



GANGA PHARMACEUTICALS LTD.

GANGA PHARMACEUTICALS LIMITED

(Corporate Identity Number: U99999MH1989PLC053392)

Our Company was originally incorporated in Mumbai as "Ganga Pharmaceuticals Private Limited" on 11th September, 1989 under the provisions of the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Mumbai (the "RoC"). Our Company was converted in to a Public Limited Company and consequently the name was changed to "Ganga Pharmaceuticals Limited" vide fresh certificate of incorporation dated 19th September, 1994 issued by the RoC, Mumbai. For details of the changes in our name and registered office, please refer to the chapter titled 'History and Corporate Structure' beginning on page 121 of this Draft Prospectus.

Registered Office: 1 - A, 802, N.G. Suncity Ph II, Kandivali East, Mumbai 400101, Maharashtra, India;

Tel. No.: +91 250 609 8333/444; Fax No.: +91 250 2528602; Email: ayurvedganga@gmail.com; Website: www.ayurvedganga.com

Contact Person: Mr. Bharat Sharma, Compliance Officer

PROMOTERS OF OUR COMPANY: MR. BHARAT B. SHARMA AND MRS. SRIJANA B. SHARMA

PUBLIC OFFER OF 10,24,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH ("EQUITY SHARES") OF GANGA PHARMACEUTICALS LIMITED ("OUR COMPANY" OR "THE ISSUER") FOR CASH AT A PRICE ₹15/- PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 5/- PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING TO ₹153.60 LAKHS ("THE ISSUE"), OF WHICH 51,200 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH FOR A CASH PRICE OF ₹15/- PER EQUITY SHARE, AGGREGATING TO ₹ 7.68 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 9,72,800 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AT AN ISSUE PRICE OF ₹ 15.00 PER EQUITY SHARE AGGREGATING TO ₹ 145.92 LAKHS (IS HEREINAFTER REFERRED TO AS THE "NET ISSUE"). THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 38.00% AND 35.93%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE 206 OF THIS DRAFT PROSPECTUS.

THE FACE VALUE OF THE EQUITY SHARES IS Rs. 10/- EACH AND THE OFFER PRICE OF Rs. 15/- I.E.1.5 TIMES OF THE FACE VALUE.

THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER XB OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 (THE "SEBI ICDR REGULATIONS"), AS AMENDED. THIS ISSUE IS A FIXED PRICE ISSUE AND ALLOCATION IN THE NET ISSUE TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 43(4) OF THE SEBI (ICDR) REGULATIONS 2009, AS AMENDED. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED "OFFER PROCEDURE" BEGINNING ON PAGE 214 OF THIS DRAFT PROSPECTUS.

Retail Individual Investors may participate in the Offer through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs"). However, investors other than Retail Individual Investors shall compulsorily participate through the ASBA process only providing details about the bank account which will be blocked by the SCSBs. In case of delay, in refund if any, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay. For further details, please refer to section titled "Offer Procedure" beginning on page 214 of this Draft Prospectus.

RISKS IN RELATION TO FIRST OFFER

This being the first public Offer of our Company, there has been no formal market for our Equity Shares. The face value of the Equity Shares of our Company is ₹10/- and the Offer Price of ₹15/- per Equity Share i.e. 1.5 times of face value. The Offer Price (as determined and justified by our Company in consultation with the Lead Manager, as stated under the chapter 'Basis for Offer Price' beginning on page 73 of this Draft Prospectus) should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares 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 contents of this Draft Prospectus. **Specific attention of the investors is invited to the section titled 'Risk Factors' beginning on page 15 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 Offer, which is material in the context of the Offer, 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 makes 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. Further, the Company, having made all reasonable inquiries, accept responsibility for and confirm that the information relating to the Company contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect.

LISTING

The Equity Shares offered through this Draft Prospectus are proposed to be listed on the SME Platform of BSE Limited ("BSE"). In terms of the Chapter X-B of the SEBI (ICDR) Regulations, 2009, as amended from time to time, we are not required to obtain an in-principal listing approval for the shares being offered in the Offer. However, our Company has received an approval letter dated [●] from BSE Limited (the 'BSE') for using its name in the offer document for listing of our shares on the SME Platform of BSE. For the purpose of the Offer, the designated Stock Exchange will be BSE.

LEAD MANAGER TO THE OFFER



FIRST OVERSEAS CAPITAL LIMITED

1-2, Bhupen Chambers
Dalal Street,
Fort, Mumbai 400 001
Tel. No.: +91 224050 9999
Fax No.: +91 22 4050 9900
Email: mala@focl.in
Investor Grievance Email: investorcomplaints@focl.in
Website: www.focl.in
Contact Person: Ms. Mala Soneji
SEBI Registration No.: INM000003671

REGISTRAR TO THE OFFER



KARVY COMPUTERSHARE PRIVATE LIMITED

Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad 500 032 India
Tel. No.: 1-800-3454001/ +91 40 6716 2222
Fax No.: +91 40 2343 1551
E-mail: einward.ris@karvy.com
Investor Grievance Email: gangapharma.ipo@karvy.com
Website: www.karisma.karvy.com
Contact Person: Mr. M Murali Krishna
SEBI Registration No.: INR000000221

OFFER PROGRAMME

OFFER OPENS ON: [●]

OFFER CLOSES ON: [●]

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SECTION I – DEFINITIONS AND ABBREVIATIONS

In this Draft Prospectus, unless the context otherwise indicates, the following terms and abbreviations stated hereunder shall have the meaning as assigned therewith. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

I. CONVENTIONAL / GENERAL TERMS

Ganga Pharmaceuticals Limited/ GPL/ The company/ Company/ We/ Us/ Our/ our Company/ the Issuer	Unless the context otherwise indicates or implies refers to Ganga Pharmaceuticals Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 with its registered office at Mumbai in the state of Maharashtra.
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TERM	DESCRIPTION
Act/ Companies Act	The Companies Act, 2013 and Companies Act, 1956 to the extent applicable.
Depositories Act	The Depositories Act, 1996 and amendments thereto.
Depository / Depositories	A Depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time, in this case being Central Depository Services Limited (CDSL) and National Securities Depository Limited (NSDL)
ROC / Registrar of Companies	The Registrar of Companies, Mumbai.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992 and amendments thereto
SEBI Regulations/ SEBI ICDR Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI on August 26, 2009, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI Takeover Regulations / Takeover Code/ Takeover Regulations/ SEBI (SAST) Regulations	The SEBI (SAST) Regulations 2011 which came into effect from October 22, 2011 and subsequent amendments thereto.
Securities Act	United States Securities Act of 1933, as amended.
Wealth Tax Act	The Wealth Tax Act, 1957 and amendments thereto.

II. COMPANY RELATED

TERMS	DESCRIPTION
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
Articles / Articles of Association /AoA	Unless the context otherwise requires, requires, refers to the Articles of Association of Ganga Pharmaceuticals Limited, as amended from time to time.
Auditors/ Statutory Auditors/ Statutory Auditors of the Company	The Statutory & Tax Auditors of our Company, being Amarnath Sharma & Co., Chartered Accountants.
Audit Committee	The committee of the Board of Directors constituted as the Company's Audit Committee in accordance with Section 177 of the Companies Act, 2013 and Clause 52 of the SME Listing Agreement to be entered into with the BSE.
Board of Directors / Board /	The Board of Directors of our Company, including all duly constituted

TERMS	DESCRIPTION
Director(s) / Our Board	Committee(s) thereof.
CIN	Corporate Identity Number of the company- U99999MH1989PLC053392
Compliance Officer	Compliance Officer of our Company in this case being, Mr. Bharat Sharma
Director(s)	Director(s) of our Company unless otherwise specified
Equity Shares/ Shares	Equity Shares of our Company having a face value of Rs. 10/- each, fully paid-up, unless otherwise specified in the context thereof.
Equity Shareholders	Persons holding Equity shares of our Company unless otherwise specified in the context otherwise.
ESOP	Employee Stock Option
FV	Value of paid-up Equity Capital per Equity Share, in this case Rs. 10/- each.
Group Companies	Includes those companies, firms and ventures promoted by our Promoters, irrespective of whether such entities are covered under Section 370(1)(B) of the Companies Act and disclosed in ' <i>Our Promoter Group And Group Companies / Entities</i> ' beginning on page 143 of this Draft Prospectus.
Key Managerial Personnel / KMP	The personnel listed as Key Managerial Personnel in the chapter titled ' <i>Our Management</i> ' beginning on page 125 of this Draft Prospectus
Listing Agreement	The equity listing agreement to be entered into by our Company with the Stock Exchanges.
MOA / Memorandum / Memorandum of Association	Memorandum of Association of our Company, as amended from time to time.
Non- Resident	An applicant who is not an NRI or FII and not a person resident in India.
Peer Review Auditor	The Peer Review Auditors of our Company, being SDA & Associates, Chartered Accountants.
Promoter/ Promoters of our Company	Promoters of our Company, being Mr. Bharat Sharma and Mrs. Srijna Bharat Sharma
Promoter Companies	Promoter Companies, being Mr. Bharat Sharma HUF and M/s Ganga Ayurved Bhandar (Mr. Brijmohan C Sharma HUF)
Promoter Group	Unless the context otherwise requires, refers to such persons and entities constituting the Promoter Group of our Company in terms of Regulation 2(1)(zb) of the SEBI (ICDR) Regulations, 2009 and as disclosed in ' <i>Our Promoter Group And Group Companies / Entities</i> ' beginning on page 143 of this Draft Prospectus.
Registered Office	The Registered Office of our Company which is located at 1 - A, 802, N.G. Suncity Ph II, Kandivali East, Mumbai 400101, Maharashtra, India.
SME Exchange	Unless the context otherwise requires, refer to the BSE SME Platform.
Stock Exchange	Unless the context otherwise requires, refers to, the SME Platform of BSE Limited

III. ISSUE RELATED TERMS

TERM	DESCRIPTION
Allot / Allotment / Allotment of Equity Shares	Unless the context otherwise requires, the allocation and transfer of the Equity Shares pursuant to the Offer to successful Applicants.
Allocation / Allocation of Equity Shares	Unless the Context otherwise requires, the allocation of Equity Shares pursuant to this Issue to successful Applicants.
Allottee`s	The successful applicant to whom the Equity Shares are/ have been allotted.
Applicant(s)	Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus.

TERM	DESCRIPTION
Application Amount	The amount at which the Applicant makes an application for Equity Shares of our Company in terms of this Draft Prospectus.
Application Form	The form in terms of which the Applicant shall apply for the Equity Shares of our Company.
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by Applicants, to make an Application authorizing an SCSB to block the Application Amount in the ASBA Account maintained with the SCSB. ASBA is mandatory for QIBs and Non-Institutional Applicants participating in the Offer.
ASBA Account	Account maintained by an ASBA Applicants with an SCSB which will be blocked by such SCSB to the extent of the Application Amount.
ASBA Application Location(s)/ Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs namely Mumbai, New Delhi, Chennai, Kolkata, Ahmedabad, Rajkot, Bangalore, Hyderabad, Pune, Baroda and Surat.
ASBA Investor/ ASBA Applicant	Any prospective investor(s)/applicant(s) in the Offer who apply(ies) through the ASBA Process
Banker(s) to the Company	Such banks which are disclosed as bankers to our Company in the chapter titled “ General Information ” on page 47.
Banker(s) to the Offer/ Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom Escrow Account will be opened and in this case being ICICI Bank Limited.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Offer in consultation with the Stock Exchange which is described in the Chapter titled ‘ Offer Procedure ’ beginning on page 224 of this Draft Prospectus.
Business Day	Any day on which commercial banks in Mumbai are open for business and shall not include a Saturday, Sunday or a public holiday.
BSE	Bombay Stock Exchange Limited
Controlling Branch	Such branches of the SCSBs which coordinate Applications made under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in , or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their Address, Pan, Occupation and Bank Account details.
Depository Participant/DP	A Depository Participant as defined under the Depositories Act, 1996, as amended from time to time.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms from the ASBA Applicants and a list of which is available on http://www.sebi.gov.in , or at such other website as may be prescribed by SEBI from time to time.
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account or the Refund Account, as appropriate, or the amount blocked by the SCSBs is transferred from the ASBA Account specified by the ASBA Applicants to the Public Issue Account, as the case may be, after this Draft Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Applicants.
Designated Stock Exchange/ SE	“ SME Platform ” of the Bombay Stock Exchange Limited (BSE)
Draft Prospectus	The Draft Prospectus dated September 24, 2015 issued in accordance with section 32 of the Companies Act, 2013 and filed with the BSE under SEBI (ICDR) Regulation, 2009 as amended from time to time.

TERM	DESCRIPTION
Escrow Account	Account opened/ to be opened with the Escrow Collection Bank(s) and in whose favour the Applicant (excluding the ASBA Applicant) will issue cheques or drafts in respect of the Application Amount when submitting an Application
Escrow Agreement	Agreement dated September 09,2015 entered into amongst our Company, Lead Manager, the Registrar, the Banker(s) to the Offer/ Escrow Collection Bank(s) for collection of the Application Amounts and where applicable, refunds of the amounts collected from the Applicants (excluding ASBA Applicants) on the terms and conditions thereof.
Eligible NRIs	NRIs from such jurisdiction outside India where it is not unlawful for our Company to make this Issue or an invitation under this Issue and in relation to whom the Draft Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Banker(s) to the Offer/ Escrow Collection Bank(s) at which bank(s) the Escrow Account of our Company will be opened, in this case being ICICI Bank Limited
First/Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
Issue / Issue Size/ IPO/Initial Public Offering/Public Issue	Public Issue of 10,24,000 Equity Shares of Rs. 10/- each fully paid of GANGA PHARMACEUTICALS LIMITED (“GANGA PHARMA” Or “GPL” or “the Company” or “the Issuer”) for cash at a price of Rs. 15/- per Equity Share (including a share premium of Rs. 5/- per Equity Shares) aggregating to Rs. 153.60 Lakhs. The Issue will constitute 2.52 %of the post issue paid up capital of the Company
Issue Agreement	The agreement dated April 01, 2015 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Period	The Issue period shall be [●], being the Issue Opening Date, to [●], being the Issue Closing Date.
Issue Closing Date	[●], The Date on which Issue closes for subscription
Issue Opening Date	[●],The Date on which Issue opens for subscription
Issue Price	The price at which the Equity Shares are being issued by our Company under this Draft Prospectus being Rs. 15/-.
Issue Proceeds	Proceeds to be raised by our Company through this Issue Rs. 153.60 Lakhs.
LM / Lead Manager	Lead Manager to the Offer, in this case being First Overseas Capital Limited, SEBI Registered Category I Merchant Bankers.
Listing Agreement with BSE SME	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the BSE SME Platform
Market Making Agreement	Market Making Agreement dated September 14, 2015between our Company, Lead Manager and Market Maker.
Market Maker/MM	Alacrity Securities Limited will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time.
Market Maker Reservation Portion	The Reserved portion of 51,200 Equity Shares of Rs. 10/- each at Rs. 15/- (including share premium of Rs. 5/-) per Equity Shares aggregating to Rs. 7,68,000/- Lakhs (Rupees Seven Lakhs Sixty Eight Thousand Only) for Market Maker in the Initial Public Issue of GANGA PHARMACEUTICALS LIMITED.

TERM	DESCRIPTION
Mutual Fund(s)/ MF	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Net Offer	The Offer (excluding the Market Maker Reservation Portion) of 9,72,800 Equity Shares of Rs. 10/- each of M/s. Ganga Pharmaceuticals Limited at Rs. 15/- (including share premium of Rs. 5/-) per Equity Share aggregating to Rs. 145.92 Lakhs (Rupees One Crores Forty Five Lakhs Ninety Two Thousand Only).
Non-Institutional Applicants	All Applicants that are not Qualified Institutional Buyers or Individual Investors and who have applied for Equity Shares for an amount more than Rs. 2,00,000 (but not including NRIs other than Eligible NRIs)
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trust in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest in this Issue.
Payment through electronic transfer of funds	Payment through ECS / NECS, Direct Credit, RTGS or NEFT, as applicable.
Person/Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Prospectus	The Prospectus, filed with the ROC containing, inter alia, the Issue opening and closing dates and other information
Qualified Institutional Buyers / QIBs	As defined under the SEBI ICDR Regulations, including public financial institutions as specified in Section 4A of the Companies Act, 1956, scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of Rs. 2,500 Lakhs, pension fund with minimum corpus of Rs. 2,500 Lakhs, NIF and insurance funds set up and managed by army, navy or air force of the Union of India, Insurance funds set up and managed by the Department of Posts, India
Refund Account(s)	Account opened / to be opened with a SEBI Registered Banker to the Offer from which the refunds of the whole or part of the Application Amount (excluding to the ASBA Applicants), if any, shall be made
Refund Banker(s)	The bank(s) which is/are clearing members and registered with SEBI as Banker(s) to the Issue, at which the Refund Account for the Issue will be opened, in this case being ICICI Bank Limited
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS, Direct Credit or RTGS or NEFT or the ASBA process, as applicable
Registrar/ Registrar to the Offer	Registrar to this Issue being Karvy Computershare Private Limited having an registered office Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 India.

TERM	DESCRIPTION
Retail Individual Investors	Individual investors, or minors applying through their natural guardians (including HUFs, in the name of Karta and Eligible NRIs) and ASBA Applicants who apply for the Equity Shares of a value of not more than Rs. 2,00,000/-.
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares in any of their Application Forms or any previous Revision Form(s)
Self-Certified Syndicate Banks/ SCSB	A Self Certified Syndicate Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at http://www.sebi.gov.in/pmd/scsb.pdf
SCSB Agreement	The deemed agreement between the SCSBs, the Lead Manager, the Registrar to the Issue and our Company, in relation to the collection of Applications from the ASBA Applicants and payment of funds by the SCSBs to the Public Issue Account
SME Platform of BSE	The SME Platform of BSE for listing of equity shares offered under Chapter X- B of the SEBI (ICDR) Regulations which was approved by SEBI as an SME Exchange on September 27, 2011.
Underwriters to the Issue	Alacrity Securities Limited and First Overseas Capital Limited
Underwriting Agreement	The Agreement dated September 11, 2015 entered into between the Underwriters and our Company.
Working Days	All days on which banks in Mumbai are open for business except Sunday and public holiday, provided however during the Offer period a working day means all days on which the commercial banks in Mumbai are open for business and shall not include a Saturday, Sunday or a public holiday(in accordance with the SEBI circular no CIR/CFD/DIL/3/2010 dated April 22,2010).

IV. ABBREVIATIONS

ABBREVIATIONS	FULL FORMS
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
AIF	Alternative Investment Funds as defined in and registered under SEBI AIF Regulations
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
Bn	Billion
CAGR	Compounded Annual Growth Rate
CAPEX	Capital Expenditure
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CII	Confederation of Indian Industry
CIN	Company Identification Number
DIN	Director Identification Number
DP	Depository Participant
DP ID	Depository Participant's Identity
DB	Designated Branch

ABBREVIATIONS	FULL FORMS
EBIDTA	Earnings before Interest, Depreciation, Tax and Amortization
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EOU	Export Oriented Unit
EPS	Earnings Per Share
FCNR	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FIIIs	Foreign Institutional Investor, as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time and registered with the SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
FPIs	Foreign Portfolio Investor
FTP	Foreign Trade Policy, 2009
FY/ Fiscal/ Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FVCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
GDP	Gross Domestic Product
GoI/ Government	Government of India
HNI	High Networth Individuals
HR	Human Resources
HUF	Hindu Undivided Family
Indian GAAP	Generally Accepted Accounting Principles in India
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries Of India
IPR	Intellectual Property Rights
IRDA	Insurance Regulatory and Development Authority
I.T. Act	Income Tax Act, 1961, as amended from time to time
INR/Rs./Rupees/ ₹	Indian Rupees, the legal currency of the Republic of India
JV	Joint Ventures
Km	Kilometres
Ltd	Limited
MB	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended from time to time.
MD	Managing Director
MICR	Magnetic Ink Character Recognition
Mkt.	Market
Mn	Million
MOA	Memorandum of Association
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
N.A./ n.a.	Not Applicable
NAV	Net Asset Value
NBFC	Non- Banking Finance Company
NECS	National Electronic Clearing System
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate

ABBREVIATIONS	FULL FORMS
No.	Number
NPV	Net Present Value
NR	Non-Resident
NRE Account	Non Resident External Account
NRI	Non Resident Indians
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NTA	Net Tangible Assets
p.a.	per annum
P/E Ratio	Price/ Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PE	Private Equity
PE Ratio	Price/ Earning Ratio
PIO	Persons of Indian Origin
POA	Power of Attorney
Pvt.	Private
Pvt. Ltd.	Private Limited
QIB	Qualified Institutional Buyers
RBI	The Reserve Bank of India
ROE	Return on Equity
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
Sec.	Section
Securities Act	The U.S. Securities Act as amended from time to time
SEZ	Special Economic Zone
SSI Undertakings	Small Scale Industrial Undertakings
STT	Securities Transaction Tax
TIN	Tax Identification Number
TAN	Tax Deduction and Collection Account Number
TRS	Transaction Registration Slip
TNW	Total Net Worth
UIN	Unique Identification Number
u/s	Under Section
US/ United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the Unites States of America
Venture Capital Fund(s)/ VCF(s)	Venture Capital Funds as defined and registered with SEBI under Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended from time to time.
VAT	Value Added Tax
WDV	Written Down Value
w.e.f.	With Effect From
WTD	Whole Time Director
WTO	World Trade Organization
YoY	Year over year

V. TECHNICAL/ INDUSTRY RELATED TERMS

TERM	DESCRIPTION
APC	Ayurvedic Pharmacopoeia Committee
ASEAN	Association of Southeast Asian Nations
ASSOCHAM	Associated Chamber of Commerce and Industry
ASU	Ayurveda, Siddha, Unani
AYUSH	Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy
B.C.	Before Christ
BUP's	Big Unit Packs
E. Coli	Escherichia Coli
EPC	Export Promotion Council
FMCG	Fast-Moving Consumer Goods
GAP	Good Agricultural Practices
GACP	Good Agriculture and Collection Practices
GMP	Good Manufacturing Practices
GMS	Grams
GSR	General Statutory Rules
IEC	Import Export Code
ISM	The Industrial, Scientific and Medical
IPR	Intellectual Property Rights
JRF	Junior Research Fellowships
KM	Kilo-Meters
KOH	Potassium Hydroxide
ML	Millilitres
MAPs	Medicinal and aromatic plants
MARCOM	Marketing Communications
MND	Motor Neurone Disease
OTC	Over the Counter
R & D	Research and Development
SHEFEXIL	Shellac & Forest Products Export Promotion Council
SRF	Senior Research Fellowships
SQ. MTRS.	Square Meters
USP	Unique Selling Point
WHO	World Health Organization

Notwithstanding the following:-

1. In the section titled '**Main Provisions of the Articles of Association**' beginning on page 241 of this Draft Prospectus, defined terms shall have the meaning given to such terms in that section;
2. In the chapters titled '**Summary of Business**' and '**Business Overview**' beginning on page 36 and 98 respectively, of this Draft Prospectus, defined terms shall have the meaning given to such terms in that section;
3. In the section titled '**Risk Factors**' beginning on page 15 of this Draft Prospectus, defined terms shall have the meaning given to such terms in that section;
4. In the chapter titled '**Statement of Tax Benefits**' beginning on page 76 of this Draft Prospectus, defined terms shall have the meaning given to such terms in that section;
5. In the chapter titled '**Management's Discussion and Analysis of Financial Conditions and Results of**

Operations' beginning on page 170 of this Draft Prospectus, defined terms shall have the meaning given to such terms in that section; and

6. In the section titled '*Restated Financial Statement*' beginning on page 147 of this Draft Prospectus, defined terms shall have the meaning given to such terms in that section.

SECTION II - GENERAL

CERTAIN CONVENTIONS, USE OF FINANCIAL, CURRENCY, INDUSTRY AND MARKET DATA

Certain Conventions

In this DRHP, the terms “we”, “us”, “our”, the “Company”, “our Company”, “GPL” “Ganga Pharma”, unless the context otherwise indicates or implies, refers to Ganga Pharmaceuticals Limited.

All references in this Draft Prospectus to “India” are to the Republic of India. All references in the Draft Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America.

Financial Data

Unless stated otherwise, the financial data which is included in this Draft Prospectus is derived from our audited financial statements as on 3 months ending June30,2015 and for the financial years ending March 31, 2015, 2014, 2013, 2012 and 2011 prepared in accordance with Indian GAAP, Accounting Standards, the Companies Act, 2013(Such provisions of the Companies Act, 1956 which are in force as on date) and restated financial statements of our company prepared in accordance with the SEBI ICDR Regulations and the Indian GAAP which are included in this Draft Prospectus, and set out in the section titled ‘*Financial Statements*’ beginning on page 147 of this Draft Prospectus.

Our Financial Year commences on April 1st of each year and ends on March 31st of the following year, so all references to a particular Financial Year are to the (12) twelve-month period ended March 31st of that year. In this Draft Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, IFRS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS and the investors should consult their own advisors regarding such differences and their impact on the financial data. Accordingly, the degree to which the restated financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices/ Indian GAAP, the Companies Act and the SEBI Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Prospectus should accordingly be limited.

Any percentage amounts, as set forth in the chapters titled ‘*Risk Factors*’, ‘*Business Overview*’ and ‘*Management's Discussion and Analysis of Financial Conditions and Results of Operations*’ beginning on page 15, 98 and 170, respectively, of this Draft Prospectus and elsewhere in this Draft Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Indian GAAP, the Companies Act and SEBI ICDR Regulations.

Currency and Units of presentation

In this Draft Prospectus, unless the context otherwise requires, all references to;

- ‘Rupees’ or ‘Rs.’ or ‘INR’ or ‘₹’ are to Indian rupees, the official currency of the Republic of India.
- ‘US Dollars’ or ‘US\$’ or ‘USD’ or ‘\$’ are to United States Dollars, the official currency of the United States of America.

All references to the word “Lakh/Lakhs or Lac” means “One Hundred Thousand”, the word “Crore/Crores” means “Hundred Lakhs”, the word “Million (million) or Mn” means “Ten Lakhs”, the word “Crores” means “Ten Million” and the word “Billion (bn)” means “One Hundred Crores”.

Industry and Market Data

Unless stated otherwise, industry data used throughout this Draft Prospectus has been obtained or derived from industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes that industry data used in this Draft Prospectus is reliable, it has not been independently verified.

Further, the extent to which the industry and market data presented in the Draft Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

FORWARD LOOKING STATEMENT

All statements contained in this Draft Prospectus that are not statements of historical facts constitute 'forward looking statements'. All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in this Draft Prospectus regarding matters that are not historical facts. These forward looking statements and any other projections contained in this Draft Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

These forward looking statements can generally be identified by words or phrases such as "will", "may", "aim", "is likely to result", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions. Similarly, statements that describe our objectives, strategies, plans or goals are also forward looking statements.

These forward-looking statements are subject to a number of risks, uncertainties and assumptions that could significantly affect our current plans and expectations and our future financial condition and results of operations. Important factors that could cause actual results to differ materially from our expectations include but are not limited to the followings:

- General economic and business conditions in the markets in which we operates and in the local, regional and national and international economies;
- Our ability to successfully implement our growth strategy and expansion plans, technological initiatives, and to launch and implement various projects and business plans for which funds are being raised through this Issue;
- Our ability to respond to technological changes;
- Our ability to attract and retain qualified personnel;
- Our ability to meet our capital expenditure requirements;
- Fluctuations in operating costs and impact on the financial results;
- The effect of wage pressures, seasonal hiring patterns and the time required to train and productively utilize new employees;
- General social and political conditions in India which have an impact on our business activities or investments;
- Potential mergers, acquisitions restructurings and increased competition;
- Occurrences of natural disasters or calamities affecting the areas in which we have operations;
- Market fluctuations and industry dynamics beyond our control;
- Changes in the competition landscape;
- Our ability to finance our business growth and obtain financing on favorable terms;
- Our ability to manage our growth effectively;
- Our ability to compete effectively, particularly in new markets and businesses;
- Changes in government policies and regulatory actions that apply to or affect our business;
- Changes in political and social conditions in India or in countries that our company may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Developments affecting the Indian economy;
- Any adverse outcome in the legal proceedings in which we are involved
- Conflicts of interest with affiliated companies, the promoter group and other related parties;
- Contingent Liabilities, environmental problems and uninsured losses; and
- The performance of the financial markets in India and globally.

For a further discussion of factors that could cause our current plans and expectations and actual results to differ, please refer to the chapters titled '*Risk Factors*', '*Business Overview*' and '*Management's Discussion and*

Analysis of Financial Conditions and Results of Operations' beginning on page 15,98 and 170, respectively of this Draft Prospectus.

Forward looking statements reflects views as of the date of this Draft Prospectus and not a guarantee of future performance. By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company/ our Directors nor the Lead Managers, nor any of their respective affiliates or associates have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the listing and trading permission is granted by the Stock Exchange(s).

SECTION III – RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Prospectus, including the risks and uncertainties summarized below, before making an investment in our Equity Shares. In making an investment decision prospective investors must rely on their own examination of our Company and the terms of this offer including the merits and risks involved. The risks described below are relevant to the industries our Company is engaged in, our Company and our Equity Shares. Any potential investor in, and subscriber of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment in which some material respects may be different from that which prevails in other countries. The risks and uncertainties described in this section are not the only risks and uncertainties we currently face. Additional risks and uncertainties not known to us or that we currently deem immaterial may also have an adverse effect on our business. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations.

This Draft Prospectus also contains forward looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the considerations described below and elsewhere in this Draft Prospectus. These risks are not the only ones that our Company faces. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify financial or other implication of any risks mentioned herein.

*To obtain a complete understanding of our Company, you should read this section in conjunction with the chapters titled '**Business Overview**' and '**Management's Discussion and Analysis of Financial Conditions and Results of Operations**' beginning on page 98 and 170 respectively, of this Draft Prospectus as well as the other financial and statistical information contained in this Draft Prospectus. Prior to making an investment decision, prospective investors should carefully consider all of the information contained in the section titled '**Financial Statements**' beginning on page 147 of this Draft Prospectus. Unless stated otherwise, the financial data in this section is as per our financial statements prepared in accordance with Indian GAAP.*

Materiality

The risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality:

1. *Some events may not be material individually but may be material when considered collectively.*
2. *Some events may have an impact which is qualitative though not quantitative.*
3. *Some events may not be material at present but may have a material impact in the future.*

The risk factors are as envisaged by the management along with the proposals to address the risk, if any. Wherever possible, the financial impact of the risk factors has been quantified.

INTERNAL RISKS

Risks relating to Our Company and Business

1. Outstanding Litigations against the company

- | | | |
|-------|---------------------------------------|-------|
| (i) | Civil Cases filed against our Company | : Yes |
| (ii) | Criminal cases against our company | : Nil |
| (iii) | Criminal cases filed by our Company | : Nil |

Our Company is involved in a civil case and the same is pending at different levels of adjudication. Any adverse decision may adversely affect the reputation of our company.

Matter involving our Company	Nature of Litigation	No. of Cases	Amt (₹ in Lakhs)
Civil Suit No. 241 of 2009	CIVIL SUIT NO. 241 OF 2009: Dispute Of Security Deposit refund & Outstanding Amount payable by the Debtor.	1	2,36,000/-

For further details on the above matter, please refer to the chapter titled “*Outstanding Litigations*” beginning on page no. 180 of this Draft Prospectus.

2. *Litigations against Promoters & Promoter Group Companies*

Name	Nature of Litigation	No. of Cases	Amt (₹ in Lakhs)
Promoter			
Mr. Bharat B. Sharma	Nil	Nil	Nil
Mrs. Srijna Bharat Sharma	Nil	Nil	Nil
Promoter Group			
Mrs. Savitri Brijmohan Sharma	Nil	Nil	Nil
Mr. Anagh B. Sharma	Nil	Nil	Nil
Mrs. Usha Shukla	Nil	Nil	Nil
Mr. Amit Shukla	Nil	Nil	Nil
Ms. Ankita Shukla	Nil	Nil	Nil
Promoter Companies			
Mr. Bharat B. Sharma (HUF)	Nil	Nil	Nil
M/s Ganga Ayurved Bhandar [Mr. Brijmohan C Sharma (HUF)]	Nil	Nil	Nil

3. *Our success depends largely on our senior management and our ability to attract and retain our key personnel.*

Our success is dependent on our management team whose loss could seriously impair the ability to continue to manage and expand business efficiently. Our success largely depends on the continued services and performance of our management and other key personnel. The loss of service of the Key Managerial Personnel and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. Further, the loss of any of the senior management or other key personnel may adversely affect the operations, finances and profitability of our Company. Any failure or inability of our Company to efficiently retain and manage its human resources would adversely affect our ability to expand our business.

