





## MEDISTEP HEALTHCARE LIMITED

Corporate Identification Number: U21009GJ2023PLC141841

REGISTERED OFFICE		CORPORATE OFFICE		CONTACT PERSON
05, S. No-245/B, Plot-19, T.P.S. 56, Free Way Trade Center, Nr.A-One Hotel, N.H.-8, Narol Gam, Narol ,Ahmadabad City, Daskroi, Gujarat, India, 382405		NA		Ms. Jagriti Sharma Company Secretary and Compliance Officer
EMAIL		TELEPHONE		WEBSITE
<a href="mailto:Info@medistephc.com">Info@medistephc.com</a>		+91 87808 46963		<a href="http://www.medistephc.com">www.medistephc.com</a>
Promoters of our company: Girdhari Lal Prajapat, Dabhi Vipul Gobarbhai, Prajapati Hetalben Girdharilal & Jagdish Prajapati				
DETAILS OF OFFER TO PUBIC				
TYPE	FRESH ISSUE SIZE (Rs. In Lakh)	OFFER FOR SALE SIZE (Rs. In Lakh)	TOTAL OFFER SIZE (Rs. In Lakh)	ELIGIBILITY AND RESERVATION
Fresh Issue and Offer for Sale	37,44,000 Equity Shares of face value of Rs.10/- each for cash at a price of Rs. [●]/- per equity share aggregating to Rs. [●] /- Lakh	NA	37,44,000 Equity Shares of face value of Rs.10/- each for cash at a price of Rs. [●]/- per equity share aggregating to Rs. [●] /- Lakh	THIS OFFER IS BEING MADE IN TERMS OF CHAPTER IX OF THE SEBI (ICDR) REGULATIONS, 2018 AS AMENDED.
DETAILS OF OFFER FOR SALE				
NAME OF SELLING SHAREHOLDER	TYPE	NUMBER OF EQUITY SHARES OFFERED/AMOUNT	WEIGHTED AVERAGE COST OF ACQUISITION (IN ₹ PER EQUITY SHARE) *	
NA	NA	NA	NA	
RISK IN RELATION TO THE FIRST OFFER				
This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is Rs. 10/- each and the Issue Price is [●] times of the face value of the Equity Shares. The Issue Price (determined and justified by our Company in consultation with the Lead Manager as stated in “Basis for Issue Price” on page no 89 of this draft prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.				
GENERAL RISK				
Investments in Equity and Equity related securities involve a degree of risk and investors should not invest any funds in this issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the Draft Prospectus. Specific attention of the investors is invited to the section “Risk Factors” beginning on page no. 27 of this Draft Prospectus.				
ISSUER’S ABSOLUTE RESPONSIBILITY				
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Issue which is material in the context of this Issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.				
LISTING				
The Equity Shares of our Company offered through this Draft Prospectus are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an approval letter dated [●] from National Stock Exchange of India Limited for using its name in the Draft Prospectus for listing of our shares on the Emerge Platform of National Stock Exchange of India Limited. For the purpose of this Issue, National Stock Exchange of India Limited shall be the Designated Stock Exchange.				
LEAD MANAGER TO THE ISSUE				
NAME & ADDRESS		CONTACT PERSON		EMAIL & TELEPHONE AND WEBSITE
 <b>Fastrack Finsec</b> Category-I Merchant Banker <b>FAST TRACK FINSEC PRIVATE LIMITED</b> <b>Registered Office:</b> Office No. V-116,1 <sup>st</sup> Floor, New Delhi House, 27, Barakhamba Road, New Delhi – 110001 <b>SEBI registration number:</b> INM000012500 <b>CIN:</b> U65191DL2010PTC200381		Ms. Sakshi		<b>Email:</b> <a href="mailto:mb@ftfinsec.com">mb@ftfinsec.com</a> <a href="mailto:investor@ftfinsec.com">investor@ftfinsec.com</a> <b>Telephone:</b> +91 011 43029809 <b>Website:</b> <a href="http://www.ftfinsec.com">www.ftfinsec.com</a>
REGISTRAR TO THE ISSUE				
NAME & ADDRESS		CONTACT PERSON		EMAIL AND TELEPHONE
 <b>CAMEO CORPORATE SERVICES LIMITED</b> <b>Address:</b> - “Subramaniam Building”, No. 1, Club House Road, Chennai-600002 <b>SEBI Registration No.:</b> INR000003753		Ms. K. Sreepriya		<b>Email:</b> <a href="mailto:ipo@cameoindia.com">ipo@cameoindia.com</a> <b>Tel No:</b> +91-44-40020700/28460390 <b>Website:</b> <a href="http://www.cameoindia.com">www.cameoindia.com</a>
OFFER PROGRAMME				
ISSUE OPENS ON		[●]		
ISSUE CLOSE ON		[●]		



## MEDISTEP HEALTHCARE LIMITED

Our Company was originally incorporated on June 05, 2023 as 'Medistep Healthcare Limited', as a Public limited company under the Companies Act, 2013 bearing Corporate Identification Number U21009GJ2023PLC141841 pursuant to Certificate of Incorporation issued by Registrar of Companies, Ahmedabad. Thereafter our company acquired the business of Proprietorship Concern of one of our Promoter **Mrs. Prajapati Hetalben Girdharilal** viz, *M/s MG Pharma* through the business transfer agreement dated July 02, 2023. Subsequently the business of the sole proprietorship firm was transferred into Medistep healthcare Limited For more details of Incorporation and Registered Office of our Company, For further details of our Company, please refer to chapter titled "General Information" and "Our History and Certain Other Corporate Matters" beginning on page no. 55 and 165 respectively of this Draft Prospectus.

**Registered office:** 05, S. No-245/B, Plot-19, T.P.S. 56, Free Way Trade Center, Nr. A-One Hotel, N.H.-8, Narol Gam, Narol, Ahmadabad City, Daskroi, Gujarat, India, 382405

**Tel:** +91 87808 46963 **E-mail:** [Info@medistephc.com](mailto:Info@medistephc.com), **Website:** [www.medistephc.com](http://www.medistephc.com)

**Contact Person:** Ms. Jagriti Sharma, Company Secretary and Compliance Officer

**PROMOTER OF THE COMPANY:** **MR. GIRDHARI LAL PRAJAPAT, MR. DABHI VIPUL GOBARBHAI, MRS. PRAJAPATI HETALBEN GIRDHARILAL AND MR. JAGDISH PRAJAPATI**

### ADDENDUM TO THE DRAFT PROSPECTUS DATED DECEMBER 30, 2024: NOTICE TO THE INVESTORS ("THE ADDENDUM")

INITIAL PUBLIC OFFERING OF UP TO 37,44,000 EQUITY SHARES OF Rs. 10/- EACH ("EQUITY SHARES") OF MEDISTEP HEALTHCARE LIMITED ("THE COMPANY") FOR CASH AT A PRICE OF Rs. [●]/- PER EQUITY SHARE (THE "ISSUE PRICE"), AGGREGATING TO Rs. [●]/- LAKH ("THE OFFER"). OUT OF THE OFFER, [●] EQUITY SHARES AGGREGATING TO Rs. [●]/- LAKH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE OFFER LESS THE MARKET MAKER RESERVATION PORTION I.E. OFFER OF [●] EQUITY SHARES OF FACE VALUE OF Rs. 10.00/- EACH AT AN ISSUE PRICE OF Rs. [●]/- PER EQUITY SHARE AGGREGATING TO Rs. [●]/- LAKH IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER WILL CONSTITUTE [●] % AND [●] %, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

#### Potential Bidders may note the following

1. The Chapter titled "General" beginning on page 2 of the Draft Prospectus has been updated
2. The Chapter titled "Summary of Offer Document" beginning on page 19 of the Draft Prospectus has been updated
3. The Chapter titled "Capital Structure" beginning on page 64 of the Draft Prospectus has been updated
4. The Chapter titled "Risk Factors" beginning on page 27 of the Draft Prospectus has been updated
2. The Chapter titled "Objects of the issue" beginning on page 77 of the Draft Prospectus has been updated.
3. The Chapter titled "Our Business" beginning on page 127 of the Draft Prospectus has been updated.
4. The Chapter titled "Our Management" beginning on page 170 of the Draft Prospectus has been updated.
5. The Chapter titled "Our Promoter and Promoter Group" beginning on page 184 of the Draft Prospectus has been updated
6. The Chapter titled "General Information" beginning on page 55 of the Draft Prospectus has been updated.
7. The Chapter titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 237 of the Draft Prospectus has been updated.
8. The Chapter titled "Financial Indebtness" beginning on page 253 of the Draft Prospectus has been updated
9. The Chapter titled "Outstanding Litigations and Material Developments" beginning on page 254 of the Draft Prospectus has been updated
10. The Chapter titled "Government and Other Approvals" beginning on page 257 of the Draft Prospectus has been updated.
11. The Chapter titled "Other Regulatory and Statutory Disclosure" beginning on page 260 of the Draft Prospectus has been updated.

LEAD MANAGER	REGISTRAR TO THE ISSUE
 <b>Fastrack Finsec</b> <small>Category-I Merchant Banker</small> <b>FAST TRACK FINSEC PRIVATE LIMITED</b> <b>Registered Office:</b> Office No. V-116, 1 <sup>st</sup> Floor, New Delhi House, Barakhamba Road, New Delhi – 110001 <b>SEBI registration number:</b> INM000012500 <b>Contact Person:</b> Ms. Sakshi <b>Email:</b> <a href="mailto:mb@ftfinsec.com">mb@ftfinsec.com</a> ; <a href="mailto:investor@ftfinsec.com">investor@ftfinsec.com</a> <b>Website:</b> <a href="http://www.ftfinsec.com">www.ftfinsec.com</a> <b>Tel No.:</b> +91-11-43029809	 <b>CAMEO CORPORATE SERVICES LIMITED</b> <b>Address:</b> - "Subramaniam Building", No. 1, Club House Road, Chennai-600002 <b>SEBI Registration No.:</b> INR000003753 <b>Contact Person:</b> Ms. K. Sreepriya <b>Email:</b> <a href="mailto:ipo@cameoindia.com">ipo@cameoindia.com</a> <b>Website:</b> <a href="http://www.cameoindia.com">www.cameoindia.com</a> <b>Tel No:</b> +91-44-40020700/28460390
OFFER PROGRAMME	
<b>ISSUE OPENS ON</b>	[●]
<b>ISSUE CLOSE ON</b>	[●]

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## SECTION I - GENERAL

### DEFINATION AND OTHER ABBREVIATION

#### Definition

Our Promoter	Promoter of our company being Mr. Girdhari Lal Prajapat, Mr. Dabhi Vipul Gobarbhai, Mrs. Prajapati Hetalben Girdharilal and Mr. Jagdish Prajapati.
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#### Conventional And General Terms / Abbreviations

Term	Description
KPIs	Key Performance Indicators
PHC	Primary Health Center

## SECTION II – SUMMARY OF OFFER DOCUMENT

### OUR PROMOTER

The promoters of our Company are

- Mr. Girdhari Lal Prajapat
- Mr. Dabhi Vipul Gobarbhai
- Mrs. Prajapati Hetalben Girdharilal
- Mr. Jagdish Prajapati.

