



BUSINESS PLAN · INDIA

AYUSH & Wellness Pharmacy

Four legal regimes share one shelf - so say which one he is buying

PHARMACY RETAIL & DISTRIBUTION

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August 2026

This document is confidential and prepared for planning purposes. All financial figures are illustrative model assumptions for an Indian MSME context and must be validated against live quotes, local rates and professional advice before any investment or borrowing decision.

1. Executive Summary

This plan sets out an **AYUSH & Wellness Pharmacy** business in India — a chain of 28 ayurvedic and wellness retail outlets by Year 3, selling classical formulations, proprietary AYUSH medicines, nutraceuticals and ayurvedic personal care, with qualified practitioner consultation and a herb-supply line to clinics.

This plan inherits the pharmacy anchor's rules and applies them to a shelf on which the rules themselves change from one box to the next. **An allopathic chemist sells products under one regulatory regime. This shop sells four, they look identical, and the customer has no way of telling them apart.**

☐ **FOUR LEGAL REGIMES SHARE ONE SHELF, WITH FOUR DIFFERENT EVIDENCE STANDARDS, AND NOTHING ON THE PACKAGING TELLS YOU WHICH IS WHICH. A CLASSICAL AYUSH FORMULATION** is licensed by reference to a recognised text rather than a trial — no efficacy evidence is required for it and none is implied by its approval. **A PROPRIETARY AYUSH MEDICINE** is licensed on a different and lighter basis again. **A NUTRACEUTICAL** sits under FSSAI as a **FOOD** and may make no medicinal claim at all. **A COSMETIC** is a fourth thing entirely. A customer picking up two boxes side by side cannot tell which regime either sits under, what evidence exists for it, or that one of them **WAS NEVER TESTED FOR EFFICACY BY ANYBODY AND WAS NEVER REQUIRED TO BE**. And heavy metals in bhasma preparations are lawful in classical formulations at concentrations that would be an outright violation in the food product on the next shelf down. So this business **LABELS THE REGIME AND THE EVIDENCE BASIS ON EVERY PRODUCT, PUBLISHES HEAVY-METAL AND IDENTITY ASSAY PER BATCH**, and accepts that **19% OF CUSTOMERS CHANGE THEIR CHOICE ONCE TOLD. WHERE FOUR LEGAL REGIMES SHARE ONE SHELF, THE CUSTOMER'S ONLY DEFENCE IS BEING TOLD WHICH ONE HE IS BUYING.**

☐ **AND THE REAL HARM IN THIS TRADE IS NOT THE PRODUCT — IT IS THE SUBSTITUTION.** A diabetic or cardiac patient who replaces a prescribed medicine with a formulation suffers a harm **THE SHOP WILL NEVER HEAR ABOUT**, because he does not come back to report it. So **EVERY CUSTOMER IS ASKED WHETHER HE INTENDS TO STOP AN ALLOPATHIC MEDICINE, THE SUPPLY IS REFUSED AS A SUBSTITUTE, AND HE IS REFERRED TO HIS PRESCRIBER** — 8,600 refusals in Year 3 and ₹1.12 crore forgone.

☐ **AND THE DRUGS AND MAGIC REMEDIES ACT IS IGNORED BY ALMOST THE WHOLE TRADE.** It prohibits advertising claims for a schedule of conditions including cancer and diabetes, and the schedule is precisely where the money is. So **NIL claims are made for scheduled conditions, 486 promotional claims were refused in Year 3, and ₹1.68 crore of revenue was forgone.**

This plan models an operator requiring **₹14.00 crore** (₹5.60 crore investor + ₹4.20 crore term loan + ₹2.80 crore promoter + ₹1.40 crore working capital), moving from **₹9.00 crore revenue and a ₹1.30 crore loss** to **₹46.00 crore revenue and ₹3.67 crore profit** by Year 3 — an 8.0% net margin and 31.0% return on capital. (AYUSH retail — figures illustrative.)

2. Business Description, Vision & Legal Structure

Concept: A wellness shop that tells you which law your purchase is under.

Vision: To make evidence basis a printed fact rather than an atmosphere.

Mission: State the regime and the evidence on every product; assay every batch for heavy metals and publish it; never make a claim the Magic Remedies Act prohibits; ask whether he means to stop his prescribed medicine and refuse to be the substitute; and keep a qualified practitioner in every shop, every hour.

Legal structure

- **Private Limited** — recommended. Multi-regime licensing, own-brand manufacture, outlet leases and outside capital all assume it.
- **Proprietorship** — the trade's usual form, and unworkable across four regulatory regimes and 28 shops.
- **Product committee with authority to refuse a listing, independent of buying — because the highest-margin products on this shelf are the ones with the least evidence behind them.**

Regulatory anchor: the Drugs and Cosmetics Act 1940 and Rules 1945 as applied to AYUSH — **a retail licence where scheduled AYUSH medicines are sold; Rule 158B governing licensing of ayurvedic, siddha and unani medicines, under which a CLASSICAL FORMULATION IS LICENSED BY REFERENCE TO A RECOGNISED TEXT IN THE FIRST SCHEDULE RATHER THAN BY EFFICACY DATA, and a PROPRIETARY medicine on a lighter and different basis again;** Schedule T Good Manufacturing Practice for AYUSH manufacture; **the Drugs and Magic Remedies (Objectionable Advertisements) Act 1954, which prohibits advertising a remedy for a schedule of conditions including cancer and diabetes, and which the trade ignores almost universally;** the FSS Act 2006 and the FSSAI Nutraceuticals Regulations, **under which a nutraceutical is a FOOD and may make no medicinal claim whatsoever;** cosmetics rules for a fourth category on the same shelf; heavy-metal limits, which are **permitted in bhasma preparations at levels that would be a violation in any food;** the National Medical Commission and state AYUSH council rules on who may practise; ASCI and consumer-protection rules on misleading health claims; GST; and shops and establishments, EPF/ESI and POSH. **The decisive structural fact is that four regimes with four evidence standards are sold from one shelf, in identical packaging, to a customer nobody is obliged to inform.**

3. Promoter & Ownership

Led by a promoter with AYUSH retail, ayurvedic practice or wellness-brand background. Three competences decide outcomes. *Sourcing and identity*, because herb adulteration and substitution are endemic and a formulation is only as good as the raw material nobody tested. *Practitioner credibility*, since a shop with a real vaidya behind the counter is a different business from one with a salesman. And *the discipline to refuse the claim*, which is where this plan's proposition sits and which forgoes the single most profitable sentence anybody in this trade can say. Ownership, equity & investor terms are editable inputs; **the product committee can refuse a listing and is independent of buying, and no counter staff member is paid on category mix.**

4. Market Analysis — India

A very large and fast-growing market in which the consumer's central question has no available answer.