4. *The Company is dependent on its promoters and any inability on their part to contribute to the business may affect its performance.*

The Company is dependent on the experience and the continued efforts of its promoters who are first generation entrepreneurs and have been associated with the company since inception. The promoters have been involved with critical functions like development of new products, marketing, and other operations of the Company.

The Company also has a qualified team of marketing executives, R&D experts, finance professionals and other professionals who are involved in the day-to-day operations of the Company. This reduces the company's dependence on the promoters to manage the operations of the Company. However, any incorrect decisions taken by these professional, may adversely affect the business operations and the financial condition of the company.

5. ***Our success is dependent on the quality control processes and any failure to maintain the quality of our products may affect our reputation and business.***

We believe that our success is dependent on our quality control processes. Our quality assurance department ensures quality controls at every stage of production, packaging and dispatch. We believe we have built strong relationships with our customers due to the quality of our products which has translated into operational growth. In the event we are unable to maintain our quality control processes, for any reason whatsoever, our business, reputation and results of operations would be adversely affected.

6. ***Any rise in price of raw materials, shortage in supply of our major raw material for manufacturing our products and any fluctuations in packaging consumed by the company, could adversely impact the income of the Company.***

The input costs of the products of the Company may increase due to various reasons. The Company is dependent mainly on the various herbs and packaging materials for the manufacture and marketing of its products. Any increase in the prices of the major raw materials or shortage in supply of any major raw material or any increase or fluctuation in packaging materials would adversely impact the business of the Company.

The cost of the raw materials and packaging materials in the Company's business is not very high. Further, the Company has always been innovative in sourcing of raw materials and packaging materials with a view to source alternative raw materials, insulate itself from future rise in prices, and reduce the cost of packaging, and will continue to maintain this approach going forward. In case the Company is not able to pass on such increase to the consumers because of competition or otherwise, it may affect the profitability of the Company.

7. ***We are dependent upon key suppliers for our products and any disruption in their supply could disrupt our business and adversely affect our financial results.***

We are, to a major extent, dependent on external suppliers for our products in which we trade and we do not have any long-term supply agreements or commitments in relation to the same. Consequently, we are exposed to price and supply fluctuations and these fluctuations may adversely affect our ability to obtain orders and/or to execute them in a timely manner, which would have a material adverse effect on our business, results of operations and financial condition. In case of non-availability of materials on favorable terms, we may have to procure the same at the terms and conditions prevalent at that point. This will result in reducing our revenues by a considerable amount due to shortage of material or due to inability to procure the same. This in turn will have an adverse effect on our business, financial condition and results of operations.

8. ***Failure to effectively manage labour or failure to ensure availability of sufficient labour could affect the business operations of the Company.***

The Company has been handling labour and related issues efficiently and this has contributed to the smooth functioning of the operations. The Company is conscious about the need for introducing more automation in the operations. Labour intensive operations call for good monitoring and maintenance of relations. Non-availability of labourers and/or any dispute between the labour and management may affect the business operation of the Company.

9. ***Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.***

We have employed a significant number of employees. We are unable to assure you that we will not experience disruptions to our operations due to disputes or other problems with our work force, which may lead to strikes, lock - outs or increased wage demands. Such issues could have an adverse effect on our business, and results of operations.

10. *Our Company operates under several statutory and regulatory permits, licenses and approvals. Our failure to obtain and/or renew any approvals or licenses in future may have an adverse impact on our business operations.*

Our Company requires several statutory and regulatory permits, licenses and approvals to operate the business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Further, these permits, licenses and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant permits/ licenses/ approvals. Failure by our Company to renew, maintain or obtain the required permits, licenses or approvals, or cancellation, suspension or revocation of any of the permits, licenses or approvals which may result in the interruption of our Company's operations and may have a material adverse effect on the business. For details please refer to Chapter titled "Government and Other Statutory Approvals" beginning on page no.185 of the Draft Red Herring Prospectus.

11. *Any change in regulatory environment may have an impact on the business of the Company.*

The Company keeps itself abreast of the various developments relating to the regulatory environment and gears itself in order to comply with such regulatory changes. However, in case the Company is unable to adapt itself to such regulatory changes, the business of the Company may be impacted adversely.

12. *Multiplicity of local taxes and levies including octroi and sales tax may impact the business of the Company.*

Each state in India has different local taxes and levies including sales tax, octroi, etc. which has enhanced the complexity of tax planning and structuring for the Company. Further, changes in these local taxes and levies may impact the Company's profits and profitability.

13. *Strong competition in the Ayurvedic & Herbal Medicine sector could decrease the market share and compel the company to either reduce the cost charged or increase the sales prices being charged to the end consumer. In either of the cases, we may have an adverse impact on the revenues and profitability.*

The industry in which we are operating is highly and increasingly competitive and unorganized. The competitive pricing and other factors may adversely affect our results of operations and financial condition. Competition may result in pricing pressures, reduced profit margins or loss market share or a failure to grow our market share, any of which could substantially harm our business and results of operations. There can be no assurance that we can effectively compete with our competitors in the future, and any such failure to compete effectively may have a material adverse effect on our business, financial condition and results of operations.

14. *In a dynamic FMCG industry, market realities change with speed, making it imperative for players to be market-focused at all times to preserve competitiveness. Any delay in doing so could lead to a reduced market share.*

Over the years, the Company strengthened its market-responsiveness through the following initiatives: an ongoing communication with dealers, doctors and distributors which helped it comprehend the market reality at any given time, a progressive shift towards value-for-money packaging that helped it create consumers and expand the market, a continuous incentives, retail/wholesale margin, market promotion margin, credit facility

annual schemes offer to distributors/ traders/ retailers and an ongoing mapping of the customer's mind leading to the introduction of new round the year schemes for end consumers.

As a prudent initiative in this direction, the Company analyzed consumption patterns, which helped it identify gaps and inspired corresponding initiatives. However, any delay in the Company's response to changes in market realities, or a shift in its market-focus may affect the competitiveness of the Company's products, thereby reducing market share and revenues of the Company.

15. *If our research and development efforts do not succeed, this may hinder the introduction of new products, which could adversely affect our business and results of operations.*

In order to remain competitive, we must develop, test and manufacture new products, which must meet regulatory standards and receive requisite regulatory approvals. To accomplish this, we commit substantial effort, funds and other resources towards research and development. Our ongoing investments in new product launches and research and development for future products could result in higher costs without a proportionate increase in revenues. Delays in any part of the process, our inability to obtain necessary regulatory approvals for our products or failure of a product to be successful at any stage and therefore not reach the market could adversely affect our goodwill and affect our operating results. We may or may not be able to take our research and development innovations through the different testing stages without repeating our research and development efforts or incurring additional amounts towards such research. Additionally, our competitors may commercialize similar products before us. This may lead to loss to market share and reduction in the potential revenue thereby affecting the business operations as a whole.

16. *If the Company is increasingly dependent on a particular market or geography for its sales, a downturn in it could dent our market share.*

Our products have been created with a view to address mass Indian needs. This national relevance has been serviced through a dispersed manufacturing presence. Our sales were derived from across all four corners of India, evident from the following table:

Region	% of Total Sales (FY2015)
West India	42.85
East India	34.28
North India	16.30
South India	6.57
India (total)	100.00

Thus, the sales of the Company are widely dispersed throughout the country. Any failure to maintain such dispersion may impact sales, revenues, and consequently, the financial performance of the Company.

17. *Marketing and distribution of Our Company's products are not directly handled by it.*

The Company does not handle the marketing of its own products directly. These are marketed through a wide network of distribution channel consisting of approximately 2 clearing and forwarding agents and 35 distributors in the country. Marketing and sales is duly monitored by Ganga Pharma to ensure effective marketing. The Company is dependent on them for marketing and distribution. Accordingly, any shortcomings in the performance would impact the revenues and profitability of the Company.

The sales of the Company's products are largely dependent on the actions of their dealers. These dealers represent the Company in front of the end users of its products and their performance and attitude reflect on the Company. These dealers are being trained and are continued to be under close and continuous monitoring.

While dealers are monitored regularly through monthly checks by marketing field force, there can be no assurance that such measures will prove effective in deterring or detecting undesirable behavior on the part of the Company's dealers. Failure to effectively monitor and control the distribution network of dealers could adversely affect the Company's revenue and brand image.

18. ***Significant portion of our sales is dependent on few of our distributors/ dealer/ retailers/ traders and a loss of one or more such significant seller or a reduction in their sales of our products could adversely affect our financial condition thereby reducing our revenues.***

We are extensively dependent on a limited number of sellers for a significant portion of our income. For example, the Fiscal 2015, our top 10 sellers contributed 116.54 % of our total revenue. Additionally, one of our sellers contributed 21.72 % of our total revenue for the Fiscal 2015. The loss of one or more of these significant sellers or a reduction in the amount of business we obtain from them could have an adverse effect on our financial condition and result in reduction of our income. We cannot assure you that we will be able to maintain historic levels of business from our significant sellers or that we will be able to significantly reduce seller's concentration in the future.

19. ***If we do not maintain and increase the number of our arrangements for the distribution of our products, our business, results of operations and financial condition could be adversely affected.***

In most of the markets in which we have a presence, we generally appoint a local third party entity who imports, registers and distributes our products. We have limited control over the operations and businesses of such local third party entities. Our reliance on, and inability to control, local sale, marketing and distribution agents could adversely affect our business, financial condition and results of operations.

We may not be able to find suitable partners or successfully enter into arrangements on commercially reasonable terms or at all. Additionally, our distribution partners may make important marketing and other commercial decisions concerning our products without our input. As a result of these arrangements, many of the variables that may affect our business, are not exclusively within our control.

Moreover, we retain some of our partners and distributors on a non-exclusive basis, which allows them to engage with our competitors. We also compete for partners with other leading Ayurvedic and herbal medicine companies that may have more visibility, greater brand recognition and financial resources, and a broader product portfolio than we do. If our competitors provide greater incentives to our partners, our partners may choose to promote the products of our competitors instead of our products. Our dependence on distribution partnerships to market some of our products may subject us to a number of risks, including:

- not being able to control the amount and timing of resources that our partners may devote to the marketing of our products;
- our partner's marketing our products outside their designated territory, possibly in violation of the exclusive distribution rights of other distributors;
- financial difficulties; and
- significant changes in a partner's business strategy that may adversely affect its willingness or ability to fulfill its obligations under any arrangement.

20. ***In a business marked by high working capital components, an inefficient fiscal control could affect profitability.***

Our business requires a substantial amount of working capital. In many cases, working capital is required to finance the purchase of materials and execution of work on projects before payment is received from clients.

If our working capital requirements may increase, in certain contracts, payment terms do not provide for advance payments to us or if payment schedules are less favorable to us. We may need to borrow additional

funds in the future to fulfill our working capital needs. Continued increases in working capital requirements may have an adverse effect on our financial condition and results of operations.

21. ***Our Company has obtained only 24 trademarks and 3 copyrights for our products and labels, i.e., it is registered with the relevant authority. If any failure or delay in securing or renewing the same in the future may impact the Company's rights in using them.***

The Company has 24 registered trademarks and 4 copy rights registered with Registrar of Trademarks, Mumbai and Registrar of Copyrights, Mumbai respectively. These trademarks are registered under class 5 of the trademark. The Company has also obtained 3 labels registrations for its 3 product containers, namely Medohar Tablet, Kesham Oil and Livosar Tablets. Besides these registrations with Trademarks Authority or Copyright Authority, we have not obtained registration for any of our other products and labels that are sold by us.

Any failure to obtain or secure or renew registration of the aforesaid trademarks or copyrights before the expiry date, may impact the Company's right to use them in future.

22. ***Our Company has not comply with Section 203 of the Companies Act, 2013 regarding the appointment of whole time Company Secretary. Such non-compliances may result into penalties or other action on our Company by the statutory authorities.***

Our Company has not complied with Section 203 of the Companies Act, 2013 regarding the appointment of whole-time Company Secretary from financial years 2015-16. No action has so far been initiated or taken by any statutory authority for the above non compliance. However, our Company has also made an application with the Institution of Company Secretaries of India on July 28, 2015 for circulating the requirement and appointment of whole-time Company Secretary for the Company. If the company fails to appointment a company secretary, then it shall be liable to penalties and other actions as applicable under the listing agreement and companies act.

23. ***Our Company doesn't own the premises where its registered office is situated and lease/ rental agreement have been executed for the same. Any termination or dispute in relation to these lease/ rental agreement may have an adverse effect on our business operations and results thereof.***

Our Registered office is situated at 1 - A, 802, N.G. Suncity Ph II, Kandivali East, Mumbai 400101, Maharashtra, India is on leased/ rented premises which we have been taken on 11 months lease from 19th February, 2015 owned by Mrs. Srijna Bharat Sharma & Mr. Bharat Brijmohan Sharma, Promoters and Directors of the Company. Our business operations are also conducted from the said premises. As per the rental agreement the lease is for initial period of 11 months and any non compliance by us in relation to any term of lease may result in the termination of the lease deed/rental agreement and consequently we have to vacate the said premises. We also cannot assure you that lessor will not terminate the rental agreement, which would require us to locate to another premise and may have an adverse effect on our conducting our business operations.

24. ***Our Company doesn't own the premises where its Manufacturing is situated and lease/ rental agreement have been executed for the same. Any termination or dispute in relation to these lease/ rental agreement may have an adverse effect on our business operations and results thereof.***

Our Manufacturing Unit being 8,500 Sq. Ft. is situated at Gangatat, Dhanvantarav Marg, Gopchar Pada, Virar (East), Mumbai 401 305, Maharashtra, India is on leased/ rented premises. 500Sq.Ft. of the premises is owned by Mrs. Savitri Brijmohan Sharma, Promoter of the Company and the balance is owned by Mr. Bharat Brijmohan Sharma. All our products are manufactured on the above mentioned premise. As per the rental agreement the lease is for initial period of 20 years and 11 months , respectively and any non-compliance by us in relation to any term of lease may result in the termination of the lease deed/rental agreement and

consequently we have to vacate the said premises. We also cannot assure you that lessor will not terminate the rental agreement, which would require us to locate to another premise and may have an adverse effect on our conducting our business operations

25. The company contingent liabilities could adversely affect its financial condition.

As of June 30, 2015, the company had contingent liabilities as certified by the auditors for which no provision has been made by the Company are as follows:

Particulars	Amt (in Rs.)
Civil Suit No. 241 of 2009: Dispute of Security Deposit refund & outstanding amount payable by the Debtor.	Rs.2,36,000/-

For details on contingent liabilities please refer the section “Financial Statements” on page 147.

There can be no assurance that the company will be able to crystallize the said amount or incur similar or any other nature of contingent liability or increased levels of contingent liabilities in the current Fiscal year or in the future.

However, crystallization of the above liabilities may require the Company to honour the demands, if any, which may adversely impact the Company's liquidity and thereby have material adverse impact on the financial resources and Networth.

26. Our Company had negative cash flow in recent fiscals, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.

(Rs. in Lakhs)

Particulars	As on March 31				
	2015	2014	2013	2012	2011
Net cash from (used in) Operating activities	26.78	(21.20)	33.86	21.02	(21.37)
Net cash from (used in) Investing activities	(17.90)	(23.09)	37.16	(15.81)	2.25
Net cash from (used in) Financing activities	(6.11)	43.25	16.74	(9.25)	5.26
Net Cash Flow	2.76	(1.04)	13.43	(4.05)	(13.85)

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet its capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flow, it may adversely affect our business and financial operations. For further details please refer to the section titled 'Financial Statements' and chapter titled 'Management's Discussion and Analysis of Financial Conditions and Results of Operations' beginning on page no. 147 and page no. 170 respectively, of this Draft Prospectus.

27. Our Company has unsecured loans outstanding which may be recalled by the lenders at any point of time.

Some of the loans are repayable on demand and may be recalled by the lenders at any time without notice, or with short notice, upon default or otherwise. If the lenders exercise their right to recall a loan, it could have an adverse affect on the financial position of our Company. For details on unsecured loan, please refer to the chapter titles “Financial Statements” on page no. 147 of this DRHP.

28. *Our Company is subject to restrictive covenants and some of our Company's properties have been charged / mortgaged as security under certain financing arrangements.*

Some of our financing arrangements are secured by our assets. There are certain restrictive covenants in the financing agreements we have entered into with banks and for loans and advances. These restrictive covenants inter alia require us to obtain either the prior permission of such banks or require us to inform them of various activities, including, among others, alteration of our capital structure, raising of additional equity or debt capital, incurrence of indebtedness, payment of dividends, undertaking any merger, amalgamation, restructuring or changes in management. Our ability to execute expansion plans, including our ability to obtain additional financing on terms and conditions acceptable to us, could be negatively impacted as a result of these restrictions and limitations.

In the event that we breach a restrictive covenant, our lenders could deem us to be in default and seek early repayment of loans. An event of default would also affect our ability to raise new funds or renew maturing borrowings as needed to conduct our operations and pursue our growth initiatives. These restrictive covenants may affect some of the rights of our shareholders. For further details please refer to the chapter titled "Financial Indebtedness" beginning on page no. 147 of this DRHP.

29. *We have not received No Objection Certificate from all the lenders of term loans to our company.*

We have received the No Objection letter from The Malad Sahakari Bank Limited. Our company has applied for NOC from other term lenders also and is awaiting the same.

30. *We have entered into a number of related party transactions for the year ended 2015 amounting to Rs. 62.79 Lakhs which may involve conflicts of interest.*

We have entered into a number of related party transactions. Such transactions or any future transactions with related parties may potentially involve conflicts of interest and impose certain liabilities on our Company. The conflict of interests would be resolved by entering into transactions at the prevalent market rates where applicable and also by the interested parties refraining from being a part of the decision making process. For further details on related party transactions, see the section titled "Financial Information of Our Company" beginning on page no. 147 of this Draft Prospectus.

31. *The insurance coverage taken by our Company may not be adequate to protect against certain business risks.*

Operating and managing a business involves many risks that may adversely affect our Company's operations, and the availability of insurance is therefore important to its operations. Our Company maintains Standard Fire & Special Perils insurance coverage in relation to its assets, stocks, properties etc. Our Company believes that its insurance coverage is generally consistent with industry practice. However, to the extent that any uninsured risks materialize or if it fails to effectively cover it for any risks, it could be exposed to substantial costs and losses that would adversely affect results of operations.

32. *Our Company has entered into Tripartite Agreement with either CDSL or NSDL which is under process. Any delay in clearance, will impact the business.*

Every Company accessing Capital Markets is required to enter into tripartite agreement with both the Depositories i.e. NSDL and CDSL along with Registrar & Transfer Agent for dematerialization of its equity shares. Our Company has entered into tripartite agreement with NSDL or CDSL. Our application is under process. We shall make sure that our application with NSDL or CDSL shall get cleared before filing of the final prospectus with Registrar of Companies.

33. *We cannot assure you that we will pay dividend in future.*

We have not paid any dividends in the last three financial years and there can be no assurance that dividends will be paid in future. The declaration of dividends in the future will be recommended by our Board, at its sole discretion, and will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. There can be no assurance that we will be able to pay dividend in the future. Further, we may be restricted by the terms of our debt financing from making dividend payments, in the event we default in any of the debt repayment installments.

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 the Audit Committee.*

As per SEBI (ICDR) Regulations, 2009 appointment of monitoring agency is required only for Issue size above Rs. 50,000 Lakhs. Hence, we have not appointed a monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds.

Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the BSE Limited and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

35. *We propose to utilize a part of the Net Proceeds for general corporate purpose and our management will have the discretion to deploy the funds.*

We propose to utilize the Net Proceeds for purposes identified in the section titled “*Objects of the Issue*”, i.e., Proceeds towards general corporate purposes, vis-à-vis, for brand building exercises and strengthening of our marketing capabilities. The manner deployment and allocation of such funds is entirely at the discretion of our management and our Board, subject to compliance with the necessary provisions of the Companies Act.

36. *Delay in raising funds from the IPO could adversely impact the implementation schedule.*

The proposed expansion, as detailed in the section titled “*Objects of the Issue*” is to be entirely funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute the expansion process within the given time frame, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our growth plans and profitability.

EXTERNAL RISK

37. *Political, economic and social changes in India could adversely affect our business.*

Our business, and the market price of our Company’s shares, may be affected by changes in Government policies, including taxation, social, political, economic or other developments in or affecting India could also adversely affect our business. Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms including significantly relaxing restrictions on the private sector. In addition, any political instability in India may adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of our Equity Shares.

38. *Our business is subject to a significant number of tax regimes and changes in legislation governing the rules implementing them or the regulator enforcing them in any one of those jurisdictions could negatively and adversely affect our results of operations.*

The revenues recorded and income earned is taxed on differing bases, including net income actually earned, net income deemed earned and revenue-based tax withholding. The final determination of the tax liabilities involves the interpretation of local tax laws as well as the significant use of estimates and assumptions

regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. Changes in the operating environment, including changes in tax laws, could impact the determination of the tax liabilities of our Company for any year.

39. Natural calamities and force majeure events may have an adverse impact on our business.

Natural disasters may cause significant interruption to our operations, and damage to the environment that could have a material adverse impact on us. The extent and severity of these natural disasters determines their impact on the Indian economy. Prolonged spells of deficient or abnormal rainfall and other natural calamities could have an adverse impact on the Indian economy, which could adversely affect our business and results of operations.

40. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence or war may adversely affect the Indian markets on which our Equity Shares will trade. These acts may result in a loss of business confidence, make travel and other services more difficult and have other consequences that could have an adverse effect on our business. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of our Equity Shares.

PROMINENT NOTES

1. This is a Public Offer of 10,24,000 Equity Shares of face value of Rs. 10/- each fully paid up for cash at a price of Rs. 15/- per Equity Share (including share premium of Rs. 5/- per Equity Share) aggregating Rs. 153.60 Lakhs (“**The Issue**”). Issue of Equity Shares will constitute 2.52 of the fully diluted Post-Issue paid up capital of our Company. For more information, please refer to chapter titled ‘**The Issue**’ on page no. 45 of this Draft Prospectus.
2. For information on changes in our Company’s name, Registered Office and changes in the objects clause of the MOA of our Company, please refer to the chapter titled ‘**History and Corporate Structure**’ beginning on page 121 of this Draft Prospectus.
3. Our Net Worth as per Restated Financial Statements is Rs. 306.73 Lakhs; Rs 263.68 Lakhs; Rs. 260.33Lakhs; Rs. 212.84 Lakhs as of 3 months ending June 30,2015, March 31, 2015; March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 respectively.
4. As per the Restated Financial Statements, the Net Asset Value per Equity Share as at 3 months ending June 30,2015 is Rs. 11.78 per share, March 31, 2015 was Rs. 11.34 per share, March 31, 2014 was Rs. 11.20 per share, March 31, 2013 was Rs. 11.07 per share, March 31, 2012 was Rs. 11.15 per share and as at March 31, 2011 was Rs. 11.06 per share.
5. Investors may contact the Lead Manager for any complaint pertaining to the Offer. All grievances relating to ASBA may be addressed to the Registrar to the Offer, with a copy to the relevant SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares for which applied, Application Amounts blocked, ASBA Account number and the Designated Branch of the SCSBs where the ASBA Form has been submitted by the ASBA Applicant.
6. The average cost of acquisition of per Equity Share by our Promoters is set forth in the table below:

Name of the Promoters	No. of Shares held	Average cost of acquisition (In Rs.)
Mr. Bharat Brijmohan Sharma	12,83,785	9.27
Mrs. Srijna Bharat Sharma	2,41,905	9.57
Total	15,25,690	18.84

For further details relating to the allotment of Equity Shares to our Promoter, please refer to the chapter titled ‘Capital Structure’ beginning on page no. 55 of this Draft Prospectus.

7. Our Company its Promoters/ Directors, Associates or Group companies have not been prohibited from accessing the Capital Market under any order or direction passed by SEBI. The Promoters, their relatives, Company, group companies, associate companies are not declared as willful defaulters by RBI/ Government authorities and there are no violations of securities laws committed in the past or pending against them.
8. Investors are advised to refer to the paragraph titled ‘**Basis for Offer Price**’ beginning on page no. 73 of this Draft Prospectus.
9. The Lead Manager and our Company shall update this Draft Prospectus and keep the investors/ public informed of any material changes till listing of the Equity Shares offered in terms of this Draft Prospectus and commencement of trading.
10. Investors are free to contact the Lead Manager for any clarification, complaint or information pertaining to the Offer. The Lead Manager and our Company shall make all information available to the public and

investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever.

11. In the event of over-subscription, allotment shall be made as set out in paragraph titled '**Basis of Allotment**' beginning on page no.225 of this Draft Prospectus and shall be made in consultation with the Designated Stock Exchange i.e. BSE. The Registrar to the Offer shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein.
12. The Directors/ Promoters of our Company have no interest in our Company except to the extent of remuneration and reimbursement of expenses and to the extent of any Equity Shares of our Company, held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and/or trustee, and to the extent of benefits arising out of such shareholding. For further details please refer to the chapter titled '**Our Management**' on page no. 125 of this Draft Prospectus.
13. No loans and advances have been made to any person(s)/ companies in which Directors are interested except as stated in the Auditors Report. For details please refer to '**Section VII - Financial Statements**' beginning on page no. 147 of this Draft Prospectus.
14. No part of the Offer proceeds will be paid as consideration to Promoters, Directors, Key Managerial Personnel or persons forming part of Promoter Group.
15. There has been no financing arrangement whereby the Promoter Group, our Directors and their relatives have financed the purchase, by any other person, of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Prospectus.
16. The details of related parties' transaction entered into by our Company are disclosed under '**Annexure XXVI - Statement of Related Parties' Transactions**' in '**Section VII - Financial Statements**' of our Company on page no.147 of this Draft Prospectus.
17. Since inception, our Company has offered 2,32,500 equity shares by capitalization of reserves on April 20,2015. Details of which are as follows:

Sr. No.	Name of Allottee's	No. of Shares
1	Adyanthaya Palli Bhavanishankar	50
2	Agarwal Geeta	10
3	Akhade Shivanand Dhonduappa	20
4	Akhade Shobha Sambhajirao	50
5	Akkala Surendra Babu	50
6	Annadate Anandi Arvind	50
7	Appasaheb Jagtap Shivajirav	100
8	Asaramji Desarda Suganchand	20
9	Ashar Sudha Ramesh	50
10	Ashikar Suresh Suryabhanji	50
11	Ashtikar Madhuri Nagesh	100
12	Ashtikar Nagesh S	50
13	Avinash Lele Bharti	50
14	B Chennaiah	50

Sr. No.	Name of Allottee's	No. of Shares
15	B Mahamoodmiya	50
16	Badve Rajiv Atamaram	50
17	Bafna Shantilal M.	20
18	Bagad Manjusha Satynarayan	50
19	Bhandari Paras Pukhraj	50
20	Bhatte Neha V	200
21	Bhide Raehubir P	10
22	Bhikar Nilkant Nago	50
23	Bhivre Uday Vasant	20
24	Bhokre Sharad Dada	20
25	Bhoomkar Prakash Rangnathrao	10
26	Bhosle Vaishali Vasant	100
27	Bora Chandrakala	50
28	Bora Madanlal	50
29	Champaneria Vinodrai Ratanji	50
30	Chhabda Davinder Singh	150
31	Chikkali Shantikiran Ramchandra	50
32	Chillal Arun Bandopat	100
33	Dangerwala Kalpesh M	50
34	Daph Smita Someshwar	50
35	Dattatraya Jagannath Rakshe	20
36	Desada Kamla Parasmal	20
37	Desada Suganchand Asharamji	20
38	Deshoande Mukund Balkrishna	20
39	Dhanvade Sunil Sadashiv	20
40	Dharod Chhaganlal T	20
41	Dharod Jayashree J	20
42	Dharod Kalpana C	20
43	Dharod Sameer C	50
44	Dharod Jayantilal T	20
45	Dhekle Ahilya Suresh	10
46	Dhekle Suresh Sampat	10
47	Dhruv Manisha	50
48	Digamberdas Gujarati Pradeep	100
49	Divakar Vasudev Ganesh	10
50	Dixit D. N	10
51	Dixit Dattatray N	10
52	Dixit Subhash Mahadev	100
53	Dmello Sadana Mather	10

Sr. No.	Name of Allottee's	No. of Shares
54	Doshi Beena Shshikant	100
55	Doshi Milap Shashikant	100
56	Dr. Yamini	100
57	Dugani Dhanappa Murgaappa	30
58	Gadhia Kiran Gokaldas	50
59	Gaikwad Abasaheb Y	30
60	Gandhi Kalpesh M	100
61	Gandhi Padmaben M	50
62	Gandhi Chandraben Karsandas	50
63	Gandhi Nayana Uday	50
64	Gandhi Ramesh Amarchand	100
65	Gangwal Anil L	50
66	Gangwal Lata Anilkumar	100
67	Gangwal Rajkumar Hansraj	50
68	Gangwal Saroj Sanjay	50
69	Gawad Shobhana M	10
70	George M	50
71	Ginoodiya Govind R	50
72	Gipta Shunbhai Bhuneshwar	10
73	Golar Ajay Krishnarao	50
74	Golar Krishnarao Vithaldas	50
75	Gondalekar Ashok Gajanan	50
76	Gopiyani Pradeep Umeshwkar	20
77	Gosar Kantiben Manilal	20
78	Gosar Manilal Deviji	20
79	Gosar Keshavji Devji	50
80	Goyal Sarita Suresh	50
81	Haldvanekar Vidya Purnand	10
82	Haldvanekar Vivek Sudhakar	50
83	Hariya Kantilal Velji	20
84	Hariya Manjula Kantilal	20
85	Hundiwala Mukesh Ramdas	100
86	Italia Dharmeshkumar M	50
87	Jain Chandra Prakash	100
88	Jain Naresh M	20
89	Jaini Dhanvant	20
90	Jaini Dhanvant V.	20
91	Jaiswal Chandrakumar K	50
92	Jaiswal Sheela Deepak	100

Sr. No.	Name of Allottee's	No. of Shares
93	Jalori Mangala Gopichad	50
94	Jhavari Malay Vinodhari	190
95	Jhavari Dipesh Vinodrai	700
96	Jhavari Jyotsna Vinodrai	190
97	Jhavari Mukta Ramniklal	190
98	Jhavari Vibodh Ramniklal	190
99	Jhavari Vinodrai Ramniklal	190
100	Jindal Kailash	50
101	Joshi Anjali Madhular	30
102	Joshi Avnish Dattatraya	10
103	Kadam Satis Shivajirao	10
104	Kadam Satis Shivajirao Laxmanrao	10
105	Kala Rajeev	150
106	Kalapure Anil Bhalchand	50
107	Kalapure Ashivin Anil	50
108	Karandikar Satish Govind	100
109	Karwa Sangeeta Ravindra	100
110	Kataria Parya Vasant	50
111	Katyayan Anatshayam Vyanketsh	50
112	Ketineni Sridevi	50
113	Khoja Amir N	100
114	Kothari Uma Kalpendra	50
115	Kulharni Sulbha Pralhad	10
116	Kulkarni Gopalkrioshna D	20
117	Kulkarni Lata Madhav	50
118	Kulkarni Pralhad Laxman	10
119	Kulkarni Shashikanta Ramchadra	150
120	Kulkarni Shishikanmt Ramchandra	150
121	Kulkarni Subhangi Keshav	30
122	Kulkarni Swati Sanjay	50
123	Kulkarni Vidhya Dattatray	10
124	Lad Lata Madhav	50
125	Laddha Mahesh Bansilal	50
126	Lohade Vinod Rupchand	50
127	Lokhande Arvind C.	50
128	Madnani Barkha D.	50
129	Mahalkar Nalini Subhash	50
130	Mahambra Anand P	200
131	Mahamoodmiya B.	50