### PRE-ISSUE SHAREHOLDING OF OUR PROMOTERS AND PROMOTERS GROUP AS ON THE DATE OF THIS PROSPECTUS

Particulars	Pre-Issue Shareholding	
	Number of Shares	Percentage holding
<b>Promoters: -</b>		
Girdhari Lal Prajapat	14,11,800	13.49%
Dabhi Vipul Gobarbhai	12,69,880	12.13%
Prajapati Hetalben Girdharilal	71,16,400	68.00%
Jagdish Prajapati	Nil	Nil
<b>Total Promoters Shareholding (A)</b>	<b>97,98,080</b>	<b>93.62%</b>
<b>Promoter Group</b>		
Dabhi dharmishtaben V	200	0.002%
<b>Total Promoters Group Shareholding (B)</b>	<b>200</b>	<b>0.002%</b>
<b>Total Promoters &amp; Promoters Group (A+B)</b>	<b>97,98,280</b>	<b>93.62%</b>

**SUMMARY OF RELATED PARTY**

(Amount in Lakhs)

Related party transaction					
Particulars	For the period ended 30th June, 2024	For the period from 3rd July, 2023 to 31st March, 2024	For the period from 1st April, 2023 to 2nd July, 2023	For the period ended 31st March, 2023	For the period ended 31st March, 2022
<b>Sale of Goods to</b>	143.33	722.21	200.55	1,943.66	12.50
<b>Revenue from operations</b>	1,125.07	3,161.51	745.68	2,764.68	762.44
<b>%</b>	12.74%	22.84%	26.90%	70.30%	1.64%
<b>Purchase of goods</b>	-	20.64	1.61	9.27	5.12
<b>Revenue from operations</b>	1,125.07	3,161.51	745.68	2,764.68	762.44
<b>%</b>	0.00%	0.65%	0.22%	0.34%	0.67%
<b>Loan &amp; Advances</b>	-	-	-	-	41.09
<b>Revenue from operations</b>	1,125.07	3,161.51	745.68	2,764.68	762.44
<b>%</b>	0.00%	0.00%	0.00%	0.00%	5.39%
<b>Unsecured Loan</b>	22.67	6.54	-	-	-
<b>Revenue from operations</b>	1,125.07	3,161.51	745.68	2,764.68	762.44
<b>%</b>	2.02%	0.21%	0.00%	0.00%	0.00%
<b>Trade Payable</b>	-	-	-	-	12.59
<b>Revenue from operations</b>	1,125.07	3,161.51	745.68	2,764.68	762.44
<b>%</b>	0.00%	0.00%	0.00%	0.00%	1.65%
<b>Trade Receivable</b>	223.64	126.67	712.67	928.11	2.73
<b>Revenue from operations</b>	1,125.07	3,161.51	745.68	2,764.68	762.44
<b>%</b>	19.88%	4.01%	95.57%	33.57%	0.36%
<b>Remuneration</b>	2.25	1.01	-	-	-
<b>Revenue from operations</b>	1,125.07	3,161.51	745.68	2,764.68	762.44

%	0.20%	0.03%	0.00%	0.00%	0.00%
<b>Remuneration payable</b>	3.00	1.01	-	-	-
<b>Revenue from operations</b>	1,125.07	3,161.51	745.68	2,764.68	762.44
%	0.27%	0.03%	0.00%	0.00%	0.00%
<b>Total</b>	394.89	878.08	914.83	2,881.04	74.04
<b>Revenue from operations</b>	1,125.07	3,161.51	745.68	2,764.68	762.44
	35.10%	27.77%	122.68%	104.21%	9.71%

### SECTION III – RISK FACTORS

**1. Expanding the company's business focus from trading pharmaceuticals to manufacturing sanitary pads, energy powders, and multivitamins introduces several inherent risk factors that must be carefully evaluated.**

One of the risks is the intense competition from established and renowned companies already operating in the multivitamin and healthcare product manufacturing sector. Competing against well-established brands with strong market presence, advanced R&D capabilities, and extensive distribution networks may pose challenges in gaining market share and achieving sustainable growth.

Additionally, the under-utilization of proposed machinery could impact the company's operational efficiency and financial viability. If production volumes do not reach optimal levels due to lower-than-expected demand, supply chain constraints, or operational inefficiencies, the company may face increased per-unit costs, affecting overall profitability.

Furthermore, the lack of prior experience in the manufacturing sector within the company's management team presents operational and strategic challenges. Manufacturing requires specialized expertise in production processes, supply chain management, quality control, and regulatory compliance, particularly for consumer health products. Any missteps in these areas could lead to inefficiencies, higher-than-expected costs, and potential compliance risks, thereby affecting product quality, customer satisfaction, and brand reputation. Moreover, entering new markets and expanding the product portfolio may require significant investments in marketing, distribution, and regulatory compliance. The company could also face unforeseen challenges in acquiring raw materials, setting up production facilities, and meeting industry-specific standards.

**2. We provide our goods majorly in Gujarat, any adverse changes in the conditions affecting these regions can adversely affect our business, financial condition and results of operations.**

We provide our goods mainly in Gujarat region. Details of our revenue are as follow:

*(Amt in Lakhs)*

State	FY 21-22	%	FY 22-23	%	FY 23-24	%	FY 24-25 Till June	%
<b>Gujarat</b>	762.34	99.99%	2763.14	99.94%	3905.79	99.96%	1125.07	100.00%

In the event of a regional slowdown in the economic activity in these states or any other developments including political unrest, disruption or sustained economic downturn or natural calamities in those regions affecting the ability of our merchants to continue their operations within their respective communities, or that make our services and/or products in these states less available or attractive and beneficial to the customer, we may experience an adverse effect on our financial condition and results of operations, which are largely dependent on the performance, geo-political and other prevailing conditions affecting the economies of the state. The market of Gujarat may perform differently from, and be subject to, market and regulatory developments that are different from the requirements in other states of India. There can be no assurance that the demand for our services will grow, or will not decrease, in the future, in these regions. In past, we have not faced any historical incidents leading to financial setbacks.

**3. We rely on domestic third-party suppliers for the supply of raw materials and any delay, interruption or reduction in such supply could adversely affect our business, results of operations, financial condition and cash flows.**

Our Company has majorly depended on the third-party suppliers for the purchase of raw material which forms the major part of our business. Although, we believe that we have maintained stable relationships with these suppliers, we cannot assure you that we would be able to source these services from alternative sources, at acceptable prices or at all. Our success depends on the uninterrupted supply of raw materials required for our manufacturing of Sanitary Pad and Energy Powder. We do not have binding arrangements with our suppliers and procure raw materials through purchase orders entered into with our suppliers. Raw materials, including packaging materials, are susceptible to supply disruptions and price volatility influenced by a range of factors including fluctuations in commodity markets, the quality and availability of raw materials, consumer demand, and changes in government policies and regulatory sanctions.

We expect we will continue to rely on such third-party providers as we expand our business. However, these third parties may undergo insolvency, file for bankruptcy, experience disruptions, provide lower quality service or increase the prices of their products or services for a number of reasons that are beyond our control. For more details in respect to supplier please refer on page 138 under chapter titled “Our business” of the company. In past, our company has not experienced any past occurrences that have resulted in losses due to supplier-related issues.

**5. The Company is dependent on few numbers of customers for sales. The loss of any of this large customer may affect our revenues and profitability.**

Following is table showing the contribution of the Customer:

Particulars	As at June 30, 2024	As on March 31, 2024	As on March 31, 2023	As on March 31, 2022
<b>Top Ten Customer</b>	98.63%	68.36%	97.30%	81.62%

Significant proportion of our total revenue comes from our top 10 customers and the loss of any of our customers may adversely affect our sales and consequently on our business and results of operations. The loss of one or more of these significant or key customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows. We cannot assure you that we will be able to maintain historic level of business for our top 10 customer. We don't have any binding agreement with our customer, resulting in our inability in to retain our customers. We cannot assure you that we shall generate the same quantum of business, or any business at all, and the loss of business from one or more of them may adversely affect our revenues and results of operations. However, the composition and revenue generated from these customers might change, as we continue to add new customers in the normal course of business. Though we believe that we will not face substantial challenges in maintaining our business relationship with them or finding new customers, there can be no assurance that we will be able to maintain

long term relationships with such customers or find new customers in time. In past, the company has not experienced any past occurrences where the loss of a customer has resulted in financial loss.

**8. Our inability to successfully implement our business plan and growth strategy could have an adverse effect on our business, results of operations, financial condition and cash flows.**

We have expanded our operations and experienced considerable growth in the past, certain metrics showing our growth are set out in the table below:

Industry Segment	30 <sup>th</sup> June 2024	% of Revenue from Operation	March 31, 2024	% of Revenue from Operation	March 31, 2023	% of Revenue from Operation	March 31, 2022	% of Revenue from Operation
Manufacturing of Sanitary Pad <b>(DryStep)</b>	258.87	23.01%	103.38	2.65%	Nil	0.00%	Nil	0.00%
Manufacturing of Energy Powder <b>(VitaStep Z Powder)</b>	69.87	6.21%	22.63	0.58%	Nil	0.00%	Nil	0.00%
Trading/ Distribution of Pharmaceutical and others Products	796.33	70.78%	3,781.18	96.77%	2764.68	100.00%	762.44	100.00%

We cannot assure you that we will be able to maintain our growth at historic levels or successfully implement our business plan and growth strategy in the future. For instance, we intend to continue to increase our market share and consolidate our leadership position in the domestic market for our CDMO business, elevate the presence of our domestic formulations business, expand our global presence, scale our API business, and prioritize R&D for product development across therapy areas and dosage forms. For details, see “*Our Business – Our Strategies*” on page [●]. Our growth strategies subject us to certain risks and could require us to expend additional capital.

**9. We have had negative cash flows from investing activities during the Financial Year 2024. Negative cash flows over extended periods, or significant negative cash flows in the short term, could affect our ability to operate our business and implement our growth plans.**

We have experienced negative cash flows in the past. The following table sets forth our cash flows for the periods/years indicated:

*(Amount in Lakhs)*

PARTICULARS	For the period ended 30th June, 2024	For the period from 3rd July, 2023 to 31st March, 2024	For the period from 1st April, 2023 to 2nd July, 2023	For the period ended 31st March, 2023	For the period ended 31st March, 2022
Cash Generated/(Used)	(108.17)	(711.00)	14.66	44.16	(40.43)



<b>From Operating Activities</b>					
<b>Cash Generated/(Used) From Investing Activities</b>	-	(15.19)	-	-	(43.71)
<b>Cash Generated/(Used) From Financing Activities</b>	109.81	723.75	(23.68)	(34.83)	85.36

We have negative cash flow from operating activity in stub period for the period ended 30th June, 2024 and we can't assure you that we will have inflow of cash in future. For further details, see "Financial Information" on pages Error! Bookmark not defined. . We cannot assure you that our net cash flow will be positive in the future. Negative cash flows over extended periods, or significant negative cash flows in the short term, could affect our ability to operate our business and implement our growth plans.

**Reason for Negative cash flow is as follows:**

**Cash flow from operating activities**

Our Company had negative cash flows from our operating activities largely due to trade payables, Trade Receivable, increase in inventory, increase in other current assets in the current and previous years as per the Restated Financial Statements and the same are summarized as under:

*(Amount in Lakhs)*

<b>Particulars</b>	<b>For the period ended 30th June, 2024</b>	<b>For the period from 3rd July, 2023 to 31st March, 2024</b>	<b>For the period from 1st April, 2023 to 2nd July, 2023</b>	<b>For the period ended 31st March, 2023</b>	<b>For the period ended 31st March, 2022</b>
Operating profit/(loss) before working capital changes	138.96	396.62	58.59	133.91	35.76
<b>Adjustment for changes in working capital</b>					
Adjustments for (increase)/decrease in operating assets					
Inventories	38.80	-0.47	-41.95	-10.20	-18.90
Trade receivables	-949.42	-323.75	346.91	-825.61	-547.26
Other current assets	5.33	-9.89	1.61	1.87	-0.19
Short-term loans and advances	-0.10	-0.55	-	41.09	-17.30
Trade payables	655.02	-775.41	-347.73	722.88	485.02

Short-term provisions	0.23	0.36	-	-	-
Long-term provisions	-	0.66	-	-	-
Other current liabilities	3.00	1.44	-2.76	-19.77	22.44
<b>Cash generated from/ (used in) operating activities</b>	<b>-108.18</b>	<b>-710.99</b>	<b>14.67</b>	<b>44.17</b>	<b>-40.43</b>

In FY 21-22, the cash flow from operating activities was negative due to a significant increase in trade receivables. This was because expansion of business and increase in sales volume, resulting in substantially higher outstanding trade receivables for FY 21-22 compared to FY 20-21.

In FY 23-24, the cash flow from operating activities was negative due to a significant decrease in trade payables. This was because trade payables offered favourable discounts for early payments, resulting in substantially lower outstanding trade payables for FY 23-24 compared to FY 22-23.

In FY 24-25 (Q1), the cash flow from operating activities was negative due to a significant increase in trade receivables. The Company has experienced a notable expansion in its sales volume, driven by strategic initiative such as the diversification into new product lines and the expansion of its market presence through entering the new markets. The company started the manufacturing of intimate product (sanitary pads) and nutraceutical product (Energy powder), resulting in growth in revenue which is leading to the increase in working capital requirements.

#### **Cash flow from investing activities**

As the company expands its operations, it has invested amount in plant and machinery each year to support its growing needs. Consequently, due to these investments in property, plant and equipment, the company's cash flow from investing activities has been negative for FY 21-22 and FY 23-24.

#### **Cash flow from financing activities**

In FY 22-23, the cash flow from financing activities was negative, as the company repaid its existing borrowings and interest payments during the year.

