



BUSINESS PLAN · INDIA

Lab Reagents & Fine-Chemicals Distribution

*Reagents, standards, solvents and consumables for research, QC and testing
laboratories*

CHEMICALS

AISEVAK.IN · BY ABL DIGITAL TECHNOLOGIES

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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 a **Laboratory Reagents & Fine-Chemicals Distribution** business in India — stocking and supplying **analytical reagents, fine chemicals, HPLC/GC-grade solvents, analytical standards, laboratory consumables, glassware and small equipment** to research laboratories, universities, pharmaceutical and food QC labs, hospitals, diagnostics chains and NABL-accredited testing laboratories.

Laboratories cannot function without a reliable supply of small quantities of a very large number of substances. A pharmaceutical QC lab may consume five hundred different items a year, most in 500 gram or one litre packs, several of them urgently. No manufacturer serves that pattern of demand — which is precisely why specialist laboratory distribution exists, and why it earns considerably better margins than bulk chemical trading.

The economics are the mirror image of industrial-chemicals trading, and the contrast is instructive. A bulk chemical distributor earns a thin gross margin of 13–14% but turns inventory 8–10 times a year. A laboratory reagent distributor earns **28–29% gross margin but turns inventory only 4–5 times**, because it must hold a long tail of slow-moving items. Both businesses arrive at a respectable return on capital by entirely different routes — margin × turns is the same equation solved with different variables. Anyone applying bulk-distribution instincts to a reagent business (chase turns, cut slow stock) will destroy the very thing customers pay for.

Because the long tail is the product — and also where the money dies. The reason a lab buys from a distributor rather than direct is that the distributor has the obscure item on the shelf today. Availability across thousands of SKUs is the entire value proposition. But that same tail ties up capital in stock that moves twice a year and, critically, **reagents have shelf lives — slow-moving stock does not merely sit, it expires**. This plan carries expiry and obsolescence at roughly 3% of revenue as a structural cost line rather than an exception, because pretending otherwise is the standard way these businesses overstate profit. It models a laboratory reagents distribution business requiring **₹2.4 crore** (₹80 lakh promoter + ₹35 lakh term loan + ₹1.25 crore working-capital finance), moving from **₹10 crore revenue and a marginal ₹4 lakh loss** in Year 1 to **₹21 crore revenue and ₹1.32 crore profit** by Year 3. (*Laboratory distribution; SKU breadth × margin × turns, availability-driven — figures illustrative.*)

2. Business Description, Vision & Legal Structure

Concept: A laboratory reagents & fine-chemicals distribution business - branded distribution plus own-label repacking, held in a temperature-controlled and licensed warehouse, supplied with certificates of analysis and next-day availability across a broad SKU range.

Vision: To be the supplier a laboratory calls when the experiment cannot wait - in stock, correctly stored, properly documented.

Mission: Hold what laboratories actually need, store it correctly, deliver it fast, and supply the paperwork that goes with it.

Legal structure options

- **Private Limited** — recommended: import distributorships, controlled-substance licensing, institutional tender participation and working-capital facilities of this size all assess a company.
- **Proprietorship / LLP** — workable at small regional scale, but constrains both licensing credibility and the borrowing that funds inventory.

Regulatory anchor — licensing here is unusually layered, and it is routinely underestimated. Beyond GST, trade licence and warehouse fire NOC, a laboratory distributor typically needs: **a licence under the Poisons Act and the applicable state Poisons Rules** to possess and sell scheduled poisons, which covers a surprising number of ordinary laboratory chemicals; **registration and register-keeping for NDPS-listed precursor chemicals**, several of which are common solvents and reagents; and — the one most often overlooked — **a state excise licence to stock and supply laboratory alcohol** (rectified spirit, absolute alcohol, denatured ethanol), which is an excise-controlled commodity in every state and carries its own permits, registers and periodic returns. Add PESO for flammable solvent storage above threshold quantities, hazardous-goods transport compliance, MSDS and GHS labelling, and Legal Metrology declarations on repacked material. **A distributor operating without the poisons and excise licences is not merely non-compliant on paperwork — it is committing offences on products it will sell every week.**

3. Promoter & Ownership

Led by a promoter with laboratory-supply, analytical-chemistry or scientific-distribution background. The competences that determine success are *inventory judgment across thousands of SKUs* — knowing what to stock deep, what to stock thin and what to order against demand — and *customer intimacy with laboratory buyers*, who value availability and documentation far above price. The team includes technical sales and product specialists, warehouse and cold-chain staff, an order desk, procurement and imports, a regulatory/licensing function, delivery, and credit control. Availability, documentation quality, delivery speed & licensing completeness are the differentiators. Ownership, equity & any partner are editable inputs.