Sr. No.	Name of Allottee's	No. of Shares
132	Maheshkar Krishna Dashrath	50
133	Majithia Vinod V	50
134	Makim Rajanikant C	50
135	Mali Chandrakant Laxman	10
136	Malni Prakash K	50
137	Malvi Bastimal K	50
138	Malvi Manglal K	50
139	Manda Subri Sunil	50
140	Manda Sudhir Vishwanath	50
141	Mandadak Satish Ramnarayan	50
142	Marod Kirti Dungarshi	50
143	Marod Pradeep Dungarashi	50
144	Maru T A Huf	100
145	Mehta Lavji Danjibhai	10
146	Mehta Lilavati Kantilal	100
147	Mehta Padamavati Lavji	10
148	Mehta Hiren V.	100
149	Mehta Jayashree B.	150
150	Mehta Jayshree V	150
151	Mehta Kirit Ratilal	200
152	Mehta Niranjana M.	50
153	Mehta Ratilal Kirti Kumar	200
154	Mehta Umeshkumar G.	150
155	Mehta Vipin H.	150
156	Mishra Bijyalaxmi	50
157	Mishra Kirankumar Ramprasad	50
158	Mishtri Pankajkumar J	50
159	Mohalkar Nalini Subhash	50
160	Mohita Sudhakar Pundlikrao	50
161	Moreshwer Lele Avinash	50
162	Mourya Rambachan	10
163	Mulay Dnyaneshwar Gajanan	20
164	Mulay Shailaja Nandkishor	50
165	Mundada Satish Ramnarayan	150
166	Nagda Karmashi Morarji	10
167	Nandanikar Ajit Malhar	50
168	Nillawar Prakash R	100
169	Padmawar Rajiv Vasantao	50
170	Panchal Manjula Dinesh	50

Sr. No.	Name of Allottee's	No. of Shares
171	Panchal Rashmi Kamlesh	20
172	Pande Sunita Vijay	50
173	Pande Vijay Krishnarao	50
174	Pandya Jatin M	50
175	Panjabi Jaiprakash	50
176	Paonikar Sheshi Tikaram	50
177	Paresh Jatin Mahesh	100
178	Parmar Anilkumar Keshavlal	50
179	Parmar Keshavlal Bhagwandas	50
180	Parmar Kiritikumar Naottamdas	50
181	Parmar Rajen Mulchand	100
182	Parmar Ramesh Chhaganlal	50
183	Parmar Ranjit Narottamdas	50
184	Parmar Savitaben Chhaganlal	50
185	Parmar Shashikant K.	50
186	Parmar Sunil Mulchand	50
187	Patel Ghanshyambhai V.	100
188	Patel Labhubhai V.	100
189	Patel Madhuben Rameshbhai	100
190	Patel Rameshbhai M.	100
191	Patel Vallabhbhai Jayrambhai	400
192	Pathak Sheel Rashimi	20
193	Pathan Musa Abu	100
194	Patil Anjali Vasant	100
195	Patwarden Rahul Prabhaker	50
196	Patwarden Sanjivani Umesh	50
197	Pawar Dattaraya Govind	50
198	Pendse Shirishkumar Chintaman	100
199	Pendse Uday Ramchandra	50
200	Pethe Laxman Dattatraya	50
201	Phulambrikar Tushar S.	50
202	Pimpalkar Satish Balaji	100
203	Pore Kedar Laxmikant	30
204	Pore Sudhir Dhanarase	20
205	Pujari Ramniranjan	50
206	Radhakishan Sarvajeet	30
207	Rakshe Dattatrya Jagannatha	20
208	Rao K V S Prakash	150
209	Runwal Anilkumar S	50

Sr. No.	Name of Allottee's	No. of Shares
210	Runwal Usha Mahendrakumarji	50
211	Sakhadeo Ashok N.	10
212	Salve Madhukar Vasudeorao	50
213	Sancheti Dilipkumar Dipchand	50
214	Sancheti Prem Dipchand	50
215	Sangharaja Jagrati Rajesh	50
216	Sankalaecha Ravindra Koshalchand	100
217	Saraf Sandeep	50
218	Sathe Madhur Anand	10
219	Saula Chandresh M	50
220	Sawadas Vasant V	50
221	Sawant Sambhaji Shivaji	50
222	Selokar Krushna Nathoji	50
223	Shah Meena Kushik	10
224	Shah Pravin Ishwerlal	100
225	Shah Asha Laxmikant	100
226	Shah Dilshad M	30
227	Shah Diraj Manilal	30
228	Shah Hina Kaushik	10
229	Shah Jayesh	30
230	Shah Nita Kirit	50
231	Shah Sandeep R.	50
232	Shah Shantikumar B	50
233	Shah Sumitkumar B.	50
234	Shah Suresh Tulshidas	20
235	Shah Triphati V	60
236	Shah Vinod Chandra Shantilal	110
237	Shah Vivek Yogendra	50
238	Shah Yogendra Mohanlal	100
239	Sharma Sujesh Jagadish Prasad	30
240	Sharma Ambrish Kumar	10
241	Sharma Anagh B.	20,000
242	Sharma Ashok	100
243	Sharma Bharat B.	109,435
244	Sharma Bharat Huf	10,000
245	Sharma Brijmohan Huf	24,500
246	Sharma Jagdish P	10
247	Sharma Jayesh	30
248	Sharma Nayan	100

Sr. No.	Name of Allottee's	No. of Shares
249	Sharma Savitri B.	20,800
250	Sharma Srijana B.	18,355
251	Sharma Subhash J	10
252	Sharma Sunil	10
253	Shelar Vandana R	50
254	Shende Sharad Sitaramji	100
255	Shinde Mahendra Gulabrao	50
256	Shinde Sadanan R	10
257	Shripat Prakash	50
258	Singh Iswar Chandra	50
259	Sonar Preep Vasudeo	150
260	Sonawane Pandrinath Kashinath	100
261	Surana Tarabai Chandmal	100
262	Suresh Suryabhanji	50
263	Tamber Shubhangi Ravindra	50
264	Tandale Sujata Sunil	50
265	Tapadiya Aruna	50
266	Tapadiya Chanda G	50
267	Tapadiya Pramila B	50
268	Tapadiya Sharad O	50
269	Tekwani Sunita	50
270	Thomas Kavalackal Chacko	50
271	Tibrewala Hariram Ratanlal	100
272	Tilwankar Manisha Sanjay	50
273	Triphati Pravin Shrivallabhbai	100
274	Triphati Shrivallabhbai	100
275	Tulle Beena Mohimdas	50
276	Vaidya Somnath Keshav	50
277	Vanarase Pratibha B	50
278	Varma Subhash C	10
279	Vaya Amarahlal Govindji	100
280	Vaya Harshad Dhanjibhai	20
281	Vaya Hitesh Dhanjibhai	20
282	Vaya Kantaben Dhanjibhai	20
283	Ved Nitin Ishwarlal	50
284	Velanker Shubhadh Krishna	10
285	Velso Walter Thomes	50
286	Vora Neeta Rajan	70
287	Vyas Brahmashankar	10

Sr. No.	Name of Allottee's	No. of Shares
288	Vyas Gita B	10
289	Vyas Maya B.	10
290	Vyas Vyana B.	10
291	Wadekar Milind S	50
292	Wedalkar Milind S	50
293	Worlikar Umesh	50
294	Yadav Rajpat R.	10
295	Zawar Dilip Rajmal	50
296	Usha Shukla	5,010
297	Amit Shukla	6,950
	TOTAL	2,32,500

18. For details of contingent liabilities outstanding as on March 31, 2015, please refer to '*Section VII – Financial Statements*' beginning on page no. 147 of this Draft Prospectus.
19. Except as disclosed in the chapter titled '*Capital Structure*' beginning on page no. 55 of this Draft Prospectus, we have not issued any Equity Shares for consideration other than cash.
20. Trading and Allotment in Equity Shares for all investors shall be in dematerialized form only.
21. There are no financing arrangements whereby the Promoter Group, the Directors of our Company who are the Promoters of our Company, the Independent Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing of this Draft Prospectus.
22. Investors may note that in case of over-subscription in the Issue, allotment to Retail applicants and other applicants shall be on a proportionate basis. For more information, please refer to the chapter titled '*Issue Structure*' beginning on page no. 212 of this Draft Prospectus.

SECTION IV - INTRODUCTION

SUMMARY OF INDUSTRY

The information in this section has not been independently verified by us, the Lead Manager or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information.

Ayurveda is a comprehensive scientific system of medicine evolved in India. Initially it was developed through ancient wisdom, clinical experiences and experimentation in scientific manner. At present, Ayurveda is growing in the paradigm of contemporary scientific technological and medical parameters.

The term 'Ayurveda' meaning 'the knowledge of life' comprises of two Sanskrit words viz, 'Ayu' meaning 'Life' and 'Veda' meaning 'Knowledge' or 'Science'. The earliest concepts of medical science are found in the ancient wisdom called *Veda*, which were believed to be composed between 5000- 1000 B.C. The classical texts of Ayurveda containing exclusive information on health and disease came around 1000 B.C. onwards, when fundamental and applied principles of Ayurveda were codified in a systematic manner. Since its advent, Ayurveda passed through different political and socio cultural phases and stood test of time, got enriched by the contribution of different practitioners and scholars and catered the health needs of contemporary societies. Present form of Ayurveda is the outcome of continued scientific inputs that have gone into evolution of its principles, theories and guidelines of healthy living and disease management.

Ayurvedic Pharmaceutical science can be broadly considered under two major heads- (i) Ayurvedic Pharmacology and (ii) Ayurvedic Pharmaceutics. Plant drugs are used in different dosages forms in accordance with subject specific requirement. The basic dosages forms of plants drugs are known as Five Dosage Forms- Expressed Juices, Paste, Decoction, Hot Infusion and Cold Infusion. Many more dosage forms such powder, pill, medicated fermented preparations etc derived with modern technology are also in practice. Different drug delivery systems were taken into consideration while designing new dosage forms like ointment/cream, syrup, granules, capsules, candy etc.

Ayurvedic drugs are being manufactured on large scale by approximately 8,000 Ayurvedic Drug Manufacturing Units spread all over the country. Manufacturing, Sales and Distribution of Ayurvedic drugs are regulated through Drugs and Cosmetic Act, 1940 and Drugs And Cosmetic Rules, 1945. The Government of India has set up the Ayurvedic Pharmacopoeia Committee (APC) to prescribe standards of single drugs and compound formulations mentioned in Ayurveda for the use of manufacturers. Moreover, Good Manufacturing Practices (GMP) under Schedule 'T' of the Drugs and Cosmetics Act, 1940, have also been notified to ensure the quality of ASU (Ayurveda, Siddha, Unani) medicines. As on 2011, the health care services are being extended to the masses through a huge network of 4,29,246 registered Ayurveda Practitioners, 2420 Ayurveda hospitals, 15,017 dispensaries, 260 under graduate and 65 post graduate colleges. This infrastructure includes both public and private sector. About 8000 licensed drug manufacturing units produce classical and proprietary Ayurvedic medicines.

Source: <http://www.ccras.nic.in/AYURVEDA%20The%20Science%20of%20Life.pdf>

Organized Sector:

The large manufacturing units comprise the well established manufacturers who operate in both domestic and International markets. The major players in this category are Dabur, Baidyanalh, Zandu, Himalaya Drug Company, Charak Pharmaceuticals, Vicco Laboratories, Aimil Pharma & Emami group.

Unorganized Sector:

Small manufacturing units manufacture a few medicines and operate in a small area. The unorganized sector includes practicing Ayurvedic experts (vaidyas) and micro-units manufacturing only a few products and operating at local level. Nonetheless, at times such units are quite strong in their area of operation. There are certain small manufacturing units who cater to export markets only.

WORLD HERBAL INDUSTRY	INDIAN HERBAL INDUSTRY
✓ Herbal Product's Market :USD 80 billion	✓ Indian Market : Estimated as Rs. 4205 crores
✓ Annual Growth Rate : 7%	✓ Export of Ayurvedic drugs & allied herbal products : Estimated as Rs. 440 crores
✓ By 2050 : will reach 6 trillion	✓ Potential by 2020 : Estimated as Rs. 7000 crores
#Source : EXIM Bank Report	

Source: http://vibrantayurveda.in/?page_id=2083

The Opportunities in Herbal Medicines:

1. Medicinal plants cultivation;
2. Medicinal plants Exports;
3. In Drug Manufacturing Companies;
4. Teaching profession - Herbal medicine is being taught more in medical schools and pharmacy schools;
5. In the field of Plant monographs;
6. Drug inspectors in ISM;
7. Medical taxonomist;
8. Pharmacognosist;
9. Herbalist & Chiropractors;
10. AYUSH practitioners , Doctors;
11. SRF & JRF in Clinical trials;
12. Clinical and Research opportunities- Without doubt, the therapeutic potential of many herbs is yet to be fully discovered. Example, Recent discovery of 'artemisinins', new class of anti-malarial drugs, in Chinese herbs supports this assertion;
13. Carrier options in the various newer fields. E.g. Molecular biology, Nano technology etc.

Source: <http://florajournal.com/vol2issue1/april2014/4.1.pdf>

SUMMARY OF BUSINESS

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Prospectus, including the information contained in the section titled 'Risk Factors', beginning on page no.15 of this Draft Prospectus.

This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section titled 'Risk Factors' and the chapters titled 'Restated Financial Statement' and 'Management Discussion and Analysis of Financial Conditions and Results of Operations' beginning on page nos.15, 147 and 170 respectively, of this Draft Prospectus.

Unless the context otherwise requires, in relation to business operations, in this section of this Draft Prospectus, all references to "we", "us", "our" and "our Company" are to Ganga Pharmaceuticals Limited and Group Entities as the case may be.

Overview of our Business

Our Company was set up by Late Shri Brijmohan Sharma, a qualified Ayurveda visionary in the year 1974 as a proprietary concern. In the year 1989, the proprietary firm was converted to a Private Limited Company and subsequently converted in to a Public Limited Company as on 19th September, 1994.

Our Company was established as a producer of quality Bulk Ayurvedic Medicines in Mumbai. Apart from manufacturing, the company is also into marketing, distribution of Bulk Ayurvedic Medicines. Under the Management of Late Shri Brijmohan Sharma, the Company had created an exceptional market reputation not only in Mumbai but all over Maharashtra. Initially, the company was manufacturing the following proprietary products:

- 1) Ampachan Vati;
- 2) Khadira Vati;
- 3) Nirmalaya churna

Bearing in mind, the growing demand for the above products and newer products, increasing market share in Bulk Ayurvedic Medicine Sector and need for expertise in the business; Mr. Bharat Brijmohan Sharma, son of Late Shri Brijmohan Sharma took over the business. Being a Bachelor of Pharmacy from Pune University and a technocrat having rich experience in production and management of Ayurvedic unit, he not only extended the business to the neighbouring states but also introduced newer products within the company. As on date the company, it has 230 (mention the total number of products in all the categories) number of products in its total portfolio. These products can be divided into two (2) broad categories:

I. Liquid Dosage Form

Oil-based products

II. Solid Dosage Form

- A. Powder-based products;
- B. Tablets; and
- C. Pills.

We have been awarded a G.M.P Certification for following Good Manufacturing Practices under "Revised Schedule T" of Drugs & Cosmetics Rules, 1945 in respect of various categories of Tablets, Pills, Oils, Syrups and Powder based products by Food & Drug Administration, Maharashtra. Further, our company is characterized as Small Scale Industrial Unit by registering with the Directorate of Industries, Maharashtra. For details on the government approvals, please refer to the chapter titled "**Government and Other Approvals**" on page no. 185 of this DRHP.

Our Competitive strength

- 1) Variety of products in Traditional Medicine segment;
- 2) Diversified customer base;
- 3) Established sales, marketing and distribution network across 20 States within India;
- 4) Quality Infrastructure to serve regulated markets and manufacture multiple products;
- 5) Brand Visibility and Loyalty;
- 6) Quality Management with Pharma domain knowledge and experience;
- 7) Location Advantage and Incentives;
- 8) Strong Research and Development (R&D);
- 9) Offer Customized Packaging.

Our Strategy

- 1) Be cost competitive by increasing our capacity to benefit from economies of scale;
- 2) Increase Market Share in the Domestic Market;
- 3) Grow sales in regulated markets through business arrangements ;
- 4) Focus on increasing market share for certain key and high potential products.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from Restated Audited Financial Statements as of and for the financial years ended March 31, 2011, 2012, 2013, 2014 and 2015. These financial statements have been prepared in accordance with the Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations, 2009. The summary financial information presented below should be read in conjunction with the chapters and notes mentioned therein titled '*Management's Discussion and Analysis of Financial Conditions and Results of Operations*' and '*Restated Financial Statement*' beginning on page no. 170 and 147, respectively of this Draft Prospectus.

ANNEXURE I : STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Amt. in Rs.)

Sr. No.	Particulars	As on June 30, 2015	As on March 31					
			2015	2014	2013	2012	2011	
A.	Non-Current Assets							
1.	1. Fixed Assets							
(i)	Tangible Assets	64,27,554	65,29,697	65,31,673	66,17,657	53,58,546	56,10,334	
(ii)	Intangible Assets	-	-	-	-	-	-	
(iii)	Capital Work-in-Progress	-	-	-	-	-	-	
(iv)	Intangible Assets under Development	-	-	-	-	-	-	
2.	Non-Current Investments	5,42,500	5,42,500	5,42,500	92,500	92,500	6,000	
3.	Deferred Tax Assets	70,354	76,753	1,38,059	2,20,953	2,90,071	3,45,016	
4.	Long Term Loans and Advances	1,44,29,861	1,37,82,119	1,43,82,793	1,40,88,003	1,32,65,476	1,63,98,376	
5.	Other Non-Current Assets	92,58,513	92,78,513	72,62,479	59,34,692	46,00,000	-	
	Total (A)	3,07,28,782	3,02,09,582	2,88,57,504	2,69,53,805	2,36,06,593	2,23,59,726	
B.	Current Assets							
1.	Current Investments	-	-	-	-	-	-	
2.	Inventories	1,06,11,451	1,05,37,204	1,12,58,402	1,01,53,308	98,49,342	76,26,994	
3.	Trade Receivables	83,34,062	73,05,683	69,38,017	64,58,849	90,54,038	1,09,20,140	
4.	Cash and Cash Equivalents	8,12,966	20,23,515	17,46,833	18,50,927	5,06,951	9,12,247	
5.	Short-Term Loans and Advances	28,98,380	38,26,947	26,28,878	23,78,266	12,29,078	11,65,002	
6.	Other Current Assets	-	-	-	-	-	14,65,508	
	Total (B)	2,26,56,859	2,36,93,349	2,25,72,130	2,08,41,350	2,06,39,409	2,20,89,891	
C.	Total Assets [C = (A + B)]	5,33,85,642	5,39,02,931	5,14,29,635	4,77,95,155	4,42,46,001	4,44,49,616	
D.	Non-Current Liabilities							
1.	Long-Term Borrowings	1,51,94,224	1,53,27,440	1,49,30,961	1,63,86,686	1,71,94,065	49,83,909	
2.	Deferred Tax Liabilities (Net)	-	-	-	-	-	-	
3.	Other Long Term Liabilities	-	-	-	-	-	-	
4.	Long Term Provisions	-	-	-	-	-	-	

Sr. No.	Particulars	As on June 30, 2015	As on March 31				
			2015	2014	2013	2012	2011
	Total (D)	1,51,94,224	1,53,27,440	1,49,30,961	1,63,86,686	1,71,94,065	49,83,909
E.	Current Liabilities						
1.	Short-Term Borrowings	63,69,769	61,17,814	57,81,216	-	15,18,639	1,46,54,519
2.	Trade Payables	6,10,452	43,46,755	38,12,620	48,87,955	36,41,520	31,79,844
3.	Other Current Liabilities	33,667	13,79,289	5,73,730	5,67,890	3,06,974	2,38,657
4.	Short-Term Provisions	5,04,335	3,62,992	2,97,488	2,18,491	1,12,243	1,07,853
	Total (E)	75,18,223	1,22,06,850	1,04,65,054	56,74,336	55,79,376	1,81,80,873
F.	Total Liabilities & Provisions [F = (D+E)]	2,27,12,447	2,75,34,290	2,53,96,015	2,20,61,022	2,27,73,441	2,31,64,782
G.	Net Worth [C - F]						
	Represented by Shareholders' Fund:						
	Share Capital	2,85,75,000	2,32,50,000	2,32,50,000	2,32,50,000	1,92,50,000	1,92,50,000
	Reserves & Surplus	20,98,194	31,18,641	27,83,620	24,84,133	22,22,561	20,34,835
	Miscellaneous Exp. (to the extent not w/off)						
	NET WORTH	3,06,73,194	2,63,68,641	2,60,33,620	2,57,34,133	2,14,72,561	2,12,84,835

Note: The above statement should be read with the, Significant Accounting Policies and Notes to Accounts appearing in Annexure IV.

ANNEXURE II: STATEMENT OF PROFITS AND LOSSES, AS RESTATED

(Amt. in Rs)

Particulars	As on June 30, 2015	As on March 31				
		2015	2014	2013	2012	2011
REVENUE						
Receipts from Operations	65,56,054	2,69,47,448	2,66,21,105	2,30,99,741	1,94,54,026	1,86,00,573
Other Receipts/ Income	31,250	17,23,298	14,61,615	4,83,241	2,45,667	1,08,926
Total Revenue	65,87,304	2,86,70,746	2,80,82,719	2,35,82,982	1,96,99,693	1,87,09,499
EXPENSES						
Cost of Operation	27,00,794	1,33,32,420	1,32,11,748	1,16,56,040	71,68,187	65,39,305
Employee Benefit Expense	1,88,368	14,89,716	16,93,065	16,87,077	16,88,225	8,97,405
Financial Costs	7,83,582	33,05,974	29,78,454	29,22,293	29,36,626	28,46,514
Depreciation and Amortization Expense	1,02,142	3,77,128	3,22,296	2,99,864	2,79,738	3,24,494
Other Expenses	23,13,787	96,75,884	94,43,745	66,37,946	73,23,822	79,72,262
Total Expenditure	60,88,673	2,81,81,122	2,76,49,308	2,32,03,220	1,93,96,598	1,85,79,980
Net Profit/ (Loss) before Tax	4,98,631	4,89,624	4,33,411	3,79,762	3,03,095	1,29,519
Less : Provision for Taxation						
Current Years Income Tax	1,47,678	93,297	51,030	49,072	60,424	26,660
Deferred Tax	6,399	61,306	82,894	69,118	54,945	75,452
Fringe Benefit Tax		-	-	-	-	-
Net Profit after Tax but before Extraordinary Items	3,44,554	3,35,021	2,99,487	2,61,572	1,87,725	27,406
Extra-Ordinary Items		-	-	-	-	-
Net Profit after Extraordinary Items available for appropriation	3,44,554	3,35,021	2,99,487	2,61,572	1,87,725	27,406
Proposed Dividend		-	-	-	-	-
Dividend Distribution Tax		-	-	-	-	-
Net Profit carried to Balance Sheet	3,44,554	3,35,021	2,99,487	2,61,572	1,87,725	27,406

Note: The above statement should be read with the, Significant Accounting Policies and Notes to Accounts appearing in Annexure IV.

ANNEXURE III: STATEMENT OF CASH FLOWS, AS RESTATED

(Amt in Rs.)

Particulars	As on June 30, 2015	For the period ended March 31				
		2015	2014	2013	2012	2011
A. Cash Flows From Operating Activities						
Net Profit before Tax	4,98,631	4,89,624	4,33,411	3,79,762	3,03,095	1,29,519
Adjustments for:						
Depreciation and Amortization Expenses	1,02,142	3,77,128	3,22,296	2,99,864	2,79,738	3,24,494
Preliminary Expenses Written Off	-	-	-	-	-	-
Share Issue Expenses	-	-	-	-	-	-
Interest Received	-	-	-	-	-	-
Others	-	-	-	-	-	-
Operating Cash Generated Before Working Capital Changes and Taxes	6,00,773	8,66,752	7,55,707	6,79,626	5,82,834	4,54,013
(Increase) / Decrease in Receivables	(10,28,379)	(7,43,578)	(4,79,169)	25,95,189	18,66,101	82,72,482
Increase / (Decrease) in Payable	(37,36,303)	(2,26,976)	(10,75,335)	12,46,436	4,61,676	(65,38,207)
(Increase) / Decrease in Short Term Advances	9,28,567	(4,36,958)	(2,50,612)	(11,49,188)	14,01,432	9,08,047
(Increase) / Decrease in Short Term Current Assets	(74,247)	7,21,198	(11,05,093)	(3,03,966)	(22,22,348)	(49,58,963)
Increase / (Decrease) in Short Term Current Liabilities	(12,04,279)	25,91,694	84,837	3,67,164	72,707	(2,47,502)
Operating Cash Generated Before Taxes	(45,13,868)	27,72,132	(20,69,665)	34,35,261	21,62,402	(21,10,130)
Less: Direct Tax Paid	(1,47,678)	(93,297)	(51,030)	(49,072)	(60,424)	26,660
Net Cash Generated From Operating Activities (A)	(46,61,546)	26,78,835	(21,20,695)	33,86,189	21,01,978	(21,36,790)
B. Cash Flows From Investing Activities						
Sale / (Purchase) of Fixed Assets (Net)		(3,75,153)	(2,36,312)	(15,58,976)	(27,950)	2,28,247
Sale / (Purchase) of Investments (Net)		-	(4,50,000)	-	(86,500)	(3,266)
Interest Received		-	-	-	-	-
Others	(6,27,742)	(14,15,360)	(16,22,577)	(21,57,219)	(14,67,100)	
Dividend Received						
Net Cash Generated From Investing Activities (B)	(6,27,742)	(17,90,513)	(23,08,889)	(37,16,195)	(15,81,550)	2,24,981
C. Cash Flow From Financing Activities						
Proceeds from Issue of Share Capital (including Share Premium)	39,60,000	-	-	40,00,000	-	6,80,000

Particulars	As on June 30, 2015	For the period ended March 31				
		2015	2014	2013	2012	2011
Share Application Money Received	-	-	-	-	-	-
Increase / (Decrease) in Secured Loans	1,18,739	(6,11,642)	43,25,491	(23,26,018)	(9,25,724)	25,005
Increase/(Decrease) in Unsecured Loans	-	-	-	-	-	6,14,916
Share Issue Expenses	-	-	-	-	-	(7,93,926)
Dividend Paid (including Div Tax)	-	-	-	-	-	-
Net Cash from Financing Activities [C]	40,78,739	(6,11,642)	43,25,491	16,73,982	(9,25,724)	5,25,995
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	(12,10,549)	2,76,681	(1,04,094)	13,43,976	(4,05,296)	(13,85,814)
Opening Balance of Cash and Cash Equivalents	20,23,515	17,46,834	18,50,927	5,06,951	9,12,247	22,98,061
Closing Balance of Cash and Cash Equivalents	8,12,966	20,23,515	17,46,834	18,50,927	5,06,951	9,12,247

Note: The above statement should be read with the, Significant Accounting Policies and Notes to Accounts appearing in Annexure IV.

THE ISSUE

Present Offer in terms of this Draft Prospectus:

Particulars	No. of Equity Shares
Equity Shares offered	10,24,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 15/- per Equity Share aggregating Rs.
<i>Of which:</i>	
Reserved for Market Makers	51,200 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 15/- per Equity Share aggregating Rs. 7,68,000/-.
Net Offer to the Public*	9,72,800 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 15/- per Equity Share aggregating Rs. 1,45,92,000/-.
<i>Of which:</i>	
Retail Investors Portion	4,86,400 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 15/- per Equity Share aggregating Rs. 72,96,000/-.
Non Retail Investors Portion	4,86,400 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 15/- per Equity Share aggregating Rs. 72,96,000/-.
Equity Shares outstanding prior to the Offer	30,37,500 Equity Shares
Equity Shares outstanding after the Offer	4,06,15,000 Equity Shares
Use of Offer Proceeds	For details please refer chapter titled ' <i>Objects of the Offer</i> ' beginning on page no.68 of this Draft Prospectus.

* As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue 'the Allocation' is the net offer to the public category shall be made as follows:

- a) Minimum fifty percent(50%) To Retail Individual Investors; and
- b) Remaining to the other than Retail Individual Investors

The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.

Notes:

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time for at least 25% of post issue paid-up equity share capital of our Company, pursuant to Rule 19(2)(b)(i) of the Securities Contracts (Regulations) Rules, 1957 as amended.

1. The Offer is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please refer to chapters titled '**Other Regulatory and Statutory Disclosures**' and "**Offer Structure**" beginning on page no. 191 and 212 of this Draft Prospectus.
2. The Offer has been authorized by the Board of Directors of our Company vide a resolution passed at its meeting held on August 24, 2015.

GENERAL INFORMATION

Our Company was originally incorporated in Mumbai as “Ganga Pharmaceuticals Private Limited” on 11th September, 1989 under the provisions of the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Mumbai. Our Company was converted in to a Public Limited Company and consequently the name was changed to “Ganga Pharmaceuticals Limited” vide fresh certificate of incorporation dated 19th September, 1994 issued by the Registrar of Companies, Mumbai. For further details, please refer to the chapter titled ‘*History and Corporate Structure*’ beginning on page no.121 of this Draft Prospectus.

Registration Number: 11-53392

Registered Office of our Company

CIN No. : U99999MH1989PLC053392
Address : 1 - A, 802, N.G. Suncity Ph II, Kandivali East, Mumbai 400101, Maharashtra, India.
Tel No. : +91 22 42640318
Fax No. : +91 250 2528602
Email Id : ayurvedganga@gmail.com
Website : www.ayurvedganga.com
Contact Person : Mr. Bharat Brijmohan Sharma

Corporate Office and Factory Details

Address : Gangatat, Dhanvantary Marg, Gopchar Pada, Virar (East), Mumbai 401 303, India
Tel No. : +91 250 609 8333/444
Fax No. : +91 250 2528602
Contact Person : Mr. Ganesh Pardeshi

Address of the Registrar of Companies

Address : 100, Everest, Marine Drive, Mumbai 400002, Maharashtra, India
Tel No. : +91 22 22812627/22020295/22846954
Fax No. : +91 22 22811977
Email Id : roc.mumbai@mca.gov.in

DESIGNATED STOCK EXCHANGE

Our Company proposed to list its Equity Shares on the **SME Platform of Bombay Stock Exchange Limited.**

P. J. Towers, Dalal Street, Fort,
Mumbai – 400 001, Maharashtra

OFFER PROGRAMME

OFFER OPENS ON	[●]
OFFER CLOSES ON	[●]

OUR BOARD OF DIRECTORS

The following table sets out details regarding our Board as on the date of this Draft Prospectus:

Sr. No.	Name and Designation	Age	DIN	PAN Card No.	Address
1.	Mr. Bharat Brijmohan Sharma; Managing Director	51 years	00077026	AAKPS1394R	1/A/802, N.G. Sun City Phase-2, Thakur Village, Kandivali(E), Mumbai 400101
2.	Mrs. Srijna Bharat Sharma; Whole-Time Director	49 years	00078169	AAZPS9276P	1/A/802, N.G. Sun City Phase-2, Thakur Village, Kandivali(E), Mumbai 400101
3.	Mr. Sanjay Vyankatesh Kulkarni; Whole-Time Director	61 years	00065190	AABPK6895N	Flat No. 9, Manoranjan CHS, Lane No.7, Dahanukar Colony, Kothrud, Pune 411038
4.	Mr. Chetan Bhikhubhai Patel; Independent Director	43 years	06534475	AKNPP4518P	93 Yeshwant laxman Chawl, Room No 12, Kedarmal Road, Opp Children Academy English School Malad (East), Mumbai 400097
5.	Mr. Sachin Chandrakant Chavan; Independent Director	43 years	06524382	ACZPC2009G	B-205, Arvindo CHS, Sec-9, Charkop, Kandivali (W), Mumbai 400067
6.	Mr. Harish Bhagwan Talreja; Independent Director	67 year	07270005	ABGT3327E	102 Neminath Classic Suncity, Vasai (West), Bassein Road, Thane 401202

For detailed profile of our Board of Directors, refer to chapter titled '*Our Management*' on page no. 125 of this Draft Prospectus.