#### **10. We require working capital for our smooth day-to-day operations of business and any discontinuance or our inability to acquire adequate working capital timely and on favorable terms may have an adverse effect on our operations, profitability and growth prospects.**

Our business operations are dependent on the adequate and timely availability of working capital. Over the last financial years, we have observed fluctuations in our working capital requirements due to variations in our operational scale, procurement cycles, and market conditions. Any discontinuance, delay, or inability to secure sufficient working capital, whether due to inadequate cash flows, delays in disbursement of arranged funds, or unfavorable borrowing terms, could adversely impact our ability to meet day-to-day operational needs. This, in turn, may hinder our operational efficiency, profitability, and growth prospects.

Till date, we have successfully met our working capital requirements through internal accruals and unsecured loans from directors. As we plan to expand our business operations, the demand for working capital is expected to increase correspondingly. If we fail to maintain adequate cash flow, secure necessary credit facilities, or arrange for other sources of funding in a timely and favorable manner, our financial condition and operational results may be negatively impacted.

Particulars	March 31, 2022	March 31, 2023	July 02, 2023	March 31, 2024	June 30, 2024
Net Working Capital (₹ in lakh)	66.26	130.37	155.75	1,160.67	1379.05
Trade receivables (₹ in lakh)	572.63	1,398.25	1,051.34	1,375.09	2,324.51
Trade payable (₹ in lakh)	541.18	1,264.07	916.34	140.95	795.95
Net Working Capital Days (number of days)	8	11	22	65	110
Trade Receivables Days (number of days)	143	130	153	130	150
Trade Payables Days (number of days)	151	126	140	72	46
Inventories (₹ in lakhs)	40.25	50.45	92.40	92.88	54.08
Inventory Days (number of days)	16	6	10	8	7

For more detailed information regarding our working capital requirements, please refer to the chapter titled “Objects of the Issue” beginning on page no. [●] of this Prospectus.

**12. The Indian pharmaceutical market is subject to extensive regulation and our failure to comply with the existing and future regulatory requirements in the pharmaceutical market could adversely affect our business, results of operations and financial condition.**

We are subject to laws and government regulations in India and other jurisdictions in relation to our manufacturing operations, safety, health, environmental protection and labour., our products, including the process of manufacture, storage and distribution of our products, are subject to numerous laws and government regulations in relation to quality, safety and health. For details on laws and government regulations applicable to our business, see “Key Regulations and Policies in India” on page [●].

We are required to obtain and maintain a number of statutory and regulatory permits, licenses and approvals under central, state and local government rules in India, generally for carrying out our business and for our manufacturing unit. For details of applicable regulations and material approvals relating to our business and operations, see “Key Regulations and Policies in India” and “Government and Other Approvals” on pages [●] and [●], respectively.

**13. Future success of our company depends on our ability to successfully develop new products and commercialize our products in a timely manner. Any failure to do so could adversely affect our business, results of operations and financial condition.**

Our company’s success depends on how effectively we develop and launch new products. As we expand into the manufacturing of protein powders and multivitamins, we face several risks, including challenges in product development, financial and operational constraints, and market competition. Developing high-quality products requires extensive research, testing, and regulatory approvals, and any delays in this process could impact our sales and profitability. Setting up manufacturing facilities involves significant investment in machinery, raw materials, and skilled labour, and unexpected cost increases or funding delays could affect our financial

stability. Additionally, shortages or price fluctuations of key ingredients may disrupt production. The nutraceutical industry is highly competitive, with well-established brands dominating the market, and gaining consumer trust will require strong marketing efforts and effective pricing strategies. We may invest resources in developing products that may not be successful commercially, which could have an adverse effect on our business, results of operations and financial condition.

**14. The Company is dependent on few suppliers for purchase. Loss of any of these large suppliers may affect our business operation**

Following is table showing the contribution of the suppliers in our manufacturing process

Particulars	As at June 30, 2022	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Top 1 Suppliers	58.65%	41.42%	83.78%	2.14%
Top 5 Suppliers	89.82%	92.68%	85.21%	9.10%
Top 10 Suppliers	99.10%	95.33%	86.63%	15.85%

We cannot assure that we will be able to get the same quantum and quality of supplies, or any supplies at all, and the loss of supplies from one or more of them may adversely affect our purchases and ultimately our revenue and results of operations. However, the composition and amount of purchase from these suppliers might change as we continue seek new suppliers for our business operation for better quality and price in the normal course of business. Though we believe that we will not face substantial challenges in maintaining our business relationship with them or finding new suppliers, there can be no assurance that we will be able to maintain long term relationships with such suppliers or find new suppliers in time.

**15. The demand for energy powder is seasonal, Sales are minimal during the rainy and winter seasons, which could impact revenue of company.**

The sale of energy powder is seasonal, with demand primarily occurring between April and July. During the rainy and winter seasons, there is minimal sales activity.

The demand for energy powder is highest during the summer months, from April to July. This is because people need more energy and hydration due to the hot weather. However, during the rainy and winter seasons, there is minimal sales activity as people consume less energy powder in cooler temperatures. This seasonal fluctuation in demand could impact revenue stability and overall business performance.

**16. The group Company is engaged in same line of business and there can be conflict of interests of Company.**

Medistep Healthcare Limited has a group company, Medistep Pharmaceuticals Private Limited, which operates in the same line of business. As both companies are engaged in similar operations, there is a potential for conflicts of interest to arise between them. Such conflicts could occur in areas like business decisions, resource allocation, and market strategies, which may not always align with the best interests of Medistep Healthcare Limited. This could impact our business operations and financial performance.

**17. Under-Utilization of Our Manufacturing Facility May Adversely Affect Our Business, Profitability, and Growth of the Company.**

Our manufacturing facility is not operating at full capacity, which could affect our business and profitability. The lower usage of our Sanitary Pad (DryStep) and Energy Powder (VitaStep Z 105 GMS Powder) machines increases production costs and delays returns on our investment. Since the demand for Energy Powder is seasonal, production remains low for part of the year, leading to inefficiencies. This may also make us less

competitive compared to companies that use their machines more efficiently. Additionally, low production can lead to inventory issues—either not having enough stock when demand is high or having extra stock that increases storage costs. While we haven't faced major problems due to this in the past three financial years and the three months ending June 30, 2024, continued low usage of our machinery could impact our growth and profitability. To reduce these risks, we plan to boost demand through better marketing, expand our product range, explore contract manufacturing, and improve production planning to use our machines more efficiently.

**23. We rely on daily labour for manufacturing sanitary pads and energy powder, which exposes us to risks such as irregular attendance, fluctuating manpower, and inconsistent skill levels. These factors, may lead to increased costs, operational delays, and adverse effects on our financial performance.**

For the Manufacturing of Sanitary Pad and Energy Powder we depend on daily labour which exposes us to various risk such as workers may not show up regularly, and the number of available workers may fluctuate. workers may not available when needed, resulting in delays or a shortage of manpower. Our daily labours may have inconsistent skill level and we may have disputes with our labour. Our daily labour can jeopardize us we have to maintain liquidity to pay workers even when revenues are low, further our labour cost can fluctuate as we don't have any binding agreement with such workers. We are exposed to injuries and accidents as these workers are not technically sound to use our machinery. Further we don't have any insurance policy to mitigate the risk. If such instances happen in future, it will impact will increase our cash outflow from operations, increase our manufacturing cost and decrease our profit after tax. However, we confirm that, to date, there have been no past occurrences where such risks have resulted in any financial loss to the company.

**25. Our Company has file certain forms with delayed fees and company cannot assure that no proceedings or regulatory actions will be initiated against it in relation to the non-filing and delayed filing.**

Our company has filed certain forms with delayed fees with ROC. Although, no show cause notice in respect of the above has been received by the Company till date, any penalty imposed for such non-compliance in future by any regulatory authority could affect our financial conditions to that extent.

We would like to inform you that these are the certain forms with the company has filed with delayed fees with ROC: -

Sr No	Particulars	Form	Financial Year	Delay (in days)
1	First Auditor appointment	ADT 1	2023-24	432
2	CFO resignation and appointment	DIR 12	2023-24	146
3	MD appointment	MR 1	2023-24	124
4	MD appointment	MGT 14	2023-24	150
5	Increase in Authorised Capital	MGT 14	2023-24	68
6	Increase in Authorised Capital	SH 7	2023-24	71
7	Change in Designation - Prajapati Hetalben Girdharilal	DIR 12	2024-25	153
8	Increase in Authorised Capital	SH 7	2024-25	14
9	Reconciliation of Share Capital	PAS 6	2024-25	03
10	Approval of accounts	MGT 14	2024-25	43
11	Auditor appointment in AGM FY 2024-25 to FY 2028-29	ADT 1	2024-25	6

Further, the company confirm that it shall comply with all the action initiated by the regulatory authority.

**34. There is no monitoring agency appointed by Our Company and the deployment of funds are at the discretion of our Management and our Board of Directors, though it shall be monitored by our Audit Committee.**

The issue proceeds are entirely at the discretion of the issuer/management. As per SEBI (ICDR) Regulations, 2018, appointment of monitoring agency is required only if Issue size exceeds ₹ 10,000 Lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, as per the Section 177 of the companies Act, 2013, the Audit Committee of our Company would be monitoring the utilization of the Issue Proceeds. Further, in the event of any material deviations in the utilization of Issue proceeds, Company shall promptly inform the stock exchange and simultaneously make public any material deviations or adverse comments issued by the Audit Committee.

**Dependency on particular state for procurement of raw materials could adversely affect our business, results of operations, financial condition.**

Our company primarily procures raw materials from Gujarat. Any disruption in the supply chain from this state could impact our manufacturing process and overall business operations. Factors such as changes in state regulations, political or economic instability, natural disasters, transportation delays, or supplier-related issues in Gujarat may lead to difficulties in sourcing raw materials on time or at competitive prices.

If we are unable to secure alternative suppliers from other regions in a timely manner, our production schedules and profitability could be affected. Additionally, any adverse developments in Gujarat, such as labour shortages, strikes, or infrastructure challenges, may further impact our ability to procure essential raw materials.

While we are considering on diversify our supplier base and reduce dependency on Gujarat, there is no certainty that such efforts will be successful or will not lead to increased procurement costs. Any prolonged disruption in the supply of raw materials from Gujarat could have a significant impact on our business operations and financial performance and no such disruptions or adverse events occurred during the last financial year that impacted our raw material procurement from Gujarat.

## SECTION IV – INTRODUCTION TO THE ISSUE

### GENERAL INFORMATION

#### UNDERWRITING AGREEMENT

Our Company and LM to the issue hereby confirm that the Issue is 100% Underwritten. The Underwriting agreement is dated [•]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Name, Address, Telephone, Fax, and Email of the Underwriter	Indicative No. of Equity Shares to be Underwritten	Amount Underwritten (Rs. In Lakh)	% of the Total Issue Size Underwritten
[•]	[•]	[•]	[•]

In terms of Regulation 260(1) of the SEBI ICDR Regulations, the initial public offer shall be underwritten for hundred per cent (100%) of the Issue and shall not be restricted up to the minimum subscription level. As per

Regulation 260(2) of SEBI ICDR Regulations, the Lead Manager has agreed to underwrite to a minimum extent of 15% of the Issue out of its own account.

In the opinion of our Board of Directors of the Company, the resources of the abovementioned Underwriter is sufficient to enable them to discharge the underwriting obligations in full. The above-mentioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges.

*Note: - Company shall enter into the underwriting agreement prior to filing of the Prospectus and shall disclose the details of the same in Prospectus of the Company.*

## CAPITAL STRUCTURE

12. Following are the details of the holding of securities of persons belonging to the category “Promoter and Promoter Group” after the Issue:

Sr. No.	Name of the Shareholders	Pre-Issue		Post – Issue	
		Number of Equity Shares of face value of ₹ 10 each	% of Pre-Issue Equity Share Capital	Number of Equity Shares of face value of ₹ 10 each	% of Post-Issue Equity Share Capital
Promoters					
1.	Girdhari Lal Prajapat	14,11,800	13.49%	14,11,800	9.94%
2.	Dabhi Vipul Gobarbhai	12,69,880	12.13%	12,69,880	8.94%
3.	Prajapati Hetalben Girdharilal	71,16,400	68.00%	71,16,400	50.08%
4.	Jagdish Prajapati	Nil	0.00%	Nil	0.00%
Promoter Group					
5.	Dabhi dharmishtaben V	200	0.002%	200	0.001%
Total		97,98,280	93.62%	97,98,280	68.96%

### 14. Promoters’ Contribution and other Lock-In details:

Pursuant to Regulation 236 and 238 of the SEBI (ICDR) Regulations, an aggregate of 20.00% of the fully diluted post-Issue capital of our Company held by the Promoter shall be locked in for a period of three years from the date of Allotment (“**Minimum Promoters’ Contribution**”), and promoters’ holding in excess of minimum promoters’ contribution shall be locked-in as follows:

(i) fifty percent. of promoters holding in excess of minimum promoters’ contribution shall be locked in for a period of two years from the date of allotment in the initial public offer; and

(ii) remaining fifty percent. of promoters’ holding in excess of minimum promoters’ contribution shall be locked in for a period of one year from the date of allotment in the initial public offer.