4. Market Analysis — India

Demand is driven by pharmaceutical and CRO research activity, expansion of testing and NABL-accredited laboratories, food and environmental testing mandates, diagnostics growth, and public research and university funding. Demand is research-, testing-mandate- & quality-regulation-driven. The market rewards availability, documentation, delivery speed & technical support; it is **SKU-intensive, licensing-gated & service-competitive**.

Demand drivers

- **Pharmaceutical R&D and QC** — India's formulation and API industry runs enormous analytical workloads.
- **Testing laboratory growth** — NABL-accredited food, water, environmental and materials testing expanding with regulation.
- **Diagnostics chains** consuming reagents and consumables at scale.
- **Academic and public research** funding, including institutional tender demand.
- **Quality-regulation tightening** across food, water and pharmaceuticals, which converts directly into analytical volume.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Indian laboratory chemicals, reagents & consumables	Large, growing
SAM	Regional laboratory base & institutional accounts served	Serviceable
SOM (Yr 1–3)	Active laboratory accounts & SKU coverage	Scaling with inventory

Target segments

- Pharmaceutical, API & CRO laboratories (research and QC).
- NABL-accredited food, water, environmental & materials testing labs.
- Hospitals, pathology & diagnostics chains.
- Universities, colleges & public research institutions (largely tender-driven).
- Industrial QC laboratories across food, chemicals and manufacturing.

5. Competition & Competitive Advantage

Landscape: national scientific-supply distributors, authorised distributors of global reagent brands, regional laboratory suppliers, online scientific marketplaces, and manufacturers selling direct to very large accounts. Price is broadly transparent on catalogue items, so **competition is on availability, delivery and documentation** rather than on rate.

The business's edge

- **Availability across the long tail** — having the item a competitor will have to order from abroad.
- **Delivery speed** — same or next day within the region; a stalled experiment is expensive and buyers remember who unblocked it.
- **Documentation** — certificates of analysis, batch traceability, MSDS and lot records, which NABL-accredited and regulated labs must retain.
- **Complete licensing** — the ability to legally supply poisons-schedule chemicals, precursors and laboratory alcohol, which many small suppliers cannot.
- **Cold-chain integrity** — correct storage and transport for enzymes, biologicals and standards.
- **Technical order desk** — staff who can identify the right grade, pack size and equivalent when a catalogue number is discontinued.

6. Products & Revenue Model

Revenue line	Model	Basis
Laboratory reagents & fine chemicals (branded distribution)	Catalogue price × volume	Core
Analytical standards & HPLC/GC-grade solvents	Catalogue price × volume	Higher margin
Institutional & tender supply	Tender / rate contract	Volume, thin margin
Own-label repacked reagents	Repack margin	Margin lift
Laboratory equipment, glassware & accessories	Distribution margin	Basket completion

Revenue is **accounts × basket × frequency**, and profit is **gross margin × inventory turns** — the same equation as any distribution business, but solved at 28-29% margin and 4-5 turns rather than 13% and 9 turns. **Own-label repacking is the most reliable margin lever available:** buying a bulk pack and repacking into laboratory sizes under one's own label, with proper analysis and labelling, materially improves realisation on high-volume commodity reagents where the brand adds little. It requires Legal Metrology compliance, genuine QC verification and honest certificates — done properly it is legitimate value addition; done carelessly it is misrepresentation.

7. Go-to-Market — Laboratories & Institutions

- **Direct laboratory sales** with technical product specialists covering pharma, testing and academic segments.
- **Order-desk responsiveness** — quotations within hours, stock confirmation, substitution advice when an item is discontinued.
- **Rate contracts** with large laboratory groups and diagnostics chains for repeat consumables.
- **Institutional tenders** via government procurement platforms for universities and public laboratories.
- **Distributorship agreements** with global and Indian reagent brands, giving catalogue access and territory.
- **Online catalogue** for search, availability and reordering — increasingly how younger laboratory buyers work.

Sales approach

Secure two or three genuine brand distributorships to anchor the catalogue → build a stock list from actual regional consumption rather than from an aspirational catalogue → win laboratories on availability and delivery, since price rarely decides a reagent order → convert repeat consumables into rate contracts → add own-label repacks on high-volume items → participate in institutional tenders selectively. **On tenders, a deliberate caution: public-laboratory business is real volume at L1 pricing with payment cycles that can run several months**, so it should be sized as a proportion of the book that the working capital can carry, not chased for turnover.