Demand drivers

- **Cultural familiarity and trust** in traditional systems across every income segment.
- **Chronic-disease dissatisfaction** with symptomatic allopathic management.
- **Preventive and wellness spending** among urban middle-income households.
- **Government promotion** of AYUSH systems and practitioner supply.
- **Personal-care premiumisation** around ayurvedic positioning.
- **Practitioner networks** generating prescription-equivalent demand.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
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TAM	Indian AYUSH, nutraceutical and wellness retail	Very large and growing fast
SAM	Demand that survives being told what the evidence actually is	19% smaller than the unqualified market
SOM (Yr 1-3)	Outlets and repeat customers	₹9cr → ₹46cr; 28 outlets; 68% repeat

Revenue mix and share (Year 3)

Stream	Share	Regime, evidence basis and margin
Classical AYUSH formulations	30.0%	D&C Act via textual authority; NO efficacy data required — 32.0%
Proprietary AYUSH medicines	23.0%	D&C Act, lighter licensing basis — 38.0%
Nutraceuticals & food supplements	18.0%	FSSAI — it is FOOD and may claim nothing medicinal — 44.0%
Ayurvedic personal care & cosmetics	15.0%	Cosmetics rules; no therapeutic claim — 46.0%
Practitioner consultation & panchakarma referral	8.0%	Practice, not product — 72.0%; separated from sale
Herb sourcing & contract supply to clinics	6.0%	B2B; identity-assayed — 26.0%

Read the third column downwards and the trade's structure becomes visible: **THE MARGIN RISES AS THE EVIDENCE REQUIREMENT FALLS**. Classical formulations carry genuine textual authority and the lowest margin at 32%; nutraceuticals, which are legally food and may claim nothing medicinal, carry 44%; personal care, which may claim nothing therapeutic at all, carries 46%. The commercial gradient runs in exactly the opposite direction to the evidentiary one, which is the same shape as the anchor plan's margin ladder and produces the same pressure — except that here the customer cannot even identify which rung he is standing on, because the four regimes are indistinguishable on a shelf. The consultation line at 72% is the highest-margin stream in the business and is deliberately **SEPARATED FROM THE SALE** — a practitioner's fee is charged whether or not anything is bought, and no practitioner's earnings vary with what the customer takes away, because a consultation that pays only when it sells something is not a consultation.

Constraints

- **Raw-material identity and adulteration**, which no customer and few shops can detect.
- **Qualified practitioner availability** for full opening-hours cover across 28 outlets.
- **Claim-led competition**, since the prohibited claim is the most effective sales tool available.
- **Heavy-metal exposure** in classical preparations, lawful and genuinely risky at dose.

5. Competition & Position

Competitor type	Strength	Weakness this plan exploits
Large ayurvedic brand retail chains	Brand, scale, own manufacture, marketing spend	Claims for scheduled conditions; no regime disclosure
Independent ayurvedic shops	Local vaidya relationships, decades of trust, low cost	No assay capability; supplier identity unverified

Allopathic chemists carrying a wellness aisle	Footfall, credibility, existing customers	Nobody in the shop knows the four regimes apart either
Online wellness marketplaces	Range, price, convenience, reviews	Claims unpoliced; no practitioner; no substitution question
This plan	Regime and evidence labelled, batch assays published, claims refused, substitution refused	Forgoes ₹4.30cr against ₹3.67cr of profit

The positioning rests on the one question every customer in this category silently asks and nobody answers: does this actually work, and how would I know? We do not answer it with a claim — we answer it with the regime. A label saying "classical formulation, licensed by reference to a recognised text, no efficacy trial required or performed" is not a marketing sentence, and it will lose some sales, which is exactly why it is credible. Every element is checkable within a single visit: the regime on the shelf edge, the batch assay on the pack and on the website, a qualified practitioner physically present, and a consultation fee charged whether or not you buy anything. Repeat custom at 68% is the asset this produces, and in a category where trust is the entire product it is worth more than any claim.

The cost of the honest position is stated in rupees and exceeds the profit. Refusing claims for conditions in the Magic Remedies schedule — 486 promotional claims declined — cost ₹1.68 crore of Year-3 margin, the largest item, because the prohibited claim is the single most effective sentence available in this trade. Refusing supply as a substitute for a prescribed medicine, and referring the customer back to his prescriber, cost ₹1.12 crore across 8,600 refusals. Labelling the regime and evidence basis, with 19% of customers changing their choice once told, cost ₹86 lakh. Heavy-metal and identity assay per batch, published, with 312 batch rejections and 16 suppliers de-listed, cost ₹64 lakh. Total ₹4.30 crore against ₹3.67 crore of profit — so an operator running the same 28 shops on trade-standard practice would earn ₹7.97 crore.

6. Four Regimes, One Shelf

This is the finding, and it is a labelling problem rather than a fraud.

What the customer picks up	Which law governs it	What evidence exists
Classical AYUSH formulation	D&C Act, Rule 158B, First Schedule text	Textual authority. No trial required or performed.
Proprietary AYUSH medicine	D&C Act, lighter proprietary basis	Lighter still; varies by product
Nutraceutical / supplement	FSS Act — it is FOOD	May make NO medicinal claim at all
Ayurvedic cosmetic	Cosmetics rules	No therapeutic claim permitted
Bhasma preparation	D&C Act, classical	Heavy metals LAWFUL at levels illegal in food
What distinguishes them on the shelf	Nothing. Same aisle, same size, same design language, same price band.	

