                       |
| <b>Aesthetic Products</b>              |                                         |               |                     |               |                     |               |                     |               |                       |
| Professional skin care                 | 618.03                                  | 28.97         | 1,144.87            | 24.83         | 920.21              | 28.07         | 619.33              | 31.82         | 35.96                 |
| Professional hair care range           | 211.50                                  | 9.91          | 189.46              | 4.11          | 75.98               | 2.32          | 45.93               | 2.36          | 103.11                |
| Injectables & Contouring               | 567.91                                  | 26.62         | 1,274.66            | 27.64         | 813.10              | 24.80         | 355.64              | 18.27         | 89.32                 |
| Homecare for Hair & Skin               | 471.96                                  | 22.12         | 820.86              | 17.80         | 545.62              | 16.64         | 365.36              | 18.77         | 49.89                 |
| Aesthetic Devices & Device Consumables | 264.25                                  | 12.38         | 1181.25             | 25.62         | 923.55              | 28.17         | 560.28              | 28.78         | 45.20                 |
| <b>Total</b>                           | <b>2,133.65</b>                         | <b>100.00</b> | <b>4,611.10</b>     | <b>100.00</b> | <b>3,278.46</b>     | <b>100.00</b> | <b>1946.54</b>      | <b>100.00</b> | <b>53.91</b>          |

\*Aesthetic Products classified as Aesthetic Devices as per the standards are re-classified under Injectables & Contouring in the product segment revenue split basis the actual property of the product

\*Homecare range also include certain nutraceutical tablets sold by us

\*\*CAGR segment wise only calculated till Financial Year 2024 since Financial Year 2025 numbers are only for 5 months

Details of our “Own Brand” and “Imported brands” are as follows:-

#### Own Brands

| Brand/Trademark Name | Brand Logo                                                                          | Product Image (For one of the multiple products under each brand)                   | Product Segment  | Types of Products Sold |
|----------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|------------------|------------------------|
| Xelix                |  |  | Aesthetic Device | Hair Transplant Device |

#### New Products launched post DRHP

##### Own Brand

| Name of the Product                      | Name of the Brand | Segment                |
|------------------------------------------|-------------------|------------------------|
| Etrelume Lyfttox Meso Facial             | Etrelume          | Professional Skin Care |
| Etrelume Lyfttox Serum                   | Etrelume          | Home Care for Skin     |
| Etreluxe Nucleotide Elixicell sheet mask | Etreluxe          | Professional Skin Care |
| Swyada Retino pep                        | Swyada            | Home Care for Skin     |
| Swyada Exocicar                          | Swyada            | Home Care for Skin     |

### THIRD PARTY BRAND TIE-UPS

| Name of the Partner                 | Name of the Brand            | Product Segment                                  |
|-------------------------------------|------------------------------|--------------------------------------------------|
| Invex Health Private Limited, India | <b>Tinefcon</b>              | Home Care for Skin                               |
| TESS CO. LTD, South Korea           | <b>Tesslift &amp; Xomage</b> | Professional Skin Care & Hair care plus Homecare |

### OUR BUSINESS PROCESS

#### For own brands



#### Prototype Development

The formulations are co-developed with the labs of the manufacturing partners who are the loan license or third-party manufacturing partners. While the Company don't have an in-house R&D team, our ideation team — consisting of the MD (24 years' experience in the Aesthetic Business), CEO (15 years of experience in the fields of Dermatology and Medical Regulatory affairs with a degree of Bachelor of Surgery & Medicine from Maharashtra University of Health Science) & Sales Heads (possessing minimum 10 years of experience in the Medical Aesthetic services fields) — plays a key role in guiding the formulation process; the formula for the product is being spearheaded by the Company & testing/development is outsourced to our trusted partners where we also manufacture our products. The person responsible for this effort within the manufacturer's lab typically also has extensive experience in cosmetic and pharmaceutical product development, ensuring that the formulation meets both market expectations and regulatory requirements.

#### Process of deciding on the final formulation

The ideation team gathers insights from various sources, including national and international conferences, journals, articles, competitive products, and direct feedback from doctors. Formulations created can be some improvement in existing ones based on successful products in local or international markets or new formulations from the scratch. The Company use only well-studied, branded actives to ensure product safety and efficacy. Initial testing of formulations (sensorial testing for touch, feel, and smell) is done through pilot batches in collaboration with the manufacturer and the ideation team. Consumer testing is conducted in-house through

blinded tests with the ideation team, friends, and family. The Company also gather direct feedback from doctors during field visits and medical conferences. This process ensures that the final formulation is not only innovative but also meets quality and regulatory standards while aligning with market expectations.