CHIEF EXECUTIVE OFFICER & COMPLIANCE OFFICER

Name : Mr. Bharat Brijmohan Sharma
Address : 1 - A, 802, N.G. Suncity Ph II, Kandivali East, Mumbai 400101, Maharashtra, India.
Tel No. : +91 250 609 8333/444
Fax No. : +91 250 2528602
Email Id : ceo.ganga@gmail.com

CHIEF FINANCIAL OFFICER

Name : Mr. Ganesh Jyothimani Paradeshi
Address : 1 - A, 802, N.G. Suncity Ph II, Kandivali East, Mumbai 400101, Maharashtra, India.
Tel No. : +91 250 609 8333/444
Fax No. : +91 250 2528602
Email Id : ganeshjp2007@gmail.com; ayurvedganga@gmail.com

Note:

Investors may contact our Chief Executive Officer and Compliance Officer and/or the Registrar to the Offer, i.e. Karvy Computershare Private Limited and/ or the Lead Manager, i.e. First Overseas Capital Limited, in case of any pre-Offer or post-Offer related problems, such as non-receipt of letters of Allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer, with a copy to the relevant SCSB to whom the Application was submitted (at ASBA Bidding Locations), giving full details such as name, address of the applicant, number of Equity Shares applied for, Application Amount blocked, ASBA Account number and the Designated Branch of the relevant SCSBs to whom the ASBA Application was submitted.

LEAD MANEGER FOR THE COMPANY

Name : **FIRST OVERSEAS CAPITAL LIMITED**
Registered Office : 1-2 Bhupen Chambers, Ground Floor, Dalal Street, Mumbai-400 001
Corporate Office : 1st Floor, B Wing, Todi Estate, Sun Mill Compound, Lower Parel, Mumbai 400013, Maharashtra, India
Tel No. : +91 22 4050 9999
Fax No. : +91 22 4050 9900
Email Id : mala@focl.in
Contact Person : Ms. Mala Soneji
Website : www.focl.in
SEBI Registration No. : INM000003671
CIN No. : U67120MH1998PLC114103

REGISTRAR TO THE ISSUE

Name : **KARVY COMPUTERSHARE PRIVATE LIMITED**
Address : Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032 India
Tel No. : + 91 40 6716 2222/ 1-800-3454001
Fax No. : +91 40 2343 1551
Email Id : inward.ris@karvy.com
Contact Person : Mr. M Murali Krishna
Website : www.karisma.karvy.com
SEBI Registration No. : INR000000221
CIN No. : U74140TG2003PTC041636

LEGAL ADVISOR TO THE COMPANY

Name : **MR. DHARMESH S. JAIN (ADVOCATE, HIGH COURT)**
Address : 401/A, Gokul Apartment, Goraswadi, Malad (West), Mumbai 400 064
Tel No. : +91 22 28628188 / 9820567878
Email Id : dharmesh2184@gmail.com

AUDITOR OF THE COMPANY (PEER REVIEW AUDITOR)

Name : **SDA & ASSOCIATES**
Address : 2, Janta Hsg Bldg No G-6, Opp Vijaya Bank, Jesal Park, Bhayandar East, District Thane 401105, India
Tel No. : +91 22 65311010/ 28163573
Email Id : sdaca2000@gmail.com
Contact Person : Mr. Dayaram Paliwal
Website : www.sdaassociates.com
Membership No. : 006407
Firm Registration No. : 120759W

STATUTORY AUDITOR OF THE COMPANY

Name : AMARNATH SHARMA & CO.
Address : 409, Sej Plaza, Near Nutan Highs School, Marve Road, Malad West, Mumbai
400064, India
Tel No. : +91 22 28623933
Email Id : amarsharmaca@rediffmail.com
Contact Person : Mr. Amarnath Sharma
Membership No. : 039579
Firm Registration No. : 100300W

BANKER(S) TO THE COMPANY

Name : THE MALAD SAHAKARI BANK LIMITED
Address : 6, Sujata, First Floor, Rani Sati Road, Malad (E), Mumbai 400 097, India
Tel No. : +91 22 28829586,28808551,28803516
Fax No. : + 91 22 28803517
Email Id : accounts@maladbank.com
Contact Person : Mr. Vijay Katak
Website : www.maladbank.com

Name : STATE BANK OF INDIA
Address : Gokul Residency , Shop No. 26 To 31, Thakur Village,
Kandivali(East), Mumbai-400 101, India
Tel No. : +91 22 28461009
Fax No. : + 91 22 28461030
Email Id : sbi.13036@sbi.co.in
Contact Person : Mr. Rajesh Ayade
Website : www.sbi.co.in

UNDERWRITER (S) TO THE ISSUE

Name : FIRST OVERSEAS CAPITAL LIMITED
Address : 1-2 Bhupen Chambers, Ground Floor, Dalal Street, Mumbai-400 001
Tel No. : +91 22 4050 9999
Fax No. : +91 22 4050 9900
Email Id : mala@focl.in
Contact Person : Ms. Mala Soneji
Website : www.focl.in
SEBI Registration No. : INM000003671
CIN No. : U67120MH1998PLC114103

Name : ALACRITY SECURITIES LIMITED
Address : 101, Hari Darshan, B-Wing, Bhogilal Fadia Road, Kandivali (W),
Mumbai - 400 067
Tel No. : +91 22 28073882/28073982
Fax No. : +91 22 28073967
Email Id : alacritysec@gmail.com
Contact Person : Mr. Hiten Mehta
Website : www.alacritysec.com
SEBI Registration No. : INB010909837
CIN No. : L99999MH1994PLC083912

MARKET MARKER(S) TO THE ISSUE

Name : ALACRITY SECURITIES LIMITED
Address : 101, Hari Darshan, B-Wing, Bhogilal Fadia Road, Kandivali (W), Mumbai - 400 067
Tel No. : +91 22 28073882/28073982
Fax No. : +91 22 28073967
Email Id : alacritysec@gmail.com
Contact Person : Mr. Hiten Mehta
Website : www.alacritysec.com
SEBI Registration No. : INB010909837
CIN No. : L99999MH1994PLC083912

BANKER(S) TO THE ISSUE/ ESCROW COLLECTION BANK/REFUND BANK

Name : ICICI BANK LIMITED
Address : Capital Market Division, 122 Mistry Bhavan, 1st Floor Dinshaw Vaccha Road, Backbay Reclamation, Churchgate, Mumbai 400020
Tel No. : +91 22 22859922
Fax No. : +91 22 22611138
Email Id : kriti.verma@icicibank.com/rishav.bagrecha@icicibank.com
Contact Person : Ms. Kriti Verma
Website : www.icicibank.com

Self Certified Syndicate Banks (SCSB's)

The list of Designated Branches that have been notified by SEBI to act as SCSB for the ASBA process is provided on <http://www.sebi.gov.in/pmd/scsb.html>. For more information on the Designated Branches collecting ASBA Forms, see the above mentioned SEBI link.

Statement of Responsibility of the Lead Manager/ Statement of inter se allocation of responsibilities

Since First Overseas Capital Limited is the sole Lead Manager to the Offer, a statement of inter se allocation of responsibilities amongst Lead Managers is not required.

Credit Rating

This being an Offer of Equity Shares, there is no requirement of credit rating.

Trustees

This is being an Offer of Equity Shares; the appointment of trustee is not required.

IPO Grading

Since the Offer is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of appointing an IPO Grading agency.

Brokers to the Offer

All members of the recognized stock exchanges would be eligible to act as Brokers to the Offer.

Inter-Se Allocation of Responsibilities

Since First Overseas Capital Ltd. is the sole Lead Manager to this Issue, a statement of inter se allocation of responsibilities among Lead Managers is not applicable.

Expert Opinion

Except as stated below, our Company has not obtained any other expert opinions:

Our Company has received consent from the Statutory Auditors of the Company to include their name as an expert in this Draft Prospectus in relation to the (a) Statutory Auditors' reports on the restated Audited financial statements; and (b) Statement of Tax Benefits by the Statutory Auditors and such consent has not been withdrawn as on the date of this Draft Prospectus.

Appraisal and Monitoring Agency

As per Regulation 16(1) of SEBI (ICDR) Regulations the requirement of Monitoring Agency is not mandatory if the issue size is below Rs 50,000 Lakhs. Since this Issue Size is only of Rs. 153.60 Lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per Clause 52 of the SME Listing Agreement to be entered into with BSE upon listing of the Equity Shares and the corporate governance requirements, inter-alia, the audit committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

Underwriting Agreement

This Offer is 100% Underwritten. The Underwriting agreement is dated September 19,2015. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and 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:

Details of the Underwriters	No. of Equity Shares underwritten	Amount Underwritten (In Rupees)	% of the total Issue Size Underwritten
First Overseas Capital Limited 1-2 Bhupen Chambers, Ground Floor, Dalal Street, Mumbai-400 001 Tel No.: +91 22 4050 9999 Fax No.: : +91 22 4050 9900 Email Id: mala@focl.in Contact Person: Ms. Mala Soneji Website: www.focl.in SEBI Registration No.: INM000003671 CIN No: U67120MH1998PLC114103	1,53,600	23,04,000	15
Alacrity Securities Limited 101, Hari Darshan, B-Wing, Bhogilal Fadia Road, Kandivali (W), Mumbai - 400 067; Tel No.: +91 22 28073882/28073982 Fax No.: +91 22 28073967 Email. Id.: alacritysec@gmail.com Contact Person: Mr. Hiten Mehta Website: www.alacritysec.com	8,70,400	1,30,56,000	85

Details of the Underwriters	No. of Equity Shares underwritten	Amount Underwritten (In Rupees)	% of the total Issue Size Underwritten
SEBI Registration No.: INB010909837 CIN No.: L99999MH1994PLC083912			
Total	10,24,000	1,53,60,000	100

In the opinion of our Board of Directors (based on a certificate given by the Underwriter), the resources of the above mentioned Underwriters are sufficient to enable them to discharge the underwriting obligations in full. The abovementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges.

Details of the Market Making Arrangement for the Offer

Our Company and the Lead Manager have entered into a tripartite agreement dated September 14, 2015, with the Market Maker, duly registered with BSE Limited to fulfill the obligations of Market Making.

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, 2009, and its amendments thereto and the circulars issued by the BSE and SEBI regarding this matter from time to time.

Following is a summary of the key details pertaining to the Market Making arrangement:

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The minimum depth of the quote shall be Rs. 1,00,000. However, the investors with holdings of value less than Rs. 1,00,000 shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
4. There would not be more than 5 (Five) Market Makers for a script at any point of time and the Market. Makers may compete with other Market Makers for better quotes to the investors.
5. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
6. The Marker maker may also be present in the opening call auction, but there is no obligation on him to do so.
7. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while *force-majeure* will be applicable for non controllable reasons. The decision of the Exchange for deciding controllable and non- controllable reasons would be final.

8. The Market Maker(s) shall have the right to terminate said arrangement by giving a three months notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations, 2009. Further our Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers not exceeding 5 (Five) or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our registered office from 11.00 a.m. to 5.00 p.m. on working days.

9. **Risk containment measures and monitoring for Market Makers:** BSE SME Exchange will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
10. **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to Rs. 250 Crores, the applicable price bands for the first day shall be:
- In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
 - In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Offer Price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the BSE SME Exchange/ Platform.

Sr. No.	Market Price Slab (in Rs.)	Proposed Spread (in % to sale price)
1	Up to 50	9%
2	50 to 75	8%
3	75 to 100	6%
4	Above 100	5%

11. In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012; it was decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:

Issue Size	Buy quote exemption threshold (including mandatory initial inventory of 5% of issue size)	Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of issue size)
Upto Rs. 20 Crores	25%	24%
Rs. 20 Crores to Rs. 50 Crores	20%	19%
Rs. 50 Crores to Rs. 80 Crores	15%	14%
Above Rs. 80 Crores	12%	11%

The exemption from threshold shall not be applicable for the first three months of market making and the market maker shall be required to provide two way quotes during this period irrespective of the level of holding.

12. Punitive Action in case of default by Market Makers: BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties/ fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities/ trading membership.

The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties/ fines/ suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Draft Prospectus is set forth below:

(Amt in Rs.)			
Sr. No.	Particulars	Aggregate Value at Nominal Value	Aggregate Value at Offer Price
A.	Authorized Share Capital		
	55,00,000 Equity Shares of Rs. 10/- each	5,50,00,000	-
B.	Issued, Subscribed and Paid-Up Share Capital before the Offer		
	30,37,500 Equity Shares of Rs. 10/- each	3,03,75,000	-
C.	Present Offer in terms of this DRHP *		
	Issue of 10,24,000 Equity Shares of face value of Rs. 10/- each at a Offer Price of Rs.15/- per Equity Share	-	1,53,60,000
	<i>Which comprises:</i>		
	(a) Reservation for Market Maker(s) 51,200 Equity Shares of face value of Rs. 10/- each reserved as Market Maker portion at a price of Rs. 15/- per Equity Share	-	7,68,000
	(b) Net Offer to the Public 9,72,800 Equity Shares of face value of Rs. 10/- each at a price of Rs. 15/- per Equity Share	-	1,45,92,000
	Of the Net Offer to the Public		
	4,86,400 Equity Shares of face value of Rs. 10/- each at a price of Rs. 15/- per Equity Share shall be available for allocation for Investors applying for a value of upto Rs. 2.00 Lakhs (Retail Investors)	-	72,96,000
	4,86,400 Equity Shares of face value of Rs. 10/- each at a price of Rs. 15/- per Equity Share shall be available for allocation for Investors applying for a value above Rs. 2.00 Lakhs (Non Retail Investors)	-	72,96,000
D.	Issued, Subscribed and Paid-up Share Capital after the Offer		
	40,61,500 Equity Shares of Rs. 10/- each	-	4,06,15,000
E.	Securities Premium Account		
	Before the Offer		9,60,000
	After the Offer		60,80,000

* The present Issue has been authorized pursuant to a resolution of our Board dated August 24, 2015 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at the Extra-Ordinary General Meeting of our shareholders held on September 15, 2015.

NOTES TO THE CAPITAL STRUCTURE

1. Details of increase in Authorized Share Capital:

Since the incorporation of our Company, the authorized Share Capital of our Company has been altered in the manner set forth below:

Sr. No.	Date of the Meeting	Particulars		Type of Meeting
		From	To	
1.	31-Mar-1995	100,000	250,000	EGM
2.	18-Dec-1995	250,000	5,500,000	EGM

please note that the company does not have any records for shares allotted prior to 2006.

2. Share Capital History of the Company

Sr. no.	Date of Allotment of Equity Shares	No. of shares Allotted	Cumulative No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (Cash, Bonus, Consideration other than cash)	Cumulative Share Capital (Rs.)	Nature of / Reasons for Allotment
1	As per Memorandum	30	30	100	100	Cash	3,000	On Subscription to MOA
2	08-Oct-94**	300	300	10	10	Cash	3,000	Shares sub-divided into 300 EQ @Rs.10 each
3	31-Oct-94	71,800	72,100	10	10	Cash	7,21,000	Fresh Allotment
4	31-11-1994	60,500	1,32,600	10	10	Cash	13,26,000	Fresh Allotment
5	31-Dec-94	29,700	1,62,300	10	10	Cash	16,23,000	Fresh Allotment
6	31-Jan-95	23,200	1,85,500	10	10	Cash	18,55,000	Fresh Allotment
7	28-Feb-95	23,500	2,09,000	10	10	Cash	20,90,000	Fresh Allotment
8	15-Mar-95	11,600	2,20,600	10	10	Cash	22,06,000	Fresh Allotment
9	23-Jan-96	17,400	2,38,000	10	10	Cash	23,80,000	Fresh Allotment
10	31-Dec-95	6,55,500	8,93,500	10	10	Cash	89,35,000	Fresh Allotment
11	23-Jan-96	4,16,500	13,10,000	10	10	Cash	1,31,00,000	Fresh Allotment
12	27-Mar-06	1,45,000	14,55,000	10	10	Cash	1,45,50,000	Fresh Allotment
13	24-07-10	4,70,000	19,25,000	10	10	Cash	1,92,50,000	Fresh Allotment
14	30-01-13	4,00,000	23,25,000	10	10	Cash	2,32,50,000	Fresh Allotment
15	20-Apr-15	2,32,500	25,57,500	10	10	Bonus Shares	2,55,75,000	Fresh Allotment
16	11-May-15	4,80,000	30,37,500	10	12	Private Placement	3,03,75,000	Fresh Allotment

** Equity Shares of the nominal value of Rs. 100 each fully paid in the capital of the company has been sub-divided into 10 Equity Shares of Rs. 10 each fully paid up by passing special resolution at the Extraordinary General Meeting held on October 08, 1994;

please note that the company does not have any records for shares allotted prior to 2006.

Note: Equity Shares allotted on May 11, 2015, were issued at a premium of Rs. 2 per equity shares.

3. Equity Shares issued for consideration other than cash by Our Company:

Except as mentioned above, the company has not issued equity shares for consideration other than cash.

4. Capital Build up of the Promoters

Name of the Allottee's	Date of Allotment	No. of Equity Shares Allotted	FV (Rs.)	Issue Price (Rs.)	Consideration	% of the Paid-up Capital	
						Pre-Issue	Post-Issue
Mr. Bharat Sharma	11-Sep-89	100	10	10	Cash	0.00	0.00
	11-Sep-94	100	10	10	Transfer from Ms. Nisha Sharma	0.00	0.00
	31-Oct-94	11,000	10	10	Cash	0.36	0.27
	23-Jan-96	55,600	10	10	Cash	1.83	1.37
	23-Jan-96	83,300	10	10	Cash	2.74	2.05
	31-Mar-10	4,45,000	10	10	Transferred from Late Shri Brijmohan Sharma	14.65	10.96
	24-Jul-10	2,08,950	10	10	Cash	6.88	5.14
	31-Jan-13	2,60,000	10	10	Cash	8.56	6.40
	25-Mar-13	30,000	10	10	Transferred from Mr. Suresh Chand Sharma	0.99	0.74
	25-Mar-13	300	10	10	Transfer from Ms. Nisha Sharma	0.01	0.01
	20-Apr-15	1,09,435	--	--	Bonus Shares 1:10	3.60	2.69
	11-May-15	80,000	10	12	Private Placement	2.63	1.97
	Total		12,83,785				42.26
Mrs. Srijna Bharat Sharma	31-Oct-94	70,500	10	10	Cash	2.32	1.74
	23-Jan-96	29,500	10	10	Cash	0.97	0.73
	24-Jul-10	83,550	10	10	Cash	2.75	2.06
	20-Apr-15	18,355	--	--	Bonus Shares 1:10	0.60	0.45
	11-May-15	40,000	10	12	Private Placement	1.32	0.98
	Total		2,41,905				7.96
Total Promoter Holding		15,25,690				50.23	37.56

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares.

None of the Equity Shares held by our Promoters are pledged.

Capital Build up of the Promoter Group

Name of the Allottee's	Date of Allotment	No. of Equity Shares Allotted	FV (Rs.)	Issue Price (Rs.)	Consideration	% of the Paid-up Capital	
						Pre-Issue	Post-Issue
Mrs. Savitri Brijmohan Sharma	11-Sep-89	100	10	10	Cash	0.00	0.00
	30-Nov-94	60,500	10	10	Cash	1.99	1.49
	31-Dec-94	29,700	10	10	Cash	0.98	0.73
	31-Jan-95	23,200	10	10	Cash	0.76	0.57
	28-Feb-95	23,500	10	10	Cash	0.77	0.58
	15-Mar-95	11,600	10	10	Cash	0.38	0.29
	30-Apr-95	1,500	10	10	Cash	0.05	3.63
	30-Apr-95	4,900	10	10	Cash	11.86	11.63
	24-Jul-10	53,000	10	10	Cash	1.74	1.30
	20-Apr-15	20,800	--	--	Bonus Shares 1:10	0.68	0.51
	Total	2,28,800				7.53	5.63
Mr. Anagh Bharat Sharma	23-Jan-96	2,00,000	10	10	Cash	6.58	4.92
	20-Apr-15	20,000	--	--	Bonus Shares 1:10	0.66	0.49
	11-May-15	40,000	10	12	Private Placement	1.32	0.98
	Total	2,60,000				8.56	6.40
Mrs. Usha Shukla (Earlier Ms. Usha Sharma)	31-Oct-94	100	10	10	Cash	0.00	0.00
	24-Jul-10	50,000	10	10	Cash	1.65	1.23
	20-Apr-15	5,010	--	--	Bonus Shares 1:10	0.16	0.12
	11-May-15	40,000	10	12	Private Placement	1.32	0.98
	Total	95,110				3.13	2.34
Mr. Amit Shukla	24-Jul-10	29,500	10	10	Cash	0.97	0.73
	31-Jan-13	40,000	10	10	Cash	1.32	0.98
	20-Apr-15	6,950	--	--	Bonus Shares 1:10	0.23	0.17
	Total	76,450				2.52	1.88
Ms. Ankita Shukla	11-May-15	40,000	10	12	6	1.32	0.98
	Total	40,000				1.32	0.98
Mr. Bharat Sharma (HUF)	23-Jan-96	1,00,000	10	10	Cash	3.29	2.46
	20-Apr-15	10,000	--	--	Bonus Shares 1:10	0.33	0.25
	11-May-15	80,000	10	12	Private Placement	2.63	1.97
	Total	1,90,000				6.26	4.68
Mr. Brijmohan C Sharma (HUF)	23-Jan-96	1,00,000	10	10	Cash	3.29	2.46
	24-Jul-10	45,000	10	10	Cash	1.48	1.11
	31-Jan-13	1,00,000	10	10	Cash	3.29	2.46
	20-Apr-15	24,500	--	--	1:10	0.81	0.60
	11-May-15	80,000	10	12	Private Placement	2.63	1.97
	Total	3,49,500				11.51	8.61
Total Promoter Group Holding		12,39,860				40.82	30.53

Details of Promoters' contribution and Lock-in

As per Regulation 32(1)(a) and 36(a) of the SEBI (ICDR) Regulations, 2009, and in terms of the aforesaid table, an aggregate of 20% of the post-Offer equity share capital of our Company ('minimum Promoters' contribution') shall be locked in by our Promoters for a period of 3 (Three) years from the date of Allotment.

The Promoters' contribution has been brought in to the extent of not less than the specified minimum amount and has been contributed by the persons defined as Promoter under the SEBI (ICDR) Regulations, 2009.

Our Company has obtained written consents dated September 23, 2015 from our Promoters for the lock-in of 8,78,650 equity shares for a period of 3 (Three) years from the date of Allotment in the Offer. The details of the equity shares held by our Promoters, which are locked in for a period of 3 (Three) years from the date of Allotment in the Offer are given below:

Promoter Contribution and Lock-in Details

For 3 Years

Name of the Promoter	Date of Allotment of Fully Paid-up Shares	No. of Equity Shares Locked-in	Nature of Issue/ Acquisition	FV (Rs.)	Issue Price (Rs.)	% of the Paid-up Capital	
						Pre-Issue	Post-Issue
Mr. Bharat Brijmohan Sharma	11-Sep-89	100	Cash	10	10	0.00	0.00
	11-Sep-94	100	Cash	10	10	0.00	0.00
	31-Oct-94	11,000	Cash	10	10	0.36	0.27
	23-Jan-96	55,600	Cash	10	10	1.83	1.37
	23-Jan-96	83,300	Cash	10	10	2.74	2.05
	31-Mar-10	4,45,000	Cash	10	10	14.65	10.96
	24-Jul-10	2,08,950	Cash	10	10	6.88	5.14
	Total	5,95,100					19.59
Mrs. Srijna Bharat Sharma	31-Oct-94	70,500	Cash	10	10	2.32	1.74
	23-Jan-96	29,500	Cash	10	10	0.97	0.73
	24-Jul-10	83550	Cash	10	10	2.75	2.06
	Total	1,83,550					6.04
Mr. Bharat Sharma (HUF)	23-Jan-96	1,00,000	Cash	10	10	3.29	2.46
	Total	1,00,000				3.29	2.46
Total Lock-in		8,78,650				28.93	21.63

The Equity Shares that are being locked in are not ineligible for computation of Promoter's contribution in terms of Regulation 33 of the SEBI (ICDR) Regulations, 2009. Equity Shares offered by the Promoters for the minimum Promoters' contribution are not subject to pledge. Lock-in period shall commence from the date of Allotment of Equity Shares in the Offer.

We confirm that the minimum Promoters' contribution of 20% which is subject to lock-in for 3 (Three) years does 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 acquired during the preceding three years resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against equity shares which are ineligible for minimum Promoters' contribution;

- c) Equity shares acquired by Promoters during the preceding one year at a price lower than the price at which equity shares are being offered to public in the Offer;
- d) Equity shares pledged with any creditor.

Further, (i) no equity shares have been allotted pursuant to any scheme approved under Section 391-394 of the Companies Act, 1956 or Section 230-233 of the Companies Act, 2013 and (ii) our Company has not been formed by the conversion of a partnership firm into a company.

The share certificates for the equity shares in physical form, which are subject to lock-in, shall carry the inscription 'non-transferable' and the non-transferability details shall be informed to the depositories.

Equity shares locked-in for one year

As per Regulation 36(b) of the SEBI (ICDR) Regulations, 2009, in addition to 20% of the post-Offer shareholding of our Company ('minimum Promoters' contribution') locked-in for 3 (Three) years, the balance equity shares, i.e. **6,28,090 equity shares**, held by the Promoters in excess of minimum Promoters' contribution shall be **locked in for a period of 1 (One) year** from the date of Allotment in the Offer. Further, such lock-in of the equity shares would be created as per the bye laws of the Depositories.

Also, as per Regulation 37 of the SEBI (ICDR) Regulations, 2009, the entire pre-Offer equity share capital of the Company held by persons other than Promoters shall be locked-in for a period of 1 (One) year.

Name of the Promoter	Date of Allotment of Fully Paid-up Shares	No. of Equity Shares Locked-in	Nature of Issue/ Acquisition	FV (Rs.)	Issue Price (Rs.)	% of the Paid-up Capital	
						Pre-Issue	Post-Issue
Mr. Bharat Brijmohan Sharma	31-Jan-13	2,60,000	Cash	10	10	8.56	6.40
	25-Mar-13	30,000	Cash	10	10	0.99	0.74
	25-Mar-13	300	Cash	10	10	0.01	0.01
	20-Apr-15	1,09,435	Bonus Shares	--	--	3.60	2.69
	11-May-15	80,000	Cash	10	10	2.63	1.97
	Total		4,79,735				15.79
Mrs. Srijna Bharat Sharma	20-Apr-15	18,355	Bonus Shares	--	--	0.60	0.45
	11-May-15	40,000	Cash	10	10	1.32	0.98
	Total		58,355			1.92	1.44
Mr. Bharat Sharma (HUF)	20-Apr-15	10,000	Bonus Shares	--	--	0.33	0.25
	11-May-15	80,000	Cash	10	10	2.63	1.97
	Total		90,000			2.96	2.22
Total Lock-in		6,28,090				20.68	15.46

Other requirements in respect of 'lock-in'

In terms of Regulation 40 of the SEBI (ICDR) Regulations, 2009, the Equity Shares held by our Promoters which are locked in as per the provisions of Regulation 36 of the SEBI (ICDR) Regulations, 2009, may be transferred to and amongst Promoters / 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 40 of the SEBI (ICDR) Regulations, 2009, the Equity Shares held by persons other than the Promoters' prior to the Offer may be transferred to any other person holding the Equity Shares which are locked-in

as per Regulation 37 of the SEBI (ICDR) Regulations, 2009, 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 39 of the SEBI (ICDR) Regulations, 2009, the locked-in Equity Shares held by our Promoters can be pledged with any scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or financial institutions, subject to the following:

- If the specified securities are locked-in in terms of Regulation 36(a) of the SEBI (ICDR) Regulations, 2009, the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of the Offer and the pledge of specified securities is one of the terms of sanction of the loan;
- If the specified securities are locked-in in terms of Regulation 36(b) of the SEBI (ICDR) Regulations, 2009 and the pledge of specified securities is one of the terms of sanction of the loan.

OUR SHAREHOLDING PATTERN

a) The table below represents the shareholding pattern of our Company in accordance with clause 37 of the Listing Agreement, as on the date of this Draft Prospectus:

Category Code	Category of Shareholders	No. of Shareholders	Total No. of Shares	No. of Shares held in Demat form	Pre-Issue		Post-Issue		Shares Pledged or otherwise encumbered	
					No. of Equity Shares	As a % of Issue Equity	No. of Equity Shares	As a % of Issue Equity	No. of Equity Shares	As a % of Issue Equity
(A)	SHAREHOLDING OF PROMOTER AND PROMOTER GROUP									
1	Indian									
(a)	Individuals	7	27,65,550	-	27,65,550	91.05	27,65,550	68.09	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(e)	Any Others (Specify)	-	-	-	-	-	-	-	-	-
	Sub Total(A)(1)	7	27,65,550	-	27,65,550	91.05	27,65,550	68.09	-	-
2	Foreign									
(a)	Individuals (Non-Residents Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Any	-	-	-	-	-	-	-	-	-

Category Code	Category of Shareholders	No. of Shareholders	Total No. of Shares	No. of Shares held in Demat form	Pre-Issue		Post-Issue		Shares Pledged or otherwise encumbered	
					No. of Equity Shares	As a % of Issue Equity	No. of Equity Shares	As a % of Issue Equity	No. of Equity Shares	As a % of Issue Equity
	Others(Specify)									
	Sub Total(A)(2)	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	7	27,65,550	-	27,65,550	91.05	27,65,550	68.09	-	-
(B)	PUBLIC SHAREHOLDING									
1	Institutions									
(a)	Mutual Funds/ UTI	-	-	-	-	-	-	-	-	-
(b)	Financial Institution / Banks	-	-	-	-	-	-	-	-	-
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Nominated investors (as defined in Chapter XB of SEBI (ICDR) Regulations, 2009)	-	-	-	-	-	-	-	-	-
(i)	Market Makers	-	-	-	-	-	-	-	-	-
(j)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-
2	Non- institutions									
(a)	Bodies Corporate	-	-	-	-	-	-	-	-	-

Category Code	Category of Shareholders	No. of Shareholders	Total No. of Shares	No. of Shares held in Demat form	Pre-Issue		Post-Issue		Shares Pledged or otherwise encumbered	
					No. of Equity Shares	As a % of Issue Equity	No. of Equity Shares	As a % of Issue Equity	No. of Equity Shares	As a % of Issue Equity
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital up to Rs. 1 Lakhs	290	2,71,950	-	2,71,950	8.95	2,71,950	6.70	-	-
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakhs.	-	-	-	-	-	-	-	-	-
(c)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(2)	290	2,71,950	-	2,71,950	8.95	2,71,950	6.70	-	-
(B)	Total Public Shareholding (B) = (B)(1)+(B)(2)	290	2,71,950	-	2,71,950	8.95	2,71,950	6.70	-	-
	TOTAL = (A)+(B)	297	30,37,500	-	30,37,500	100.00	30,37,500	74.79	-	-
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A) + (B) + (C)	297	30,37,500	-	30,37,500	100.00	30,37,500	74.79	-	-

In terms of SEBI circular Cir/ISD/3/2011 dated June 17, 2011 and SEBI circular SEBI/Cir/ISD/ 05 /2011, dated September 30, 2011, the equity shares held by the Promoters/ members of the Promoter Group have been dematerialized.

Our Company will file the shareholding pattern of our Company, in the form prescribed under clause 37 of the Listing Agreement, one day prior to the listing of Equity Shares. The shareholding pattern will be uploaded on the website of Stock Exchanges before commencement of trading of such Equity Shares.

b) As on the date of this Draft Prospectus, there are no partly paid-up shares/ outstanding convertible securities/ warrants in our Company.