The last row is the whole problem. Four bodies of law with four entirely different evidence thresholds converge on one aisle, in packaging designed to look interchangeable, and NOTHING OBLIGES ANYBODY TO TELL THE CUSTOMER WHICH IS WHICH. The fifth row is the sharpest: heavy-metal content that is lawful and traditional in a bhasma would be a prosecutable violation in the supplement standing next to it, and the

customer has no way to know he has crossed a regulatory boundary by moving his hand twelve inches. None of this is a scandal in the ordinary sense — the classical formulation is lawfully licensed, the supplement is lawfully food, and the shopkeeper is not concealing anything, because **HE MOSTLY DOES NOT KNOW EITHER**. Per the food-processing plan's rule, the label is both disclosure and advertisement; here the label is silent on the only question that matters, and the silence is a design outcome rather than a decision anybody made. The result is a customer who believes he is comparing two similar remedies when he is comparing a medicine licensed on textual authority with a food that is legally forbidden from claiming to do anything.

So the missing sentence is supplied. **EVERY PRODUCT CARRIES ITS REGIME AND ITS EVIDENCE BASIS** on the shelf edge and on the bill: classical, proprietary AYUSH, FSSAI food supplement or cosmetic — with, for classical formulations, the plain statement that licensing rests on textual authority and that **NO EFFICACY TRIAL WAS REQUIRED OR PERFORMED**. **NIL** products are sold without regime disclosure. **HEAVY-METAL, MICROBIAL AND IDENTITY ASSAY IS PERFORMED PER BATCH AND PUBLISHED PER BATCH** — 312 batches rejected and 16 suppliers de-listed in Year 3, per the anchor rule that de-listing addresses the source while rejecting a batch addresses one consignment. **19% OF CUSTOMERS CHANGE THEIR CHOICE ONCE TOLD**, which costs ₹86 lakh and is the figure that proves the disclosure is real — a disclosure nobody acts on is a formality. **WHERE FOUR LEGAL REGIMES SHARE ONE SHELF, THE CUSTOMER'S ONLY DEFENCE IS BEING TOLD WHICH ONE HE IS BUYING.**

7. The Substitution, the Claim and the Counter

Three further rules, the first of which is where the actual harm in this trade lives.

☐ **THE REAL HARM IS NOT THE PRODUCT — IT IS THE SUBSTITUTION.** Almost nothing on these shelves will hurt a healthy person; what hurts people is a diabetic who stops metformin, a cardiac patient who stops a statin, a hypertensive who stops his tablets, or somebody with a treatable cancer who delays six months. And that harm has the catering anchor's exact structure with one cruel addition: **THE SHOP NEVER HEARS ABOUT IT**. A customer who deteriorates does not return to report it; he goes to a hospital, and the shop's information environment stays perfectly clean — so a business could cause this harm for a decade and see nothing but growing repeat custom. So **EVERY CUSTOMER BUYING FOR A CHRONIC OR DIAGNOSED CONDITION IS ASKED DIRECTLY WHETHER HE INTENDS TO STOP AN ALLOPATHIC MEDICINE**; where the answer is yes, **THE SUPPLY IS REFUSED AS A SUBSTITUTE AND HE IS REFERRED TO HIS PRESCRIBER** — 8,600 refusals in Year 3, ₹1.12 crore forgone, 100% referred. Complementary use alongside a prescribed medicine is supplied and recorded; replacement is not.

☐ **THE DRUGS AND MAGIC REMEDIES ACT IS THE MOST WIDELY IGNORED HEALTH STATUTE IN INDIA.** It has prohibited advertising a remedy for a schedule of conditions — cancer and diabetes among them — since 1954, and that schedule is precisely where the commercial value sits, because those are the conditions people are desperate enough to pay for. So **NIL CLAIMS ARE MADE FOR SCHEDULED CONDITIONS** in any medium, **486 PROMOTIONAL CLAIMS WERE REFUSED** in Year 3 — including from suppliers whose own packaging carries them — and ₹1.68 CRORE OF REVENUE WAS FORGONE, the largest commitment in this plan. Products whose own labels carry a prohibited claim are not listed, which is why the product committee sits outside buying.

☐ **AND RECOMMENDING A FORMULATION FOR A DIAGNOSED CONDITION IS PRACTISING MEDICINE.** A counter assistant suggesting a preparation for somebody's arthritis is doing exactly what the anchor plan's rented licence problem describes, in a category where the qualification question is even less visible to the customer. So **A QUALIFIED AYUSH PRACTITIONER IS PRESENT FOR 100% OF OPENING HOURS AT EVERY OUTLET, NIL**

counter staff recommend a formulation for a diagnosed condition without one, and **CONSULTATION IS SEPARATED FROM SALE** — the fee is charged whether or not anything is bought, and no practitioner's earnings vary with what leaves the shop.

□ **AND ADULTERATION IS INVISIBLE IN A POWDER.** Herb substitution and adulteration are endemic and undetectable by any customer and most shops, so identity assay is performed at goods-in rather than trusted to a supplier's certificate, and a supplier is de-listed on a failure rather than the batch merely returned — because a returned batch is simply sold to somebody else.

8. Operations Plan (source, assay, disclose, refuse)

Sourcing and quality

- **Identity, heavy-metal and microbial assay per batch** at goods-in, not on supplier certificate.
- **Assay results published per batch**, on pack and online, by batch number.
- **Suppliers de-listed on failure** — 16 in Year 3 — not merely the batch returned.
- **Schedule T GMP verified** for own-brand and contract manufacture.

Disclosure

- **Regime and evidence basis on every shelf edge and every bill.**
- **Classical formulations labelled as licensed on textual authority**, with no trial required or performed.
- **Nutraceuticals labelled as food**, with the statement that they may make no medicinal claim.
- **Nil products sold without regime disclosure**, including online and in catalogue.

The counter

- **Qualified AYUSH practitioner present 100% of opening hours** at every outlet.
- **Every chronic-condition customer asked whether he intends to stop a prescribed medicine.**
- **Supply refused as a substitute; referral to the prescriber recorded.**
- **Consultation fee charged whether or not anything is bought**; no practitioner earnings vary with sales.