### For Imported Brands



**Disclaimer :-** The process from ideation to launch for local third-party or loan license manufacturing and/or imported brands involves multiple steps that may occur in parallel. These steps include, but are not limited to, market research, literature research, formulation development, regulatory approvals, and marketing planning. The sequence and timeline may vary based on regulatory requirements, market dynamics, and operational considerations. This information is provided for general guidance only. Also at a time the same steps could be ongoing for multiple products at a time

## OUR SALES & DISTRIBUTION PROCESS

### Revenue Break-up of the Company Distribution Model Wise

(₹ in Lakhs)

| Particulars                          | 5 months ending August 2024 | FY 2023-24      | FY 2022-23      | FY 2021-22      |
|--------------------------------------|-----------------------------|-----------------|-----------------|-----------------|
| Revenue through Aakaar(Model 1)      | 384.38                      | 1,906.57        | 2,408.36        | 1,504.20        |
| Revenue through Stockists (Model 2)  | 17.45                       | 149.50          | 353.05          | 263.91          |
| Revenue through PISPL(Model 3)       | 1,731.82                    | 2,555.03        | 517.05          | 178.43          |
| <b>Total Revenue from Operations</b> | <b>2,133.65</b>             | <b>4,611.10</b> | <b>3,278.46</b> | <b>1,946.54</b> |

### COMPETITIVE STRENGTHS

Pan India reach through our Consignment Sales partner

Below is the Key state wise Revenue from Operations for the last 3 years :-

(₹ in Lakhs, unless otherwise stated)

| State                        | Five-month period ended August 31, 2024 | % Share of Total Revenue from Operations | Financial Year 2024 | % Share of Total Revenue from Operations | Financial Year 2023 | % Share of Total Revenue from Operations | Financial Year 2022 | % Share of Total Revenue from Operations | Total (3 years plus 5 months ending August 31 2024) | Total % share for all years |
|------------------------------|-----------------------------------------|------------------------------------------|---------------------|------------------------------------------|---------------------|------------------------------------------|---------------------|------------------------------------------|-----------------------------------------------------|-----------------------------|
| Maharashtra                  | 303.93                                  | 14.24                                    | 887.28              | 19.24                                    | 653.67              | 19.94                                    | 399.07              | 20.50                                    | 2243.95                                             | 18.75                       |
| Karnataka                    | 280.93                                  | 13.17                                    | 597.62              | 12.96                                    | 362.06              | 11.04                                    | 163.83              | 8.42                                     | 1404.44                                             | 11.73                       |
| Tamil Nadu                   | 233.98                                  | 10.97                                    | 367.82              | 7.98                                     | 170.93              | 5.21                                     | 132.78              | 6.82                                     | 905.51                                              | 7.56                        |
| Telangana                    | 186.62                                  | 8.75                                     | 394.87              | 8.56                                     | 212.61              | 6.49                                     | 98.31               | 5.05                                     | 892.41                                              | 7.46                        |
| Uttar Pradesh                | 168.29                                  | 7.89                                     | 278.13              | 6.03                                     | 245.71              | 7.49                                     | 79.94               | 4.11                                     | 772.07                                              | 6.45                        |
| Kerala                       | 145.52                                  | 6.82                                     | 305.84              | 6.63                                     | 221.90              | 6.77                                     | 57.91               | 2.98                                     | 731.17                                              | 6.11                        |
| Delhi                        | 134.51                                  | 6.30                                     | 312.95              | 6.79                                     | 243.05              | 7.41                                     | 175.64              | 9.02                                     | 866.15                                              | 7.24                        |
| Punjab                       | 132.23                                  | 6.20                                     | 274.66              | 5.96                                     | 273.43              | 8.34                                     | 221.27              | 11.37                                    | 901.59                                              | 7.53                        |
| Haryana                      | 130.72                                  | 6.13                                     | 298.61              | 6.48                                     | 190.35              | 5.81                                     | 134.99              | 6.93                                     | 754.67                                              | 6.30                        |
| Gujarat                      | 94.40                                   | 4.42                                     | 159.83              | 3.47                                     | 128.65              | 3.92                                     | 99.72               | 5.12                                     | 482.60                                              | 4.03                        |
| Revenue From Key States      | 1,811.13                                | 84.89                                    | 3877.61             | 84.10                                    | 2,702.36            | 82.43                                    | 1563.46             | 80.32                                    | 9954.56                                             | 83.16                       |
| Total Revenue from Operation | 2,133.65                                | 100.00                                   | 4,611.10            | 100.00                                   | 3,278.46            | 100.00                                   | 1,946.54            | 100.00                                   | 11,969.75                                           | 100.00                      |