The lock-in of the Minimum Promoter’s Contribution would be created as per applicable laws and procedures and details of the same shall also be provided to the Stock exchange before the listing of the Equity Shares.

Following are the details of Minimum Promoters’ Contribution:



Number of Equity Shares locked-in <sup>*(1)(2)(3)</sup>	Nature of Allotment / Transfer	Date of Allotment and Date when made fully paid-up	Face value (in ₹)	Issue / Acquisition Price per Equity Share (in ₹)	Nature of consideration (cash / other than cash)	% of fully diluted post-Issue paid-up capital	Period of lock-in
<b><i>Girdharilal Prajapat</i></b>							
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
<b>TOTAL</b>	[•]					[•]	
<b><i>Dabhi Vipul Gobarbhai</i></b>							
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
<b>TOTAL</b>	[•]					[•]	
<b><i>Prajapati Hetalben Girdharilal</i></b>							
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
<b>TOTAL</b>	[•]						
<b><i>Jagdish Prajapati</i></b>							
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
<b>TOTAL</b>	[•]						

\* Subject to finalisation of Basis of Allotment.

(1) For a period of three years from the date of allotment.

(2) All Equity Shares have been fully paid-up at the time of allotment.

(3) All Equity Shares held by our Promoter are in dematerialized form.

For details on the build-up of the Equity Share capital held by our Promoter, see “Shareholding of our Promoters” on page 72.

The Promoters’ Contribution has been brought to the extent of not less than the specified minimum lot and from persons defined as ‘promoter’ under the SEBI (ICDR) Regulations.

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoters’ Contribution under Regulation 237 of the SEBI (ICDR) Regulations. In this computation, as per Regulation 237 of the SEBI (ICDR) Regulations, our Company confirms that the Equity Shares which are being locked-in do not, and shall not, consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalization of intangible assets
- Equity Shares resulting from bonus issue by utilization of revaluations reserves or unrealized profits of the Company or from bonus issue against Equity Shares which are otherwise ineligible for minimum promoters’ contribution;
- Equity Shares acquired during the preceding one year, at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;
- Equity Shares issued to the Promoter upon conversion of a partnership firm;
- Equity Shares held by the Promoter that are subject to any pledge; and

We further confirm that our Promoters Contribution of 20% of the Post Issue Equity does not include any contribution from Alternative Investment Funds or FVCI or Scheduled Commercial Banks or Public Financial Institutions or Insurance Companies.

Our Company has not been formed by the conversion of a partnership firm into a company in the past one year and thus, no Equity Shares have been issued to our Promoter upon conversion of a partnership firm in the past one year.



On July 02, 2023, Medistep Healthcare Limited acquired the entire operational business of M/s MG Pharma including its Asset and Liabilities as a going concern. The proprietorship was solely owned by the promoter, Ms. Prajapati Hetalben Girdharilal.

All the Equity Shares held by the Promoter and the members of the Promoter Group are held in dematerialized form.

In terms of undertaking executed by our Promoter, Equity Shares forming part of Promoters' Contribution subject to lock in will not be disposed/ sold/ transferred by our Promoter during the period starting from the date of filing of this Draft Prospectus till the date of commencement of lock in period as stated in this Draft Prospectus.

Other than the Equity Shares locked-in as Promoters' Contribution for a period of three years as stated in the table above, the entire pre-Issue capital of our Company, including the excess of minimum Promoters' Contribution, as per Regulation 238 of the SEBI (ICDR) Regulations, shall be locked in for a period of one year from the date of Allotment of Equity Shares in the Issue. Such lock – in of the Equity Shares would be created as per the bye laws of the Depositories.

#### **Inscription or recording of non-transferability**

In terms of Regulation 241 of the SEBI ICDR Regulations, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription “Non-Transferable” and specify the lock – in period and in case such equity shares are dematerialized, the Company shall ensure that the lock - in is recorded by the Depository.

#### **Other requirements in respect of ‘lock-in’**

In terms of Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoter prior to the Issue may be Transfer to any other person holding the Equity Shares which are locked-in as per Regulation 239 of the SEBI (ICDR) Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code as applicable.

In terms of Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by our Promoter which are locked in as per the provisions of Regulation 238 of the SEBI (ICDR) Regulations, may be Transfer to and amongst Promoter / members of the Promoter Group or to a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of Takeover Code, as applicable.

In terms of Regulation 242(a) of the SEBI (ICDR) Regulations, the locked-in Equity Shares held by our Promoter can be pledged only with any scheduled commercial banks or public financial institutions or a systemically important non-banking finance company or a housing finance company as collateral security for loans granted by such banks or financial institutions, provided that such loans have been granted for the purpose of financing one or more of the objects of the Issue and pledge of the Equity Shares is a term of sanction of such loans.

In terms of Regulation 242(b) of the SEBI ICDR Regulations, the Equity Shares held by the Promoter which are locked-in for a period of one year from the date of allotment may be pledged only with scheduled commercial banks, public financial institutions, systemically important non-banking finance companies or housing finance companies as collateral security for loans granted by such entities, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans.

## OBJECT OF THE OFFER

### SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF NET PROCEEDS

Our company proposes to deploy Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(Amount in Rs. Lakhs)

S. No	Particulars	Amount proposed to be funded from the Net Proceeds	Estimated deployment in
			FY 2025-26
1.	Funding of capital expenditure towards purchase of plant and machineries for expansion at the existing manufacturing facility	50.75	50.75
2.	Working Capital requirements	1234.17	1234.17
3.	General Corporate Purpose <sup>(1)(2)</sup>	[●]	[●]
	Total	[●]	[●]

<sup>(1)</sup> To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.

<sup>(2)</sup> The amount to be utilized for the general corporate purpose shall not exceed 15% of the Net Proceeds.

### Details of Utilization of Issue Proceeds

#### 1. FUNDING OF CAPITAL EXPENDITURE TOWARDS PURCHASE OF PLANT AND MACHINERIES FOR EXPANSION AT THE EXISTING MANUFACTURING FACILITY FOR MANUFACTURING OF PROTEIN POWDER AND MULTIVITAMIN TABLETS

As a part of our strategy to enhance market position with focus on additional capacity for manufacturing of protein powder and multivitamin tablets along with existing manufacturing of sanitary pad and energy powder, we intend to utilize up to Rs. 50.75 Lakhs towards purchase of machinery and construction of shed at our existing manufacturing facility located in, Gujarat in order to widen the range of products manufactured and capture market share.

The company has already obtained the requisite license, i.e., the Food Safety and Standards Authority of India (FSSAI) License, Form C, issued on December 27, 2023, and renewed on December 24, 2024, by the Central Licensing Authority. This license is required for the manufacturing of the proposed products, i.e., protein powder and multivitamin tablets.

Our Company proposes to acquire plant and machineries at an estimated cost of ₹ 33.75 Lakhs and estimated cost for construction of shed of ₹ 17 Lakhs. Our Company has identified the type of plant and machinery to be purchased for the manufacturing unit and obtained quotations from vendors but we are yet to place order for 100% of the machinery. The Company has obtained quotations from two vendors, both of which are priced similarly, with only a minimal difference between them. Therefore, we confirm that the quotations received from the vendors are at arm's length pricing.

The detailed list of plant & machinery and electrical to be acquired by our Company is provided below:

Machine/System	Description/ Technical Specification	Quantity	Cost per unit (In ₹) (In lakhs)	Total Cost Including GST	Name of Vendor	Date of Quotation	Validity
Rapid Mixer Granulator	For uniform mixing and granulation process	1	6.40 Lakh	7.55 Lakh	Venus Machinery	23-11-2024	180 days
Fluid Bed Dryer	Use to dry powder of granules of granulation	1	8.15 Lakh	9.62 Lakh	Venus Machinery	23-11-2024	180 days
Conventional Coating	Use for applying a thin layer of material (coating) to coat tablets	1	3.45 Lakh	4.07 Lakh	Venus Machinery	23-11-2024	180 days
Multi Mill	Used for reducing particle size, grinding, and mixing ingredients to achieve the desired consistency and uniformity.	1	1.35 Lakh	1.59 Lakh	Venus Machinery	23-11-2024	180 days
Semiautomatic Blister Packing Machine	packaging equipment used to package products in blister packs	1	4.80 Lakh	5.66 Lakh	Venus Machinery	23-11-2024	180 days
Strip packing machine	are widely used to package tablets and capsules in strip packs	1	5.80 Lakh	6.84 Lakh	Venus Machinery	23-11-2024	180 days

Octagonal Blender	used primarily for blending and mixing dry powders, granules	1	2.25 Lakh	2.66 Lakh	Venus Machinery	23-11-2024	180 days
Strapping Machine	It commonly used to secure cartons, boxes, or pallets for shipment.	1	0.35 Lakh	0.41 Lakh	TJB Industries	25-12-2024	3 months
Single Head Inject Print (Printing machine)	used for direct printing on a variety of surfaces, including products, packaging, and materials. (print text, barcodes, QR codes, logos, expiration dates, and other variable information in real-time during the production or packaging process).	1	1.20 Lakh	1.42 Lakh	TJB Industries	25-12-2024	3 months
Building Shed		1	17.00 Lakh		Neelkanth Group		

In relation to the purchase of machinery as set out above, we have not entered into any definitive agreements with vendors and there can be no assurance that the same vendors would be engaged to eventually supply the machinery or at the same costs. The quantity of machinery to be purchased will be based on management estimates and our business requirements. Our Company shall have the flexibility to deploy such machinery according to the business requirements of our Company and based on estimates of our management, subject to compliance with applicable laws. Any variation in the utilization of the issue proceeds shall also be in accordance with applicable laws.

The list of machinery items provided is based on the current estimates & there can be variations in the cost at the actual ordering of the machines. Apart from this there can be variations in the nature of machines depending upon the business requirements at the time actual procurement. As a result, the list of machines may undergo change. Hence there can addition of new machines or deletion from existing list.

No second-hand or used machinery is proposed to be purchased out of the Net Proceeds. Each of the units of machinery mentioned above is proposed to be acquired in a ready-to-use condition, post installation and commissioning requirement. Further, the Promoters, Directors, Key Managerial Personnel and the Group Company do not have any interest in the proposed acquisition of the machinery or in the entity from which we have obtained quotations in relation to such proposed acquisition of the machinery and our Company has confirmed that such entities do not form part of our Promoter Group or Group Company.

### Estimated Capacity utilisation of Post installation of Machinery

Company will install new machinery for new products and expecting 100% capacity utilisation after installation of new machinery.

### Means of finance for purchase of equipment, plant and machinery

The fund requirements for purchase of equipment, plant and machinery for our manufacturing facilities at Bareja, Kheda, Gujarat are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance under Regulation 230(1)(e) the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue or through existing identifiable internal accruals.