Claims and listing

- **Nil claims for Magic Remedies scheduled conditions** in any medium, ever.
- **Products whose own labels carry a prohibited claim are not listed.**
- **Product committee independent of buying**, with authority to refuse a listing.
- **No counter pay linked to category mix**, per the anchor rule.

The operational hinge is a woman of fifty-eight with newly diagnosed type-2 diabetes, frightened of "starting medicines for life", asking for a formulation she read about — and telling us, plainly and without being asked twice, that she intends to stop her metformin and try this first for three months. She is polite, she has decided, she will buy it somewhere else within the hour, and refusing feels like refusing to respect her judgement about her own body. So **THE SUPPLY IS REFUSED AS A SUBSTITUTE AND SHE IS REFERRED BACK TO HER PRESCRIBER**, with the offer to supply the same formulation **ALONGSIDE** her medicine if her doctor agrees — because refusing without offering an alternative is not integrity, it is just refusal. The system refuses rather than warns: the till cannot complete a sale flagged as a stated substitution, there is no override at counter level, and **NO STAFF MEMBER'S PAY IS AFFECTED BY THE SALES HE DECLINED**. The refusal is logged as a

positive event, and an outlet reporting none in a quarter is audited rather than congratulated.

9. Licensing, Claims & Operating Compliance (India)

- **Drugs and Cosmetics Act 1940 and Rules 1945 as applied to AYUSH** — retail licensing where scheduled AYUSH medicines are sold; **Rule 158B**, under which a **CLASSICAL** formulation is licensed by reference to a recognised **First Schedule** text rather than by efficacy data, and a **PROPRIETARY** medicine on a lighter and different basis.
- **Schedule T GMP** for AYUSH manufacture, including contract and own-brand production.
- **Drugs and Magic Remedies (Objectionable Advertisements) Act 1954** — prohibits advertising a remedy for a schedule of conditions including cancer and diabetes; the most widely ignored health statute in the country, and the schedule is exactly where the commercial value sits.
- **FSS Act 2006 and FSSAI Nutraceuticals Regulations** — a nutraceutical is **FOOD** and may make no medicinal claim whatsoever, whatever the shelf beside it implies.
- **Cosmetics rules** — a fourth regime on the same shelf, permitting no therapeutic claim.
- **Heavy-metal limits** — lawful in bhasma preparations at concentrations that would be a violation in any food.
- **Practice regulation** — NMC and state AYUSH council rules on who may practise and prescribe.
- **Consumer protection, ASCI and e-commerce rules** on misleading health claims; GST; shops and establishments, EPF/ESI and POSH.

10. Organisation & Manpower Plan

Function	Yr 1	Yr 3	Notes
Promoter / managing director	1	1	Owens the claims and substitution rules
Counter staff & outlet support	22	106	Nil pay linked to category mix
Qualified AYUSH practitioners	9	42	1.5 per outlet; full opening-hours cover
Sourcing, identity & assay laboratory	6	22	Assay at goods-in, not on certificate
Brand, education & content	3	9	486 claims refused in Year 3
Finance, legal, compliance & admin	4	14	Publishes batch assays and refusals
Total	45	194	Practitioners and assay at 33% of headcount

Forty-two qualified practitioners for twenty-eight outlets is 1.5 per shop, which is what continuous cover actually costs and is far above trade practice, where a vaidya visits twice a week and a trained assistant does the rest. The distinction matters because recommending a formulation for a diagnosed condition IS practising medicine, and a customer cannot see the difference between a qualified practitioner and a confident salesman — which is precisely the anchor plan's rented-licence problem transplanted into a category where the qualification is even less legible. Counter staff carry NIL pay linked to category mix, which is more important here than in an allopathic shop because the margin gradient is steeper: 32% on a classical formulation against 46% on a cosmetic, with the customer unable to tell them apart.

11. Implementation Timeline & Milestones

Phase	Window	Milestones
Formation & first outlets	Month 0–7	Incorporation, licences, 6 outlets, practitioner recruitment
Regime labelling & claims policy	Month 2–8	Shelf-edge regime and evidence basis; nil scheduled-condition claims
Assay laboratory	Month 5–14	Identity, heavy metals and microbial per batch; results published
Substitution protocol	Month 8–16	Till blocks stated substitutions; referral recorded; refusals logged
Own brand & 16 outlets	Month 12–26	Schedule T verified manufacture; herb supply to clinics
Scale & publication	Month 24–36	28 outlets; 312 batch rejections and 16 de-listings published

Training and competence

- **The four regimes** — taught to every counter member, since most of the trade cannot distinguish them.
- **Asking the substitution question** without sounding like an interrogation.
- **Refusing a claim** a supplier's own packaging makes, in front of a customer holding the pack.
- **Identity assessment** at goods-in, including what adulteration looks like before assay.

12. Financial Plan (Illustrative)

All figures are illustrative model assumptions, not forecasts or guarantees. They exist to show the drivers of an AYUSH retail P&L and how the disclosure, claims and substitution disciplines move them. Every input is editable. **The defining economics are a 40.5% blended gross margin — far above allopathic retail — earned on a shelf where THE MARGIN RISES AS THE EVIDENCE REQUIREMENT FALLS, which is the pressure every rule in this plan exists to resist.**

12.1 Project cost & funding

Item	₹ lakh	Notes
Outlet fit-out & fixtures (28 phased)	386	Includes shelf-edge regime labelling
Opening inventory across outlets	324	Wide classical and proprietary range
Own-brand development, licensing & first production	186	Schedule T verified manufacture
Assay laboratory — heavy metals, microbial, identity	148	Because adulteration is invisible in a powder
Working capital	148	Stock cycle and clinic supply terms
Licences, deposits & pre-operative	112	Four regimes, multiple registrations
Technology, labelling & regime-disclosure systems	96	Till blocks a stated substitution
Total project cost	1,400	₹560L investor + ₹420L term loan + ₹280L promoter + ₹140L WC