## Key Performance Indicators

(₹ in Lakhs except % and ratios)

| Particulars                                      | 5 months ended August 31, 2024 | Financial Year 2024 | Financial Year 2023 | Financial Year 2022 |
|--------------------------------------------------|--------------------------------|---------------------|---------------------|---------------------|
| Revenue from operations <sup>(1)</sup>           | 2133.65                        | 4611.10             | 3278.46             | 1946.53             |
| EBITDA <sup>(2)</sup>                            | 11.36                          | 499.89              | 352.86              | 239.56              |
| EBITDA Margin <sup>(3)</sup>                     | 0.53%                          | 10.84 %             | 10.76 %             | 12.31%              |
| PAT <sup>(4)</sup>                               | (41.62)                        | 287.02              | 215.31              | 161.85              |
| PAT Margin <sup>(5)</sup>                        | (1.95%)                        | 6.22 %              | 6.57 %              | 8.31%               |
| Net Worth <sup>(6)</sup>                         | 1239.67                        | 1252.56             | 965.54              | 802.72              |
| Return on Net Worth <sup>(7)</sup>               | (3.34%)*                       | 25.88 %             | 24.35 %             | 21.59%              |
| Return on Capital Employed <sup>(8)</sup>        | 0.39%*                         | 23.57%              | 28.35%              | 27.44%              |
| Revenue from own brands <sup>(9)</sup>           | 844.37                         | 1393.65             | 774.47              | 527.59              |
| Sales team <sup>(10)</sup> (Nos)                 | 135                            | 128                 | 88                  | 53                  |
| Number of Customers Billed <sup>(11)</sup> (Nos) | 3295                           | 5205                | 4507                | 3117                |

\*Not Annualized

## Top 10 Imported Brand Products

(₹ in Lakhs, unless otherwise stated)

| Product Name                                 | Product Category       | 5 months ended August 31, 2024 | Financial Year 2024 | Financial Year 2023 | Financial Year 2022 |
|----------------------------------------------|------------------------|--------------------------------|---------------------|---------------------|---------------------|
| Inno Exfo Lightening 15gm                    | Professional Skin Care | 293.26                         | 746.26              | 622.96              | 385.57              |
| Saypha Range                                 | Injectables            | 240.42                         | 608.06              | 402.14              | 138.15              |
| Siax                                         | Injectables            | 176.19                         | 376.56              | 281.41              | 133.11              |
| ME Line Range                                | Skin Home Care         | 130.80                         | 173.58              | 142.66              | 96.52               |
| Regenera AMT                                 | Devices                | 76.33                          | 326.82              | -                   | -                   |
| Pumpkin Peel Kit                             | Professional Skin Care | 71.61                          | 132.39              | 104.21              | 49.78               |
| Black Peel ExoResurfacing 10ml               | Professional Skin Care | 69.74                          | 109.64              | 67.69               | 78.41               |
| Alfa Aqualift Thread                         | Injectables            | 63.68                          | 163.14              | 123.60              | 84.54               |
| ONDA System                                  | Devices                | 42.00                          | -                   | -                   | 41.50               |
| Bio Cell Hair Serum 4mlx6                    |                        | 20.42                          | -                   | -                   | -                   |
| Product 1                                    | Devices                | -                              | 74.04               | 164.98              | -                   |
| Monalisa SmartXide Touch                     |                        | -                              | 73.00               | -                   | -                   |
| Motus AX New Touch System                    | Devices                | -                              | -                   | 83.75               | 38.25               |
| DEKA SmartXide Touch C60                     |                        | -                              | -                   | 71.43               | -                   |
| 360sculpt Magnetic Stimulation Medical Sytem | Devices                | -                              | -                   | -                   | 42.50               |
| <b>Total</b>                                 |                        | <b>1184.45</b>                 | <b>2783.49</b>      | <b>2064.83</b>      | <b>1088.33</b>      |

| Product Name                                   | Product Category | 5 months ended August 31, 2024 | Financial Year 2024 | Financial Year 2023 | Financial Year 2022 |
|------------------------------------------------|------------------|--------------------------------|---------------------|---------------------|---------------------|
| Contribution as a % of Revenue from Operations |                  | 55.51%                         | 60.36%              | 62.98%              | 55.91%              |