- c) Following are the details of the holding of securities (including shares, warrants, convertible securities) of persons belonging to the category “Public” and holding more than 1% of the total number of shares: **NIL**
- d) Following are the details of the holding of securities (including shares, warrants, convertible securities) of persons belonging to the category “Public” and holding more than 5% of the total number of shares: **NIL**
- e) There are no equity shares against which depository receipts have been issued.
- f) Other than the equity shares, there are no other class of securities issued by our Company.
- 5. The shareholding pattern of our Company showing the aggregate shareholding of Promoters and Promoter Group before and after the Offer is set forth below:**

Sr. No.	Name of the Shareholders	Pre-Issue		Post-Issue	
		No. of equity shares	As a % of Issued Equity	No. of equity shares	As a % of Issued Equity
A	Promoters				
1.	Mr. Bharat Brijmohan Sharma	12,83,785	42.26	12,83,785	31.61
2.	Mrs. Srijna Bharat Sharma	2,41,905	7.96	2,41,905	5.96
	Total (A)	15,25,690	50.23	15,25,690	37.56
B	Promoter Group & Relatives				
1.	Mrs. Savitri Brijmohan Sharma	2,28,800	7.53	2,28,800	5.63
2.	Mr. Anagh B. Sharma	2,60,000	8.56	2,60,000	6.40
3.	Mrs. Usha Shukla	95,110	3.13	95,110	2.34
4.	Mr. Amit Shukla	76,450	2.52	76,450	1.88
5.	Ms. Ankita Shukla	40,000	1.32	40,000	0.98
6.	Mr. Bharat Sharma HUF	1,90,000	6.26	1,90,000	4.68
7.	Mrs. Brijmohan C Sharma HUF	3,49,500	11.51	3,49,500	8.61
	Total (B)	12,39,860	40.82	12,39,860	30.53
C	Other Associates Acting in Concert				
	Total (C)	-	-	-	-
D	TOTAL (A+B+C)	27,65,550	91.05	27,65,550	68.09

6. Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
7. Till date our Company has not made any allotment of Equity Shares pursuant to any scheme approved under section 391- 394 of the Companies Act, 1956 or Section 230-233 of the Companies Act, 2013.
8. Our Company does not have any Employee Stock Option Scheme/ Employee Stock Purchase Plan for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme/ Employee Stock Purchase Plan from the Offer. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines, 1999.
9. Our Company has issued any Equity Shares during a period of one year preceding the date of this Draft Prospectus at a price lower than the Offer price.
10. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from the date of this Draft Prospectus until

the Equity Shares have been listed. Further, our Company presently does not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of the Offer, by way of split/consolidation of the denomination of Equity Shares or further issue of equity shares (including issue of securities convertible into exchangeable, directly or indirectly, for our equity shares) whether preferential or otherwise, except that if we enter into acquisition(s) or joint venture(s), we may consider additional capital to fund such activities or to use equity shares as a currency for acquisition or participation in such joint ventures.

11. During the past 6 (Six) months immediately preceding the date of this Draft Prospectus, there has been transactions in our equity shares, which have been purchased/ (sold) by our Promoters, their relatives and associates, persons in Promoter Group [as defined under Regulation 2(1)(zb) of SEBI (ICDR) Regulations, 2009] or the directors of the company which is a Promoter of the Company and/or the Directors of the Company.
12. The members of the Promoter Group, our Directors or the relatives of our Directors have not financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during the 6 (Six) months preceding the date of this Draft Prospectus.
13. Our Company, our Promoters, our Directors and the Lead Manager to the Offer have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares from any person.
14. There are no safety net arrangements for the Offer.
15. An oversubscription to the extent of 10% of the Offer can be retained for the purposes of rounding off to the minimum allotment lot, while finalizing the Basis of Allotment.
16. In case of over-subscription in all categories the allocation in the Offer shall be in accordance with the requirements of regulation 43(4) of SEBI (ICDR) Regulations, 2009 and its amendments from time to time.
17. Under-subscription, if any, in any portion would be met out of the spillover from other categories at the sole discretion of our Company in consultation with the Lead Manager and the Designated Stock Exchange.
18. As on the date of filing of this Draft Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our equity shares.
19. All the equity shares of our Company are fully paid up as on the date of this Draft Prospectus. Further, since the entire money in respect of the Offer is being called on application, all the successful applicants will be allotted fully paid-up equity shares.
20. As per RBI regulations, OCBs are not allowed to participate in the Offer.
21. The Offer is being made through Fixed Price method.

22. Particulars of top ten shareholders:

(a) As on the date of this Draft Prospectus-September 22, 2015:

Sr. No.	Name Of The Shareholders	No. Of Shares	% of the Pre-Issue Capital
1.	Mr. Bharat Brijmohan Sharma	12,83,785	42.26
2.	Mr. Brijmohan C Sharma HUF	3,49,500	11.51
3.	Mr. Anagh B. Sharma	2,60,000	7.53
4.	Mrs. Srijana Bharat Sharma	2,41,905	8.56
5.	Mrs. Savitri Brijmohan Sharma	2,28,800	7.96

Sr. No.	Name Of The Shareholders	No. Of Shares	% of the Pre-Issue Capital
6.	Mr. Bharat Sharma HUF	1,90,000	6.26
7.	Mrs. Usha Shukla (Earlier Usha Sharma)	95,110	3.13
8.	Mr. Sanjay D. Shah	80,000	2.63
9.	Mr. Amit Shukla	76,450	2.52
10.	Ms. Ankita Shukla	40,000	1.32
	Total	28,45,550	93.68

(b) 10 days prior to the date of this Draft Prospectus- September 07, 2015 :

Sr. No.	Name Of The Shareholders	No. Of Shares	% of the Pre-Issue Capital
1.	Mr. Bharat Brijmohan Sharma	12,83,785	42.26
2.	Mr. Brijmohan C Sharma HUF	3,49,500	11.51
3.	Mr. Anagh B. Sharma	2,60,000	7.53
4.	Mrs. Srijana Bharat Sharma	2,41,905	8.56
5.	Mrs. Savitri Brijmohan Sharma	2,28,800	7.96
6.	Mr. Bharat Sharma HUF	1,90,000	6.26
7.	Mrs. Usha Shukla (Earlier Usha Sharma)	95,110	3.13
8.	Mr. Sanjay D. Shah	80,000	2.63
9.	Mr. Amit Shukla	76,450	2.52
10.	Ms. Ankita Shukla	40,000	1.32
	Total	28,45,550	93.68

(c) 2 years prior to the date of filing this Draft Prospectus-FY 2012-13 :

Sr. No.	Name Of The Shareholders	No. Of Shares	% of the Pre-Issue Capital
1.	Mr. Bharat Brijmohan Sharma	10,94,350	36.03
2.	Mr. Brijmohan C Sharma HUF	2,45,000	8.07
3.	Mrs. Savitri Brijmohan Sharma	2,08,000	6.85
4.	Mr. Anagh B. Sharma	2,00,000	6.58
5.	Mrs. Srijana Bharat Sharma	1,83,550	6.04
6.	Mr. Bharat Sharma HUF	1,00,000	3.29
7.	Mr. Amit Shukla	69,500	2.29
8.	Mrs. Usha Shukla (Earlier Usha Sharma)	50,100	1.65
9.	Mr. Dipesh Vinodrai Jhaveri	7,000	0.23
10.	Mr. Vallabhbai Jayarambhai Patel	4,000	0.13
	Total	21,61,500	71.16

23. Our Company has not raised any bridge loan against the proceeds of the Offer.
24. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
25. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
26. An Applicant cannot make an application for more than the number of Equity Shares being issued through the Offer, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.

27. No payment, direct or indirect in the nature of discount, commission, allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in the Offer.
28. We have 297 shareholders as on the date of filing of this Draft Prospectus.
29. Our Promoters and the members of our Promoter Group will not participate in the Offer.
30. Our Company has not made any public issue since its incorporation.
31. Neither the Lead Manager, nor their associates hold any Equity Shares of our Company as on the date of this Draft Prospectus.
32. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing this Draft Prospectus and the Offer Closing Date shall be reported to the Stock Exchanges within twenty-four hours of such transaction.
33. For the details of transactions by our Company with our Promoter Group, Group Companies during the last five financial years i.e. 2011, 2012, 2013,2014 and 2015 and 3 months ending as on June 2015 refer to paragraph titled '**Annexure XXVI: Statement of Related Parties' Transactions**' in the chapter titled 'Restated Financial Statement' beginning on page no. 147 of this Draft Prospectus.
34. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled '**Our Management**' beginning on page no. 125 of this Draft Prospectus.

SECTION V – PARTICULARS OF THE OFFER

OBJECTS OF THE OFFER

This Issue is being undertaken to meet the objects, as set forth herein, and to realize the benefits of listing of our Equity Shares on Stock Exchanges, which in our opinion would enhance our Company's visibility, brand name and enable us to avail of future growth opportunities. The other Objects of the Offer also include creating a public trading market for the Equity Shares of our Company by listing them on BSE.

The Net Proceeds from the Issue are proposed to be utilized by our Company for the following objects:

1. General corporate expenses
2. To meet the expenses of the Issue

The main objects of our Memorandum of Association permits us to undertake our existing activities and the activities for which the funds are being raised by us, through the present Issue. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.

Our funding requirements are dependent on a number of factors, which may not be in the control of our management, changes in our financial condition and current commercial conditions. Such factors may entail rescheduling and / or revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure.

FUND REQUIREMENTS

We intend to utilize the proceeds of the Fresh Issue, in the manner set forth below:

(Rs. In Lakhs)			
Sr. No.	Particulars	Amount	% of the total Offer size
1	General Corporate Purpose	124.56	81.10
2	Issue Expenses*	29.04	18.90
	Total	153.60	100.00

MEANS OF FINANCE

(Rs. In Lakhs)		
Sr. No.	Particulars	Amount
1	Public Issue Proceeds	153.60
2	Internal Accruals	-
	Total	153.60

We propose to meet the entire requirement of funds for the Objects from the Net Proceeds of the Issue. Accordingly, the requirement under Regulation 4(2)(g) of the SEBI ICDR Regulations of firm arrangements of finance through verifiable means for the 75% of the stated means of finance excluding the Issue Proceeds is not applicable.

In the event of a shortfall in raising the requisite capital from the proceeds of the Issue, towards meeting the Objects of the Issue, the extent of the shortfall will be met by internal accruals and/or from fresh debt.

Details of the Objects of the Issue

I. GENERAL CORPORATE EXPENSES

Our Company in accordance with the policies set up by our Board, will have flexibility in applying the Net proceeds of this issue aggregating 124.56 Lakhs for general corporate purpose towards, financing normal capital expenditure, strategic initiatives, expanding into new geographies, pre-operative expenses, brand building exercise and strengthening our marketing capabilities.

II. TO MEET THE EXPENSES OF THE ISSUE

The total estimated expenses are Rs. 29,03,700 which is 18.90% of Issue Size. The details of Issue expenses are tabulated below:

(Rs. In Lakhs)			
Sr. No.	Particulars	Amount	% of the total Offer size
1.	Issue management fees including fees and reimbursements of Market Making fees, selling commissions, brokerages, and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	15.21	9.90
2.	Printing & Stationery, Distribution, Postage, etc	3.75	2.44
3.	Advertisement & Marketing Expenses	2.09	1.36
4.	Regulatory & other expenses	7.98	5.20
	Total	29.03	18.90

BRIDGE FINANCING FACILITIES

We have currently not raised any bridge loans against the Proceeds of the Issue. However, depending on our requirement, we might consider raising bridge financing facilities, pending receipt of the Proceeds of the Issue.

SHORTFALL OF FUNDS

In case of any shortfall in the proceeds to meet the objects mentioned above, our management may explore a range of options, including utilizing internal accruals or seeking debt or additional equity. In case of surplus funds either due to lower utilization than what is stated above or surplus Net Proceeds after meeting all the above mentioned objects, such surplus shall be utilized towards general corporate purposes. Alternatively, if surplus funds are unavailable or in the event of cost overruns, we expect that a shortfall will be met by way of such means available to our Company including internal accruals and/or appropriate debt or equity arrangements.

APPRAISAL BY APPRAISING AGENCY

The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.

INTERIM USE OF FUNDS

Pending utilization for the purposes described above, we intend to invest the funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks, for the necessary duration or for reducing overdrafts. Our management, in accordance with the policies established by our Board of Directors from

time to time, will deploy the Net Proceeds. Further, our Board of Directors hereby undertake that full recovery of the said interim investments shall be made without any sort of delay as and when need arises for utilization of process for the objects of the issue.

MONITORING OF OFFER PROCEEDS

As the Net Proceeds of the Issue will be less than Rs. 50,000 Lakhs, under the SEBI (ICDR) Regulations it is not mandatory for us to appoint a monitoring agency.

Our Board and the management will monitor the utilization of the Net Proceeds through its audit committee. Pursuant to Clause 52 of the SME Listing Agreement, our Company shall on half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of our Company.

No part of the Issue Proceeds will be paid by our Company as consideration to our Promoter, our Directors, Key Management Personnel or companies promoted by the Promoter, except as may be required in the usual course of business.

BASIC TERMS OF THE OFFER

The Equity Shares being offered are subject to the provisions of the Companies Act, 2013, SEBI (ICDR) Regulations, 2009, our Memorandum and Articles of Association, the terms of this Draft Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note, the Listing Agreement to be entered into with the SME Exchange and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, Depositories Act, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable.

Authority for the Offer

This Issue in terms of the Draft Prospectus has been authorized by the Board of Directors pursuant to a resolution dated August 24, 2015 and by the shareholders pursuant to a special resolution in an Extra Ordinary General Meeting held on September 15, 2015 under section 62 (1) (c) of the Companies Act, 2013.

Ranking of Equity Shares

The Equity Shares being issued in the Offer shall be subject to the provisions of the Companies Act, 2013 and the Memorandum and Articles of Association of our Company and shall rank *pari- passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottee's in receipt of Allotment of Equity Shares under the Offer will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details see chapter titles "*Main Provisions of Articles of Association*" on page no. 241 of this Draft Prospectus.

Face Value and Offer Price per Share

The Equity Shares having a face value of Rs. 10/- each are being offered in terms of this Draft Prospectus at a price of Rs. 15/- per Equity Share. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

Minimum Application Value, Market Lot and Trading Lot

As per Section 29 (1) of the Companies Act, 2013, all the shares shall be issued in dematerialized form in compliance with the provisions of the Depositories Act and the regulations made there under, thus, the Equity Shares shall be allotted only in dematerialized form. As per the existing SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form to all investors.

The trading of the Equity Shares will happen in the minimum contract size of 8,000 Equity Shares and the same may be modified by BSE from time to time by giving prior notice to investors at large. Allocation and Allotment of Equity Shares through the Offer will be done in multiples of 8,000 Equity Share subject to a minimum Allotment of 8,000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Minimum Subscription

In accordance with Regulation 106P (1) of the SEBI (ICDR) Regulations, 2009, the Offer shall be 100% underwritten. Thus, the underwriting obligations shall be for the entire 100% of the Offer through this Draft Prospectus and shall not be restricted to the minimum subscription level.

If the issuer does not receive the subscription of 100% of the Offer through this Draft Prospectus including devolvement of Underwriters within sixty (60) days from the date of closure of the Offer, our Company shall

forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the issuer becomes liable to pay the amount, the issuer shall pay interest as prescribed in the Companies Act. Further, in accordance with Regulation 106R of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum number of Allottee's in the Offer shall be 50 (Fifty) shareholders and the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakhs per application. In case the minimum number of prospective Allottee's is less than 50 (Fifty), no Allotment will be made pursuant to the Offer and the monies collected shall be refunded within 15 days of closure of the Offer.

Market Making

The Equity Shares offered through the Offer are proposed to be listed on the SME Platform of BSE, wherein the Lead Manager to the Offer shall ensure compulsory Market Making through the registered Market Makers of the SME Platform for a minimum period of three years from the date of listing of shares offered through this Draft Prospectus.

Withdrawal of the Offer

In accordance with the SEBI (ICDR) Regulations, 2009, our Company in consultation with Lead Manager, reserve the right not to proceed with the Offer at any time after the Offer Opening Date, but before our Board meeting for Allotment, without assigning reasons thereof. If our Company withdraws the Offer after the Offer Closing Date, we will give reason thereof within two days by way of a public notice which shall be published in the same newspapers where the pre-Offer advertisements were published.

Further, the Stock Exchanges shall be informed promptly in this regard and the Lead Manager, through the Registrar to the Offer, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Applicants within one Working Day from the date of receipt of such notification. In case our Company withdraws the Offer after the Offer Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI (ICDR) Regulations, 2009, QIB and NII Applicants shall not be allowed to withdraw their Application after the Offer Closing Date.

BASIS FOR OFFER PRICE

Investors should read the following summary with the section titled “**Risk Factors**”, the details about our Company under the section titled “**Our Business**” and its financial statements under the section titled “**Financial Information of the Company**” beginning on page no. 15, page no. 98 and page no. 147 respectively of the Draft Prospectus. The trading price of the Equity Shares of Our Company could decline due to these risks and the investor may lose all or part of his investment.

The Offer Price is determined by our Company in consultation with the Lead Manager on the basis of the following qualitative and quantitative factors. The face value of the Equity Share is Rs. 10 and Issue Price is Rs.15.00/- per Equity Share and is 1.5 times the face value.

The financial data presented in this section are based on our Company's restated financial statements. Investors should also refer to the sections titled ‘**Risk Factors**’ and ‘**Financial Statements**’ on page no. 15 and 147, respectively, of this Draft Prospectus to get a more informed view before making the investment decision.

QUALITATIVE FACTORS

Some of the qualitative factors, which form the basis for computing the price, are –

- Existing Relationship with Customers;
- Strong Sales, Marketing and Distribution network through-out India, i.e., tie up with 2 C & F and 35 distributors to market and sell the company’s products;
- Quality Management with Pharma domain knowledge and experience;
- Strong Corporate Social Responsibility; and
- Integrated Business Model.

For details of Qualitative factors please refer to the paragraph ‘**Our Competitive Strengths**’ in the chapter titled ‘**Business Overview**’ beginning on page no. 98 of this Draft Prospectus.

QUANTITATIVE FACTORS

The information presented below relating to the Company is based on the restated financial statements of the Company for Financial Year 2011-12, 2012-13, 2013-15 and 2014-15 prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. Basic & Diluted Earnings Per Share (EPS):

Period	Basic and Diluted EPS (In Rs.)	Weights
Fiscal 2015	0.14	3
Fiscal 2014	0.13	2
Fiscal 2013	0.11	1
Weighted Average	0.13	

Notes:

- (i) The figures disclosed above are based on the restated financial statements of the Company.
- (ii) The face value of each Equity Share is Rs. 10.00.
- (iii) Earnings per Share has been calculated in accordance with Accounting Standard 20 – “Earnings per Share” issued by the Institute of Chartered Accountants of India.
- (iv) The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV on page no.157.

2. **Price to Earnings (P/E) ratio in relation to Offer Price of Rs. 15:**

Particulars	P/E at the Offer Price of Rs. 15:
P/E ratio based on the Basic & Diluted EPS, as adjusted for FY 2014-15	107.14
P/E ratio based on the Weighted Average EPS, as adjusted for FY 2014-15	115.38

Peer Group P/E or Industry P/E*	
Arvind Remedies Limited	-
Albert David Limited	10.8
Gufie BioScience Limited	-
AVERAGE	3.6

* Source: Capital Market dated Sept 14-27, 2015; Vol: XXX/15

3. **Return on Net Worth*:**

Period	Return on Net Worth (%)	Weights
Year ended March 31, 2015	1.27	3
Year ended March 31, 2014	1.15	2
Year ended March 31, 2013	1.02	1
Weighted Average	1.15	

*Restated Profit after tax/Net Worth

4. **Minimum Return on increased Net Worth required to maintain Pre-Offer EPS**

a) Based on Basic and Diluted EPS, as adjusted of FY 2014-15 of ₹ 0.14 at the Issue Price of ₹ 15:

- 0.01% on the restated financial statements.

b) Based on Weighted Average Basic and Diluted EPS, as adjusted of ₹ 0.13 at the Issue Price of ₹ 15:

- 0.01 % on the restated financial statements.

5. **Net Asset Value (NAV) per Equity Share:**

Particulars	Amt. (in Rs.)
As on March 31, 2015	11.34
As on March 31, 2014	11.20
As on March 31, 2013	11.07
NAV after the Issue	
Issue price per Equity Share	15.00

6. **Comparison of Accounting Ratios with Industry Peers:**

Sr. No.	Particulars	Face Value (In Rs.)	EPS (In Rs.)	P/E Ratio	RONW (%)	NAV (In Rs.)
1.	Arvind Remedies Limited	10	24.0	-	24.9	41.0
2.	Albert David Limited	10	8.5	10.8	14.7	162.6
3.	Gufie BioScience Limited	1	0.5	-	17.6	3.5
4.	Ganga Pharmaceuticals Limited	10	0.14	107.14	1.27	11.34

Source: Capital Market dated Sept 14-27, 2015; Vol: XXX/15

² Based on March 31, 2015 financial statements as reported to BSE

³ Based on March 31, 2015 restated financial statement (not annualized)

⁴ Basic & Diluted Earnings per share (EPS), as adjusted

⁵ Price Earning (P/E) Ratio in relation to the Issue Price of Rs.15 /-.

The peer group identified is broadly based on the different product lines that we are into, but their scale of operations is not necessarily comparable to us.

7. The face value of Equity Shares of our Company is Rs. 10 per Equity Share and the Offer Price of Rs. 15.00/- per Equity Share is 1.5 times the face value.
8. The Offer Price of Rs. 15.00/- is determined by our Company in consultation with the Lead Manager and is justified based on the above accounting ratios. For further details, please refer to the section titled '**Risk Factors**', and chapters titled '**Business Overview**' and '**Restated Financial Statement**' beginning on page no.15, 98 and 147, respectively of this Draft Prospectus.

STATEMENT OF TAX BENEFITS

To,
The Board of Directors,
GANGA PHARMACEUTICALS LIMITED
1A-802, N.G.Suncity Phase-2,
Thakur Village, Kandivali (East),
Mumbai-400 101

Sub: Statement of possible tax benefits available to the Company and its shareholders

Dear Sirs,

We hereby report that the enclosed statement provides the possible tax benefits available to the Company and to the shareholders of the Company under the Income tax Act, 1961(Provisions of Finance Act, 2015) ('IT Act'), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax-advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the current tax laws in force in India.

We do not express any opinion or provide any assurance as to whether:

- The Company or its shareholders will continue to obtain these benefits in future; or
- The Conditions prescribed for availing the benefits have been or would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change.

Yours faithfully,

For Amarnath Sharma & Company
Chartered Accountants
Firm Registration No.: 100300W

Amarnath Sharma
M. No.: 039579
Proprietor
Place: **Mumbai**
Date: **11/09/15**

THE FOLLOWING KEY TAX BENEFITS ARE AVAILABLE TO GANGA PHARAMCEUTICALS LIMITED AND THE SHAREHOLDERS UNDER THE CURRENT DIRECT TAX LAWS IN INDIA

A. SPECIAL TAX BENEFITS AVAILABLE TO OUR COMPANY AND ITS SHAREHOLDERS

- I. **Special Benefits available to the Company:** There are no special tax benefits available to the Company.
- II. **Special Benefits available to the Shareholders of Company:** There are no special tax benefits available to the Equity Shareholders.

B. OTHER GENERAL TAX BENEFITS TO OUR COMPANY AND ITS SHAREHOLDERS

The following tax benefits shall be available to the Company and its Shareholders under Direct tax law:

Under the Income-Tax Act, 1961 (“IT Act”):

I. Benefits available to the Company

- 1) **Depreciation:** As per the provisions of Section 32 of the Act, the Company is eligible to claim depreciation on tangible and specified intangible assets (held if any) as explained in the said section and the relevant Income tax rules there under. Business losses, if any, for an assessment year can be carried forward and set off against business profits for eight subsequent years. Unabsorbed depreciation, if any, for an assessment year can be carried forward and set off against any source of income in subsequent years as per provisions of Section 32 of the Act.
- 2) **Dividend Income:** Dividend income, if any, received by the Company from its investment in shares of another domestic Company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961.
 - As per provisions of Section 10(34) read with Section 115-O of the Act, dividend (both interim and final), if any, received by the Company on its investments in shares of another Domestic Company is exempt from tax. The Company will be liable to pay dividend distribution tax (DDT) at the rate of 15%. A surcharge of 10% would be levied on the amount of DDT. Further, Education cess of 2% and Secondary Higher Education cess of 1% is levied on the amount of tax and surcharge. Credit in respect of dividend distribution tax paid by a subsidiary of the Company could be available while determining the dividend distribution tax payable by the Company as per provisions of Section 115-O (1A) of the Act, subject to fulfillment of prescribed conditions. For the purposes of determining the tax on distributed profits payable in accordance with this section, any amount by way of dividends referred to in sub-section 115-O (1) as reduced by the amount referred to in sub section 115-O (1A) [hereafter referred to as net distributed profits], shall be increased to such amount as would, after reduction of the tax on such increased amount at the rate specified in sub-section 115-O (1), be equal to the net distributed profits.
 - As per provisions of Section 80G of the Act, the Company is entitled to claim deduction of as specified amount in respect of eligible donations, subject to the fulfillment of the conditions specified in that section.
 - As per the provisions of Section 115BBD of the Act, dividend received by Indian company from a specified foreign company (in which it has shareholding of 26% or more) would be taxable at the concessional rate of 15% on gross basis (excluding surcharge and education cess).
- 3) **Income from Mutual Funds / Units:** As per section 10(35) of the Act, the following income shall be exempt in the hands of the Company:
 - ✓ Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or

- ✓ Income received in respect of units from the Administrator of the specified undertaking; or
- ✓ Income received in respect of units from the specified company.

However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified company or of a mutual fund, as the case may be.

For this purpose (i) “Administrator” means the Administrator as referred to in section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) “Specified Company” means a company as referred to in section 2(h) of the said Act.

- 4) **Income from Long Term Capital Gain:** As per section 10(38) of the Act, long term capital gains arising to the Company from the transfer of a long-term capital asset, being an equity share in a company or a unit of an equity oriented fund where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the Company.

For this purpose, “Equity Oriented Fund” means a fund –

- a. Where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and
 - b. Which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the Act.
- 5) As per section 115JB, the Company will not be able to reduce the income to which the provisions of section 10(38) of the Act apply while calculating “book profits” under the provisions of section 115JB of the Act and will be required to pay **Minimum Alternative Tax** as follows-

Book Profit	A.Y.2016-17		
	Tax	Surcharge	Cess
If book profit is less than or equal to Rs. 1 Crore	18.5%	-	3%
If book profit is more than 1 Crores but does not exceed Rs. 10 Crores	18.5%	5%	3%
If book profit is more than Rs. 10 Crores	18.5%	10%	3%

- 6) **Credit for Minimum Alternate Taxes (“MAT”) :** Under Section 115JAA (2A) of the Income Tax Act, 1961, tax credit shall be allowed in respect of any tax paid (MAT) under Section 115JB of the Income Tax Act, 1961 for any Assessment Year commencing on or after April 1, 2006. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Income Tax Act, 1961. Such MAT credit shall not be available for set-off beyond 10 assessment years immediately succeeding the assessment year in which the MAT credit initially arose.
- 7) Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.
- 8) As per the provisions of Section 112 of the Income Tax Act, 1961, long-term capital gains as computed above that are not exempt under Section 10(38) of the Income Tax Act, 1961 would be subject to tax at a rate of 20 percent (plus applicable surcharge plus education cess plus secondary and higher education cess). However, as per the provision to Section 112(1), if the tax on long-term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long-term capital gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge plus education cess plus secondary and higher education cess).
- 9) As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long-term specified asset” within a period of 6 months after the date of such transfer. If only a part of the capital gains is

invested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. Provided that the investment made in the long term specified asset during any financial year does not exceed Fifty Lac rupees. Provided further that the investment made by an assessee in the long-term specified asset, from capital gains arising from transfer of one or more original assets, during the financial year in which the original asset or assets are transferred and in the subsequent financial year does not exceed fifty lakh rupees. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

A "long term specified asset" means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

- a. by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
- b. by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, and notified by the Central Government in the Official Gazette for the purposes of this section.

10) As per section 111A of the Act, short-term capital gains arising to the Company from the sale of equity share or a unit of As per section 111A of the Act, short-term capital gains arising to the Company from the sale of equity share or a unit of an equity oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge plus education cess plus secondary and higher education cess).

11) **Preliminary Expenses :** Under Section 35D of the Act, the company will be entitled to the deduction equal to 1/5th of the Preliminary expenditure of the nature specified in the said section, including expenditure incurred on present issue, such as Brokerage and other charges by way of amortization over a period of 5 successive years, subject to stipulated limits.

II. **Benefits to the Resident members / shareholders of the Company under the Income-Tax Act, 1961:**

- 1) As per section 10(34) of the Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003) received on the shares of the Company is exempt from tax in the hands of the shareholders.
- 2) Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/ improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long-term capital gains, it offers a benefit by permitting substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index as prescribed from time to time.

Under Section 10(38) of the Income Tax Act, 1961, long-term capital gains arising to a shareholder on transfer of equity shares in the company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to STT. However, the long-term capital gain of a shareholder being company shall be subject to income tax computation on book profit under section 115JB of the Income Tax, 1961.

- 3) Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.
- 4) As per the provisions of Section 112 of the Income Tax Act, 1961, long-term capital gains as computed above that are not exempt under Section 10(38) of the Income Tax Act, 1961 would be subject to tax at

a rate of 20 percent (plus applicable surcharge plus education cess plus secondary and higher education cess). However, as per the provision to Section 112(1), if the tax on long-term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long-term capital gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge plus education cess plus secondary and higher education cess).

- 5) As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long-term specified asset” within a period of 6 months after the date of such transfer. If only a part of the capital gains is invested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. Provided that the investment made in the long term specified asset during any financial year does not exceed Fifty Lac rupees. Provided further that the investment made by an assessee in the long-term specified asset, from capital gains arising from transfer of one or more original assets, during the financial year in which the original asset or assets are transferred and in the subsequent financial year does not exceed fifty lakh rupees. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

A “long term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

- a. by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
- b. by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, and notified by the Central Government in the Official Gazette for the purposes of this section.
- 6) Under Section 54F of the Income Tax Act, 1961 and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the Income Tax Act, 1961) arising to an Individual or a Hindu Undivided Family (‘HUF’) on transfer of shares of the company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of a residential house property within a period of 3 years after the date of such transfer.
- 7) Under Section 111A of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the company would be taxable at a rate of 15 percent (plus applicable surcharge plus education cess plus secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a Company, other than those covered by Section 111A of the Income Tax Act, 1961, would be subject to tax as calculated under the normal provisions of the Income Tax Act, 1961.
- 8) As per section 36(1)(xv) of the Act, the securities transaction tax paid by the shareholder in respect of taxable securities transactions entered in the course of the business will be eligible for deduction from the income chargeable under the head —Profits and Gains of Business or Profession if income arising from taxable securities transaction is included in such income.

III. Non-Resident Indians/Non-Resident Shareholders (Other than FIIs and Foreign Venture Capital Investors)

- 1) Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961. Income, if any, received on units of a Mutual Funds specified under Section 10(23D) of the Income Tax Act, 1961 will also be exempt from tax under Section 10(35) of the Income Tax Act, 1961, received on the shares of the Company is exempt from tax.
- 2) As per section 10(38) of the Act, long-term capital gains arising to the shareholders from the transfer of a long-term capital asset being an equity share in the Company, where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the shareholder.
- 3) Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.
- 4) As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a "long-term specified asset" within a period of 6 months after the date of such transfer. If only a part of the capital gains is invested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. Provided that the investment made in the long term specified asset during any financial year does not exceed Fifty Lac rupees. Provided further that the investment made by an assessee in the long-term specified asset, from capital gains arising from transfer of one or more original assets, during the financial year in which the original asset or assets are transferred and in the subsequent financial year does not exceed fifty lakh rupees. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.
A "long term specified asset" means any bond, redeemable after three years and issued on or after the 1st day of April 2006:
 - a. by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
 - b. by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, and notified by the Central Government in the Official Gazette for the purposes of this section.
- 5) Under Section 54F of the Income Tax Act, 1961 and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the Income Tax Act, 1961) arising to an Individual or a Hindu Undivided Family ('HUF') on transfer of shares of the company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of a residential house property within a period of 3 years after the date of such transfer.
- 6) Under Section 111A of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the company would be taxable at a rate of 15 percent (plus applicable surcharge plus education cess plus secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a Company, other than those covered by Section 111A

of the Income Tax Act, 1961, would be subject to tax as calculated under the normal provisions of the Income Tax Act, 1961.