12.2 Operating metrics

Metric	Yr 1	Yr 2	Yr 3
REGIME AND EVIDENCE BASIS LABELLED on every product (classical / proprietary AYUSH / FSSAI food / cosmetic) / products sold WITHOUT regime disclosure / customers who CHANGED THEIR CHOICE once told	100% / NIL / 14%	100% / NIL / 17%	100% / NIL / 19%
THE SUBSTITUTION QUESTION asked of every chronic-condition customer / supply REFUSED as a substitute for a prescribed medicine / referred to prescriber / revenue forgone (₹L)	100% / 1,840 / 100% / 28	100% / 4,900 / 100% / 64	100% / 8,600 / 100% / 112
CLAIMS made for MAGIC REMEDIES SCHEDULED CONDITIONS in any medium / promotional claims REFUSED / products not listed because their own label carries a prohibited claim / revenue forgone (₹L)	NIL / 128 / 46 / 42	NIL / 284 / 98 / 96	NIL / 486 / 164 / 168
HEAVY-METAL, microbial and identity ASSAY PER BATCH / results published per batch / batches rejected / suppliers DE-LISTED on failure	100% / 100% / 84 / 4	100% / 100% / 196 / 9	100% / 100% / 312 / 16
QUALIFIED AYUSH PRACTITIONER present as % of opening hours / counter staff recommending for a DIAGNOSED condition without one / consultation fee charged whether or not anything is bought	100% / NIL / 100%	100% / NIL / 100%	100% / NIL / 100%
Outlets / revenue per outlet / repeat customers / largest own-brand SKU as % of revenue / counter pay linked to category mix	6 / ₹1.50cr / 44% / 6.8% / NIL	16 / ₹1.50cr / 58% / 5.4% / NIL	28 / ₹1.64cr / 68% / 4.2% / NIL

Row one's third figure is what makes the first two mean anything: 19% of customers change their choice once told which regime they are buying under — rising from 14% as the labelling gets clearer — which is the cost of the disclosure and simultaneously the proof it is real, per the library's rule that a disclosure nobody acts on is a formality. Row two records the harm this trade actually causes: 8,600 refusals to be somebody's substitute, every one of them a customer who probably bought it elsewhere within the hour. Row three's NIL is the most commercially expensive figure in the plan at ₹1.68 crore, and the 164 products not listed because their OWN labels carry a prohibited claim is the part that costs range as well as revenue. Row six's repeat rate at 68% is the return on all of it — in a category where the product cannot be evaluated by the buyer, trust is the entire asset, and it is the only thing a competitor's claim cannot take.

12.3 Revenue build

Stream	Yr 1 (₹L)	Yr 2 (₹L)	Yr 3 (₹L)	Gross margin
Classical AYUSH formulations	270	720	1,380	32.0%
Proprietary AYUSH medicines	207	552	1,058	38.0%
Nutraceuticals & food supplements	162	432	828	44.0%
Ayurvedic personal care & cosmetics	135	360	690	46.0%
Practitioner consultation & panchakarma referral	72	192	368	72.0%
Herb sourcing & contract supply to clinics	54	144	276	26.0%
Total revenue	900	2,400	4,600	40.5% blended

12.4 P&L summary

Line	Yr 1 (₹L)	Yr 2 (₹L)	Yr 3 (₹L)
Revenue	900	2,400	4,600
Cost of goods — incl. rejected batches and destroyed stock	(536)	(1,428)	(2,738)
Gross profit	364	972	1,862
Staff — counter, practitioners & technicians	(164)	(312)	(496)
Outlet rent, utilities & occupancy	(108)	(216)	(348)
Batch assay — heavy metals, microbial, identity	(52)	(86)	(128)
Brand, marketing & education	(56)	(86)	(118)
Technology, labelling & regime disclosure	(38)	(54)	(74)
Admin, legal, compliance & other	(72)	(102)	(146)
EBITDA	(126)	116	552
Depreciation & amortisation	(54)	(86)	(118)
Finance cost	(38)	(58)	(82)
Other income — supplier trade terms and clinic supply incentives (<i>disclosed</i>)	44	92	138
PBT	(174)	64	490
Tax	44	(16)	(123)
PAT	(130)	48	367
Net margin	(14.4%)	2.0%	8.0%
ROCE	(12.9%)	2.1%	31.0%

A 40.5% blended gross margin against allopathic retail's 25.5% is the first thing an investor will notice, and it deserves an honest explanation rather than a boast: this shelf earns more because much of it is not price-controlled, and much of it is not price-controlled because it is not, legally speaking, medicine. The margin and the evidence requirement move in opposite directions, which is why the product committee sits outside buying — the products a buyer would most want to list are the ones with the least behind them. Batch assay at ₹1.28 crore is spending 2.8% of revenue to test products most of the trade does not test at all, and it produced 312 rejections and 16 de-listings. Commitments of ₹4.30 crore against ₹3.67 crore of profit mean a trade-standard operator running the same 28 shops would earn ₹7.97 crore, and most of that gap is a single sentence about diabetes that we do not say.

12.5 Break-even & sensitivity

Scenario	Yr 3 revenue	Yr 3 PAT	Comment
Base	₹46.0cr	₹3.67cr	As modelled, 8.0% net
Trade-standard practice	₹48.8cr	₹7.97cr	Claims made, substitution supplied, no regime labels
Scheduled-condition claims permitted	₹47.7cr	₹4.93cr	The single most profitable sentence in the trade

Network grows to 40 outlets	₹65.7cr	₹6.12cr	Operating leverage sits in the laboratory
Heavy-metal recall across a brand	₹46.0cr	₹2.77cr	Why assay is at goods-in, not on certificate
Rent inflation +25%	₹46.0cr	₹3.02cr	28 high-street leases is the fixed exposure

13. Funding Requirement & Bankability

Source	₹ lakh	Terms (indicative)
Investor equity	560	Outlet rollout; claims and substitution covenants
Term loan	420	Fit-out, laboratory and own-brand; 5-6 years
Promoter contribution	280	Cash and practitioner network
Working capital facility	140	Stock cycle and clinic supply terms
Total	1,400	Illustrative structure

A lender should read repeat rate, revenue per outlet and the batch-rejection series, and should treat the claims covenant as protecting the asset rather than constraining it. Repeat custom at 68% is the only durable asset in a category where the buyer cannot evaluate the product, and it is what a competitor's louder claim is attacking. The batch-rejection series — 84 to 312, with 16 supplier de-listings — is the operating-discipline indicator, and the recall sensitivity shows why: a heavy-metal finding across a brand takes profit to ₹2.77 crore and would take the reputation with it. The claims restriction deserves a covenant because breaching it would improve every line simultaneously, would be commercially invisible for a year or two, and is the exact mechanism by which businesses in this category acquire liabilities they cannot later discharge.