#### In-licensing agreement/tie-ups with brands –

| Name of the Company               | Brand Name              | Association from(year) | Exclusivity in India* | Country     | Agreement Signed |
|-----------------------------------|-------------------------|------------------------|-----------------------|-------------|------------------|
| Laboratorio Innoaesthetics, S.L.U | InnoAesthetics & Meline | 2010                   | Yes                   | Spain       | Yes              |
| Theraderm Co. Ltd                 | Theraderm               | 2011                   | Yes                   | South Korea | Yes              |
| Medytox Inc.                      | Siax                    | 2016                   | No                    | South Korea | Yes              |
| Alfa Medical                      | Alfa Aquilift           | 2014                   | Yes                   | South Korea | Yes              |
| Regenera Activa Worldwide S.L.    | Regenera                | 2023                   | Yes                   | Spain       | Yes              |
| Croma-Pharma GmbH                 | Saypha Filler           | 2018                   | Yes                   | Austria     | Yes              |

\*Exclusivity in India is for selected products as per the Agreement

Below is the details of number of employees YOY as at the end of each year and attrition rate of the company:

| Particulars         | five- month period ending August 2024 | Financial Year 2024 | Financial Year 2023 | Financial Year 2022 |
|---------------------|---------------------------------------|---------------------|---------------------|---------------------|
| Number of Employees | 168                                   | 168                 | 124                 | 84                  |
| Attrition Rate**    | 17.26%*                               | 28.77%              | 23.08%              | 22.37%              |

\*not annualised

\*\*Attrition rate is calculated based on actual number of employees leaving the organization divided by average number of employees during the year. Please note the Company has a policy to keep employees on a probation basis for 6 months. Therefore, any employees leaving the organization within a period of 6 months have not been included in the calculation of Attrition Rate above

#### Collaborations/Tie-ups/Joint Ventures

##### Agreement With Consignment Sales Agent

##### Key Highlights

- Transfer of Risk & Rewards :-** CSA will hold the stocks in trust for the Company. The right, title and interest in the stocks will remain with the Company. Also, Company obtains and bear the cost of insurance of goods in transit from its company's/vendors warehouses to CSA warehouse and from CSA Warehouse to Customers/ Stockiest/distributors etc. Therefore the sale for the Company is only recognized in their books on sale to the Customers/ Stockiest/distributors
- Non-Exclusive Agreement :-** It is expressly declared and agreed that nothing herein contained shall be construed to confer an exclusive right to CSA as the Company's sole Consignment Sales Agent and the Company reserves the right to appoint at any time and place and from time to time C&F Cum Warehousing Agents/Distributors/Consignment Agents/Stockists in addition to CSA hereby appointed.
- Inspection Rights to the Company :-** Any representative of the Company is authorized during normal office hours on normal working days, to enter and be on the premises of CSA where the products of the Company are stored by CSA and permit such representative to physically check the stocks of the products stored with it on behalf of the Company and to check the extracts of books and records maintained by CSA in this connection.
- Licenses :-** CSA shall obtain and keep in force any licenses and permissions necessary and / or prescribed by law or by any competent authority for the sale, supply, stock, storage, distribution and dispatch of the Products including to those required under GST Rules, the Shops and Establishment Act in the Territory. The licenses will be in the name of CSA for its warehouses. Also the Company shall inform CSA about all the relevant rules and regulation as may be applicable for the products.

5. **Service Charges/Commission :-** In consideration for the services rendered by CSA under this Agreement the Company shall pay service charges as a % of Net Sales achieved through PISPL on a Monthly Basis as an all in cost to the Company

The details of key arrangements with loan licensing partners, distribution agents & foreign in-licensing partners which are key parties for our business is provided under “Our Business - Our Business Relationships” on page 147 of the DRHP which will be entirely shifted under this head

#### Utilities & Infrastructure Facilities

**Raw Materials** – We do third party contract manufacturing/loan licensing agreements for our products and do not have any in-house manufacturing facilities. All our raw materials are procured by our partners in consultation with the Company

**Water** – This is not applicable to us since we do not have any manufacturing facilities

**Utilities** - Our offices are fully equipped with computer systems, internet connectivity, communication tools, security measures, and other essential facilities to ensure the smooth functioning of the company.