- 7) Under section 115-C (e) of the Act, the Non-Resident Indian shareholder has an option to be governed by the provisions of Chapter XIIA of the Act viz. “Special Provisions Relating to Certain Incomes of Non-Residents” which are as follows:
 - (i) As per provisions of section 115D read with section 115E of the Act, where shares in the Company are acquired or subscribed to in convertible foreign exchange by a Non-Resident Indian, capital gains arising to the nonresident on transfer of shares held for a period exceeding 12 months, shall (in cases not covered under section 10(38) of the Act) be concessionally taxed at the flat rate of 10% (plus applicable surcharge plus education cess plus secondary and higher education cess) (without indexation benefit but with protection against foreign exchange fluctuation).
 - (ii) As per section 115F of the Act, long-term capital gains (in cases not covered under section 10(38) of the Act) arising to a Non-Resident Indian from the transfer of shares of the company subscribed to in convertible foreign exchange shall be exempt from income tax, if the net consideration is reinvested in specified assets within six months from the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.
 - (iii) As per section 115G of the Act, Non-Resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from specified investments or long-term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.
 - (iv) As per section 115H of the Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for the assessment year in which he is first assessable as a Resident, under section 139 of the Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
 - (v) As per section 115-I of the Act, a Non-Resident Indian may elect not to be governed by the provision of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under section 139 of the Act, declaring therein that the provisions of Chapter XIIA shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance the other provisions of the Act.
- 8) The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

IV. Benefits available to Foreign Institutional Investors (‘FIIs’) under the Income Tax Act, 1961:

- 1) Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961. Income, if any, received on units of a Mutual Funds specified under Section 10(23D) of the Income Tax Act, 1961 will also be exempt from tax under Section 10(35) of the Income Tax Act, 1961 received on the shares of the Company is exempt from tax.

- 2) As per section 10(38) of the Act, long-term capital gains arising to the FIIs from the transfer of a long-term capital asset being an equity share in the Company or a unit of equity oriented fund where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the FIIs.
- 3) As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the section 10(38) of the Act at the following rates:

Nature of income	Rate of tax (%)
Long-Term Capital Gain	10
Short-Term Capital Gain (Referred to Section 111A)	15
Short-Term Capital Gain (other than under section 111A)	30

The above tax rates have to be increased by the applicable surcharge, education cess, and secondary and higher education cess.

- 4) In case of long-term capital gains, (in cases not covered under section 10(38) of the Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.
- 5) As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long-term specified asset” within a period of 6 months after the date of such transfer. If only a part of the capital gains is invested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. Provided that the investment made in the long term specified asset during any financial year does not exceed Fifty Lac rupees. Provided further that the investment made by an assessee in the long-term specified asset, from capital gains arising from transfer of one or more original assets, during the financial year in which the original asset or assets are transferred and in the subsequent financial year does not exceed fifty lakh rupees. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

A “long term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

- a. by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
 - b. by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, and notified by the Central Government in the Official Gazette for the purposes of this section.
- 6) The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FII has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.
 - 7) However, where the equity shares form a part of its stock-in-trade, any income realized in the disposition of such equity shares may be treated as business profits, taxable in accordance with the

DTAA between India and the country of tax residence of the FII. The nature of the equity shares held by the FII is usually determined on the basis of the substantial nature of the transactions, the manner of maintaining books of account, the magnitude of purchases, sales and the ratio between purchases and sales and the holding etc. If the income realized from the disposition of equity shares is chargeable to tax in India as business income, FII's could claim, STT paid on purchase/sale of equity shares as allowable business expenditure. Business profits may be subject to applicable Tax Laws.

V. Venture Capital Companies/Funds

Under Section 10(23FB) of the Income Tax Act, 1961, any income of Venture Capital company / funds (set up to raise funds for investment in venture capital undertaking notified in this behalf) registered with the Securities and Exchange Board of India would be exempt from income tax, subject to conditions specified therein. As per Section 115U of the Income Tax Act, 1961, any income derived by a person from his investment in venture capital companies / funds would be taxable in the hands of the person making an investment in the same manner as if it were the income received by such person had the investments been made directly in the venture capital undertaking.

VI. Mutual Funds

As per Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India would be exempt from income tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

Tax Treaty Benefits

An investor has an option to be governed by the provisions of the Income Tax Act, 1967 or the provisions of a Tax Treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial.

Benefits available under the Gift Tax Act: Gift tax is not leviable in respect of any gifts made on or after 1st October 1998. Therefore, any gift of shares of the Company will not attract gift tax in the hands of the donor.

Benefits available under the Gift Tax Act: Wealth tax is chargeable on prescribed assets. As per provisions of Section 2(m) of the Wealth Tax Act, 1957, the Company is entitled to reduce debts owed in relation to the assets which are chargeable to wealth tax while determining the net taxable wealth.

Shares in a company, held by a shareholder are not treated as an asset within the meaning of Section 2(ea) of the Wealth Tax Act, 1957 and hence, wealth tax is not applicable on shares held in a company.

Note:

- 1) All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders;
- 2) The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares;
- 3) The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India as amended from time to time. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws;
- 4) This Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue;

- 5) In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile; and
- 6) The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders.

SECTION VI – ABOUT US

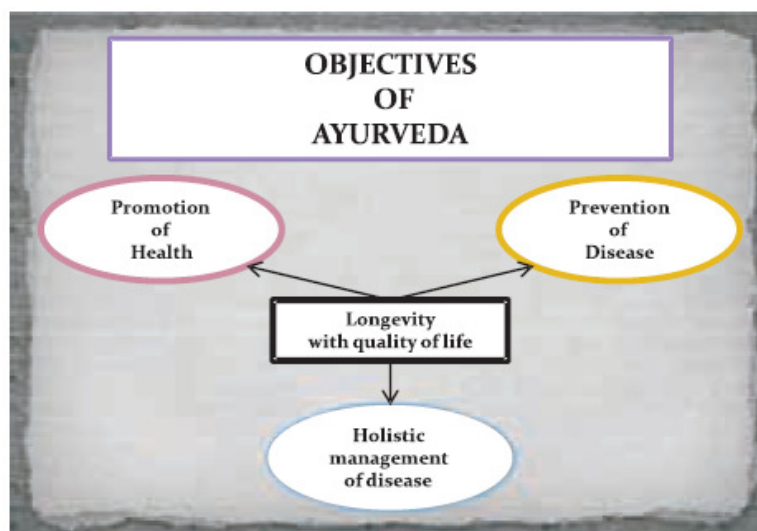
INDUSTRY OVERVIEW

The information in this section has not been independently verified by us, the Lead Manager or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information.

Ayurveda is a comprehensive scientific system of medicine evolved in India. Initially it was developed through ancient wisdom, clinical experiences and experimentation in scientific manner. At present, Ayurveda is growing in the paradigm of contemporary scientific technological and medical parameters.

The term ‘Ayurveda’ meaning ‘the knowledge of life’ comprises of two Sanskrit words viz, ‘Ayu’ meaning ‘Life’ and ‘Veda’ meaning ‘Knowledge’ or ‘Science’. The earliest concepts of medical science are found in the ancient wisdom called *Veda*, which were believed to be composed between 5000- 1000 B.C. The classical texts of Ayurveda containing exclusive information on health and disease came around 1000 B.C. onwards, when fundamental and applied principles of Ayurveda were codified in a systematic manner. Since its advent, Ayurveda passed through different political and socio cultural phases and stood test of time, got enriched by the contribution of different practitioners and scholars and catered the health needs of contemporary societies. Present form of Ayurveda is the outcome of continued scientific inputs that have gone into evolution of its principles, theories and guidelines of healthy living and disease management.

At present, Ayurveda has become an integral part of national health delivery system of India. Ayurveda institutions for research and education, hospitals and dispensaries were established in different parts of the country. The government has initiated measures to regulate the system. Education, clinical practice, manufacturing and sale of Ayurvedic medicines are regulated in the country through Acts, Rules and Regulations, Infrastructure development in private and public sectors has improved the outreach of Ayurveda to the community in a commendable way. Global resurgence of demand for natural medicines has filliped R & D activities in Ayurveda at national and international levels with inter-disciplinary collaboration and linkages.



Government of India has enunciated “ National Policy on Indian Systems of Medicine & Homoeopathy- 2002”. The policy *inter alia* includes the strategy for comprehensive development of Ayurveda in contemporary perspective.

Ayurvedic Pharmaceutical science can be broadly considered under two major heads- (i) Ayurvedic Pharmacology and (ii) Ayurvedic Pharmaceutics. Plant drugs are used in different dosages forms in accordance with subject specific requirement. The basic dosages forms of plants drugs are known as Five Dosage Forms- Expressed Juices,

Paste, Decoction, Hot Infusion and Cold Infusion. Many more dosage forms such powder, pill, medicated fermented preparations etc derived with modern technology are also in practice. Different drug delivery systems were taken into consideration while designing new dosage forms like ointment/cream, syrup, granules, capsules, candy etc.

Ayurveda practitioners usually prefer to prepare medicines required for treating their patients. However, today quality Ayurvedic drugs are being manufactured on large scale by Ayurvedic drug industry by using sophisticated facilities. A vast range of Ayurvedic drug formulations in different dosage forms are produced. Currently, 2 categories of medicines are manufactured and sold in the market- (i) classical preparations that are manufactured exclusively in accordance with the formulae described in the specified authoritative books of Ayurveda; (ii) patent and proprietary medicines are the new combinations. The medicine may contain processed single plant but majority are the combination of different ingredients to produce synergistic effect.

Ayurvedic drugs are being manufactured on large scale by approximately 8000 Ayurvedic Drug Manufacturing Units spread all over the country. Manufacturing, Sales and Distribution of Ayurvedic drugs are regulated through Drugs and Cosmetic Act, 1940 and Drugs And Cosmetic Rules, 1945. The Government of India has set up the Ayurvedic Pharmacopoeia Committee (APC) to prescribe standards of single drugs and compound formulations mentioned in Ayurveda for the use of manufacturers. Moreover, Good Manufacturing Practices (GMP) under Schedule 'T' of the Drugs and Cosmetics Act, 1940, have also been notified to ensure the quality of ASU (Ayurveda, Siddha, Unani) medicines. As on 2011, the health care services are being extended to the masses through a huge network of 4,29,246 registered Ayurveda Practitioners, 2420 Ayurveda hospitals, 15,017 dispensaries, 260 under graduate and 65 post graduate colleges. This infrastructure includes both public and private sector. About 8000 licensed drug manufacturing units produce classical and proprietary Ayurvedic medicines.

Source: <http://www.ccras.nic.in/AYURVEDA%20The%20Science%20of%20Life.pdf>

Ayurvedic medicines are produced by several thousand companies in India, but most of them are quite small, including numerous neighborhood pharmacies that compound ingredients to make their own remedies. It is estimated that the total value of products from the entire Ayurvedic production in India is on the order of one billion dollars (U.S.). The industry has been dominated by less than a dozen major companies for decades, joined recently by a few others that have followed their lead, so that there are today 30 companies doing a million dollars or more per year in business to meet the growing demand for Ayurvedic medicine. The products of these companies are included within the broad category of "fast moving consumer goods" (FMCG; which mainly involves foods, beverages, toiletries, cigarettes, etc.). Most of the larger Ayurvedic medicine suppliers provide materials other than Ayurvedic internal medicines, particularly in the areas of foods and toiletries (soap, toothpaste, shampoo, etc.), where there may be some overlap with Ayurveda, such as having traditional herbal ingredients in the composition of toiletries.

The key suppliers in Ayurveda are Dabur, Baidyanath, and Zandu, which together have about 85% of India's domestic market. These and a handful of other companies are mentioned repeatedly by various writers about the Ayurvedic business in India.

The market for Ayurvedic internal medicines is dominated by Chyawanprash, an herbal honey comprised of about 3 dozen ingredients, with amla (emblic myrobalans) as the key ingredient. The leader in this field is Dabur, which had a 69% market share at the end of 2002; followed by Baidyanath, with nearly 11%, and Zandu and Himani (Emami Group) with about 7.5% each. A variety of individual herbs, traditional formulations, and proprietary medicines make up the rest of the health products section involving internal remedies, while the remainder of the market is taken up by toothpastes and powders, skin creams, massage oils, shampoos, and other topical preparations.

The development of international trade in Ayurvedic medicine came about at the same time that the internet became a popular means of rapid communication. Most Ayurvedic suppliers provide at least minimal contacts, and some provide extensive contacts, via the internet. Exports of Ayurvedic medicines have reached a value of 100 million dollars a year (about 10% the value of the entire Ayurvedic industry in India). About 60% of this is crude herbs (to

be manufactured into products outside India), about 30% is finished product shipped abroad for direct sales to consumers, and the remaining 10% is partially prepared products to be finished in the foreign countries.

Source: <http://www.itmonline.org/arts/ayurind.htm>

It is estimated that the total market size of the Indian Ayurveda market is Rs. 8000 Crores and it is growing substantially between 10-15 percent, with the same growth rate targeted for the next 10 years.

Source: <http://www.slideshare.net/guestfe93e8f/changing-trends-in-ayurveda-pharma-industry-3897524>

In India, around 20,000 medicinal plants have been recorded; however, traditional practitioners use only 7,000–7,500 plants for curing different diseases. The proportion of use of plants in the different Indian systems of medicine is Ayurveda 2000, Siddha 1300, Unani 1000, Homeopathy 800, Tibetan 500, Modern 200, and folk 4500. In India, around 25,000 effective plant-based formulations are used in traditional and folk medicine. More than 1.5 million practitioners are using the traditional medicinal system for health care in India. More than 1500 herbals are sold as dietary supplements or ethnic traditional medicines.

Source: <http://www.hindawi.com/journals/ecam/2013/376327/>

Thrust areas of Ayurvedic Sector

➤ Medicaments

The Ayurvedic armamentarium of herbal based medicaments is a vast subject. There are numerous classical treatises dealing with its various aspects. There have been recent efforts on the part of the Government to bring out Formularies, Pharmacopoeia, Standards, etc. Everybody quotes US\$ 62 million as the present value of global herbal market. This is equivalent to about Rs. 280 Crores. Ayurvedic medicines own a miniscule share in this huge number. In fact, they are not even granted the status of medicaments by the vast majority of countries. The Indian herbal market is in the vicinity of Rs. 2,000 Crores (compared to the allopathic market of more than Rs. 25,000 Crores.) The Kerala herbal market is about Rs. 200 Crores. In the jumble of these numbers, where do we find Ayurvedic medicines positioned? There are three major areas which play important roles.

- Drug manufacturing activity;
- National level marketing;
- Global level marketing

The drug manufacturing activity, even though fraught with a complexity of constraints, has the following inherent strengths. Apparent strengths of Ayurvedic pharmaceuticals:-

- Time tested utility;
- Wide variety of dosage forms;
- Proven ability to deal with contemporary needs;
- Absence of synthetic ingredients;
- Generally benign;
- Rigorous documentation of principles and procedures;
- Government efforts to standardize;
- Inherent capability to transform to modern form.

All these factors eminently qualify the conventional Ayurvedic medicaments to be positioned on a universal marketing plan.

The World Health Organization has also recognized the important role that alternate and complementary medicines will have to play in combating human illness. Many traditional formulations are found to be useful for dealing with the so called modern ailments like cancer, MND, etc. One important character of these medicaments is the fact that they do not contain synthetic chemical ingredients. This has global significance. The herbal based formulations, in general, are benign and does not cause unwelcome side effects.

➤ Health Services

The therapeutic faculty of Ayurveda presents an excellent area for global level development. This area is, in fact, a major USP for Kerala where classical *panchakarma* therapies and the reputed Kerala special therapies have been in vogue for quite sometime. Unlike other regional traditions of Ayurveda, the Kerala tradition has an uninterrupted history of centuries of authentic therapeutic practice. More importantly, traditional physicians here have contributed to this branch quantitatively and qualitatively. And significantly, in the past half a century, these procedures are extensively practiced under the frame-work of organized hospital set-up. In fact, Kerala has been identified as the core centre of Ayurvedic therapy and the State can be projected as a health-hub in that sense. There exists a great scope for expansion.

There are two components to this area. One is *ailment specific and curative* in nature. The other is *health specific and preventive* in nature. The ailment specific component will require establishment of modern hospital set-up with all modern amenities suitable to cater to the needs of modern man. Expert doctors, skilled paramedical staff and other support man-power will be required. Prevention of disease and maintenance of good health are integral to Ayurvedic approach. It is known as '*swasthavritta*' in Ayurvedic parlance.

➤ Health supplements

This is a component which has already caught the imagination of entrepreneurs. Ayurvedic medicines, as mentioned earlier, are not recognized as medicines in countries other than India, with some exceptions in the middle-east. However, Ayurvedic preparations are found in the shelves of departmental stores in USA and Europe. They all reach there in the guise of dietary supplements. This does, indeed, bring in some foreign exchange to our country. But it does not add to the glory of Ayurveda. It should be possible for the Ayurvedic industry to come out with standardized products which can be categorized as cosmoceuticals, neutraceuticals, dietary supplements and wellness aids. Ayurvedic knowledge provides us with enough information on the possibilities. The existence of textual and practical knowledge and the increased awareness and aspirations on a global level are the two strong points. The lack of appropriate research and inability to meet strict quality requirements of global market are the serious weaknesses.

➤ Drug extracts

Compared to the pharmaceutical and therapeutic components of Ayurveda, the area of extracts is an evolving modern component. But it has a lot of scope in the expanding horizon of Ayurveda. It is already a considerable portion of the total herbal business. Ayurveda accepts only water based extraction. The economic potential of extracts have three components:-

- Extracts for captive use of drug industry;
- Extracts for export as such;
- Extracts to be marketed as value added finished products

The Government is considering the scientific viability of using extracted drugs as ingredients for medicine preparation. Once this issue gets decided, extract preparation itself will become a full fledged industry. Kerala, with its typical soil and climatic conditions and especially with its vast variety of bio-diversity, can become a major supplier of extracts to the herbal industry in general and to the Ayurvedic industry in particular. Technology for extraction is readily available and it will only need to be customized a little bit. Export of extracts as such already takes place. They are mostly supplied to herbal medicine manufacturers in Europe. This industry has a definite scope for growth.

➤ Skilled personnel

This is a fall-out from the overall growth and expansion that the Ayurvedic sector is very legitimately aspiring for. Kerala has already 12 teaching institutes for Ayurveda. If the students are also imparted training in better communication skills and also in the parallelism of various health care streams, they can become able ambassadors

for Ayurveda. It is well recognized that Ayurveda is a major USP for Kerala. It is also recognized that the magnificent mission conceived by the President is achievable by harnessing the inherent competencies of the State and by augmenting the essential competitiveness of Ayurveda.

There also exist serious weaknesses which need effective remedial action for the proposed mission to take off. Some of the more important weaknesses pertain to augmentation of natural resource base, enhancement of research support, modernization of infrastructure and rationalization of regulatory aspects. In all these areas, it is anticipated that the State Government in conjunction with the Central Government will have to take a proactive stand for appropriate planning and execution of novel programmes. It is also recognized that both the industry and the academic community will have to join hands and stand with the Government for logistical and operational implementation.

Source: <http://www.old.kerala.gov.in/kercaljun06/pg28-33.pdf>

Advantages of Herbal Medicine:-

- They have long history of use and better patient tolerance as well as acceptance.
- Medicinal plants have a renewable source, which is only hope for sustainable supplies of cheaper medicines for the world growing population.
- Availability of medicinal plants is not a problem especially in developing countries like India having rich agro-climatic, cultural and ethnic biodiversity.
- Prolong and apparently uneventful use of herbal medicines may offer testimony of their safety and efficacy.
- Throughout the world, herbal medicine has provided many of the most potent medicines to the vast arsenal of drugs available to modern medicinal science, both in crude form and as a pure chemical upon which modern medicines are structured.

Limitations of Herbal Medicines:-

- Ineffective in acute medical care
- Inadequate standardization and lack of quality specifications
- Lack of scientific data

Source: <http://www.pharmatutor.org/articles/standardization-herbal-drugs-products-boon-indian-pharma-market?page=0,0>

Key Parameters for Herbal drugs/products:-

- Standardization
- Quality evaluation

Standardization: -

- Adjusting the herbal drug preparation to a defined content of a constituent or a group of substances with known therapeutic activity respectively by adding excipients or by mixing herbal drug extracts.
- Also used to describe all measures which are taken during the manufacturing process and Quality Control leading to a reproducible quality.

Quality evaluation: -

A systematic examination of the extent to which an entity (part or product) is capable of meeting specified requirements. The result of quality evaluation may be used for qualification, approval and registration or accreditation purposes. It is absolutely required for authenticity, purity, safety. It comprises of Quality Control and Quality Assurance

Source: <http://www.pharmatutor.org/articles/standardization-herbal-drugs-products-boon-indian-pharma-market?page=0.0>

Status of Ayurveda in India

The Indian government and non-government organizations have been collecting statistics on the Ayurvedic system in India and these data about the manpower and institutional aspects of Ayurveda have emerged:

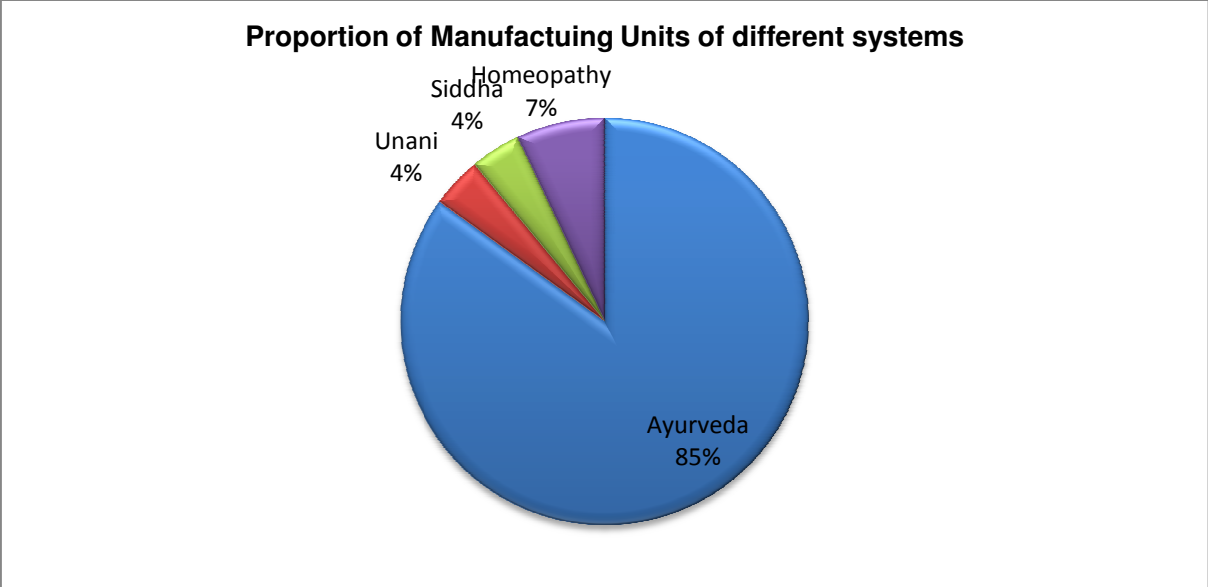
- Number of registered medical practitioners: 366,812
- Number of dispensaries: 22,100
- Number of hospitals: 2,189
- Number of hospital beds: 33,145
- Number of teaching institutions (undergraduate): 187
- Number of upgraded postgraduate departments: 51
- Number of specialties in postgraduate medical training: 16
- Number of pharmacies manufacturing Ayurvedic medicines: 8,400

Source: <http://www.itmonline.org/arts/ayurind.htm>

In India, 60% of registered physicians are involved in non-allopathic systems of medicine. In addition to the nearly 400,000 Ayurvedic practitioners, there are over 170,000 homeopathic physicians; India has about 500,000 medical doctors (similar to the number in the U.S., but serving nearly 4 times as many people). Reliance on Ayurvedic medicine is heavy in certain regions of India, such as Kerala in the Southwest. Many Ayurvedic practitioners in small villages are not registered.

Source: <http://www.itmonline.org/arts/ayurind.htm>

Currently, more than 30,000 branded and 1,500 traditional products are available in the market. At present, India manufactures Ayurvedic drugs worth Rs 6,000 Crores per year, of which Rs. 1,500 Crores are exported.



Source: <http://www.slideshare.net/guestfe93e8f/changing-trends-in-ayurveda-pharma-industry-3897524>

Organized Sector:

The large manufacturing units comprise the well established manufacturers who operate in both domestic and International markets. The major players in this category are Dabur, Baidyanalh, Zandu, Himalaya Drug Company, Charak Pharmaceuticals, Vicco Laboratories, Aimil Pharma & Emami group.

Unorganized Sector:

Small manufacturing units manufacture a few medicines and operate in a small area. The unorganized sector includes practicing Ayurvedic experts (vaidyas) and micro-units manufacturing only a few products and operating at local level. Nonetheless, at times such units are quite strong in their area of operation. There are certain small manufacturing units who cater to export markets only.

Source: http://vibrantayurveda.in/?page_id=2083

WORLD HERBAL INDUSTRY	INDIAN HERBAL INDUSTRY
✓ Herbal Product's Market :USD 80 billion	✓ Indian Market : Estimated as Rs. 4205 crores
✓ Annual Growth Rate : 7%	✓ Export of Ayurvedic drugs & allied herbal products : Estimated as Rs. 440 crores
✓ By 2050 : will reach 6 trillion	✓ Potential by 2020 : Estimated as Rs. 7000 crores
#Source : EXIM Bank Report	

Source: http://vibrantayurveda.in/?page_id=2083

Herbal Medicine and the Market

There has been a shift in universal trend from synthetic to herbal medicine recently. It is ancient wisdom that plants have therapeutic value and are used to treat various diseases since Neanderthal age. Ayurveda and traditional Chinese medicines are well known to the world for their natural ingredients and multiple benefits. Nature has

bestowed our country with an enormous wealth of medicinal plants; therefore India has often been referred to as the Medicinal Garden of the world.

Today, people around the globe are giving preference to alternative medicines such as ayurveda, naturopathy, homeopathy and herbal medicine. Herbal medicine is cost effective and less expensive than the medicines bought from an allopathic pharmacy.

Increasing realization of the side effects of allopathic medicines, coupled with the growing awareness about the medicinal benefits as well as therapeutic effect of herbal products is pushing up the demand for herbal extracts, dietary supplements and herbal-based beauty aids worldwide.

The annual turnover of the Indian herbal medicinal industry is about Rs. 7,500 Crores as against the pharmaceutical industry's turnover of Rs. 14,500 Crores with a growth rate of more than 15 percent. As per study commissioned by the Associated Chamber of Commerce and Industry (ASSOCHAM), the Indian herbal industry is projected to double to Rs.15, 000 Crores by 2015, from the current 7,500 core business. India has a vast and rich resource of herbal raw materials and it can create a niche for itself in the global herbal market if the domestic industry produced quality products of international standards. The apex chamber estimates global herbal industry to grow to Rs 70,000 Crores by 2015, more than double from the current level of Rs 30,000 Crores. Small-scale players in the sector are likely to witness brighter times ahead.

Source: <http://www.niir.org/projects/projects/herbs-herbal-based-products-ayurvedic-medicines-cosmetics-herbs-medicinal-plants-cultivation-processing-herbal-extract-natural-plant-extracts-ayurvedic-pharma-ayurvedic-products-herbal-medicine-herbal-cosmetics-ayurvedic-formulations/z..24,0.64/index.html>

The average size of the global herbal market is of the order of around \$62 bn dollars per annum. European union nations are the largest market with the share 43% of total herbal market whereas ASEAN countries 19%, Japan 16%, North America 11%, rest of European Union 4% and other countries 7%. Countries like Japan and China have successfully marketed their traditional medicines abroad(recall health tourism). Their alternative therapies are well-accepted in Europe and US. It is expected that the global market for herbal products will be raised up to \$5 Tn by 2050 and subsequently herbal remedies would become increasingly important especially in developing countries. The Indian herbal drug market is about \$1 bn and the export of herbal crude extract is about \$80 mn per annum. India being one of the 12 most biologically diversified countries possess tremendous market potential and remarkable business advantages in this emerging field of trade. Presently, when compared to the Chinese and the Japanese level of penetration in the global marketplace India is not at all figuring anywhere. But there are some positive indications also for us in the global business scenario since India has 16 agro-climatic zones, 10 vegetative zones, 15 biotic provinces, 426 biomes, 45000 different plant species and 15000 medicinal plants that include 7000 Ayurveda , 700 Unani, 600 Siddha and 30 allopathic medicines.

Source: http://www.sncwgs.ac.in/wp-content/uploads/2014/06/art_3_june.pdf

Exports of Ayurvedic or Herbal Medicines

Indian herbs are known all over the world for the medicinal properties. The Indian states which are major producer of herbal plants having the highest medicinal value are Gujarat, Rajasthan, Haryana, Tamil Nadu, Andhra and the states located in Himalayan range. India, followed by China is the largest producer of medicinal plants, having more than 40% of the global diversity.

Medicinal and aromatic plants (MAPs) are traded both as raw materials and as processed finished products. Demand for wider variety of species is increasing day by day as more and more people are turning towards Ayurvedic treatment for complex ailments. The WHO estimates that by 2050 the trade of medicinal plants will be up to USD \$ 5 Trillion globally.

India's export of Ayush, Medicinal herbs and their value added products (USD million) for year 2010 to 2013 is shown in following tables

Table 1: Summary of India's Export of Ayush, Medicinal herbs and their value added products (USD million)

Commodity	2010-11	2011-12	2012-13
Ayush	156.96	182.18	163.44
Medicinal herbs and their value added products	141.63	176.12	232.14
Total	298.59	358.30	395.58

[Source: Ministry of Commerce & Industry 09-December, 2013 16:19 IST]

Table 2: Breakup of India's exports of Ayush, Medicinal herbs and their value added products (USD million)

Sr. No	Country	Category	2010-2011	2011-2012	2012-2013
1	USA	Herbals	52.69	70.38	107.75
		Ayush	23.29	12.78	28.35
2	Japan	Herbals	7.19	8.43	12.96
		Ayush	5.66	18.81	16.68
3	Pakistan	Herbals	13.99	18.02	19.93
		Ayush	1.06	1.83	1.77
4	UAE	Herbals	1.16	1.72	1.36
		Ayush	11.1	17.35	15.56
5	Germany	Herbals	9.22	11.1	15.29
		Ayush	0.85	1.62	1.06
6	Russia	Herbals	0.11	0.11	0.12
		Ayush	30.14	38.52	14.64
7	Nepal	Herbals	0.83	0.92	0.6
		Ayush	7.97	9.43	9.91
8	Australia	Herbals	2.42	3.42	3.66
		Ayush	2.89	4.37	6.64
9	Bangladesh	Herbals	5.34	5.42	6.96
		Ayush	0.17	0.51	0.37
10	Vietnam	Herbals	4.38	3.74	6.61
		Ayush	0.79	0.87	0.5
	World total	Herbals	141.67	176.25	232.14
		Ayush	156.99	182.23	163.44

[Source: Ministry of Commerce & Industry 09-December, 2013 16:19 IST]

From this information we can say that the market of herb and herbal products is increasing steadily, India exports for the year 2012-13 was about USD 395.58 million, vis-à-vis USD million 358.30 with a growth rate of 10.40% over the previous year. According to the study of Associated Chambers of Commerce and Industry (ASSOCHAM) Indian herbal industry to double by 2015. According to this study the domestic herbal industry will grow rapidly in coming years and by 2015, size of the domestic market will rise to 15,000 Crores, reflecting a compound growth of over 20 percent. According to this study the global demand for the Indian herbs by 2015 is shown in table-3 (SME Times News, 2010).

Source: http://ijssm.org/vol_2/Pangriya_2.2.pdf

Markets	Projected Demand (For 2015)
Europe	US\$ 70 Billion
North America	US\$ 25 Billion
China	US\$ 12 Billion
India	US\$ 3 Billion
Others	US\$ 30 Billion
Total	US\$ 140 Billion

[Source: SME Times News Bureau, 06 Mar, 2010]

The demand for Indian herbs, ayurvedic and herbal medicines is growing in the European and other developed countries. India's exports of herbs, ayurvedic and herbal medicines to the European Union for the year 2011-12 was USD million 57.31, vis-a-vis USD million 40.47 in 2010-11, a growth of 41.61%.