- **Use of funds** — 28% outlet fit-out, 23% opening inventory, 13% own-brand development, 11% assay laboratory, 11% working capital, 8% licences and deposits, 7% labelling and disclosure systems.
- **Repayment** — term loan from Year 2-3 cash flow; working capital revolving against the stock cycle.
- **Investor exit** — sale to a wellness or FMCG group, an ayurvedic manufacturer integrating forward, or a pharmacy chain; or promoter buyback. **The claims restriction survives change of control.**

14. Risk Analysis & Mitigation

Risk	Impact	Mitigation
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Four legal regimes on one shelf	A CLASSICAL AYUSH FORMULATION is licensed under Rule 158B BY REFERENCE TO A RECOGNISED TEXT RATHER THAN A TRIAL — no efficacy evidence is required for it and NONE IS IMPLIED BY ITS APPROVAL. A PROPRIETARY AYUSH MEDICINE is licensed on a lighter and different basis again. A NUTRACEUTICAL sits under FSSAI as FOOD and MAY MAKE NO MEDICINAL CLAIM AT ALL. A COSMETIC is a fourth thing entirely. THEY SHARE ONE AISLE, ONE SIZE, ONE DESIGN LANGUAGE AND ONE PRICE BAND, AND NOTHING OBLIGES ANYBODY TO TELL THE CUSTOMER WHICH IS WHICH. And HEAVY METALS IN BHASMA PREPARATIONS ARE LAWFUL AT CONCENTRATIONS THAT WOULD BE A PROSECUTABLE VIOLATION IN THE SUPPLEMENT STANDING NEXT TO THEM — the customer CROSSES A REGULATORY BOUNDARY BY MOVING HIS HAND TWELVE INCHES AND CANNOT KNOW IT. None of it is concealment in the ordinary sense, BECAUSE THE SHOPKEEPER MOSTLY DOES NOT KNOW EITHER. The result is a customer who believes he is comparing two similar remedies WHEN HE IS COMPARING A MEDICINE LICENSED ON TEXTUAL AUTHORITY WITH A FOOD THAT IS LEGALLY FORBIDDEN FROM CLAIMING TO DO ANYTHING	SUPPLY THE MISSING SENTENCE: REGIME AND EVIDENCE BASIS ON EVERY SHELF EDGE AND EVERY BILL — classical, proprietary AYUSH, FSSAI food supplement or cosmetic — with classical formulations carrying the PLAIN STATEMENT that licensing rests on textual authority and that NO EFFICACY TRIAL WAS REQUIRED OR PERFORMED, and nutraceuticals labelled as FOOD that may claim nothing medicinal. NIL products sold without regime disclosure, online and catalogue included. HEAVY-METAL, MICROBIAL AND IDENTITY ASSAY PER BATCH, PUBLISHED PER BATCH — 312 batches rejected, 16 SUPPLIERS DE-LISTED because de-listing addresses the source while rejecting a batch addresses one consignment. 19% OF CUSTOMERS CHANGE THEIR CHOICE ONCE TOLD (₹86L), WHICH IS THE FIGURE THAT PROVES THE DISCLOSURE IS REAL. GENERAL RULE: WHERE FOUR LEGAL REGIMES SHARE ONE SHELF, THE CUSTOMER'S ONLY DEFENCE IS BEING TOLD WHICH ONE HE IS BUYING
The woman who wants to stop her metformin	Fifty-eight, newly diagnosed type-2 diabetes, FRIGHTENED OF STARTING MEDICINES FOR LIFE, asking for a formulation she read about — and telling us plainly, WITHOUT BEING ASKED TWICE, that she intends to stop her metformin and try this first for three months. SHE IS POLITE, SHE HAS DECIDED, SHE WILL BUY IT SOMEWHERE ELSE WITHIN THE HOUR, AND REFUSING FEELS LIKE REFUSING TO RESPECT HER JUDGEMENT ABOUT HER OWN BODY	REFUSE THE SUPPLY AS A SUBSTITUTE AND REFER HER BACK TO HER PRESCRIBER, WITH THE OFFER TO SUPPLY THE SAME FORMULATION ALONGSIDE HER MEDICINE IF HER DOCTOR AGREES — BECAUSE REFUSING WITHOUT OFFERING AN ALTERNATIVE IS NOT INTEGRITY, IT IS JUST REFUSAL. THE SYSTEM REFUSES RATHER THAN WARNS: the till CANNOT COMPLETE A SALE FLAGGED AS A STATED SUBSTITUTION and there is NO OVERRIDE AT COUNTER LEVEL; NO STAFF MEMBER'S PAY IS AFFECTED BY THE SALES HE DECLINED; the refusal is LOGGED AS A POSITIVE EVENT; and an outlet reporting none in a quarter is AUDITED RATHER THAN CONGRATULATED (anchor rule: a gate with no rejections is not a gate)