**Human Resources** - Our employees that work with us are our biggest assets. The quality of our people is pivotal to our success and competitive edge. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for our business. Below is a list of the number of employees working in various departments of our business operations as of January 31, 2025 :-

| Sr no. | Department    | Employee count as of 31 <sup>st</sup> January 2025 |
|--------|---------------|----------------------------------------------------|
| 1.     | Accounts      | 9                                                  |
| 2.     | Sales         | 130                                                |
| 3.     | Service       | 4                                                  |
| 4.     | Admin         | 8                                                  |
| 5.     | HR            | 2                                                  |
| 6.     | Sales Support | 4                                                  |
| 7.     | Logistic      | 4                                                  |
| 8.     | Marketing     | 8                                                  |
| 9.     | Legal         | 1                                                  |
|        | <b>Total</b>  | <b>170</b>                                         |

#### Competition

In terms of competition, the medical aesthetic and cosmetic dermatology market comprises a diverse array of companies ranging from well-established global brands to emerging local players. The competition intensity in this market is driven by companies continually striving to differentiate themselves through product innovation, quality, and service. This competitive landscape thrives on increasing awareness and acceptance of aesthetic treatments among the Indian populace, driving substantial market growth and continuous innovation across the sector. Our success is largely dependent upon our ability to further establish our own brand via product launches as well as entering into tie ups with reputed brands globally. For details of certain of our financials or operational metrics as compared with our peers, according to the Ken Research, refer section titled “*Our Industry*”, on page 126.

Also, refer section titled “Risk Factors- we face competition from both domestic and international companies, which may adversely impact our market position, growth prospects, and profitability

#### Domani/Website

| Sr. No. | Domain Name and ID | Sponsoring and IANA ID | Registrar | Registrant Organization | Name and | Creation Date | Registry Expiry Date |
|---------|--------------------|------------------------|-----------|-------------------------|----------|---------------|----------------------|
| 1       | aakaarmedic        | Registrar:             | Godaddy   | Organization:           | Aakaar   | March         | March 8,             |

|       |                        |                          |         |      |
|-------|------------------------|--------------------------|---------|------|
| al.in | Registrar IANA ID: 146 | Medical Technologies Ltd | 8, 2010 | 2027 |
|-------|------------------------|--------------------------|---------|------|

## Our Properties

| Sr No. | Location of the Property                                                            | Type of office        | State               | Lease/ Rent                                                                                                                                                                                                                                                                                                                        | Tenure           |                   | Owned/ Lease/Leave/ and License/ Rent | Owner/Lessor         |
|--------|-------------------------------------------------------------------------------------|-----------------------|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------|---------------------------------------|----------------------|
| 1.     | Office No.801, Heritage Plaza, Telli Galli Cross Road. Andheri (E) Mumbai – 400069  | Registered Office     | Mumbai, Maharashtra | Rs. 2,00,000 /- per month<br><b>(for the first 12 months),</b><br>Rs. 2,20,000 /- per month<br><b>(for the next 12 months),</b><br>Rs. 2,42,000 /- per month<br><b>(for the next 12 months),</b><br>Rs. 2,66,200 /- per month<br><b>(for the next 12 months),</b><br>Rs. 2,92,820 /- per month<br><b>(for the next 12 months).</b> | January 01, 2025 | December 31, 2029 | Leave and License agreement           | Bindi Dilip Meswani  |
| 2.     | Office No. 802, Heritage Plaza, Telli Galli Cross Road. Andheri (E) Mumbai – 400069 | Administrative Office | Mumbai, Maharashtra | Rs. 1,00,000 /- per month<br><b>(for the first 12 months),</b><br>Rs. 1,10,000 /- per month<br><b>(for the next 12 months)</b>                                                                                                                                                                                                     | October 16, 2024 | October 15, 2029  | Leave and License agreement           | Abhash Dilip Meswani |