## 2. Working Capital Requirement

The details of the company's working capital as at March 31 2022, March 31 2023, July 02, 2023, March 31, 2024, June 30, 2024 and the source of funding, derived from the Restated Financial Statements

(Amount in Lakhs)

Statement of Working Capital Requirements							
	31-Mar-22	31-Mar-23	02-Jul-23	31-Mar-24	30-Jun-24	31-Mar-25	31-Mar-26
	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Estimated)	(Estimated)
<b>Current Assets</b>							
Inventories	40.25	50.45	92.40	92.88	54.08	188.59	528.05
Current Investments	-	-	-	-	-	-	-
Trade Receivables	572.63	1,398.25	1,051.34	1,375.09	2,324.51	1,976.21	2,711.05
Short-Term Loans and Advances	41.09	-	-	0.55	0.65	1.00	1.00
Other Current Assets	3.47	1.61	-	9.89	4.56	8.40	479.29
<b>Total (A)</b>	<b>657.44</b>	<b>1,450.31</b>	<b>1,143.74</b>	<b>1,478.41</b>	<b>2,383.80</b>	<b>2,174.20</b>	<b>3,719.39</b>
<b>Current Liabilities</b>							
Short-Term Borrowings	23.43	27.11	22.71	25.38	21.38	0.69	-
Trade Payables	541.18	1,264.07	916.34	140.95	795.95	377.18	352.03

Other Current Liabilities	23.24	3.47	0.69	2.13	5.16	1.00	1.50
Short-Term Provisions	6.43	37.72	51.66	150.23	184.87	135.53	233.50
<b>Total (B)</b>	<b>594.28</b>	<b>1,332.37</b>	<b>991.40</b>	<b>318.70</b>	<b>1,007.36</b>	<b>514.40</b>	<b>587.03</b>
<b>Net Working Capital Gap (A-B)</b>	<b>63.16</b>	<b>117.94</b>	<b>152.34</b>	<b>1,159.70</b>	<b>1,376.44</b>	<b>1,659.79</b>	<b>3,132.36</b>
<b>Funding Pattern</b>							
<b>Proceeds from IPO</b>						-	1,234.17
<b>Internal Accruals/Net Worth</b>	<b>63.16</b>	<b>117.94</b>	<b>152.34</b>	<b>1,159.70</b>	<b>1,376.44</b>	<b>1,659.79</b>	<b>1,898.19</b>

As on June 30, 2024, company has Rs. 324.66 Lakh in its reserves which will increase by the end of FY 2024-25 due to profit earned during the year.

(Amount in Lakhs)

**Note:**

Particulars	March 31, 2022	March 31, 2023	July 02, 2023	March 31, 2024	June 30, 2024	March 31, 2025	March 31, 2026
Inventory	40.25	50.45	92.40	92.88	54.08	188.59	528.05
Trade Receivables	572.63	1,398.25	1,051.34	1,375.09	2,324.51	1,976.21	2,711.05
Trade Payable	541.18	1,264.07	916.34	140.95	795.95	377.18	352.03
Net Working Capital	<b>66.26</b>	<b>130.37</b>	<b>155.75</b>	<b>1,160.67</b>	<b>1,379.05</b>	<b>1,661.94</b>	<b>3,164.80</b>
% of Inventory / Revenue from operations*	5.28%	1.82%	3.10%	2.38%	1.20%	[●]	[●]
% of Trade receivables/ Revenue from operations*	75.10%	50.58%	35.25%	35.19%	51.65%	[●]	[●]
% of Trade Payable / Revenue from operations*	70.98%	45.72%	30.72%	3.61%	17.69%	[●]	[●]

1. 365 days has been considered in a year
2. Holding period level (in days) of Trade Receivables is calculated by dividing average trade receivables by revenue from operations multiplied by number of days in a year.
3. Holding period level (in days) of Trade payables is calculated by dividing average trade payables by purchases multiplied by number of days in a year.
4. Holding period level (in days) of inventories is calculated by dividing average inventories by cost of goods sold multiplied by number of days in a year.

\*% has been annualised for the period ended 2 July 2023, 31 March 2024 and 30 June 2024.

*(In Days)*

Particulars	31-Mar-22	31-Mar-23	02-Jul-23	31-Mar-24*	30-Jun-24	31-Mar-25	31-Mar-26
	(Restated)	(Restated)	(Restated)	(Restated)*	(Restated)	(Estimated)	(Estimated)
No. of Days for Trade Payables	151	126	140	72	46	20	20
No. of Days for Trade Receivables	143	130	153	130	150	116	116
No. of Days for Inventory Days	16	6	10	8	7	11	20
Working capital cycle days	8	11	22	65	110	107	116

\*It is calculated for the full FY.

### Basis of Estimation

The Company is primarily engaged in the business of manufacturing Sanitary pads, Energy powder and trading a diverse range of pharmaceutical products. The Company's business is highly working capital intensive and it funds a majority of its working capital requirement through internal accruals. The major working capital are required for monthly payment of material purchased, selling, general, administration and other variable overheads etc. and Trade Receivable as the money gets blocked in them due to more credit period offer to them for increase in Business. In FY 2023-24, the incremental working capital requirement on restated basis was ₹ 1,041.76 Lakhs and the same was sourced from business operations and unsecured loan taken from Directors/relatives which was converted into share capital during FY 23-24. As per the management's estimation, the incremental working capital requirement for FY 2024-25 is expected to be ₹ 500.09 Lakhs which will be financed through internal accruals, incremental working capital requirement for FY 2025-26 is expected to be ₹ 1,472.57 Lakhs which will be financed through internal accruals of ₹ 238.4 lakhs and proceeds from an IPO amounting to ₹ 1234.17 lakhs.

Company working capital requirement is increased from FY 2021-22 onwards because company started offering more credit period to its customer to increase profit margin that is increased from 2.49% in FY 21-22 to 9.08% in the stub period ended June 30, 2024 and trade payable days is decreased from 2021-22 onwards on year-to-year basis because company will get raw material on discounted price.

As the company's operations and scale are expected to grow steadily, this will likely result in increased revenue from core business activities. Consequently, a larger proportion of funds will be allocated to trade receivables and inventories, further increasing working capital needs in the coming years.

### Justification:

<b>Trade Payable Days</b>	Trade payables refer to the amounts a company owes to its suppliers for goods or services received on credit, representing trade payables.
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They typically arise from routine business activities, such as purchasing raw materials, inventory and other services, with the agreement to pay later.

Past trend of trade payable has been between the ranges of 46 to 151 days in the last financial years/ stub period. However, the company intends to reduce trade payable in the range of 20 days which is in line with the holding period for financial year 2024-25 and has been projected within the range of 18- 20.

As of the end of the FY 2023-24, the company's trade payables have consistently decreased compared to FY 2022-23. A significant factor in the decrease of trade payables was the payment made to creditors out of short-term borrowing, which was converted into share capital.

As company has acquired sole proprietor during FY 2023-24, before this sole proprietor usually delayed the payments for trade payables to facilitate better liquidity and facilitate revenue from operations. As trade receivables were realized between 130-155 days during that time. This made early payments to trade payables difficult.

The company expects to settle its trade payables within a limited timeframe due to better liquidity of the company. It anticipates cash discounts on timely payments. This is expected to lead to a decline in trade payables in FY 2024-25 and 2025-26.

The company's top supplier offers cash discounts to encourage early payments, which directly impacts the company's strategy to reduce trade payable days and improve profitability. The applicable discount structure is summarized below:

<b>Payment Timeline</b>	<b>Discount on Invoice Value (%)</b>
At the time of delivery	3%
Within 15 days	2%
Within 30 days	1.5%
Within 45 days	1%

By making payments at the time of delivery or within 15 days, the company can achieve significant cost savings of 3% or 2% on the invoice value, thereby enhancing margins. The transition from a sole proprietorship to a corporate structure has enabled the company to negotiate better terms with suppliers and avail higher cash discounts, improving overall cost efficiency. This shift is supported by improved cash flow resulting from better receivables collection, with trade receivable holding days expected to decrease to 116 days in FY 25 and FY 26 compared to 130–153 days in previous years. Additionally, the company's financial position has strengthened with increased internal accruals and anticipated funds from the upcoming IPO,



	<p>reducing the need for extended credit periods. This overall strategy reflects the company's broader effort to optimize working capital and strengthen supplier relationships.</p>
<b>Trade Receivable Days</b>	<p>Trade receivable consist of debt owned by debtors mainly distributors. Trade receivables holding period have been reduced from 143 days in financial year 2021-22 to 130 days in FY 2023-24.</p> <p>In FY 2023-24, our trade receivables remained at normal levels. However, during the stub period ending 30 June 2024, there was a noticeable increase in trade receivables compared to previous years. This increase is primarily due to the company starting manufacturing in the last quarter of FY 2023-24. During the initial period of manufacturing, the company extended a longer credit period to its customers, resulting in a higher trade receivable holding period of 150 days. This was also accompanied by an 15.18% growth in annualized Revenue from Operations compared to FY 2023-24.</p> <p>The company expect better recovery of accruals in financial year 2025 and 2026 thus, Trade receivable is in line with the holding period for financial year 2024-25 and 2025-26 has been projected within range of 116 days.</p> <p>Total trade receivables are expected to increase in line with business volumes and projected business activity in the financial year 2024-25 and 2025-26.</p>
<b>Inventory</b>	<p>Inventory refers to the raw materials, stock in trade, and finished goods that a company holds for trading and production purposes. Between the FY 2022-23 and stub period 30 June 2024, the Company has maintained inventory holding period within the range 6 to 10 days. To ensure smooth operations, the company must maintain a minimum level of inventory.</p> <p>The Company has estimated inventory holding period for financial year 2024-25 in line with the holding period for financial year 2023-24 and holding period of 20 days projected for FY 2025-26. FY 2025-26 is the 1<sup>st</sup> full financial year, in which company is engaged in manufacturing. This indicates that inventory of finished goods and work in progress is increased along with stock in trade. Resulting in increase in inventory days.</p> <p><b>Reasons of Increase in Inventory Level:</b></p> <p><b>Expansion of Manufacturing Operations → Higher Stock Levels</b></p> <p>Since the company is increasing its manufacturing activities, the stock of raw materials and finished goods is expected to rise.</p> <p><b>The inventory holding period is projected:</b></p> <p><b>FY 2023-24:</b> Based on historical holding period of 8 days.</p> <p><b>FY 2024-25:</b> Estimated 11 days due to manufacturing being</p>

	<p>conducted throughout the year.</p> <p><b>FY 2025-26:</b> Targeted at 20 days, due to addition of new product line in FY 2025-26. The company's product expansion strategy includes launching protein powder. This requires higher raw material inventory and finished goods storage, impacting overall stock levels.</p> <p>• <b>Strategic Stocking for Supply Chain and Price Stability</b></p> <p>By holding additional stock, the company aims to mitigate risks related to supply chain disruptions and shield itself from price fluctuations in raw materials.</p>
<b>Other Current Liabilities</b>	The category of "Other current liabilities" primarily includes items such as payable for employee benefits, payables for statutory and other authorities, advance from customers, and other similar obligations, other current liabilities have been maintained in line with the increase of projected business income/ expenses for the forthcoming years.
<b>Short term Borrowings</b>	Short term borrowing comprises current maturity of long term borrowing. Short term Borrowings was decreased in FY 2024-25 as compared to stub period due to repayment of borrowings, as company anticipated to decrease its finance cost.
<b>Short term provisions</b>	Short term provisions primarily include provision for Gratuity and provision for taxation. Short term provisions have been maintained in line with the increase of projected business income/expenses for the forthcoming years.
<b>Short-term Loans and Advances</b>	Short term loan and advances include security deposit.
<b>Other Current Assets</b>	Other current assets include, advance to supplier and balance with govt. authorities including advance taxes. Entity has projected to pay advance tax approximate 95% of its tax liability in the same financial year. Increase in the estimated payment of advance tax and advance payment to suppliers with the anticipated growth in business volume and projected business activity in financial year 2024-25 and 2025-26.
<b>Working Capital Cycle</b>	<p>Working Capital Cycle in the FY 2021-22, 2022-23, 2023-24 and for the period ended June 30, 2024 was 8, 11, 65, 110 days respectively. And now we are estimating working capital cycle to be 107 and 116 days in year 2024-25 and 2025-26.</p> <p>Justification for such an increase are as follows:</p> <ol style="list-style-type: none"> <li>Company will reduce trade payables in the FY 2024-25 and maintain same level in FY 25-26 for increasing its profit margin by taking early payment discount.</li> <li>Inventory days are expected to increase and that will impact working capital cycles. Inventory will increase in FY 25-26 as company will expand its manufacturing facility as compared to previous financial years.</li> </ol> <p>In the financial year 2023-24, company had high level of Trade Payable and low Inventory days and due to that working capital cycle was low in days. Whereas, now company is expecting to reduce Trade</p>

	payables days and on the other hand inventory days will increase, hence increased working capital cycle in FY2025-26 as compared to previous years.
<b>Net Working Capital</b>	<p>Net working capital is the difference between a company's current assets and current liabilities, representing the funds available for day-to-day operations. It is a crucial indicator of a business's short-term financial health and liquidity. One significant factor influencing working capital requirements is the size and scale of the business, as increased sales volume directly impacts these needs. Net Working Capital is slightly increase as per the revenue, however it is high in FY 25-26 mainly due to the IPO fund received which will be utilize in the same year.</p> <p>For FY 2025-26, the company projects incremental working capital requirement of Rs. 1,472.86 lacs, which will be financed through internal accruals of ₹ 228.39 lakhs and proceeds from an IPO amounting to Rs. 1234.17 lacs.</p> <p>The Company will estimate Cash Profit of around ₹ 7.00 crores in FY 2025-26 crores, the same can be utilized to meet the required gap of internal Accruals of Rs. 2.28 crores.</p>

#### Reason for Increase in Working Capital:

The reason for increase in working capital requirements on a year-on-year basis for the last three financial years and stub period ended June 30, 2024 is as follow:

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	Period Ending June 2024
<b>Current Assets</b>	657.44	1,450.31	1,478.41	2,383.8
<b>Current Liabilities</b>	594.28	1,332.37	318.70	1,007.36
<b>Net Working Capital Gap</b>	63.16	117.94	1159.7	1376.44
<b>Increase percentage</b>	-	86.73%	883.30%	18.69%
<b>Revenue from Operations</b>	762.44	2,764.68	3,907.19	1,125.07
<b>% of Working capital/revenue from operations</b>	8.28%	4.27%	29.68%	-

#### Year-on-year basis increase in the working capital requirements:

##### Increase in FY 2021-22 to FY 2022-23

- Increase in trade Receivables:** As trade receivables increased from ₹572.63 lakhs in FY 2021-22 to ₹1,398.25 lakhs to FY 2022-23 making an increase of 144.18%. This growth was primarily due to a large order from Kavyadi Medical Store for surgical products and equipment, which boosted the company's revenue from operations.