8. Operations Plan (inventory, cold chain & fulfilment)

- **Inventory management:** SKU classification by movement, differentiated stocking policy across thousands of items, reorder points, and **batch-and-expiry tracking on every lot** — without this the expiry cost is discovered rather than managed.
- **Warehouse:** segregated storage by chemical class, flammable cabinet, **licensed poisons and precursor storage with registers**, excise-bonded alcohol storage, and cold rooms at 2–8 °C with freezers at –20 °C.
- **Cold chain:** temperature monitoring in storage *and* in transit — an enzyme delivered warm is a worthless product and a lost customer.
- **Repacking:** dispensing bulk into laboratory packs under controlled conditions, with verification analysis, GHS labelling and Legal Metrology declarations.
- **Documentation:** certificates of analysis, MSDS and lot traceability supplied with despatch — a deliverable, not an afterthought, for accredited laboratories.
- **Fulfilment:** same/next-day regional delivery, hazardous-goods packing and transport compliance, cold packs where required.

Trade cycle

Stage	Activity	Metric
Source	Brand distribution & imports	Landed cost / lead time
Stock	Classified stocking & storage	Inventory turns / stock cover
Quote	Order desk & availability confirmation	Quote turnaround
Pick	Batch selection, FEFO discipline	Pick accuracy
Despatch	Packing, cold chain, documents	Fill rate / on-time delivery
Collect	Invoice & receivable follow-up	Receivable days

Two disciplines separate a profitable reagent distributor from a struggling one, and both concern the tail. The first is **FEFO — first expiry, first out** rather than first in, first out: picking the oldest-expiry lot on every despatch is the single most effective control on write-offs, and it requires expiry visibility at the picking face rather than in a spreadsheet. The second is **disciplined stock classification**: fast movers stocked deep, medium movers stocked thin, and genuine tail items ordered against demand with an honest lead time quoted to the customer. The temptation — stocking the whole catalogue to never say no — feels like service and is actually how the capital gets buried and the expiry line balloons. **Saying "two days" honestly beats stocking an item that will expire unsold.**

9. Regulatory, Licences & Compliance (India)

- **Poisons: licence under the Poisons Act and state Poisons Rules** to possess and sell scheduled poisons, with prescribed registers and sale records — this covers many routine laboratory chemicals.
- **Controlled precursors: NDPS precursor registration, register-keeping and reporting** for listed chemicals, several of which are common solvents and reagents.
- **Laboratory alcohol: state excise licence** for rectified spirit, absolute alcohol and denatured ethanol, with permits, bonded storage, registers and periodic returns — commonly overlooked and routinely required.
- **Storage & transport:** PESO for flammable storage above threshold, chemical segregation, fire NOC, hazardous-goods packing, placarding & TREM cards.
- **Product & labelling:** MSDS & GHS labelling; **Legal Metrology declarations on repacked material**; certificates of analysis and lot traceability.
- **Imports:** customs classification, import licences for restricted items, BIS where notified, temperature-controlled clearance for cold-chain goods.
- **General:** GST, trade licence, warehouse safety, labour compliance.

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Promoter / business head	1	1	2
Technical sales & product specialists	8	13	17
Warehouse, picking & cold chain	6	10	13
Customer service & order desk	3	6	8
Delivery & logistics	3	5	7
Accounts, credit control & admin	3	5	6
Procurement & imports	2	4	5
Regulatory, licensing & compliance	1	2	3
Total	27	46	61

A **dedicated regulatory and licensing function** exists from the start. With poisons licences, precursor registers and excise returns running in parallel across products sold every day, treating compliance as an accounts-department side duty is how a distributor ends up unable to supply half its catalogue legally.