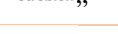
| Sr No. | Location of the Property                                                                | Type of office | State               | Lease/ Rent                                                                                                                                                                                                                  | Tenure           |                   |  | Owned/ Lease/Leave/ and License/ Rent | Owner/Lessor           |
|--------|-----------------------------------------------------------------------------------------|----------------|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------|--|---------------------------------------|------------------------|
|        |                                                                                         |                |                     | months),<br>Rs.<br>1,21,000<br>/- per month<br><b>(for the next 12 months),</b><br>Rs.<br>1,33,100<br>/- per month<br><b>(for the next 12 months),</b><br>Rs.<br>1,46,410<br>/- per month<br><b>(for the next 12 months)</b> |                  |                   |  |                                       |                        |
| 3.     | B – 81 – B, LGF, Kalka Ji, New Delhi – 110019                                           | Sales Office   | New Delhi           | Rs. 28,000/- per month                                                                                                                                                                                                       | May 01, 2024     | March 31, 2025    |  | Rent agreement                        | Desh Raj               |
| 4.     | Shop No. 9, Ground Floor, Apna Ghar C.H.S.L., Telli Galli, Andheri (E), Mumbai - 400069 | Warehouse      | Mumbai, Maharashtra | Rs. 26,802/- per month<br><b>(For first 24 months)</b> and Rs. 28,142/- per month<br><b>(For the next 36 months)</b>                                                                                                         | January 01, 2025 | December 31, 2029 |  | Leave and Licence agreement           | Harsha Bharat Morjaria |
| 5.     | Gala No. 4, Ground Floor, Apna Ghar C.H.S.L., Telli Galli, Andheri (E), Mumbai – 400069 | Warehouse      | Mumbai, Maharashtra | Rs. 26,802/- per month<br><b>(For first 24 months)</b> and Rs. 28,142/- per month<br><b>(For the</b>                                                                                                                         | January 01, 2025 | December 31, 2029 |  | Leave and License agreement           | Bharat Morjaria        |

| Sr N o. | Location of the Property                                                                                                                                         | Type of office | State                | Lease/ Rent                                                                                      | Tenure           |                                         |  | Owned/ Lease/Lea ve/ and License/ Rent | Owner/Les sor           |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------------|--------------------------------------------------------------------------------------------------|------------------|-----------------------------------------|--|----------------------------------------|-------------------------|
|         |                                                                                                                                                                  |                |                      | next 36 months)                                                                                  |                  |                                         |  |                                        |                         |
| 6.      | Shop No. 5, Ground Floor, Apna Ghar C.H.S.L., Telli Galli, Andheri (E), Mumbai - 400069                                                                          | Warehouse      | Mumbai, Maharashtra  | Rs. 13,401/- per month (For first 24 months) and Rs. 14,071/- per month (For the next 36 months) | January 01, 2025 | December 31, 2029                       |  | Leave and License agreement            | Vivek Bharat Morjaria   |
| 7.      | Flat No. 101, First Floor, Venkata Ramana Colony, KPHB, Hyderabad – 500085, India.                                                                               | Sales Office   | Hyderabad, Telangana | Rs.14,000/- per month                                                                            | June 1, 2024     | 12 months from the date of commencement |  | Rental Agreement                       | Kuna Gouri Shankar Goud |
| 8.      | Office No. 20 (Old No. 364), Ground Floor, Anujay SreeNilayam, 42 <sup>nd</sup> cross, 1 <sup>st</sup> main, 8 <sup>th</sup> Block Jayanagar, Bangalore - 560070 | Sales Office   | Bangalore, Karnataka | Rs. 19,845/- per month                                                                           | March 10, 2025   | 11 months from the date of comment*     |  | Rental Agreement                       | P.S. Jayagopal          |

### Intellectual Property

As on the date of this Red Herring Prospectus, our Company has registered the following trademark with the Registrar of Trademarks under the Trademarks Act, 1999:

| Date of Issue    | Particulars of the Mark | Trademark No. | Class of Registration |
|------------------|-------------------------|---------------|-----------------------|
| October 13, 2016 | “BALBACK”               | 3384906       | 5                     |
| October 13, 2016 | “TubeLite”              | 3384907       | 5                     |