2. **Trade Payable Days:** As Trade payable days were decreased from 151 days in FY 2021-22 to 126 days in FY 2022-23. This was due to increased demand for purchase of stock in trade driven by high orders received during the year.

**Conclusion:** While both trade receivables and trade payables increased, the growth in trade receivables outpaced that of trade payables, resulting in a higher demand for working capital to bridge the gap between receivables and payables.

#### **Increase in FY 2022-23 to FY 2023-24**

1. **Decrease in Trade Payables:** Company saw a major decline in its trade payables from ₹1,264.07 lakhs in FY 2022-23 to ₹140.95 lakhs in FY 2023-24 due to following two reasons:

**a. Borrowings utilised:** Significant factor in decrease in trade payables was that the company made payment to its creditors on timely basis from the short-term borrowings which was taken from related parties and was later converted to equity capital.

**b. Acquisition of sole proprietor to Company:** The incorporation of the company on June 5, 2023, and the acquisition of the sole proprietorship on July 2, 2023, through a Business Transfer Agreement, brought significant operational changes. Under the sole proprietorship, payments to creditors were often delayed to maintain liquidity. However, post-acquisition, the company adopted a more structured financial approach, ensuring timely payments to creditors. This shift not only improved supplier relationships but also strengthened the company's financial discipline, allowing for better negotiations and cost efficiencies.

**Conclusion:** The shift to timely creditor payments and the use of borrowings reflects a more disciplined and stable operational structure following the transition from a sole proprietorship to a corporate entity.

#### **Increase in FY 2023-24 to 30th June, 2024**

1. **Strategic Expansion to Manufacturing:** During the initial phase of manufacturing, company extended a longer credit period to its customers, resulting in receivable period of 150 days.
2. **Lower Payable days:** To avail the company is availing early payment discounts to improve profitability.

#### **Rationale for Increase in Projected working Capital:**

**The rationale for increase in projected working capital requirements of the Company for FY25 and FY26 is as follow:**

(Amount in Lakhs)

Particulars	FY 2023-24	FY 2024-25	FY 2025-26
Current Assets	1,478.41	2,174.20	3,719.39
Current Liabilities	318.70	514.40	587.03
Net Working Capital Gap	<b>1159.7</b>	<b>1659.8</b>	<b>3132.36</b>
Increase percentage	-	<b>43.12%</b>	<b>88.72%</b>

- 1) Projected working capital is the difference between a company's current assets and current liabilities, representing the funds available for day-to-day operations. One significant factor influencing working

capital requirements is the size and scale of the business, as increased sales volume directly impacts these needs.

- 2) The company is projecting growth in terms of revenue over the years. The company showed growth in revenue from 2021-22 to 2023-24 with a 126% compounded annual growth rate (CAGR). This increase in turnover necessitated additional cash flow for purchasing stock and timely payment of trade payables, ensuring smooth operations and minimizing disruptions in supply chain management. Furthermore, as the business expanded, a larger amount of funds became tied up in trade receivables, leading to a substantial rise in working capital requirements, especially by the end of FY 2023-24.
- 3) Company will reduce trade payables in the FY 2024-25 and maintain same level in FY 25-26 for increasing its profit margin by taking early payment discount, resulting increase in working capital requirements.

## SECTION V – ABOUT THE COMPANY

### OUR BUSINESS

#### UTILITIES AND INFRASTRUCTURE FACILITIES

The company operates a single manufacturing unit located at Survey No. 298, Near Radio Station, Bidaj Gam, Bareja, Kheda, Gujarat - 387 120. The manufacturing facility is situated in Bidaj, a village in Kheda Taluka within the Kheda District of Gujarat. Our manufacturing unit are well equipped with computer systems, internet connectivity, other communication equipment, security and other facilities, which are required for our business operations to function smoothly.

#### RESEARCH AND DEVELOPMENT

The company is not engaged in research and development activities for the manufacturing of protein powders and multivitamins, as these products follow standard formulations and established production processes. Company manufacturing operations are based on industry-approved methods that do not require specialized research or unique formulations.

To assess market demand, sales executives of Company gathered verbal feedback from retail pharmacies, medical practitioners, and multi-specialty hospitals, including gynaecology and diabetic departments, and the overall consumption of nutraceutical products is gradually increasing. Also, the company has personally met with the distributors/stockist and received strong response that after covid pandemic, customers focus increases toward health supplement (immunity booster).

Since our manufacturing follows standard formulations and well-defined procedures, no additional research and development efforts are required.

The company is going to sell the multivitamin tablets under its own brand name and also have a planning to manufacture for the third party.

#### REVENUE BIFURCATION WITH CATEGORY WISE

The revenue bifurcation based on retail pharmacies, medical practitioners, and other healthcare facilities for the last three financial years and the stub period is as follows:

Financial Year	Retail Pharmacies	Medical Practitioners	Healthcare Facilities	Retail Hospitals	Distributors/ Stockist	Total Revenue
As at 31 <sup>st</sup> March, 2022	70.36	43.65	14.05	34.98	599.40	762.44

As at 31 <sup>st</sup> March, 2023	23.57	29.71	18.35	12.46	2680.58	<b>2764.68</b>
As at 31 <sup>st</sup> March, 2024	382.17	77.41	32.74	496.59	2918.27	<b>3907.19</b>
As at 30 <sup>th</sup> June 2024	1.26	3.49	3.60	1.83	1114.89	<b>1125.07</b>

### PRODUCT WISE REVENUE BIFURCATION

(Amount in Lakhs)

S. No.	Name of Product	For Stub Period		FY 23-24		FY 22-23		FY 21-22	
		Rs.	%	Rs.	%	Rs.	%	Rs.	%
<b>Manufacturing</b>									
1	Intimate Care & Hygeine Products (Drystep Sanitary Pad)	258.87	23.01	103.38	2.65	0	0	0	0
2	Nutraceuticals Products (Vitastep-Z Energy Powder)	69.87	6.21	22.63	0.58	0	0	0	0
	<b>Total (A)</b>	328.74	29.22	126.01	3.23	0	0	0	0
<b>Trading</b>									
3	Intimate Care & Hygeine Products	772.87	68.70	3,397.21	86.95	425.59	15.39	538.72	70.66
4	Pharmaceuticals Products	6.74	0.60	301.20	7.71	168.77	6.10	183.36	24.05
5	Nutraceuticals Products	15.73	1.40	3.77	0.10	20.61	0.75	10.40	1.36
6	Surgical Products & Instruments	0.85	0.08	75.20	1.92	2,147.53	77.68	24.98	3.28
7	Over the Counter (OTC) Products *	0.14	0.00	3.80	0.09	2.18	0.08	4.98	0.65
	<b>Total (B)</b>	796.33	70.78	3781.18	96.77	2764.68	100.00	762.44	100.00
	<b>Total (A+B)</b>	1125.07	100.00	3907.19	100.00	2764.68	100.00	762.44	100.00

\*Major products sold under the head “Over the Counter Products” as follows:

(Amount in Rs)

S. No.	Name of Product	June 2024	FY 23-24	FY 22-23	FY 21-22	Total
1	Pregnancy Card	5,082	2,15,131	7,847	9,659	2,37,719
2	Hand Sanitizer	-	4,352	16,733	2,48,378	2,69,463
3	Gluko Meter Strip	3,248	57,124	55,630	43,692	1,59,694

4	BP Machine	880	20,030	26,778	49,870	97,558
5	Nebulizer Machine	-	20,501	28,810	51,685	1,00,996
6	ORS Powder	-	25,637	20,365	14,891	60,893
7	Digital Thermometer	430	3,346	16,793	17,393	37,962
8	Gluko Machine	215	4,472	15,160	15,680	35,527
9	Skivvy Cream	-	1,088	5,459	4,379	10,926
10	Antiseptic Liquid	-	-	1,565	5,741	7,305
11	Mouth Wash	-	27	1,118	5,195	6,340

## OUR BUSINESS STRATEGIES

**Market Analysis and Targeting::** A thorough understanding of customer needs and preferences is essential, requiring in-depth market research to identify consumer habits, preferences, and demographic profiles. Staying connected with distributors, stockists, and hospitals provides valuable insights into current product demand and specific customer needs. Our company conducts regular market analysis and demand assessments by deploying representatives to visit these key stakeholders, engaging in direct, verbal discussions with end customers to gather real-time insights into market trends, customer preferences, and demand fluctuations. This data is then communicated to the company, allowing us to refine target markets, develop tailored marketing campaigns, and make informed decisions regarding our product portfolio, manufacturing processes, and strategic planning. By aligning product offerings with market demand, we can cater to niche markets more efficiently and expand our reach.

**Product Development and Innovation:** We focus on innovation by introducing new formulas, ingredients, and delivery methods such as capsules, powders, and drinks. By working closely with distributors to identify market trends and consumer needs, we aim to develop new flavors for energy powders and create tablets for in-demand multivitamins, ensuring our products stay relevant and competitive.

**Quality and Regulatory Compliance:** Stick to strict quality standards and legal requirements for ingredients, labeling, and health claims. For example, we use UV detection to ensure product quality and manually inspect every sanitary pad for damage or sealing issues. As a testament to our commitment to excellence, the company has obtained the ISO 9001:2015 Quality Management System certificate.

**Distribution and Sales Channels:** Build strong distribution channels to provide products to customers efficiently by connecting directly with distributors and stockists, who supply to retailers, health stores, or sell depending on the product. Owing to the experience and industry presence of its promoters, the company has established a robust network of distributors actively engaged in the business, ensuring the efficient distribution of products across various regions.

**Customer satisfaction:** - The business of our Company is customer oriented, and we always strive to maintain good relationships with the customers. Our Company's marketing team approaches existing customers for their feedback and based on their verbally feedback any changes in the products if required are carried out. Our Company effective follow-ups with customers ensures that our customers are satisfied with the product and do not have any complaints.

**Sustainability and Ethical Practices:** Many customers care about eco-friendly and ethical practices, and we prioritize sustainability in our products. In our sanitary pads, we use non-woven material that is both eco-friendly and non-irritating, ensuring customer comfort and health. The pads contain a super absorbent SAP sheet with a thin design for enhanced comfort, along with a back sheet featuring adhesive material for ease of use. All these materials are eco-friendly and easily degradable. Additionally, our packaging is designed to be



attractive and engaging for customers. Similarly, Vitastep Z Powder is formulated with key ingredients such as sucrose, dextrose, and ascorbic acid to provide instant energy and keep customers feeling energetic. Its classy and appealing packaging further enhances its overall appeal.

**Competitive Analysis:** Study competitors to understand their strengths and weaknesses and create strategies to stand out by analysing product popularity, pricing, quality, and packaging through verbal feedback from market representatives, key team members, and distributors/stockists. Additionally, factors such as the number of distributors/stockists and low-cost products contribute to gaining a competitive advantage.