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0–5	Entity, poisons/precursor/excise licences , warehouse, cold chain, ERP, distributorships
Ramp	Month 5–12	Stock list & account base built; ₹10cr revenue, ₹4L loss
Grow	Year 2	Rate contracts, own-label repacks, tenders; ₹15.6cr, ₹64L profit
Scale	Year 3	₹21cr revenue, ₹1.32cr profit; turns & expiry control improved

12. Financial Plan (Illustrative)

All figures are illustrative model assumptions for an Indian context, shown so the promoter can replace them with live rates. They are not projections of guaranteed results. Revenue is gross trading turnover; the distributor takes title. **Read this business on gross margin, inventory turns and expiry control — not on net margin alone.**

12.1 Project cost & means of finance

Capital requirement	₹
Working capital (inventory + receivables)	1,45,00,000
Warehouse fit-out, racking, cold storage & controlled cabinets	35,00,000
Delivery vehicles & handling equipment	18,00,000
ERP/inventory system, online catalogue & IT	15,00,000
Repacking, labelling & QC verification setup	14,00,000
Office, licensing, deposits & launch	13,00,000
Total project cost	2,40,00,000
Working-capital finance	1,25,00,000
Promoter contribution	80,00,000
Term loan	35,00,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
Laboratory reagents & fine chemicals (branded)	4,60,00,000	7,10,00,000	9,50,00,000
Analytical standards & HPLC/GC-grade solvents	2,40,00,000	3,70,00,000	5,00,00,000
Institutional & tender supply	1,40,00,000	2,10,00,000	2,70,00,000
Own-label repacked reagents	90,00,000	1,60,00,000	2,30,00,000
Laboratory equipment, glassware & accessories	70,00,000	1,10,00,000	1,50,00,000
Total revenue	10,00,00,000	15,60,00,000	21,00,00,000
Cost of goods sold	7,20,00,000	11,15,00,000	14,91,00,000

Gross profit	2,80,00,000	4,45,00,000	6,09,00,000
Salaries (technical sales, ops, admin)	92,00,000	1,22,00,000	1,55,00,000
Freight, distribution & last-mile	38,00,000	55,00,000	70,00,000
Expiry, obsolescence & inventory write-down	34,00,000	48,00,000	62,00,000
Warehouse, cold storage & handling	32,00,000	42,00,000	52,00,000
Overheads, insurance, licensing & selling	32,00,000	44,00,000	56,00,000
Bad debts & credit losses	24,00,000	34,00,000	44,00,000
Depreciation, interest & other	32,00,000	36,00,000	38,00,000
Total operating expenses	2,84,00,000	3,81,00,000	4,77,00,000
Net profit / (loss) before tax	(4,00,000)	64,00,000	1,32,00,000
Net margin	(0.4%)	4.1%	6.3%
Gross margin %	28.0%	28.5%	29.0%
Inventory turns (x/year)	4.2x	4.6x	5.0x
Expiry & write-down as % of revenue	3.4%	3.1%	3.0%

12.3 Unit economics & break-even

- **Margin × turns, solved differently:** 29% gross margin at 5 turns produces a comparable return on capital to a bulk distributor's 14% at 9 turns. The strategic error to avoid is importing bulk-distribution instincts — cutting the slow tail to raise turns would raise the ratio and destroy the customer proposition simultaneously.
- **Expiry is the tail's real cost:** at 3–3.4% of revenue it exceeds the entire Year-1 net result. Every point recovered through FEFO picking, tighter stocking of slow movers and earlier discounting of near-expiry stock flows straight to profit.
- **Own-label repacking lifts blended margin** on high-volume commodity reagents where brand adds little value — the main reason gross margin improves from 28% to 29% across the plan.
- **Tender business is a deliberate trade-off:** real volume at L1 pricing with long public-sector payment cycles. It absorbs working capital disproportionately, so it should be capped as a share of the book rather than pursued for turnover.
- **Break-even:** essentially reached in Year 1 and cleared comfortably in Year 2 as scale absorbs a largely fixed operating base — salaries, warehouse and cold storage grow far more slowly than revenue.

12.4 Projected Cash Flow — Year 1 (quarterly, illustrative)

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	1,45,00,000	1,15,00,000	95,00,000	83,00,000
Collections	2,15,00,000	2,40,00,000	2,50,00,000	2,55,00,000
Purchases, freight, salaries, overheads & loan servicing	2,45,00,000	2,60,00,000	2,62,00,000	2,53,00,000
Closing balance	1,15,00,000	95,00,000	83,00,000	85,00,000

Working capital is 60% of project cost, and inventory is the larger half of the problem. Unlike bulk trading where stock turns quickly, reagent inventory sits — and the slower it sits, the closer it comes to expiry. Three disciplines matter. **Import lead times of six to ten weeks** on branded reagents mean stock must be committed well ahead of demand, with forex exposure attached. **Institutional and government receivables run long**, sometimes far beyond commercial terms, which is why tender exposure needs a cap. And **near-expiry stock should be discounted early rather than held hopefully** — a reagent sold at 60% of list six months before expiry recovers real cash, while the same reagent written off at expiry recovers none. The facility should be a revolving line against stock and book debts, with drawing power assessed on *saleable* stock rather than gross inventory value.