The harm the shop never hears about	Almost nothing on these shelves will hurt a healthy person; WHAT HURTS PEOPLE IS THE SUBSTITUTION — a diabetic who stops metformin, a cardiac patient who stops a statin, somebody with a treatable cancer who delays six months. And that harm has the CATERING ANCHOR'S EXACT STRUCTURE WITH ONE CRUEL ADDITION: THE SHOP NEVER HEARS ABOUT IT. A customer who deteriorates DOES NOT RETURN TO REPORT IT — HE GOES TO A HOSPITAL — SO THE BUSINESS COULD CAUSE THIS HARM FOR A DECADE AND SEE NOTHING BUT GROWING REPEAT CUSTOM	ASK EVERY CHRONIC-CONDITION CUSTOMER DIRECTLY whether he intends to stop an allopathic medicine; where the answer is yes, REFUSE THE SUPPLY AS A SUBSTITUTE AND REFER TO THE PRESCRIBER — 8,600 refusals in Yr3, 100% referred, ₹1.12cr forgone. COMPLEMENTARY USE ALONGSIDE A PRESCRIBED MEDICINE IS SUPPLIED AND RECORDED; REPLACEMENT IS NOT. Because no outcome signal will ever arrive, THE REFUSAL COUNT IS THE ONLY MEASURABLE THING — the vertical anchor's rule applied where the harm does not even come back as a complaint
The most widely ignored health statute in India	The Drugs and Magic Remedies (Objectionable Advertisements) Act 1954 has prohibited advertising a remedy for a schedule of conditions — CANCER AND DIABETES AMONG THEM — SINCE 1954, AND THAT SCHEDULE IS PRECISELY WHERE THE COMMERCIAL VALUE SITS, BECAUSE THOSE ARE THE CONDITIONS PEOPLE ARE DESPERATE ENOUGH TO PAY FOR. Competitors make the claims; suppliers print them on their own packaging	NIL CLAIMS FOR SCHEDULED CONDITIONS IN ANY MEDIUM, EVER; 486 PROMOTIONAL CLAIMS REFUSED in Yr3 INCLUDING FROM SUPPLIERS WHOSE OWN PACKAGING CARRIES THEM; and 164 PRODUCTS NOT LISTED BECAUSE THEIR OWN LABELS CARRY A PROHIBITED CLAIM — which costs range as well as revenue. ₹1.68cr forgone, THE LARGEST COMMITMENT IN THIS PLAN, AND MOST OF THE GAP TO A TRADE-STANDARD OPERATOR IS A SINGLE SENTENCE ABOUT DIABETES THAT WE DO NOT SAY. The PRODUCT COMMITTEE SITS OUTSIDE BUYING and can refuse a listing
The margin rises as the evidence falls	32% on a classical formulation with textual authority; 44% on a nutraceutical that is legally food; 46% on a cosmetic that may claim nothing therapeutic. THE COMMERCIAL GRADIENT RUNS IN EXACTLY THE OPPOSITE DIRECTION TO THE EVIDENTIARY ONE — the anchor's margin ladder, EXCEPT THAT HERE THE CUSTOMER CANNOT EVEN IDENTIFY WHICH RUNG HE IS STANDING ON	PRODUCT COMMITTEE INDEPENDENT OF BUYING with authority to refuse a listing, BECAUSE THE PRODUCTS A BUYER WOULD MOST WANT TO LIST ARE THE ONES WITH THE LEAST BEHIND THEM; NIL COUNTER PAY LINKED TO CATEGORY MIX, which matters more here than in an allopathic shop because the gradient is steeper AND THE CUSTOMER CANNOT TELL THE CATEGORIES APART; consultation SEPARATED FROM SALE with the fee charged WHETHER OR NOT ANYTHING IS BOUGHT and NO PRACTITIONER EARNINGS VARYING WITH WHAT LEAVES THE SHOP, BECAUSE A CONSULTATION THAT PAYS ONLY WHEN IT SELLS SOMETHING IS NOT A CONSULTATION; contribution reported PER REGIME, never blended

Recommending is practising medicine	A counter assistant suggesting a preparation for somebody's arthritis is doing exactly what the anchor's rented-licence problem describes, IN A CATEGORY WHERE THE QUALIFICATION QUESTION IS EVEN LESS VISIBLE — a customer cannot see the difference between a qualified practitioner and a confident salesman	A QUALIFIED AYUSH PRACTITIONER PRESENT FOR 100% OF OPENING HOURS AT EVERY OUTLET — 42 for 28 shops at 1.5 each, far above trade practice where a vaidya visits twice a week; NIL counter staff recommending for a diagnosed condition without one; the four regimes taught to every counter member since most of the trade cannot distinguish them; and referral to a practitioner rather than a product wherever a diagnosis is involved
Adulteration and identity	Herb substitution and adulteration are ENDEMIC AND UNDETECTABLE BY ANY CUSTOMER AND MOST SHOPS — invisible in a powder — and a heavy-metal recall across a brand takes profit to ₹2.77cr and the reputation with it	IDENTITY, HEAVY-METAL AND MICROBIAL ASSAY AT GOODS-IN rather than trusted to a supplier's certificate; results PUBLISHED PER BATCH by batch number on pack and online; SUPPLIERS DE-LISTED ON FAILURE — 16 in Yr3 — rather than the batch merely returned, BECAUSE A RETURNED BATCH IS SIMPLY SOLD TO SOMEBODY ELSE; Schedule T GMP verified for own-brand and contract manufacture; and rejected stock DESTROYED, not returned for credit
Rent, practitioners and concentration	28 high-street leases with 25% rent inflation takes profit to ₹3.02cr; 42 practitioners are a heavy fixed cost and scarce in smaller catchments; own-brand concentration would make a single quality event existential	Outlet-level P&L published internally so a shop that is not working is closed rather than carried; practitioner rostering shared across nearby outlets; largest own-brand SKU held to 4.2% of revenue and falling; the herb-supply and consultation lines grown as revenue uncorrelated with retail footfall; and lease tenures staggered so renewals do not cluster

15. SWOT Analysis

Strengths • Regime and evidence basis labelled on every product • Nil claims for Magic Remedies scheduled conditions • 8,600 refusals to be somebody's substitute • Heavy-metal and identity assay published per batch • 68% repeat custom; practitioner present all hours	Weaknesses • ₹4.30cr forgone against ₹3.67cr of profit • 19% of customers change their choice once told • 164 products unlistable because of their own labels • 42 practitioners is a heavy fixed cost
Opportunities • Customers who want to know rather than be reassured • Practitioner and clinic supply as B2B revenue • Own-brand at verified Schedule T quality • Rising scrutiny of unsubstantiated wellness claims • Assay capability sellable to smaller manufacturers	Threats • Competitors making the claims we refuse • A heavy-metal finding anywhere in the category • Practitioner scarcity outside metros • High-street rent inflation across 28 leases

16. Recommended AiSevak Tools for This Business

- **Regime labeller** — every SKU tagged classical / proprietary / FSSAI food / cosmetic, printed at shelf edge and on the bill.
- **Evidence-basis statement generator** — plain-language licensing basis per product, including "no efficacy trial required or performed".
- **Substitution block** — till cannot complete a sale flagged as a stated substitution; no counter override.
- **Claim screener** — Magic Remedies schedule checked against every listing, label and piece of content.
- **Batch assay publisher** — heavy metals, microbial and identity by batch number, on pack and online.
- **Supplier de-listing register** — failures tracked to source, not to consignment.
- **Consultation separation** — fee charged independently of purchase; practitioner earnings unlinked to sales.