| Date of Issue      | Particulars of the Mark                                                                          | Trademark No. | Class of Registration |
|--------------------|--------------------------------------------------------------------------------------------------|---------------|-----------------------|
| October 13, 2016   | “BALBACK”                                                                                        | 3384908       | 3                     |
| October 13, 2016   | “TubeLite”                                                                                       | 3384909       | 3                     |
| September 10, 2019 | “  Lytec”       | 4288970       | 3                     |
| June 27, 2020      | “  Aakaar”      | 4546740       | 5                     |
| June 27, 2020      | “  Aakaar”      | 4546741       | 10                    |
| June 27, 2020      | “  Aakaar”      | 4546742       | 35                    |
| July 16, 2022      | “  êtrebien”    | 5532294       | 3                     |
| July 16, 2022      | “  êtrebien”    | 5532295       | 5                     |
| July 16, 2022      | “  êtrebien”    | 5532296       | 10                    |
| July 16, 2022      | “  êtreclair”   | 5532297       | 3                     |
| July 16, 2022      | “  êtreclair”  | 5532298       | 5                     |
| July 16, 2022      | “  êtreclair” | 5532299       | 10                    |
| July 16, 2022      | “  êtrelume”  | 5532300       | 3                     |
| July 16, 2022      | “  êtrelume”  | 5532301       | 5                     |
| July 16, 2022      | “  êtrelume”  | 5532302       | 10                    |
| July 16, 2022      | “  êtreluxe”  | 5532303       | 3                     |
| July 16, 2022      | “  êtreluxe”  | 5532304       | 5                     |
| July 16, 2022      | “  êtreluxe”  | 5532305       | 10                    |
| December 24, 2022  | “  SWYADA”    | 5736854       | 3                     |
| December 24, 2022  | “  SWYADA”    | 5736855       | 5                     |
| December 24, 2022  | “  SWYADA”    | 5736856       | 10                    |
| December 24, 2022  | “  swykiri”   | 5736857       | 3                     |
| December 24, 2022  | “  swykiri”   | 5736858       | 5                     |
| December 24, 2022  | “  swykiri”   | 5736859       | 10                    |
| March 31, 2023     | “  êtrehair”  | 5873658       | 3                     |
| March 31, 2023     | “  êtrehair”  | 5873659       | 3                     |
| March 31, 2023     | “  êtrehair”  | 5873660       | 5                     |

| Date of Issue    | Particulars of the Mark                                                               | Trademark No. | Class of Registration |
|------------------|---------------------------------------------------------------------------------------|---------------|-----------------------|
| March 31, 2023   | „êtrehayr„                                                                            | 5873661       | 5                     |
| March 31, 2023   | „êtrehair„                                                                            | 5873662       | 10                    |
| March 31, 2023   | „êtrehayr„                                                                            | 5873663       | 10                    |
| October 10, 2023 | „EXOLUXE„                                                                             | 6143187       | 10                    |
| March 07, 2024   | „êtreluxe pdrn„                                                                       | 6332893       | 3                     |
| March 07, 2024   | „êtreluxe pdrn„                                                                       | 6332894       | 5                     |
| March 07, 2024   | „êtreluxe pdrn„                                                                       | 6332895       | 10                    |
| March 07, 2024   | „  „ | 6332898       | 3                     |
| March 07, 2024   | „  „ | 6332900       | 3                     |

### Pending Intellectual property related approvals Application

As on the date of this Red Herring Prospectus, our Company has applied for registration of trademarks with the Registrar of Trademarks under the Trademarks Act, 1999, which are objected as on date.

| Date of Application | Particulars of the Mark                                                                      | Application No. | Class of Registration |
|---------------------|----------------------------------------------------------------------------------------------|-----------------|-----------------------|
| September 10, 2019  | „  Lytec„ | 4288971         | 5                     |
| October 10, 2023    | „EXOLUXE„                                                                                    | 6143185         | 3                     |
| October 10, 2023    | „EXOLUXE„                                                                                    | 6143186         | 5                     |
| March 07, 2024      | „  „      | 6332899         | 5                     |
| March 07, 2024      | „  „      | 6332901         | 5                     |

## HISTORY AND CERTAIN CORPORATE MATTERS

### Key awards, accreditations or recognitions

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

Excellence in Aesthetic Innovation & Service at Starz of India 2024



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



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

### Financial Year 2023 compared with Financial Year 2022

#### Profit After Tax:

The primary reason for the dip in the margins in Financial Year 2022-23 as compared to Financial Year 2021-22 was due to the onsite advertisement & branding activities which were restricted during the COVID year in Financial Year 2021-22.