12.5 Key Performance Indicators to Monitor

- **Availability: fill rate on first request;** stock-outs on fast movers; quote turnaround; on-time delivery.
- **Inventory health: inventory turns;** ageing buckets; **value of stock within six months of expiry;** non-moving SKU count and value.
- **Margin:** gross margin by category; own-label share; tender share of revenue; landed cost vs. catalogue.
- **Risk & compliance:** receivable days by segment (commercial vs. institutional); bad debt %; **licence currency (poisons, precursor, excise)** and register accuracy; cold-chain excursions.

13. Funding Requirement & Bankability

Total ask: **₹1.25 crore working-capital finance plus ₹35 lakh term loan** against ₹80 lakh promoter contribution. As with any distribution business the **structure matters more than the amount**: this is overwhelmingly a working-capital proposition and needs a **revolving cash-credit facility against stock and book debts with an import LC sub-limit**, not a term loan. Fixed assets are modest — warehouse fit-out, cold storage and vehicles — so security is primarily current assets, and a lender should assess drawing power on *saleable* stock, excluding near-expiry and non-moving items, since gross inventory value overstates realisable security in this trade. Three further points. **Break-even arrives in Year 1** on a modest capital base. **Licensing completeness is a genuine credit factor** — poisons, precursor and state excise licences determine what the business can legally sell, and their absence would materially reduce the addressable catalogue. And **the expiry line should be read as structural**: a proposal from this sector showing negligible write-offs is either inexperienced or optimistic, and the ₹34–62 lakh carried here reflects how the business actually behaves.

13.1 Funding utilisation

Use of funds	₹	% of total
Working capital (inventory + receivables)	1,45,00,000	60.4%
Warehouse fit-out, racking, cold storage & controlled cabinets	35,00,000	14.6%
Delivery vehicles & handling equipment	18,00,000	7.5%
ERP/inventory system, online catalogue & IT	15,00,000	6.3%
Repacking, labelling & QC verification setup	14,00,000	5.8%
Office, licensing, deposits & launch	13,00,000	5.4%
Total	2,40,00,000	100%

14. Risk Analysis & Mitigation

Risk	Mitigation
Expiry & obsolescence in the slow tail	FEFO picking with expiry visible at the picking face; differentiated stocking policy; early discounting of near-expiry stock; order tail items against demand with an honest lead time quoted
Operating without poisons, precursor or excise licences	Dedicated regulatory function; licence calendar and renewals; maintain prescribed registers; refuse business outside authorised scope — these are offences, not paperwork lapses
Working-capital constraint capping growth	Revolving facility sized to the book; cap tender exposure; negotiate supplier credit; improve turns through stocking discipline
Institutional/government receivable delays	Cap tender share of revenue; factor payment cycles into pricing; pursue documentation completeness to avoid payment-blocking queries
Cold-chain excursion spoiling temperature-sensitive stock	Monitored cold rooms & freezers with alarms, validated transport packing, temperature loggers on despatch, insurance
Loss of a brand distributorship	Multiple principals, own-label range as a hedge, perform on volume commitments, avoid single-brand dependence
Import lead time & forex exposure	Buffer stock on critical imported lines, forward cover on material exposures, alternate sources, honest lead-time communication
Own-label quality or labelling failure	Verification analysis on every repack lot, genuine certificates of analysis, Legal Metrology compliance, retained samples
Online marketplaces compressing catalogue margins	Compete on availability, delivery speed, documentation and licensed products marketplaces cannot easily supply
Chemical storage or handling incident	Segregation by class, flammable cabinets, PESO compliance, staff training, spill response, insurance

15. SWOT Analysis

Strengths High gross margin relative to bulk distribution; sticky laboratory accounts buying on availability rather than price; licensing completeness is a real barrier against small competitors; own-label repacking lifts margin; break-even in Year 1; diversified customer base across pharma, testing and academia.	Weaknesses Working capital absorbs 60% of project cost with slow-turning inventory; structural expiry and obsolescence cost; heavy multi-statute licensing burden; import lead times and forex exposure; institutional receivables run long; cold-chain complexity.
Opportunities NABL testing-laboratory growth; pharmaceutical R&D and CRO expansion; food and environmental testing mandates; own-label range extension; online catalogue and e-commerce ordering; regional expansion via a second stocking point; diagnostics chain rate contracts.	Threats Online scientific marketplaces; manufacturers going direct to large accounts; import disruption or duty changes; public-procurement payment delays; brand principals appointing competing distributors; regulatory tightening on controlled substances.