A special support scheme named Vishesh Krishi & Gramin Udyog Yojana has been introduced by Government to encourage the trade to step up export development activities and exports of minor forest produce including medicinal plants and herbs. Another Scheme for promotion of International Cooperation in AYUSH has been formulated to promote International market development and AYUSH promotion related activities. Under the scheme incentives to drug manufacturers, entrepreneurs, AYUSH institutions etc. are being provided for international propagation of AYUSH and registration of their products.

Top export destinations	
Herbs, Ayurvedic and Herbal Medicines	AYUSH Products
USA, Italy, Germany, Japan, UK	Russia, Japan, UAE, USA, Canada

Some of the measures taken by the Government for encouraging exports from India are:

- Awarding of AYUSH Marks for Quality Certification and recognition for AYUSH products in international markets.
- Voluntary certification of quality of Ayurveda, Siddha, Unani (ASU) products through Quality Council of India.
- Supporting the industry members to participate in various events related to promotion of AYUSH products, medicinal herbs and their value added product exports, including traditional medicine exhibitions such as Vita foods at Geneva and Supply Side West at USA.
- Supporting the industry to organize Reverse Buyer Seller Meet focused to herbals and AYUSH products.
- To enlarge and diversify export production and exports of identified medicinal plants and herbs through the EPC, SHEFEXIL.

Source: <http://commerce.nic.in/pquestion/LS26082013.pdf>

As the global market is big and expanding, the Indian herbal industry is focusing on exports. From a global perspective, critical challenges for herbal industry are:

- Regulatory concerns
 - Quality;

- Efficacy;
- Safety;
- Standardization.
- Consumer perceptions
- Competition

Government Regulations

Globally, there have been concerted efforts to monitor quality and regulate the growing business of herbal drugs and traditional medicine. Health authorities and governments of various nations have taken an active interest in providing standardized botanical medications. Government of India has also plunged into this opportunity and initiated some regulations in this sector.

To ensure and enhance the quality of ASU medicines, the Government of India has notified Good Manufacturing Practices (**GMP**) under Schedule 'T' of the Drugs and Cosmetics Act 1940 which also ensures raw materials used in the manufacture of drugs are authentic, of prescribed quality and are free from contamination. The guidelines for Good Agricultural Practices (**GAP**) seek to lay down a cultivation programme designed to ensure optimal yield in terms of both quality and quantity of any crop intended for health purposes. Quality of raw material being watched over by following GAP and GACP, for manufacturing and marketing the prepared drugs, government has formulated the Drugs and cosmetics act, 1940. It is an act to regulate the import, manufacture, distribution and sale of drugs and cosmetics. The schedules and rules pertaining to Ayurveda, Siddha and Unani systems in the act are:

Schedules:

- First Schedule substituted by act 13 of 1964 came into force w.e.f 1-2-1969. The schedule lists the standard Indian pharmacopoeias to be followed for manufacturing Ayurveda, Siddha and Unani drugs. About 57 books of Ayurveda (with insertions in 1987, 1994, 2002), 29 of Siddha (1987), 13 of Unani Tibb system are listed.
- Second Schedule came into force w.e.f 15.09-64. It states about the standard to be complied for manufacturing drugs. (Subs. by Notifn. No. G.S.R. 885, dated the 4th August, 1973, [Gazette of India](#), Pt. II, s. 3(i), p. 1643.)
- SCHEDULE-E(1) : List of poisonous substances under the Ayurvedic (including Siddha) and Unani Systems of Medicine (Added by Notfn. No. 1-23/67-D dt. 2-2-1970) differentiated into vegetable, animal and mineral origin.
- SCHEDULE T: Good Manufacturing Practices (**GMP**) for ayurvedic, siddha and unani medicines. (Ins by G.S.R. 561 (E) dt 23-06-2000 and subs. by G.S.R. 198(E), dt. 7.3.2003.). Under Schedule "T" of the drugs and cosmetics act 1940, the government has made it mandatory for all manufacturing units to adhere to **GMP**.

Source: <http://www.nistads.res.in/indiasnt2008/t4industry/t4ind19.htm>

Factors affecting quality & purity of Herbal Medicines:

1. Drug adulteration: Adulteration may be defined as mixing or substituting the original drug material with other spurious, inferior, defective, spoiled, useless other parts of same or different plant or harmful substances or drug which do not confirm with the official standards. Adulteration may take place by two ways; a) Direct or intentional adulteration and b) Indirect or unintentional adulteration.
2. Faulty collection
3. Imperfect preparation: Non removal of associated structures e.g. stems are collected with leaves, flowers, fruits. Non-removal of undesirable parts or structures e.g. cork should be removed from ginger rhizome. Proper drying conditions should be adhered. Improper drying may lead to unintentional adulteration e.g. if digitalis leaves are dried above 65 °C decomposition of glycosides by enzymatic hydrolysis.
4. Incorrect storage: Deterioration happens especially during storage, leading to the loss of the active ingredients, production of metabolites with no activity and, in extreme cases, the production of toxic metabolites. Physical

factors such as air (oxygen), humidity, light, and temperature can bring about deterioration directly or indirectly.

5. Gross substitution with plant material.
6. Substitution with exhausted drugs

The Opportunities in Herbal Medicines:

1. Medicinal plants cultivation;
2. Medicinal plants Exports;
3. In Drug Manufacturing Companies;
4. Teaching profession - Herbal medicine is being taught more in medical schools and pharmacy schools;
5. In the field of Plant monographs;
6. Drug inspectors in ISM;
7. Medical taxonomist;
8. Pharmacognosist;
9. Herbalist & Chiropractors;
10. AYUSH practitioners , Doctors;
11. SRF & JRF in Clinical trials;
12. Clinical and Research opportunities- Without doubt, the therapeutic potential of many herbs is yet to be fully discovered. Example, Recent discovery of 'artemisinins', new class of anti-malarial drugs, in Chinese herbs supports this assertion;
13. Carrier options in the various newer fields. E.g. Molecular biology, Nano technology etc.

Source: <http://florajournal.com/vol2issue1/april2014/4.1.pdf>

India could make its presence felt in the world herbal market through quality products in view of growing bias towards herbal medicines, dietary supplements and skin and beauty aids because public perception of herbal products is a kin to organic food products. The Indian market can be divided into two categories. One that covers raw material needed by the industries and direct consumption for household remedies, while second category that comprises ready to use finished medicines, health supplements etc. There is a strong demand for raw stock of amla, isabgol, henna, ashwagandha and aloe vera, and these materials are used in a big way in preparing ayurvedic formulations.

The demand for plant based medicines, health products, pharmaceuticals, food supplement, cosmetics etc are increasing in both developing and developed countries, due to the growing recognition that the natural products are non-toxic, have less side effects and easily available at affordable prices. India has lot of potential for producing world class herbal medicines. For the Entrepreneurship it is one of the areas of great opportunity & potential. The Indian herbal Industry is on a roll and poised to grow in the coming years owing to its high demands for herbal products.

Source: <http://www.niir.org/projects/projects/herbs-herbal-based-products-ayurvedic-medicines-cosmetics-herbs-medicinal-plants-cultivation-processing-herbal-extract-natural-plant-extracts-ayurvedic-pharma-ayurvedic-products-herbal-medicine-herbal-cosmetics-ayurvedic-formulations/z,,24,0,64/index.html>

BUSINESS OVERVIEW

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Prospectus, including the information contained in the section titled 'Risk Factors', beginning on page no.15 of this Draft Prospectus.

This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section titled 'Risk Factors' and the chapters titled 'Restated Financial Statement' and 'Management Discussion and Analysis of Financial Conditions and Results of Operations' beginning on page no.15, 147 and 170 respectively, of this Draft Prospectus.

Unless the context otherwise requires, in relation to business operations, in this section of this Draft Prospectus, all references to "we", "us", "our" and "our Company" are to Ganga Pharmaceuticals Limited and Group Entities as the case may be.

Overview

Our Company was set up by Late Shri Brijmohan Sharma, a qualified Ayurveda visionary in the year 1974 as a proprietary concern. In the year 1989, the proprietary firm was converted to a Private Limited Company and subsequently converted in to a Public Limited Company as on 19th September, 1994.

Our Company was established as a producer of quality Bulk Ayurvedic Medicines in Mumbai. Apart from manufacturing, the company is also into marketing, distribution of Bulk Ayurvedic Medicines. Under the Management of Late Shri Brijmohan Sharma, the Company had created an exceptional market reputation not only in Mumbai but all over Maharashtra. Initially, the company was manufacturing the following proprietary products:

- 1) Ampachan Vati;
- 2) Khadira Vati;
- 3) Nirmalaya churna

Bearing in mind, the growing demand for the above products and newer products, increasing market share in Bulk Ayurvedic Medicine Sector and need for expertise in the business; Mr. Bharat Brijmohan Sharma, son of Late Shri Brijmohan Sharma took over the business. Being a Bachelor of Pharmacy from Pune University and a technocrat having rich experience in production and management of Ayurvedic unit, he not only extended the business to the neighbouring states but also introduced newer products within the company. As on date the company, it has 230 number of products in its total portfolio. These products can be divided into two (2) broad categories:

III. Liquid Dosage Form

Oil-based products

IV. Solid Dosage Form

- A. Powder-based products;
- B. Tablets; and
- C. Pills.

We have been awarded a G.M.P Certification for following Good Manufacturing Practices under "Revised Schedule T" of Drugs & Cosmetics Rules, 1945 in respect of various categories of Tablets, Pills, Oils, Syrups and powder based products by Food & Drug Administration, Maharashtra. Further, our company is characterized as Small Scale Industrial Unit by registering with the Directorate of Industries, Maharashtra. For details on the government approvals, please refer to the chapter titled "**Government and Other Approvals**" on page no. 185 of this DRHP.

LIQUID DOSAGE FORM PRODUCTS

Oil-based products

Oil-based product forms 15 % of our total product portfolio. Oil-based products widely include Kesam Hair Oil, Dendroil Taila, Teel Oil, Mahabhringraj Oil, Neem Oil, Vato Liniment Taila and Karnaraj Drops. These products are used for varied purposes.

Kesham Hair Oil is manufactured for ensuring healthy, lustrous, thick hair, Karnaraj Drops helps in keeping away itching sensation in the ears, Vato Liniment Taila reduces Joint Pains, cures Arthritis, and frozen shoulder, sciatica Lumbago, any sports injuries, sprain & pain due to injury. Vato oil is to be massaged lightly on affected portion & can be fomented with hot brick, hot sand packed in cloth or hot water bottle (as per the instruction of the physician).

Out of these, the top revenue generating products are as follows:

(Rs. In Lakhs)

Sr. No.	Product Name	Revenue Generated					
		FY 2014-15	%	FY 2013-14	%	FY 2012-13	%
1.	Vato Liniment	5.81	2.16	6.12	2.30	5.23	2.26
2.	Teel Tail (Murcha)	4.13	1.53	5.13	1.93	3.51	1.52
3.	Kesham Hair Oil	2.77	1.03	2.49	0.94	2.51	1.09
4.	Mahabhringraj Tail	2.75	1.02	4.93	1.85	4.01	1.73
5.	Neem Tail	2.28	0.85	2.02	0.76	1.88	0.82
	TOTAL	17.74	6.59	20.69	7.78	17.14	7.42

Manufacturing Process

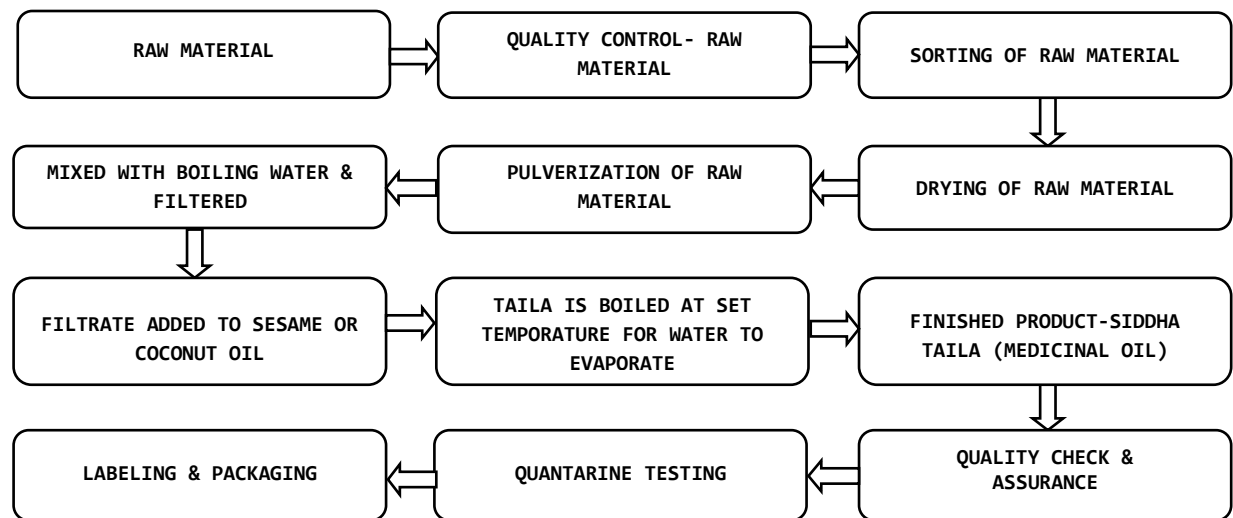
The main raw materials in making oil-based products are herbs like amala, harda, baheda, bhringaraj etc, Sesame Oil (Teel Oil) and/or Coconut Oil. All the herbs prior to being sorted are tested in the in-house laboratory for presence of Insects, Pests, Fungi and other animal matter. Once, the Quality Control Manager clears the herbs, they are sorted manually for minimization or removal of impurities like sand and other adulterants.

All the herbs which come from the market on receipt are checked in laboratory. Once they are cleared for the lab they are sorted manually for impurities like sand and other adulterants. As this are occurring in nature chance of impurity is to be minimized by sorting it. Post sorting, these herbs are sent for drying in a Dyer for set number of hours depending on the specific product to be manufactured.

This drying process ensures loss of moisture and elimination of microbes. The dried herbs are then pulverized to reduce it to a coarse powder which is further boiled in a vessel with water and the filtrate is collected in the Centrifuge. This filtrate contains extract of herbs which is mixed with either Sesame Oil (Teel Oil) or Coconut Oil depending on the product to be produced. For example, for making Kesham Hair Oil, the filtrate is mixed in Coconut oil. This mixture is allowed to boil at a specific temperature till the Taila becomes Siddha. This Siddha which is obtained from the boiling process is the medicinal oil and the final product being sold in the market.

Once the final product is ready, a sample of batch undergoes through a quality test and a quality report is prepared mentioning the necessary remarks. Once the product gets positive clearance from the Quality Manager, the entire produce in that batch is packed in the different sized bottles like for the doctors, 1 liter bottle is sold; for retailer and distributors; we prepare 100 ml size bottles. The packaging may also differ depending on the customer requirements in specific location. The packaged bottled are then labeled with the batch number, manufacturing date and price.

Process Flow Chart for Oil-based product



DRY OR NON-LIQUID PRODUCTS

A. Powder-based products

Our powder-based product forms 27% of our total product portfolio. Our powder-based product widely includes Nirmalaya Churna, Triphala Churna, Madhuna Churna, Mahasudarshan Churna, Avipattikar Churna, Dhatupaushtik Churna, Hingwastak Churna, Lavan Bhaskar Churna, Sitopaladi Churna, Talisadi Churna, Danta Doshahar Manjan, Shikakai Powder, Aritha Powder, Amla Powder and Multani Mitti.

These products are used for varied purposes like Nirmalaya Churna is manufactured as Laxative powder, Triphala Churna as mild laxative, Madhuna Churna is used to manage diabetic condition, Mahasudarshan Churna is for managing cold, fever, Dhatupaushtik Churna is tonic, Shikakai Powder Amala Aritha are used for maintaining healthy hair.

Out of these, the top revenue generating powder-based products are as follows:

(Rs. In Lakhs)

Sr. No.	Product Name	Revenue Generated					
		FY 2014-15	%	FY 2013-14	%	FY 2012-13	%
1.	Madhuna Churna	7.55	2.80	5.93	2.23	4.04	1.75
2.	Nirmalaya Churna	5.89	2.19	4.78	1.80	3.31	1.43
3.	Multani Mitti Powder	1.34	0.50	1.29	0.49	1.16	0.51
4.	Ashwagandha Churna	1.27	0.47	1.55	0.58	1.59	0.69
5.	Dhatupaushtik Churna	1.02	0.38	1.78	0.67	1.17	0.51
	TOTAL	17.07	6.34	15.33	5.77	11.27	4.89

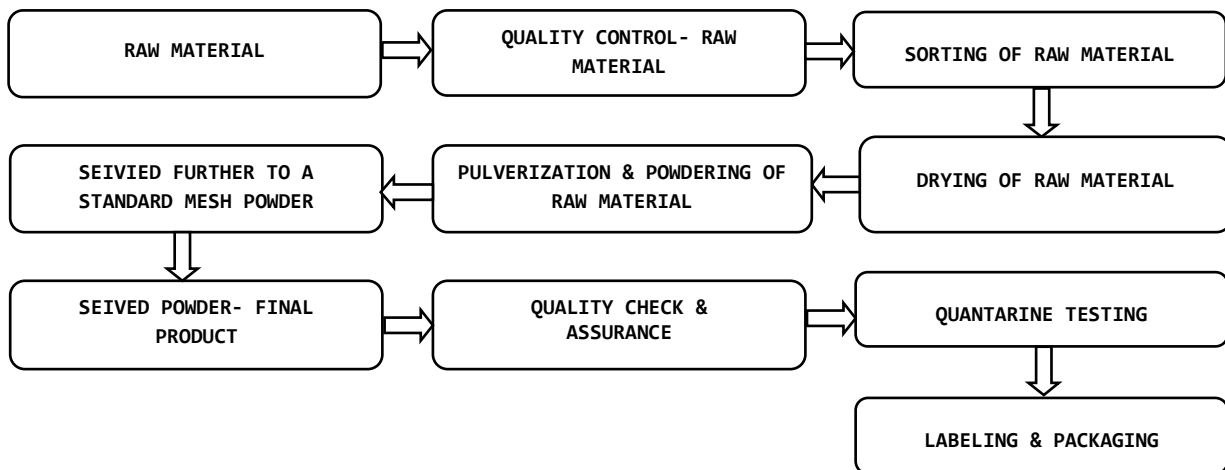
Manufacturing Process

The main raw material in making powder-based products are herbs like sunth, kalimirsch, papal, ashwagandha etc. All the herbs prior to being sorted are tested in the in-house laboratory for presence of Insects, Pests, Fungi and other animal matter. Once, the Quality Control Manager clears the herbs, they are sorted manually for minimization or removal of impurities like sand and other adulterants. Post sorting, these herbs are sent for drying in a Dyer for set number of hours depending upon the product to be manufactured. This drying process ensures loss of moisture and elimination of microbes. The dried herbs are then pulverized to reduce it to a fine powder which is further processed in Pulverizer machine. The Shifter machine sieves the fine powder to a standard mesh size powder. This sieved powder is the final product and ready to be consumed.



Once the final product is ready, a sample of batch undergoes through a quality test and a quality report is prepared mentioning the necessary remarks. Once the product gets positive clearance from the Quality Manager, the entire produce in that batch is packed in the different sized packets depending on the customer's requirement. For example, for the doctors, a 500 gms packet is prepared and for retailer and distributors; we prepare 50 gms and/or 100 gms packets. These packets are then either packaged in a bottles or specific boxes. The bottles and boxes are further labeled with the batch number, manufacturing date and price.

Process Flow Chart for Powder-based product



B. Tablets

Tablet production forms 37% of our entire product portfolio, i.e., we manufacture more than 58 kinds of tablets for various diseases. These tablets are easy to swallow, easy to digest and tasty.

These products are used for varied purposes like Asuka Tablet helps in hyper acidity, Gangalax Tablet helps in reducing Chronic Constipation, Goshoon Tablet helps in liquefying the cough, removes congestion, relieves heaviness, take care of headache & rise in temperature, Livosar Tablet assist in improving the liver functions, protect liver cells & help in regeneration of liver parenchyma, Madhuna D Tablet helps in controlling diabetic levels, Neempan Tablet takes care of the Skin disorders, helps in Blood purifier & makes skin healthy, Vato Tablet helps in curing Sciatica(slip disc), Lumbago(backache) & Joint Pains.

The list of tablets manufactured is as follows:

Sr. No.	Name of Tablet
1.	Amala Tablet
2.	Asuka Tablet
3.	Ashwo Tablet
4.	ArogyaVardhiniVati
5.	Arjun Tablet
6.	ArshkutharRas Tablet
7.	Ashwagandha Tablet
8.	Avipattikar Tablet
9.	BrahmiVati
10.	BolabaddhaRas Tablet
11.	ChandrakalaRas Tab
12.	Culdisol Tablets
13.	DhatriLoh Tablet
14.	EkgangvirRas Tablet
15.	Femoherb Tablet
16.	Figuro Tablet
17.	Gangalax Tablet
18.	Gandhak Rasayan Tablet
19.	Gitrin Tablet
20.	GodantiBhasma Tablet
21.	Goshoon Tablet
22.	Harda Tablet
23.	Holetrica Tablet
24.	KanchnarGuggul
25.	Kesham Tablet
26.	KamdudhaRas Tablet (Without PravalPishti)
27.	Karela Tablet
28.	KutajGhanVati
29.	LaxmivilasRas Tablet

Sr. No.	Name of Tablet
30.	Livosar Tablet
31.	Madhuna D Tablet
32.	Mahasudarshan Tablet
33.	MahashankhaVati
34.	MahasudarshanGhan Tablet
35.	NagarjunabhraRas
36.	NavayasLoh Tablet
37.	Neempan Tablet
38.	PrabhakarVati
39.	PradrantakLauh Tablet
40.	Pranica Tablets
41.	PunarnavaMandur Tablet
42.	Raktaz Tablet
43.	SanjivaniVati
44.	SaptamrutLoh Tab
45.	SarivadiVati
46.	Shatavari Tablet
47.	Shilajit Tablet
48.	ShirshuladiVajraRas
49.	Sitopaladi Tablet
50.	ShukramatrukaVati
51.	SutshekharRas (Sada)
52.	Vato Tablet
53.	ViryashodhanVati
54.	Talisadi Tablet
55.	Triphala Tablet
56.	TribhuvanKirtiRas
57.	TapyadiLauh (RaupyaRahit)
58.	VridhivadhikaVati

Out of these, the top revenue generating products are as follows:

(Rs. in Lakhs)

Sr. No.	Product Name	Revenue Generated					
		FY 2014-15	%	FY 2013-14	%	FY 2012-13	%
1.	Asuka Tablet	28.38	10.53	24.53	9.21	20.06	8.69
2.	Vato Tablet	22.00	8.17	18.9	7.10	17.19	7.44
3.	Kesham Tablet	10.12	3.76	10.31	3.87	8.19	3.54
4.	Madhuna-D-Tablet	6.89	2.56	5.47	2.05	5.19	2.25
5.	Goshoon Tablet	5.78	2.15	5.6	2.10	3.87	1.68
	TOTAL	73.17	27.16	64.81	24.35	54.50	23.59

Manufacturing Process

The main raw material in making tablets are herbs like gudmar, kutajchal, sonamukhi ,chirayata, khareti, sajjikhar, karela, pipalamool. All the herbs prior to being sorted are tested in the in-house laboratory for presence of Insects, Pests, Fungi and other animal matter. Once, the Quality Control Manager clears the herbs, they are sorted manually for minimization or removal of impurities like sand and other adulterants. Post sorting, these herbs are sent for drying in a Dyer for set number of hours depending upon the product to be manufactured. This drying process ensures loss of moisture and elimination of microbes.

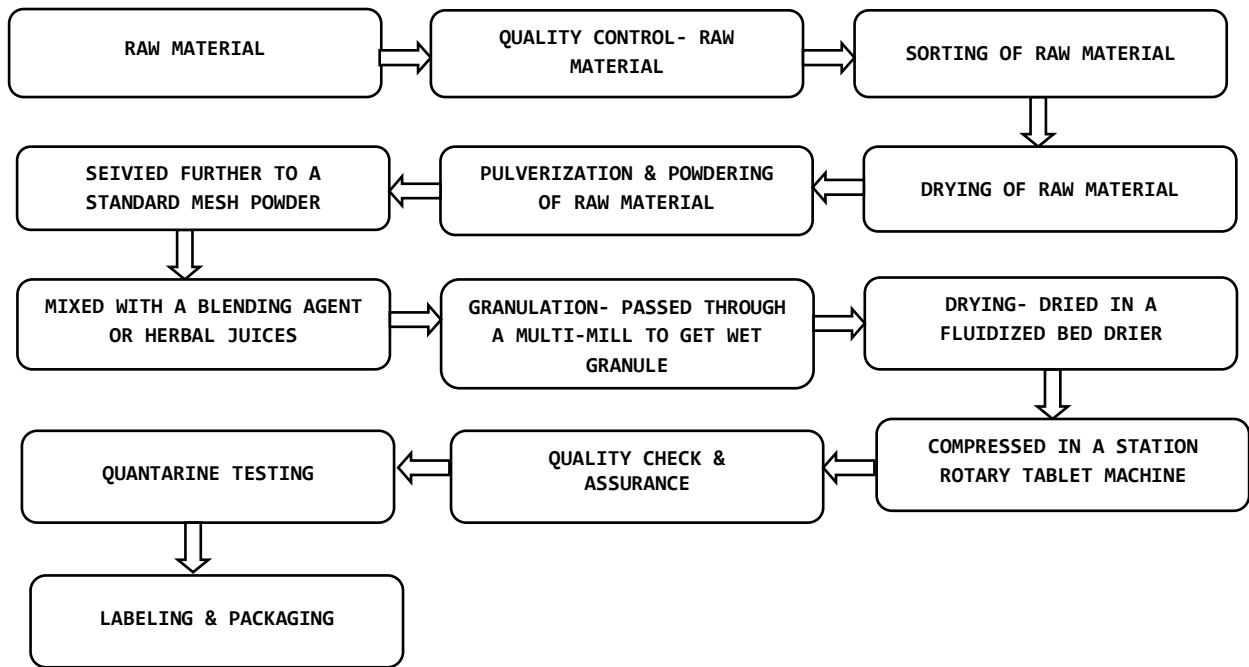
The dried herbs are then pulverized to reduce it to a fine powder which is further sieved by shifter machine. This sieved powder is further mixed with herbal juices and/ or a binding agent (as per the formulation written down and maintained by the company) and is processed in a Mass Mixer. This mass is then passed through a multi-mill to get wet granules which is further dried in a Fluidized Bed Drier. The dried granules are sent for compression in a Station Rotary Tablet Machine having either 29 or 35 station double rotary mould. The final product is obtained.

Once the final product is ready, a sample of the batch undergoes through a quality test and a quality report is prepared mentioning the necessary remarks. Once the product gets positive clearance from the Quality Manager, the entire produce in that batch is packed using either blister packaging or bottle packaging. The number of tablets packed in a blister packaging is 10 and in a bottle, it ranges from 30 -1,000.

The tablets packed in a bottle differ to whom it is being sold. For example, 1,000 tablets are packed in a bigger sized bottle for doctors and for the retailers and distributors, it ranges from 30 tablets -250 tablets. The size of packaging depends on customer's and doctor's demand. The bottles are then labeled with the batch number, manufacturing date and price.



Process Flow Chart for Tablets



C. Pills

Pills production forms 21% of our entire product portfolio, i.e., we manufacture more than 25 kinds of pills for various diseases. These pills are used for varied purposes like Ampachan Vati Pill cures Indigestion, Gases, Flatulence, and Belching, Ganga Medohar Guggul helps in managing and maintaining weight for obese persons, Ganga Khadira Pills helps cure Cough, Dry cough, Bad Breath, Soothes Sore Throat, Krumikuthar Ras cures Intestinal Worms diseases, Mahayograj Guggul is effective in curing nervous diseases, gout, rheumatism, lumbago, sciatica, atherosclerosis etc.

The list of pills manufactured by us is as follows:

Sr. No.	Name of Tablet	Sr. No.	Name of Tablet
1.	Agnitundi Vati	14.	Mahayograj Guggul (Sada) (Without Raupya Bhasma)
2.	Ampachan Vati	15.	Punarnavadi Guggulu
3.	Amrutadi Guggulu	16.	Rasnadi Guggulu
4.	ChandraprabhaVati	17.	RajpravartiniVati
5.	Chandramrut Ras	18.	SamsamniVati
6.	ChitrakadiVati	19.	Sinhanadi Guggulu
7.	Ganga Medohar Guggul	20.	Shuddha ShilajitVati
8.	Ganga Khadira Pills	21.	Shwaskuthar Ras
9.	Gokshuradi Guggul	22.	Sulvarjini Vati
10.	Kaishor Guggulu	23.	Trayodashang Guggul
11.	KrumikutharRas	24.	Triphala Guggul
12.	Lakshadi Guggulu	25.	Yograj Guggul
13.	LahsunadiVati		

Out of these, the top revenue generating pills are as follows:

Sr. No.	Product Name	Revenue Generated					
		FY 2014-15	%	FY 2013-14	%	FY 2012-13	%
1.	Ganga Medohar Guggul	41.44	15.38	47.00	17.65	45.00	19.48
2.	Ampachan Vati	34.08	12.65	30.32	11.39	25.27	10.94
3.	ChandraprabhaVati	13.48	5.00	14.58	5.48	12.42	5.38
4.	Ganga Khadira Pills	5.99	2.22	2.45	0.92	3.45	1.49
5.	Mahayograj Guggul	3.63	1.35	2.18	0.82	1.97	0.85
	TOTAL	98.62	36.60	96.53	36.27	88.11	38.15

Manufacturing Process

The main raw material in making pills are herbs like chitrakmool, ajwain, dalchini , jamunbeej , neem pan, manjishtha, kankol, javakhar. All the herbs prior to being sorted are tested in the in-house laboratory for presence of Insects, Pests, Fungi and other animal matter. Once, the Quality Control Manger clears the herbs, they are sorted manually for minimization or removal of impurities like sand and other adulterants.

Post sorting, these herbs are sent for drying in a Dyer for set number of hours depending upon the pill to be manufactured. This drying process ensures elimination of excess moisture and microbes. The dried herbs are then pulverized to reduce it to a fine powder which is then sieved by Shifter Machine.