## SWOT ANALYSIS

1. **Strong distribution network:** We have strong distributors/stockiest network in Gujarat region. More than thirty distributors/stockiest associated with us from last 3 years.
2. **Low-cost product:** We have manufactured low price product as compared to other companies.
3. **Direct contact with retail as well as distributors:** One of the main advantages of having a direct relationship with retailers/distributors is the greater control on exclusive sale of our products. We have different types of retailers i.e. retail pharmacy, medical practitioner, hospital and other healthcare facilities.
4. **Competition in market:** With many options available, customers can easily switch to competitors offering better prices, quality, or service. This makes it harder to retain customers, increasing the cost of customer acquisition.
5. **Limited brand recognition in a crowded market:** There have many well-known and established brands in the market. They captured wide market of sanitary pad and energy powder. We are new in this field which having tough to penetrate in the market.
6. **Dependency on raw material sourcing:** Dependency on raw material sourcing can be a significant weakness for a company because it creates vulnerabilities in its supply chain and operational efficiency.
7. **Growing awareness of women's health issues:** The sanitary pad business presents a strong opportunity due to the growing awareness of women's health, hygiene, and menstrual care. Many rural areas still lack access to affordable sanitary pads, offering a big opportunity for penetration.

## PLACE OF BUSINESS

Location	Lease/ Owned	Lease Tenure	Lease Rent	Usage Purpose	Name of Lessor	Relation between lessor or lessee
05, Survey No. - 245/B, Plot-19, T.P.S. 56, Free Way Trade Center, NR. A-one Hotel, N.H.- 8, Narolgam Narol, Ahmedabad,	Lease	5 years from 02.07.20 24	14,000/- per month	Registered Office	Mr. Yojana Hitesh Sharda	Not Related



Daskroi, Gujarat-382405						
Survey No. 245/B T.P. Scheme No. 56 Final Plot No. 19, freeway trade centre, 2nd floor, office no. 215, Narol, Ahmedabad – 382405	Lease	5 years from 01.07.2023	18,000/- per month	Operational Office	Mrs. Dipali Dinesh Hamirani	Not Related
Survey No. 298, Near Radio Station, Bidaj Gam, Bareja, Kheda, Gujarat - 387120	Lease	7 years from 01.11.2023	15,000/- per month	Manufacturing Unit	Mr. Piyush Kiritbhai Patel	Not Related

The Lessors, as mentioned above, is not associated with Company, Promoters and Directors.

## HUMAN RESOURCE

We believe that our employees are key contributors to our business success. As of December 28, 2024, there are total of 9 employees all of which are on payroll basis. For additional labor requirements, we engage 5 to 6 daily wage workers as needed. None of our employees are employed on a contractual basis. In addition to our own employees. We have encountered no significant work disruptions to date and we believe that we have maintained good relations with our employees.

## ORGANISATIONAL STRUCTURE

For more information, please refer page number [●] under chapter titled “Our Management” of the prospectus of the company

## LICENSES/CERTIFICATE OBTAINED BY THE COMPANY

For more information, please refer page number [●] under chapter titled “Government and other Approval” of the prospectus of the company.

## CAPACITY AND CAPACITY UTILIZATION

### Sanitary Pad (DryStep)

Particular	Installed Capacity	Jan-March	April-June	July-Sep
Sanitary Napkin Making Machine	Installed Capacity (per packet)	12.96 Lakh	12.96 Lakh	12.96 Lakh
	Utilized capacity	3.20 Lakh	8.40 Lakh	8.31 Lakh

	(per packet)			
	% of Utilization	24.69%	64.81%	64.20%

#### Energy Powder (VitaStep Z 105 GMS Powder)

Particular	Installed Capacity	Jan-March	April-June	July-Sep
Energy Powder Machine	Installed Capacity (In MT)	544.32 MT	544.32 MT	544.32 MT
	Utilized capacity (In MT)	10.50 MT	28.35 MT	19.12 MT
	% of Utilization	1.93%	5.21%	3.51%

### COMPETITION

We have strong networks of hospitals, medical practitioners, retail pharmacies and distributors/stockists. The company has a plan to manufacture different multivitamin tablets like Iron tablet, calcium tablet, B complex tablet, B12 tablet, etc. We will invest in a social media for branding and marketing. Company will utilize customer feedback and testimonials to build trust and credibility. Positive reviews and word-of-mouth recommendations can significantly influence purchasing decisions.

Our many suppliers are manufacturing their own brand products from third parties. We have an opportunity to capture the whole business of suppliers. Through our existing business strategies, the company can effectively compete with established businesses in the multivitamin market and attract a loyal customer base.

### OUR MANAGEMENT

#### BRIEF PROFILE OF DIRECTOR

Ms. Prajapati Hetalben Girdharilal has six years of experience in the pharmaceutical industry, with expertise in sales, inventory management, and market operations. She began her career as a Sales Executive at Nand Kishor Medical and General Store (2014–2016), where she gained in-depth product knowledge and customer management skills. She later started her own proprietorship firm, MG Pharma, which got acquired by Medistep Healthcare Limited. Currently, she is a Non-Executive Director on the Board of Medistep Healthcare Limited, contributing her industry insights and operational experience to the company's strategic growth.

#### BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

Jagdish Prajapati, 29 years old, has been the Chief Financial Officer of our company since February 2024. He holds a Bachelor of Commerce degree from Gujarat University and has over six years of experience in Accounts, Finance, Taxation, and Corporate Management.

He completed his internship on February 10, 2018, after which he gained valuable experience at Virtual Accounting Solutions LLP, Lalit K Sharma & Company, and A & D Consulting Inc. His expertise in financial management and corporate governance makes him a key contributor to the company's growth.

## OUR PROMOTER AND PROMOTER GROUP

### OUR PROMOTERS

The promoters of our Company as on the date of this Prospectus are: -


1. Girdhari Lal Prajapat
2. Dabhi Vipul Gobarbhai
3. Prajapati Hetalben Girdharilal
4. Jagdish Prajapati

The details of the shareholding of our Promoters, as on date of this Prospectus has been provided below:

Sr. No.	Particulars	Category	No. of Equity Shares of face value of ₹ 10 each	% of Shares to Pre – Issue Equity Share Capital
1.	Girdhari Lal Prajapat	Individual Promoter	14,11,800	13.49%
2.	Dabhi Vipul Gobarbhai	Individual Promoter	12,69,880	12.13%
3.	Prajapati Hetalben Girdharilal	Individual Promoter	71,16,400	68.00%
4.	Jagdish Prajapati	Individual Promoter	NIL	0.00%
<b>Total</b>			<b>97,98,080</b>	<b>93.62%</b>

For details of the build-up of our promoters' shareholding in our Company, see section titled "Capital Structure" beginning on page no. [●] of this Prospectus

Details of our Promoters are as follows:

<b>4. Jagdish Prajapati</b>	
	<p>Mr. JAGDISH PRAJAPATI, Chief Financial Officer of the Company, aged 29 years, he is a Commerce graduate who possesses intense and varied experience in the field of Accounts, Finance, Taxation, and Corporate Management for more than 6 years post qualification.</p> <p>The Permanent Account Number of <b>Jagdish Prajapati</b> is FMOPPI502B.</p> <p>For complete profile of Jagdish Prajapati, along with details of his date of birth, educational qualifications, professional experience, positions/ posts held in the past and other directorships and special achievements, please see "Our Management" on page [●].</p>

## COMPANIES WITH WHICH OUR PROMOTERS HAVE DISASSOCIATED IN THE PRECEEDING THREE YEARS

Our Promoters have not disassociated themselves from any companies, firms or entities during the last three years preceding the date of this Draft Prospectus except stated below.

S. No.	Name of Promoter	Name of Entity	Reason for Disassociation	Date of Disassociation
1.	Prajapati Hetalben Girdharilal	M/s MG Pharma	Transfer of Business	July 02, 2023
2.	Dabhi Vipul Gobarbhai	M/s Medistep Pharmaceuticals	Dissolution of partnership firm	December 26, 2024
3.	Girdhari Lal Prajapat	M/s Medistep Pharmaceuticals	Dissolution of partnership firm	December 26, 2024
4.	Dabhi Vipul Gobarbhai	Medistep Pharmaceuticals Pvt. Ltd.	Transfer the holding of the company and resigned from the post of Director	March 31, 2025
5.	Girdhari Lal Prajapat	Medistep Pharmaceuticals Pvt. Ltd.	Transfer the holding of the company and resigned from the post of Director	March 31, 2025

*Note:- Medistep Healthcare Limited acquired the business of Proprietorship Concern of one of our Promoter Ms. Prajapati Hetalben Girdharilal viz, M/s MG Pharma through the business transfer agreement dated July 02, 2023. Subsequently the business of the sole proprietorship firm was transferred into Medistep healthcare Limited.*

## OUR PROMOTER GROUP

In addition to our Promoters, the individuals and entities that form a part of the Promoter Group of our Company in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations are set out below:

The following natural persons being the immediate relatives of our Promoters in terms of the SEBI (ICDR) Regulations 2018 form part of our Promoter Group:

### *Natural persons who are part of the Promoter Group*

S. No.	Promoters	Jagdish Prajapati
1.	Father	Lt. Mr. Shankarlal Prajapati
2.	Mother	Mrs. Prajapati Manjulaben
3.	Brother	Mr. Prajapati Vishal Shankarbhai
4.	Sister	Ms. Pooja Shankarbhai Prajapati Prajapati Hetalben Girdharilal

**\*\* any other requirement for the change will be duly incorporated.**

## SECTION VI- FIANANCIAL INFORMATION

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

#### PERIOD ENDED JUNE 30, 2024 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2024 (BASED ON RESTATED FINANCIAL STATEMENTS)

##### ◆ Restated Profit after Tax

The restated profit after tax for the Period ended June 30, 2024, stood at Rs. 102.16 Lakhs whereas in Financial Year 2023-24 it stood at Rs. 332.76 Lakhs which represents 9.08% and 8.51% of the Total Income of corresponding periods respectively, in line with Profit before Tax.

##### Conclusion for increase in PAT margin:

(Amount in lakhs)

Particulars	FY 2023-24	30 <sup>th</sup> June, 2024
Revenue from Operations	3,907.19	1,125.07
PAT	332.76	102.16
PAT Margin	8.52%	9.08%

**Strategic expansion:** As company expanded from purely trading of pharmaceutical products to combination of manufacturing and trading. It increased their profit margin slightly from 8.51% to 9.08%.

**Increase in manufacturing:** As in stub period sales from manufacturing were 29.22% of the total revenue from operations as compared to 3.23% in FY 2023-24. Due to high margin in manufacturing segment then in trading segment, its PAT margin saw a slight increase.

#### DETAILS OF FINANCIAL YEAR 2024 COMPARED TO FINANCIAL YEAR 2023 (BASED ON RESTATED FINANCIAL STATEMENTS)

##### Revenues

##### ◆ Total Income

Total Income for the Financial Year 2023-24, it stood at Rs. 3908.20 Lakhs whereas in Financial Year 2022-23 it stood at Rs. 2773.69 Lakhs representing an increase of 40.90%. This is due to increase in revenue from operations.

##### For FY 2022-23 to FY 2023-24

(Amount in lakhs)

Particulars	FY 2022-23	FY 2023-24
Revenue from Operations	2,764.68	3,907.19
% of total Income	99.67%	99.97%
Other Income	9.01	1.01

% of total Income	0.33%	0.03%
Total Income	2,773.69	3,908.20
% increase of total Income	-	40.90%

**Change in organisational Structure:** As sole proprietorship was acquired by the company, operations became more streamlined and structured, leading to increased efficiency and higher order volumes.

**Backward Integration:** Company initiated manufacturing of nutraceuticals and intimate product in last quarter of FY 2023-24. In FY 2023-24 its revenue from manufacturing was of ₹126.01 lakhs constituting 3.23% of total revenue from operations.

**Addition of new director:** With the acquisition of the sole proprietorship, Mr. Dabhi Vipul Gobarbhai joined as a director. His strong connections in the healthcare industry led to significant new orders, contributing to the increase in revenue from operations.

These strategic changes positioned the company for substantial growth, as reflected in the 40.90% increase in total income from FY 2022-23 to FY 2023-24.

#### **Detailed Rationale:**

After incorporation of company, most of customers of Kavyadi and Mahadev are directly purchasing material from Medistep Healthcare Limited. Mr. Dabhi Vipul Gobarbhai, has a strong network of hospitals, medical practitioners and retail pharmacies.

#### **Expenditure**

##### **◆ Restated Profit after Tax**

The restated profit after tax For the Financial Year 2023-24 stood at Rs. 332.76 Lakhs. Whereas for the Financial Year 2022-23, it stood at 92.10 Lakhs, in line with the increase in scale of operations, increase in revenue.