16. Recommended AiSevak Tools for This Business

This laboratory reagents distribution business would use AiSevak's Chemicals vertical tools in operations:

- **Inventory health: FEFO & expiry-ageing tracking**, inventory turns by category, non-moving SKU & near-expiry value reporting.
- **Service:** fill-rate & stock-out tracking, quote turnaround, on-time-delivery and cold-chain excursion logging.
- **Compliance: poisons / NDPS-precursor / state-excise licence currency and register management**, MSDS & certificate-of-analysis despatch tools.
- **Finance:** receivable ageing split commercial vs. institutional, tender-exposure cap monitoring, drawing-power on saleable stock (with Finance vertical).
- **Practice:** Business Plan, break-even and distribution-economics tools to model the business.

17. Key Assumptions & Notes

- Laboratory reagents & fine-chemicals distribution: branded distribution + own-label repacking of reagents, standards, HPLC/GC solvents, consumables, glassware & small equipment to pharma/testing/academic/diagnostic labs; principal (takes title) so revenue is gross.
- **THE ECONOMICS ARE THE MIRROR IMAGE OF INDUSTRIAL-CHEMICALS-TRADING — the instructive contrast.** Bulk trading = thin 13-14% gross margin × 8-10 turns. Lab reagents = **28-29% gross margin × only 4-5 turns**, because it must hold a long tail of slow movers. Both reach respectable ROCE by different routes — margin × turns is the same equation solved with different variables. **Anyone applying bulk instincts (chase turns, cut slow stock) destroys the very thing customers pay for.**
- **THE LONG TAIL IS THE PRODUCT AND ALSO WHERE THE MONEY DIES.** Labs buy from a distributor precisely because the obscure item is on the shelf today — availability across thousands of SKUs IS the value proposition. But that tail buries capital in stock moving twice a year and, critically, **reagents EXPIRE — slow stock doesn't merely sit, it perishes.** Expiry/obsolescence carried at ~3-3.4% of revenue as a STRUCTURAL line (it exceeds the entire Y1 net result); modelling it near zero is how these businesses overstate profit.
- **Two disciplines separate profitable from struggling, both about the tail: (1) FEFO — first EXPIRY first out**, not FIFO, with expiry visible at the picking face; **(2) differentiated stocking** — fast deep, medium thin, genuine tail ordered against demand. The temptation to stock the whole catalogue "to never say no" feels like service and is how capital gets buried. **Saying "two days" honestly beats stocking an item that will expire unsold.**
- **LICENSING IS UNUSUALLY LAYERED AND ROUTINELY UNDERESTIMATED - Poisons Act / state Poisons Rules licence** (covers many routine lab chemicals), **NDPS precursor registration + registers** (several common solvents/reagents), and the most-overlooked: **STATE EXCISE LICENCE for laboratory alcohol** (rectified spirit / absolute alcohol / denatured ethanol — excise-controlled in every state, with permits, bonded storage, registers and returns). Plus PESO above threshold, hazardous transport, MSDS/GHS, Legal Metrology on repacks. **A distributor without poisons and excise licences isn't merely non-compliant on paperwork — it is committing offences on products it sells every week.**
- Own-label repacking is the most reliable margin lever (drives GM 28%→29%) on high-volume commodity reagents where brand adds little — but needs Legal Metrology compliance, genuine verification analysis and honest CoAs; done carelessly it is misrepresentation. Cold chain (2-8°C, -20°C) must hold in TRANSIT too — an enzyme delivered warm is a worthless product and a lost customer.
- **Tender/institutional business is a deliberate trade-off** — real volume at L1 pricing with public-sector payment cycles that can run months; absorbs WC disproportionately so CAP it as a share of the book rather than chasing turnover. WC is 60% of project cost; fund via REVOLVING CC against stock & book debts + import LC sub-limit, with

drawing power assessed on SALEABLE stock (excluding near-expiry and non-moving) since gross inventory value overstates realisable security in this trade. Import lead times 6-10 weeks with forex attached. **Discount near-expiry stock EARLY** — a reagent sold at 60% of list six months out recovers real cash; written off at expiry it recovers none. Figures illustrative, exclude GST.

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