Below is a YOY comparison of advertisement expenses of the Company with a break-up:-

| Particulars               | Financial Year 2022-23 | Financial Year 2021-22 |
|---------------------------|------------------------|------------------------|
| Honorarium Charges        | 1.35                   | 0.95                   |
| Workshop Exp              | 3.46                   | 0.68                   |
| Sponsorship Exp           | 1.97                   | 0.00                   |
| <b>Conferences</b>        | <b>127.42</b>          | <b>15.97</b>           |
| Printing Services         | 19.17                  | 5.34                   |
| Sales Promotion           | 13.01                  | 9.01                   |
| Advertising and Marketing | 11.22                  | 0.00                   |
| <b>TOTAL</b>              | <b>177.59</b>          | <b>31.96</b>           |
| <b>% of Revenue</b>       | <b>5.41%</b>           | <b>1.64%</b>           |

**SECTION VI – LEGAL AND OTHER INFORMATION**  
**OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS**

**Outstanding dues to creditors**

Based on this criterion, details of outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as at August 31, 2024 by our Company, are set out below:

## GOVERNMENT AND OTHER STATUTORY APPROVALS

### B. Tax related approvals obtained by our Company

| Sr. No. | Nature of Registration/ License                | Registration / License No. | Issuing Authority                 | Date of Issue | Date of Expiry       |
|---------|------------------------------------------------|----------------------------|-----------------------------------|---------------|----------------------|
| 4.      | GST Registration Certificate Himachal Pradesh* | 02AALCA7587Q1ZW            | Goods and Services Tax Department | May 24, 2023  | Valid till cancelled |

\* Registration is obtained as required by the respective client/customer of the Company in the state. Our Company does not have any offices or places of business in this state and merely has GST registration as per the client's requirement.

### C. Regulatory approvals for our Company:

| Sr. No. | Nature of Registration/ License                                         | Registration / License No. | Issuing Authority                                                                    | Date of Issue  | Date of Expiry    |
|---------|-------------------------------------------------------------------------|----------------------------|--------------------------------------------------------------------------------------|----------------|-------------------|
| 21      | License to Import Medical Devices under the Medical Devices Rules, 2017 | IL/FF-000644 FF-459        | Central Drugs Standard Control Organization, Ministry of Health, Government of India | March 04, 2025 | November 15, 2027 |

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India or the rules, or the regulations or guidelines issued by 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 and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all statements and disclosures made in this Addendum to Draft Red Herring Prospectus are true and correct.

## **SIGNED BY THE DIRECTOR OF OUR COMPANY**

---

**Dilip Ramesh Meswani**

Managing Director

DIN: 06540985

**Place:** U.S.A

**Date:** April 26, 2025

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India or the rules, or the regulations or guidelines issued by 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 and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all statements and disclosures made in this Addendum to Draft Red Herring Prospectus are true and correct.

## **SIGNED BY THE DIRECTOR OF OUR COMPANY**

---

**Rahul Babasaheb Sawakhande**

CEO and Executive Director

DIN: 08282783

**Place:** Mumbai

**Date:** April 26, 2025

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India or the rules, or the regulations or guidelines issued by 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 and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all statements and disclosures made in this Addendum to Draft Red Herring Prospectus are true and correct.

## **SIGNED BY THE DIRECTOR OF OUR COMPANY**

---

**Bindi Dilip Meswani**

Chairperson cum Non Executive Director  
DIN: 06594958

**Place:** U.S.A

**Date:** April 26, 2025

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India or the rules, or the regulations or guidelines issued by 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 and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all statements and disclosures made in this Addendum to Draft Red Herring Prospectus are true and correct.

## **SIGNED BY THE DIRECTOR OF OUR COMPANY**

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**Deepanjan Periwai**  
Independent Director  
DIN: 06957006

**Place:** Mumbai  
**Date:** April 26, 2025

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India or the rules, or the regulations or guidelines issued by 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 and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all statements and disclosures made in this Addendum to Draft Red Herring Prospectus are true and correct.

## **SIGNED BY THE DIRECTOR OF OUR COMPANY**

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**Rajendra Indubhai Dhandhukia**  
Independent Director  
DIN: 05157147

**Place:** Mumbai  
**Date:** April 26, 2025

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India or the rules, or the regulations or guidelines issued by 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 and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all statements and disclosures made in this Addendum to Draft Red Herring Prospectus are true and correct.

## **SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY**

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**Sweta Chirag Shah**  
Chief Financial Officer

**Place:** Mumbai  
**Date:** April 26, 2025