#### **Conclusion for Change in PAT Margin:**

(Amount in lakhs)

Particulars	FY 2022-23	FY 2023-24
Revenue from Operations	2,764.68	3,907.19
PAT	30.98	332.76
PAT Margin	1.12%	8.52%

**Organised Structure:** With the acquisition of the sole proprietorship, Medistep's operations became more structured and efficient. This transition led to improved financial discipline, enabling the company to make timely payments to its suppliers. As a result, suppliers gained confidence in the company, allowing Medistep to negotiate better stock pricing and improve cost efficiency. Additionally, the appointment of Mr. Dabhi Vipul Gobarbhai as a director brought valuable industry experience and supplier connections. His relationships helped onboard suppliers who provided goods at lower costs, further optimizing procurement expenses. These strategic improvements contributed to stronger supplier trust, reduced costs, and enhanced overall profitability for the company.

**Backward Integration:** As company started manufacturing of Nutraceuticals and Intimate products in the last quarter of FY 2023-24 Approximately gross margin of the manufacturing is 30-35% and that of trading is 5-10%. Thus, this led to increase in PAT margins.

## DETAILS OF FINANCIAL YEAR 2023 COMPARED TO FINANCIAL YEAR 2022 (BASED ON RESTATED FINANCIAL STATEMENTS)

### Revenues

#### ◆ Total Income

Total Income for the Financial Year 2022-23 stood at Rs. 2773.69 Lakhs. Whereas for the Financial Year 2021-22, it stood at 762.44 Lakhs, representing increase of 263.79%. The increase is due to increase in total revenue from operations.

#### For FY 2021-22 to FY 2022-23

(₹ in Lakhs)		
Particulars	FY 2021-22	FY 2022-23
Revenue from Operations	762.44	2,764.68
% of total Income	100%	99.67%
Other Income	-	9.01
% of total Income	-	0.33%
Total Income	762.44	2,773.69
% increase of total Income	-	263.79%

**Increase in total income was due to high orders of surgical products and equipment received during the year.**

#### 1. Post-COVID Market Demand

- The demand for surgical products, particularly nebulizer masks and high-concentration masks, surged due to COVID-19's lasting impact on respiratory health.
- Medistep received substantial bulk orders, including ₹1,106.45 lakhs from Kavyadi Medical Store and ₹758.34 lakhs from Mahadev Medical Store, which significantly contributed to the revenue boost.

#### 2. Strategic Business Expansion & Order Execution

- In FY 2021-22, Medistep had a strong network of 40+ distributors/stockists in Gujarat. Kavyadi Medical Store was a long-term distributor.
- In FY 2022-23, there was a significant rise in the demand for nebulizer masks, particularly due to increased awareness of respiratory health and the shift toward home healthcare solutions.

### Market Trends Driving Increased Demand

#### 1. Ongoing Impact of COVID-19

- Despite the availability of vaccines, COVID-19 continued to affect people globally, driving demand for nebulizer masks to manage respiratory conditions.
- The Omicron wave further contributed to increased usage of respiratory aids.

#### 2. Heightened Awareness of Respiratory Health

- Patients with asthma, COPD, and post-COVID complications sought nebulizer treatments, boosting sales.

### 3. Growth in Home Healthcare

- Many patients preferred home-based treatments over hospital visits, leading to higher sales of nebulizer masks for personal use.

### 4. Improved Product Availability & Supply Chain Adjustments

- Manufacturers adapted to market demands, ensuring better availability of respiratory health products.

### 5. Seasonal Increase in Respiratory Infections

- Besides COVID-19, conditions like influenza and seasonal allergies contributed to the higher demand for nebulizer masks.

## Strategic Business Development & Formation of Medistep Healthcare Limited

- The successful execution of Kavyadi's order strengthened MG Pharma's business relationship with Kavyadi Medical Store.
- Recognizing the growth potential, Mr. Dabhi Vipul Gobarbhai, spouse of Kavyadi's promoter, collaborated with MG Pharma to expand operations.
- This partnership led to the incorporation of **Medistep Healthcare Limited**, where Mr. Dabhi Vipul Gobarbhai was appointed as a Director.
- As a result, Kavyadi Medical Store became a **related party** under accounting and regulatory guidelines, whereas previously, it did not fall under this classification (as per Companies Act, 2013).

## Conclusion

The significant revenue growth in FY 2022-23 was primarily driven by the increased demand for nebulizer masks, strategic business relationships, and Medistep's ability to capitalize on the evolving healthcare market. The company's expansion and enhanced supply chain capabilities positioned it for continued growth in the respiratory health sector.

## Expenditure

### ◆ Restated Profit after Tax

The restated profit before tax For the Financial Year 2022-23 stood at Rs. 92.10 Lakhs. Whereas for the Financial Year 2021-22, it stood at 18.97 Lakhs. Representing an increase of 385.50% in line with the increase in profit before tax.

(Amount in lakhs)		
Particulars	FY 2021-22	FY 2022-23
Revenue from Operations	762.44	2,764.68
PAT	6.38	30.98
PAT Margin	0.84%	1.12%

**Lower Employee Cost:** With the increase in revenue from operations, employee cost in FY 2022-23 was similar to that of FY 2021-22, leading to increase in PAT margin

**Lower Purchase cost:** Due to high volume of orders in FY 2022-23, company negotiated better prices and was able to procure stock in trade at marginally lower prices.

**Lower Fixed Cost:** As revenue from operations increased, its corresponding variable cost such as purchase of stock in trade but electricity cost, rent expenses etc. was similar to that of previous years, leading to increase in profit margin.



**Detailed Calculation of Net Worth**

(Amount in lakhs)

Particulars	As at 30 <sup>th</sup> June, 2024	As at 31 <sup>st</sup> March, 2024	As at 2 <sup>nd</sup> July, 2023	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Proprietor's capital account</b>					
Opening Balance	-	1.35	1.35	1.35	1.35
Add: Addition during the year	-	-	-	-	-
Less: Withdrawal during the year	-	0.28	-	-	-
Less: Capital converted into share capital during the period		1.07			
Closing Balance (A)	-	-	1.35	1.35	1.35
<b>Share Capital</b>					
Opening Balance	489.94	-	-	-	-
Add: Capital converted into share capital during the period	-	195.00	-	-	-
Add: Addition during the year	556.61	294.94	-	-	-
Closing Balance (B)	1,046.55	489.94	-	-	-
<b>Total Capital (C=A+B)</b>	1,046.55	489.94	1.35	1.35	1.35
<b>Reserves and Surplus</b>					
<b>a) Statement of Profit &amp; Loss</b>					
Opening Balance	289.96	193.93	144.92	42.87	16.50
Add: Profit for the year (Signed financials)	99.75	289.96	55.54	120.02	30.08
Less: Drawing/Conversion	-	-	6.53	17.97	3.71
Less: Capital converted into share capital during the period		193.93	-		
Less: Utilized for bonus issue	49.03	-	-	-	-
Closing Balance (D)	340.68	289.96	193.93	144.92	42.87
<b>a) Security Premium Reserve</b>					
Opening Balance	440.92	-	-	-	-
Add: Addition during the year	33.33	440.92	-	-	-
Less: Utilized for bonus issue	440.92	-	-	-	-
Closing Balance (E)	33.33	440.92	-	-	-
<b>Total Reserves and Surplus (F=D+E)</b>	374.01	730.88	193.93	144.92	42.87

<b>Net worth as per signed financials(C+F)</b>	1,420.57	1,220.82	195.28	146.26	44.22
<b>Less: Restated Profit Adjustment for the period</b>	49.36	51.77	53.16	39.02	11.11
<b>Net worth as per Restated Financials</b>	1,371.21	1,169.05	142.12	107.24	33.11

**INFORMATION REQUIRED AS PER ITEM (II) (C) (iv) OF PART A OF SCHEDULE VI TO THE SEBI REGULATIONS:**

1. The extent to which the business is seasonal.

The business is not seasonal in nature

**FINANCIAL INDEBTENESS**

<b>Restated Statement of Terms and Conditions of Short-Term Borrowing:</b>									
<b>Name of Lender</b>	<b>Purpose</b>	<b>Rate of Interest</b>	<b>Repayment Schedule</b>	<b>Security</b>	<b>Outstanding amount as at 30th June 2024</b>	<b>Outstanding amount as at 31st Mar 2024</b>	<b>Outstanding amount as at 2nd July 2023</b>	<b>Outstanding amount as at 31st Mar 2023</b>	<b>Outstanding amount as at 31st Mar 2022</b>
Ambit Finfest	Business Loan	24.00 %	Loan shall be payable in 36 monthly installments	Unsecured	2.82	3.25	3.04	2.57	1.87
Ugro Capital		22.00 %	Loan shall be payable in 36 monthly installments	Unsecured	6.39	8.30	7.05	6.68	5.37
Unity Small Finance Bank	Business Loan	24.00 %	Loan shall be payable in 36 monthly	Unsecured	3.52	4.07	3.40	3.21	2.34

			installments						
Poonawalla Fincorp	Business Loan	18.75 %	Loan shall be payable in 36 monthly installments	Unsecured	3.73	4.86	4.22	4.03	3.35

## SECTION VII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

The company has a contingent liability for which a notice has been received by MG Pharma, a business acquired by our company. The liability pertains to the Goods and Services Tax (GST) for the financial years 2018-19 and 2019-20, amounting to Rs. 2,54,356 and Rs. 3,43,331, respectively.

The reply to the notice received for FY 2018-19 on January 01<sup>st</sup> 2024 was filed to the department on March 14<sup>th</sup> 2024 and the reply for the notice received for FY 2019-20 on July 02<sup>nd</sup> 2024 was filed on July 05<sup>th</sup> 2024.

### GOVERNMENT AND OTHER APPROVALS

### BUSINESS RELATED CERTIFICATION

<i>License</i>	<i>Issuing Authority</i>	<i>Registration No./ Reference No./ License No.</i>	<i>Date of Issue</i>	<i>Date of Expiry</i>
<b>Drug License</b> (For Shop.No.5, Freeway Trade Center Near A-One Hotel, Nh.8)	Food & Drugs Control Administration Ahmedabad (City)	GJ-ADC-224746 (Form 20B) GJ-ADC-224747 (Form 21B)	June 26, 2023	June 25, 2028
<b>Drug License</b> (For Shop No.215 second Floor Free Way Trade Centre Near A-One Hotel NH-8 Narol Aslali Highway), Ahmedabad-382405	Food & Drugs Control Administration Ahmedabad (City)	GJ-ADC-227955 ((Form 20B) GJ-ADC-227956 (Form 21B)	September 13, 2023	September 12, 2028
FSSAI License	Food Safety and Standard	10723999002020	December 27, 2023	December 26, 2025

	Authority of India			
Udyam Certificate	Ministry of Micro, Small and Medium Enterprise	UDYAM-GJ-01-0337651	December 13, 2023	Valid till cancellation
GST Certificate	Government of India	24AAQCM9420P1ZR	July 03, 2023	Valid till cancellation

**Licenses / approvals which have expired and for which renewal applications have not been made by our Company.**

Nil

**Licenses / Approvals which are required but not yet applied for by our Company:**

Nil

## OTHER REGULATORY AND STATUTORY DISCLOSURE

### NSE ELIGIBILITY NORMS

#### Track Record: -

*The Company should have a track record of at least 3 (three) years.*

*M/s MG Pharma was incorporated on July 05, 2018 for carrying on the business of trading and distribution of pharmaceutical products, intimate care and hygiene products, surgical products & equipment, Nutraceutical products.*

*Our Company was incorporated on June 05, 2023 under the provisions of Companies Act, 2013. Further, our company has strategically expanded its operations by acquiring the business of M/s MG Pharma, a proprietorship concern owned by one of our promoters, Ms. Prajapati Hetalben Girdharilal through a business transfer agreement dated July 02, 2023. Therefore, we are in compliance of the track record.*

The Issuer has positive Free cash flow to Equity (FCFE)\* for at least 2 out of 3 financial years preceding the application as given below:

*(Amount in lakhs)*

	Standalone		
Particulars	2021-22	2022-23	2023-24
Net Cash flow from Operations	(40.43)	44.16	(696.34)
Less- Purchase of Fixed Assets (net of sale proceeds of Fixed Assets)	(43.56)	-	(15.19)
Add- Net Total Borrowings (net of repayment)	93.33	(16.70)	714.23
Less- Interest expense x (1-T)	(3.19)	(9.95)	(6.26)
<b>Free cash flow to Equity (FCFE)</b>	<b>6.15</b>	<b>17.51</b>	<b>(3.56)</b>

*\*Note: The methodology for computing FCFE is available as per circular (Introduction of additional eligibility criteria for listing on NSE EMERGE) dated August 22, 2024 issued by the National Stock Exchange of India limited.*