17. Key Assumptions & Notes

- **All financials are illustrative model assumptions, not forecasts, projections or guarantees.** Revenue, outlet counts, regime margins, refusal counts and repeat rates are editable inputs; actual outcomes depend on catchment, practitioner availability, sourcing quality and rent. Figures are in Indian rupees. **This plan inherits the pharmacy vertical anchor's rules from `retail-pharmacy`.**
- **The central integrity finding is that four legal regimes share one shelf, with four different evidence standards, and nothing on the packaging tells you which is which.** A classical AYUSH formulation is licensed by reference to a recognised text rather than a trial, so no efficacy evidence is required for it and none is implied by its approval; a proprietary AYUSH medicine is licensed on a lighter and different basis; a nutraceutical sits under FSSAI as food and may make no medicinal claim at all; a cosmetic is a fourth thing entirely. **They share one aisle, one size, one design language and one price band, and nothing obliges anybody to tell the customer which is which. Heavy metals in bhasma preparations are lawful at concentrations that would be a prosecutable violation in the supplement standing next to them — the customer crosses a regulatory boundary by moving his hand twelve inches and cannot know it. None of this is concealment in the ordinary sense, because the shopkeeper mostly does not know either. The result is a customer who believes he is comparing two similar remedies when he is comparing a medicine licensed on textual authority with a food that is legally forbidden from claiming to do anything.**
- **So the missing sentence is supplied.** Every product carries its regime and evidence basis on the shelf edge and on the bill, with classical formulations stating plainly that licensing rests on textual authority and that no efficacy trial was required or performed, and nutraceuticals labelled as food that may claim nothing medicinal. Nil products are sold without regime disclosure. Heavy-metal, microbial and identity assay is performed and published per batch — 312 batches rejected and 16 suppliers de-listed, because de-listing addresses the source while rejecting a batch addresses one consignment. **19% of customers change their choice once told, at ₹86 lakh, which is the figure that proves the disclosure is real. WHERE FOUR LEGAL REGIMES SHARE ONE SHELF, THE CUSTOMER'S ONLY DEFENCE IS BEING TOLD WHICH ONE HE IS BUYING.**
- **The real harm in this trade is not the product — it is the substitution, and the shop never hears about it.** Almost nothing on these shelves will hurt a healthy person; what hurts people is a diabetic who stops metformin, a cardiac patient who stops a statin, or somebody with a treatable cancer who delays six months. **That harm has the catering anchor's exact structure with one cruel addition: a customer who deteriorates does not return to report it, he goes to a hospital — so a business could cause this harm for a decade and see nothing but growing repeat custom.** Every chronic-condition customer is therefore asked directly whether he intends to stop an allopathic medicine; where the answer is yes the supply is refused as a substitute and he is referred to his prescriber,

with complementary use alongside a prescribed medicine supplied and recorded while replacement is not. 8,600 refusals in Year 3, 100% referred, ₹1.12 crore forgone. **Because no outcome signal will ever arrive, the refusal count is the only measurable thing there is.**

- **The Drugs and Magic Remedies Act is the most widely ignored health statute in India, and the schedule is where the money is.** It has prohibited advertising a remedy for a list of conditions including cancer and diabetes since 1954, and those are precisely the conditions people are desperate enough to pay for. **Nil claims are made for scheduled conditions in any medium, 486 promotional claims were refused in Year 3 including from suppliers whose own packaging carries them, and 164 products were not listed because their own labels carry a prohibited claim — which costs range as well as revenue. ₹1.68 crore forgone, the largest commitment in this plan, and most of the gap to a trade-standard operator is a single sentence about diabetes that we do not say.**
- **The margin rises as the evidence requirement falls.** 32% on a classical formulation with textual authority, 44% on a nutraceutical that is legally food, 46% on a cosmetic that may claim nothing therapeutic — the commercial gradient running in exactly the opposite direction to the evidentiary one, which is the anchor plan's margin ladder except that here the customer cannot even identify which rung he is standing on. **So the product committee is independent of buying with authority to refuse a listing, because the products a buyer would most want to list are the ones with least behind them; no counter pay is linked to category mix; and consultation is separated from sale, with the fee charged whether or not anything is bought and no practitioner's earnings varying with what leaves the shop — because a consultation that pays only when it sells something is not a consultation.**
- **The economics deserve an honest explanation rather than a boast.** A 40.5% blended gross margin against allopathic retail's 25.5% exists because much of this shelf is not price-controlled, and much of it is not price-controlled because it is not, legally speaking, medicine. Batch assay at ₹1.28 crore is 2.8% of revenue spent testing products most of the trade does not test at all. **Commitments of ₹4.30 crore against ₹3.67 crore of profit mean a trade-standard operator running the same 28 shops would earn ₹7.97 crore.** Repeat custom at 68% is the return on all of it — in a category where the buyer cannot evaluate the product, trust is the entire asset, and it is the only thing a competitor's louder claim cannot take away.
- **Compliance and professional advice.** The Drugs and Cosmetics Act 1940 and Rules 1945 as applied to AYUSH, including Rule 158B licensing of classical formulations by reference to a First Schedule text and the lighter proprietary basis; Schedule T GMP for AYUSH manufacture; **the Drugs and Magic Remedies (Objectionable Advertisements) Act 1954 and its schedule of prohibited conditions;** the FSS Act 2006 and FSSAI Nutraceuticals Regulations, under which a nutraceutical is food and may make no medicinal claim; cosmetics rules; heavy-metal limits and their differing application to bhasma preparations and foods; NMC and state AYUSH council rules on who may practise; consumer protection, ASCI and e-commerce rules on misleading health claims; GST; and shops and establishments, EPF/ESI and POSH. Professional advice should be taken on product classification across the four regimes, claim wording, own-brand licensing and heavy-metal specification by product type.

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