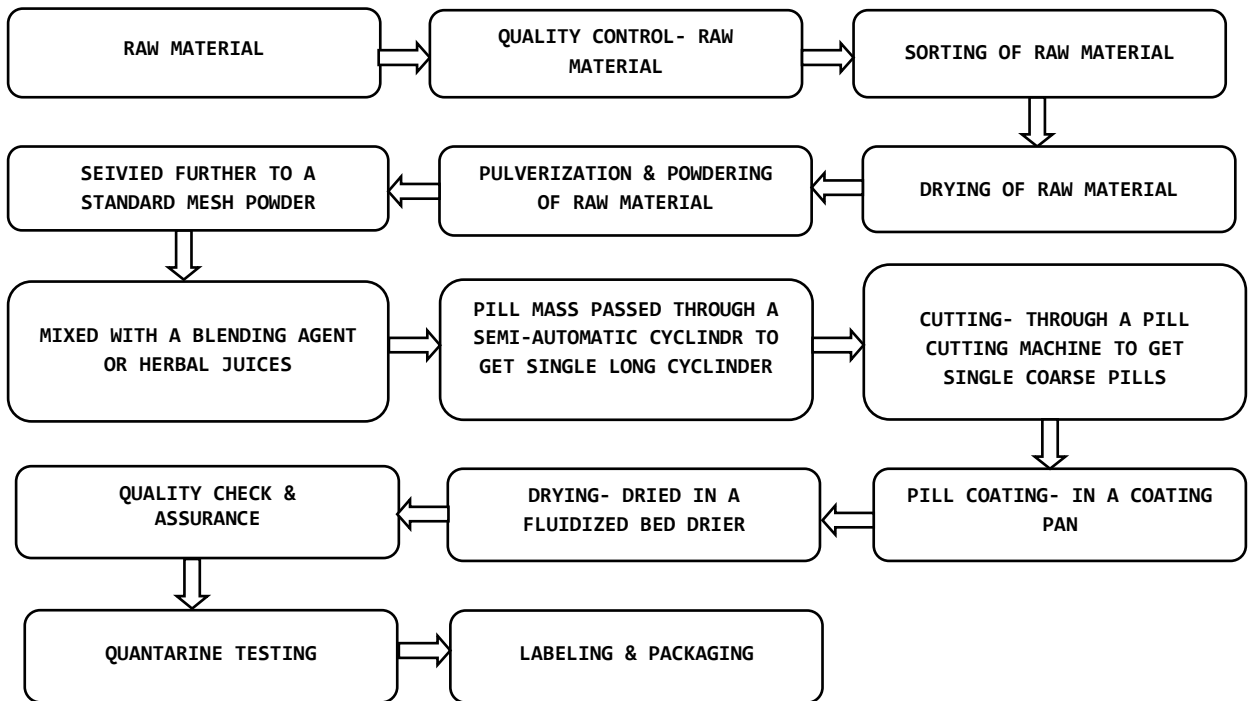
This sieved powder is further mixed with herbal juices and/ or a binding agent (as per the formulation written down and maintained by the company) and is processed in a Mass Mixer. This mass is then passed through a Semi-Automatic Cylinder to make one singular long chains of pill. This chain of pills is then broken down into separate

single pill using a Pill Cutting Machine. The pills obtained are coarse and are coated in a coating pan. Once the coating process is done, it is dried to form final pill.

Once the final product is ready, a sample of the batch undergoes through a quality test and a quality report is prepared mentioning the necessary remarks. Once the product gets positive clearance from the Quality Manager, the entire produce in that batch is packed using either blister packaging or strip packaging or bottle packaging. The number of tablets packed in a blister packaging or strip packaging is 10 or 20 and in a bottle, it ranges from 30 - 1,000.

The tablets packed in a bottle differ to whom it is being sold. For example, 1,000 tablets are packed in a bigger sized bottle for doctors and for the retailers and distributors, it ranges from 30 tablets -500 tablets. The size of packaging depends on customer`s and doctor`s demand. The packaged strips and bottles are then labeled with the batch number, manufacturing date and price.

Process Flow Chart for Pills





INFRASTRUCTURE

Manufacturing Facility

Our Manufacturing Unit is located at Virar, Thane District, Maharashtra having 442.37 Sq. Mtrs leased out by Mr. Bharat Brijmohan Sharma and Mrs. Savitri Brijmohan Sharma. For further details on our manufacturing unit, please refer to the chapter “*Business Overview*” on page no. 98.

Plant & machinery

Our Manufacturing Unit is well equipped with the modern & quality plant & machinery, i.e., the company has 22 machinery for manufacturing its products, 10 machinery for packaging and 23 laboratory equipments for quarantine testing and quality check.

For the financial years ended March 31, 2015, 2014, 2013, we incurred Rs. 114.87 Lakhs, 121.07 Lakhs and 151.67 Lakhs respectively, in capital expenditure to expand our production capacity and upgrade technology in our manufacturing facilities. For further details on our capital expenditures, please see the sections titled “Financial Overview” on pages 147 of this Draft Red Herring Prospectus.

Clinic laboratory

Beginning from 1990, the company made extensive efforts to improve the quality and methods to manufacture and maintain quality of its products. In absence of standard guidelines, the company created and developed its own detailed stringent standards to be followed by its employees. These guidelines were based on the Ayurvedic Pharmacopeias and were penned down by Mrs. Srijna B Sharma. In the year 2000, we set up our in-house laboratory within the manufacturing unit. This 800 sq. ft. laboratory is for checking the herbs quality through chemical testing, instrumental testing and microbiological testing of the raw materials and finished products. In our microbiological lab, we carry out following tests:

1. Insects and fungal infection:

On arrival of the raw materials as well as finished products in the lab; its uniqueness, characteristics and individuality is checked as per specification given in the Ayurvedic Pharmacopoeia. Macroscopically and microscopically we check for the followings:

- a. Presence of Insects;
- b. Presence of Pests;
- c. Presence of Fungi;
- d. Presence of other animal matters;
- e. Presence of any Animal Excreta;
- f. Presence of Moulds.

2. Organoleptic Test is done to identify the:

- a. Color of the finished products;
- b. Odor of the finished products;
- c. Taste of the finished products;
- d. Detect invisible food borne pathogens;
- e. Fungi and Moulds are checked after treatment with 10% KOH



All above tests specification limits are given in individual monograph under the head of foreign matter.

Plant based drugs normally carry a great number of Bacteria and Moulds often originating in the soil. Hence, we ensure that our Finished Products are free from all kinds of Pathogens by verifying the quality of products by determining E. Coli and Moulds in them. Also, the microbial count is controlled by performing the following tests:

- a. Total Bacteria count;
- b. Total Fungal count;
- c. Presence of E. Coli;
- d. Presence of Salmonella
- e. Presence of Staphylococcus Aureus
- f. Presence of Pseudomonas

This quality assurance department is handled by experienced technically qualified staff and consultants and is headed by Mrs. Srijna B. Sharma.

OUR SALES AND MARKETING STRATEGY

Our domestic business is driven by our own sales and marketing network. As of March 31, 2015, we had a sales division of approximately 12 people covering various territories across India. We also have a network of approximately 2 clearing and forwarding agents and 35 distributors in the country.

We adopt 2 different distribution models for the supply of our products across Indian markets. In certain states, we register, import and store our products as well as market them to customers through entities owned and controlled by us-Over the Counter (O.T.C.). In certain other states, we partner with local distributors who import and distribute our products and, under our supervision, carry out marketing activities. In most of the states, where our products are sold, we have a mutual tie up with approximately total number of 2,000 homeopathy doctors and hospitals who distribute and sell our products to their respective patients. These doctors and hospitals prescribe our product only after themselves being satisfied with the quality and genuineness of our products. In April 2015 and in July 2015, we entered into a business arrangement with Shree Ram Promoters, Bhubaneswar and Indian Aman Enterprises, Kolkatta respectively, with a view to strengthen our presence in regulated markets. We believe that both our market

tie-ups will extend the reach of our products and enable our business to grow in regulated markets in which Indian Aman Enterprises and Shree Ram Promoters, Bhubaneswar has a significant presence.

Our top 10 revenue generating Sellers/Distributors are as follows:

Sr. No.	Seller`s Name	Revenue Generated					
		FY 2014-15	%	FY 2013-14	%	FY 2012-13	%
1.	Naturoveda India Pvt. Ltd.	16.20	6.01	22.90	8.61	18.65	8.07
2.	New Indian Medicine Centre	14.00	5.18	13.32	5.01	10.04	4.35
3.	Swami Enterprise	13.40	4.97	12.62	4.74	7.97	3.45
4.	Kamini Enterprises – Malad	13.35	4.96	16.00	6.01	16.21	7.02
5.	Shriganapati Ayurved Bhawan- Ranchi	11.42	4.24	11.30	4.25	10.73	4.65
6.	Shree Balaji Agency- Patna	10.6	3.93	4.80	1.81	3.85	1.67
7.	Annie Enterprise- Kolkata	8.66	3.22	8.25	3.10	9.28	4.02
8.	Raj Pharmacy	8.06	2.99	5.16	1.94	4.85	2.10
9.	Laxmi Agencies-Ujhani	7.10	2.64	6.46	2.43	11.53	4.99
10.	Balaji Ayurveda – Aurangabad	6.35	2.36	4.52	1.70	3.42	1.48
	TOTAL	109.14	40.50	105.33	39.58	96.53	41.80

Our distributors, clearing and forwarding agents, consignee agents and Stockiest`s are offered retail/wholesale margin, market promotion margin, credit facility to distributors, incentives, bonus scheme to certain distributors for encouraging incremental sales and various round the year scheme to retailers.

Our company has a policy that before entering into any kind of agreement for marketing and selling, we provide approximately 1(one) Lakhs sample of our different products. Incorporating product samples into our marketing plan is cost-effective because it saves our expenditure, if any mistakes occur, it can be corrected during the promotional phase rather than when the product is launched in the market. Furthermore, since the size of product samples are often smaller in scale, we have the ability to permeate a larger demographic for a fraction of the cost. Besides this, free dispenses of sample ensure products satisfaction by the seller and consumer themselves, create a positive endorsement, raises awareness of brand, creates a connection with the Company, provided valuable feedback on our products, eliminate the fear factor and allow them to test the product risk-free, samples help put the word out to newer consumers, helps in building public relations, invite potential customers to spread the word, helps in establishing consumer confidence and there by developing brand loyalty, aids in an effective and systematic budget planning, quality control and research and development, helps in increasing chances of immediate sales by converting interested shoppers into permanent customers, ensuring doctors, dispensaries, clinics and hospitals can evaluate their patient`s tolerance and adjust dosage before a full prescription would be written for their patients. In addition, there are many other countless benefits for any pharmaceutical company.



Currently, our products are sold through-out India with West India and East India contributing majorly to our revenues. The total sales achieved through-out India for March 2015, 2014, 2013 is Rs. 26.94 Lakhs, Rs. 26.62 Lakhs and Rs. 23.09 Lakhs, respectively. For FY 2014-15, total sales achieved were Rs. 16.55 Lakhs, Rs. 17.22 Lakhs, Rs. 118.63 Lakhs and Rs. 117.07 Lakhs in North India, South India, East India and West India respectively. For the last three fiscal years, 4 states, i.e., Maharashtra, West Bengal, Jharkhand and Karnataka have contributed majorly to our earnings. In the next 3 years, we intend to expand our business to further up of India, i.e. North India. This expansion will be done with the help of systematic marketing, promotions, branding, sampling, advertisements and other MARCOM activities.

We seek to establish long term relationships with our customers and expand our business opportunities with them. As at June 2015, we catered to approximately 200 customers.

Our major clients are companies like M/s S. V. Ayurvedic Bhandar, M/s Raj & Company, M/s S.Vipul Herbs, M/s Premier Plastic Product, M/s Uma Ayurvedics Pvt. Ltd., M/s Haridass Aggarwal & Sons, M/s Micro Plast, M/s Salig Ram Maheshwari & Sons, M/s Leepee and M/s Gordhandas Hansraj & Co. etc.

As per our audited restated financial statements, our Total Income has increased from Rs. 19.69 Lakhs in fiscal 2012 to Rs. 28.67 Lakhs in fiscal 2015, and our Profit after Tax has increased from Rs. 0.18 Lakhs to Rs. 0.33 Lakhs during the same period. Our Total Income and Profit after Tax as at June 30, 2010 were Rs. 0.65 Lakhs and Rs. 0.34 Lakhs, respectively.

OUR CORPORATE SOCIAL RESPONSIBILITY

In order to educate our customers, seller and distributors about the Ayurveda, Ayurvedic Medicine and our products, we have printed informative booklet known as “*Ganga Arogya Dhansampada- Guide for Healthy Way of Life*” in 8 different regional, viz, English, Hindi, Gujarati, Marathi, Bengali, Oriya, Urdu and Kannada. This initiative was started by the company in the year 2005. These books are distributed free of cost to our retail customers, seller and distributors. This book highlights points relating to the causes of ill health, various solutions to cure the ill health and precautions to be taken. We plan to print these booklets in all 14 official Indian languages.

In addition to the above initiative, we also distribute our products free of cost to the various retail customers, seller and distributors. This initiative makes the consumer aware of the various benefits of medicine made using natural ingredients like Alma Fruit, Neem Leaves, Ashwagandha, Harda, Shatavari etc. and creates a connection with the roots of India. Keeping in mind, the growing importance and increasing demand of bulk and traditional medicines in India and abroad, our distribution activity of free samples assists in highlighting the application of naturopathy, homeopathy and Ayurvedic medicines.

OUR COMPETITIVE STRENGTH

Variety of products in Traditional Medicine segment

We manufacture a wide range of products in the traditional segment encompassing Oil based products, Powders, Pills, Tablets & Dry Syrups. We specialize in developing Ampancha Vati and Asuka Tablets, Vato Tablet and Liniment in the niche segments. Our current product portfolio comprises 34 Oil Based Products, 61 Powder Based Products, 86 Tablets and 49 Pills which are marketed domestically. We continuously focus on ensuring the quality of the products is maintained within our existing segments, with specific applications or taking customer specifications in view.

Diversified customer base

We have established client relationships in domestic markets from whom we get orders for Manufacturing on a continuous basis. Our existing relationship with our clients represents a competitive advantage in gaining new clients and growing our business. Our list of top notch clients includes Naturoveda India Pvt. Ltd., New Indian Medicine Centre, Swami Enterprise, Kamini Enterprises, Shriganapati Ayurved Bhawan etc. to name a few. With the proposed expansion, our Company is now planning to expand its business further up north. As on June 30, 2015,

we catered to approximately 200 customers domestically. We are constantly striving to increase our customer base and reduce dependence on any particular customer. For further information, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Financial Information*” on pages 170 and 147, respectively.

Established sales, marketing and distribution network across 20 States within India

We have entered into business arrangements with the local companies in regulated and un-regulated markets to grow our distribution network and to strengthen our sales and marketing presence across India. As of March 31, 2015, we had a sales team of approximately 12 people who primarily sold our products to doctors, C & F Agents, Distributors etc in India. As of March 31, 2015, we had a network of approximately 2 clearing and forwarding agents and 35 distributors in India, enabling us to reach a significant number of clinics, individuals and doctors.

Quality Infrastructure to serve regulated markets and manufactures multiple products

Our manufacturing facilities are designed to manufacture a variety of products in the Ayurvedic Medicine segment using a combination of processes. Our facility at Virar, Maharashtra is established as per the industry standards where we can manufacture wide range of products under the same roof. We have already set up systems in the existing business which not only meet the present environment norms but are also geared to face the strict environmental norms and thereby enabling us to leverage newer business opportunities.

Brand Visibility and Loyalty

Ganga Pharma’s complete product range is represented by brand visibility and loyalty. Over the years the credibility of our brands has been reinforced by new and innovative ideas be it in quality, manufacturing and marketing or product communication by the company, which has helped it, retain its identity and strong recall in the clutter of a competitive marketplace.

Quality Management with Pharma domain knowledge and experience

Our Promoter, Managing Director and CEO, Mr. Bharat B Sharma, and our other Promoter and Whole-Time Director, Mrs. Srijna B Sharma, are professionally qualified first generation entrepreneurs with vast experience in production, quality control, procurement of inputs, sales, marketing and finance. Mr. Bharat B Sharma holds a Bachelor’s degree from University of Pune, and Mrs. Srijna B Sharma holds a Masters’ in Science- Analytical and Medicinal Chemistry from University of Mumbai. Both the promoters have been instrumental in driving our domestic operations, quality assurance & expansion and are involved in day to day management of our Company. Other members of our management team include Mr. Sanjay V Kulkarni (Director-Marketing) who is B.Sc having a vast experience of Marketing and Mr. Pravin K Patel (Production Chemist) who is Bachelor of Pharmacy in Ayurved having a vast experience in production of Ayurvedic Medicines. A well qualified team of professionals support our Board.

Locational Advantage and Incentives

Our Unit at Virar, Maharashtra has various Locational Advantages such as:

- It is around 1.5 KM from Virar railway station and 50KM from Mumbai Airport and is well connected by Road to various parts of country;
- Manpower- The skilled manpower is easily available in and around the area where our plant is situated thereby fulfilling our human resource requirements.

Strong Research and Development (R&D)

The Company focuses on ongoing R&D, which helps it to achieve two objectives, products up-gradation and development. Over the years the Company has developed a variety of products on the basis of their continued and in

depth efforts in R & D. The Herbal and Ayurveda centric products of the Company are the examples of this. These range of products are developed after extensive research on Ayurveda coupled with modern scientific practices.

Offer Customized Packaging

The Company has a flexible approach towards packaging. The Company has always customized its packing with a view to suit customer requirements. The Company introduced many of its products in Big Unit Packs (BUP's), like 5000 tablets, 1000 tablets, 1000 liter which helped the Company to create new consumers resulting in an increased market share across various segments.

OUR STRATEGY

Be cost competitive by increasing our capacity to benefit from economies of scale

We intend to be cost effective in our products by scaling up the manufacturing operations and through bulk purchasing of most of the raw materials and further by implementing automation processes.

Increase Market Share in the Domestic Market

We intend to continue to consolidate our position in our key therapeutic areas such as manufacturing and selling diabetes tablets, hair oil, digestion tablets and syrup, joint pain oil and tablets, swine flu tablets, weight management pill and other herbal medicine including vitamins, minerals and nutrients medicines thereby increasing our overall Domestic Market share. We also intend to increasingly focus on ArogyaVardhiniVati, Mahasudarshan Ghan Tablet, MahayograjGuggul, ArogyaVardhiniVati where we believe we have significant growth potential.

We will continue to increase our penetration across India with an increased focus on doctors, clinics, government hospitals and clinics and pharmacy chains as well as in rural and semi-rural parts of India where we believe there is strong potential for our products.

Grow sales in regulated markets through business arrangements

We have a small presence in regulated markets such as the Australia and Mauritius and plan to establish our business presence in Australia and other regulated markets by expanding our sales and distribution network through our business arrangement with the M/s Hindu Foundation.

Focus on increasing market share for certain key and high potential products

Certain of our key products, such as Ampachan Vati Pill, Kesham Hair Oil & Tablets, Madhuna Churna, Asuka Tablet, Ganga Medohar Guggul, Vato Tablets, ChandraprabhaVati Pill, Madhuna-D-Tablet, ArshkutharRas and ArogyaVardhiniVati Tablet have large markets India-wide. Based on our internal management estimates, these products are manufactured in India only by a few companies for the global markets. We plan to focus our sales and marketing efforts on these product groups to capture larger market shares.

We believe we are currently one of the few companies in India that possesses the formulation knowledge to produce classical Ayurvedic medicines. This constitutes a unique competitive advantage domestically and, this gives us a competitive advantage over our Indian competitors. We expect our sales for classical Ayurvedic products to increase significantly.

PROPERTY

The following table sets forth the location and other details of the owned properties of our Company:

Leased Property

Lease Date	Name of the other party	Location	Area	Period	Consideration (Rs.)	
					Rent Amount	Security Deposit
19-02-2015	Mrs. Srijna Bharat Sharma & Mr. Bharat Brijmohan Sharma	1-A,802, N.G. Suncity Phase II, Thakur Village, Kandivali (East), Mumbai 400101.	1,215 Sq. Ft.	11 months; from 19 th Feb., 2015 to 18 th Jan., 2016	Rs. 18,000/- p.m.	-
1-04-2015	Mr. Bharat Brijmohan Sharma	Unit no. 329-A, H. No. 3, Gangatari Dhanvantari Marg, Village Virar (East, Taluka Bassien, District Thane 401305	8,000 Sq. Ft.	20 years; from 1st April 2015 to 31st March, 2035	-	131.00 Lakhs
17-06-2015	Mr. Savitri Brijmohan Sharma	Zubeda Yusuf Manzil, Gopchar Pada, Virar (East) 401305	500 Sq. Ft.	11 months; from 19 th June, 2015 to 16 th May, 2016	Rs. 29,000/- p.m.	-

INSURANCE POLICIES

Policy No	Description/ Property Insured	Expiry date	Sum Assured Amt (Rs. in Crores)	Premium amount	Insurance Company
No.: 14050111150100000095	Standard Fire and Special Perils Policy: Building, plant & machinery, raw material, finished, semi-finished goods packing material Ayurvedic medicine	04-05-2016	2,10,00,000	47,972	The New India Assurance Co. Ltd.

INTELLECTUAL PROPERTY

Our Company has registered its trademarks for our key brands and related products which add significant value and are important to our business. For details on the status of our logo and products registered, refer to the chapter *“Government and Other Approvals”* on page no.185.

FINANCIAL INDEBTEDNESS OF THE COMPANY

THE MALAD SAHAKARI BANK LIMITED; 6, Sujata , 1st Floor , Rani Sati Marg , Malad (East), Mumbai 400097	
Our Term Loan of Rs. 1.50 Crores was <u>modified</u> by The Malad Sahakari Bank Limited vide their agreement dated <u>26th August, 2011</u>. The terms and conditions of the Term Loan mentioned as below:	
Amount of Loan	Rs. 1.50 Crores
Currency	Indian Rupees (INR)
Nature of Facility	Working Capital Term Loan
Purpose	Purchase of new machinery, Renovation of building & Marketing of Products
Margin	Stock: 30%; Book Debts- 40%; Old Plant & Machineries: 40%
Rate of Interest	15%
Repayment	Repayable within 10 years in 120 monthly installments of Rs.2,42,000/- commencing from August 2011,payable before 15th of every month
Security	Hypothecation of Stock, Book debts, old Hypothecation of Plant & Machinery and registered mortgage of Factory, Land & Industrial Bldg, along with plot bearing Survey No. 329/A-3, (pt), Ganga Tat, Dhanvantari MArg, Virar (E), Thane 401303
Additional Security	Registered Mortgage of the Terrace admeasuring 1000 sq. ft. constructed/ standing on a piece & parcel of land bearing Survey No. 329A, Hissa No.3 (Part) situate lying & being at village Virar, Tal: Vasai, Dist.Thane is created to secure the existing limit.
Additional Interest	2.00%
Penal Interest	2.00%

THE MALAD SAHAKARI BANK LIMITED; 6, Sujata , 1st Floor , Rani Sati Marg , Malad (East), Mumbai 400097	
Our Company has been sanctioned Rs. 50.00 Lakhs by way of a)Supplemental Agreement of Loan Against Hypothecation; and b) Deed of Extension of Registered mortgage from The Malad Sahakari Bank Limited vide their agreement dated <u>29th June, 2013</u>. The terms and conditions of the Term Loan mentioned as below:	
Amount of Loan	Rs. 50.00 Lakhs
Currency	Indian Rupees(INR)
Nature of Facility	Cash Credit Limit
Purpose	Working Capital Requirement
Margin	Stock: 30%; Book Debts- 40 %; Old Plant & Machineries: 40%
Rate of Interest	15%
Repayment	Repayable within 10 years in 120 monthly installments of Rs.2,42,000/- commencing from August 2011,payable before 15th of every month
Security	On the hypothecated assets (both present & future) & on the mortgaged property of the company
Additional Security	Registered Mortgage of the Terrace admeasuring 1000 sq. ft. constructed/ standing on a piece & parcel of land bearing Survey No. 329A, Hissa No.3 (Part) situate lying & being at village Virar, Tal: Vasai, Dist.Thane is created to secure the existing limit.
Additional Interest	2.00%
Penal Interest	2.00%

KEY INDUSTRY REGULATIONS AND POLICIES

The business of our Company requires, at various stages, the sanction of the concerned authorities under the relevant Central, State legislation and local bye-laws. The following is an overview of the important laws, regulations and policies which are relevant to our business in India. Certain information detailed in this chapter has been obtained from publications available in the public domain. The description of law, regulations and policies set out below are not exhaustive, and are only intended to provide general information to Bidders and is neither designed nor intended to be a substitute for professional legal advice.

Except as otherwise specified in this Draft Prospectus, taxation statutes such as the Income Tax Act, 1961 and Central Sales Tax Act, 1956, various labor laws and other miscellaneous laws apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. For details of government approvals obtained by us, see the section titled “Government and Other Approvals” beginning on page 185 of this Draft Prospectus.

TRADE AND INDUSTRY RELATED LEGISLATIONS

Drugs & Cosmetics Act, 1940

As per the recommendations of the Mashelkar Committee, the Drugs & Cosmetics Act, 1940 was amended by the Drugs & Cosmetics (Amendment) Act, 2008 for enhancing the penalties in the Drugs & Cosmetics Act, 1940 so as to help tackle the problem of spurious and adulterated drugs. The salient features of the amended provisions of the Drugs & Cosmetics Act, 1940 are as follows:

- a) Maximum penalty life imprisonment and fine of Rs. 10 lakhs or 3 times the value of the confiscated goods, whichever is more.
- b) Some of the offences cognizable and non-bailable;
- c) Besides officers from the Drug Controller’s Office, other gazette officers also authorized to launch prosecution under the Act;
- d) Specially designated courts for trial of offences covered under the Act;
- e) Provision for compounding of minor offences.

Further the act was amended in 2013. The Preamble of the act was amended “To regulate the import, export, manufacture, distribution and sale of drugs, cosmetics and medical devices to ensure their safety, efficacy, quality and conduct of clinical trials and for matters connected therewith or incidental thereto. WHEREAS it is expedient to regulate the import, export, manufacture, distribution and sale of drugs, cosmetics and medical devices to ensure their safety, efficacy, quality and conduct of clinical trials and for matters connected therewith or incidental thereto.” The salient features of the amended provisions of the Drugs & Cosmetics Act, 1940 are as follows:

Insertion of 3 sub-chapters

1. Chapter 1A – Constitution of Central Drugs Authority (expanded multi-level authority)
 - 13 member category Authority including Health & Family Welfare and DCGI;
 - 11 member categories are ex officio;
 - Only 1 category of membership (4 experts) will require relevant expertise;
 - Only 1 category of membership (4 officers) of State Licensing Authorities;
 - These two categories will have a tenure of 3 years; can be re-nominated.
2. Chapter 1B – Clinical Trials (permission & penalties)

- No clinical trial without permission;
 - No person shall initiate or conduct any clinical trial in respect of a new drug or IND or medical device or device IND or cosmetic or BE study of any drug in human subjects without permission by Central Licensing Authority;
 - No person shall initiate or conduct any clinical trial without an Ethics Committee approval;
 - No person shall initiate or conduct any clinical trial before it is registered with the Central Drugs Authority.
3. Chapter IIA – Import, Manufacture, Sale, Distribution and Export of Medical Devices
- Medical device which conforms such standards as may be prescribed;
 - No person shall himself or by any other person on his behalf import, or manufacture for sale or for export, or export any medical device which is not as per the standard quality described in this Chapter;
 - import or manufacture for sale or for export, or export any medical device, except under, and in accordance with the conditions of, a licence or certificate issued by the Central Licensing Authority for the purpose of this Chapter in such manner and on such conditions as may be prescribed;

Drugs & Cosmetics Rules, 1945

The Drugs and Cosmetics Rules, 1945 is an Act of the Parliament of India which contains provisions for classification of drugs under given schedules and there are guidelines for the storage, sale, display and prescription of each schedule. It contains provisions for classification of drugs under given schedules and there are guidelines for the storage, sale, display and prescription of each schedule. The Rule 67 details the conditions of licenses. The Rule 97 contains the labeling regulations. In 2013, rules relating to Clinical Research & Clinical Trial & Good Clinical Practice (GCP) were added. Further in 2015, in Rule 74, 74A, 74B, 78, 78A clause inserted not to advertise drugs specified in Schedule H, Schedule H1 or Schedule X without previous sanction of the Central Government; and Liquid foundation make-up IS 14318, Cold Wax-Hair remover IS 15152, Face pack IS 15153, Kajal IS 15154, Oxidation Hair Dyes (Emulsion type) IS 15205, and Cream Bleach IS 15608 was added in Schedule S.

Drugs & Magic Remedies (Objectionable Advertisements) Acts, 1954

It is an Act of the Parliament of India which controls advertising of drugs in India. It prohibits & controls the advertisements of drugs and remedies that claim to have magical properties, and makes doing so a cognizable offence. The act defines "magic remedy" as any talisman, mantra, amulet or any other object, which is claimed to have miraculous powers to cure, diagnose, prevent or mitigate a disease in humans or animal. It also includes such devices that are claimed to have power to influence structure or function of an organ in humans of animals. The law prohibits advertising of drugs and remedies for

- inducing miscarriage or preventing conception in women
- improving or maintaining the capacity for sexual pleasure
- correction of menstrual disorders
- curing, mitigation, treating, diagnosing or preventing any disease, disorder or condition mentioned in an included schedule

The penalty carries a maximum sentence of 6 months imprisonment with or without fine on first conviction. In case of any subsequent conviction, the term may be up to a year. If the convicted party is a company, all members of the company will be deemed guilty.

The Pharmacy Act, 1948

The Pharmacy Act was enacted on 04/03/1948 by the Indian Parliament to regulate the profession and practice of pharmacy. The Pharmacy Council of India was constituted for framing and implementing the Education Regulations for minimum qualifications required under the Act for a person to get himself / herself registered as a pharmacist. The Pharmacy Council of India after due inspection gives approval to the institutions who conduct courses of Diploma in Pharmacy or Degree in Pharmacy. The Act provides for the constitution of state pharmacy councils for

the maintenance of Registers of Qualified Pharmacists and to prohibit the dispensing of medicine on the prescription of a Medical Practitioner by the persons other than Registered Pharmacists.

Good Manufacturing Practice Guidelines (GMP)

These guidelines are provided under ‘Schedule T’ of Drug and Cosmetic Act, 1940. Good manufacturing practices (GMP) are the practices required in order to confirm the guidelines recommended by agencies that control authorization and licensing for manufacture and sale of food, drug products, and active pharmaceutical products. These guidelines provide minimum requirements that a pharmaceutical or a food product manufacturer must meet to assure that the products are of high quality and do not pose any risk to the consumer or public. Good manufacturing practices, along with good laboratory practices and good clinical practices, are overseen by regulatory agencies in various sectors in India.

Importer Exporter Code

Under the Indian Foreign Trade Policy, 2004, no export or import can be made by a person or company without an Importer Exporter Code number unless such person/company is specifically exempted. An application for an Importer Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce. An Importer Exporter Code number allotted to an applicant is valid for all its branches/divisions/ units/factories.

TAX RELATED LEGISLATIONS

Income Tax Act, 1961

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its —Residential Status‡ and —Type of Income‡ involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 31st October of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Fringe Benefit Tax, Advance Tax, and Minimum Alternative Tax and the like are also required to be complied by every Company.

Value Added Tax (“VAT”) Act and Rules, 2008

The levy of Sales Tax within the state is governed by the Value Added Tax Act and Rules 2008 (—the VAT Act‡) of the respective states. The VAT Act has addressed the problem of Cascading effect (double taxation) that were being levied under the hitherto system of sales tax. Under the current regime of VAT the trader of goods has to pay the tax (VAT) only on the Value added on the goods sold. Hence, VAT is a multi-point levy on each of the entities in the supply chain with the facility of set-off of input tax—that is the tax paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. Only the value addition in the hands of each of the entities is subject to tax. Periodical returns are required to be filed with the VAT Department of the respective States by the company.

Central Sales Tax Act, 1956

In accordance with the Central Sales Tax Act, every dealer registered under the Act shall be required to furnish a return in Form I (Monthly/ Quarterly/ Annually) as required by the State sale Tax laws of the assessee authority together with treasury challan or bank receipt in token of the payment of taxes due.

Customs Act, 1962

he provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get itself registered and obtain an IEC (Importer Exporter Code).

Service Tax (Finance Act, 1994)

In accordance with Rule 6 of Service tax Rules the assessee is required to pay Service tax in TR 6 challan by fifth of the month immediately following the month to which it relates. Further under Rule 7 (1) of Service Tax Rules, the company is required to file a half yearly return in Form ST 3 by twenty fifth of the month immediately following the half year to which the return relates.

INTELLECTUAL PROPERTY RIGHTS LEGISLATIONS

The laws relating to intellectual property will also apply to the Company.

The Trade Marks Act, 1999

The Trade Marks Act, 1999 (“Trademark Act”) governs the statutory protection of trademarks in India. In India, trademarks enjoy protection under both statutory and common law. Indian trademarks law permits the registration of trademarks for goods and services. Certification trademarks and collective marks are also registrable under the Trade Mark Act. An application for trademark registration may be made by any person claiming to be the proprietor of a trademark and can be made on the basis of either current use or intention to use a trademark in the future. The registration of certain types of trademarks is absolutely prohibited, including trademarks that are not distinctive and which indicate the kind or quality of the goods.

Applications for a trademark registration may be made for in one or more international classes. Once granted, trademark registration is valid for 10 years unless cancelled. If not renewed after 10 years, the mark lapses and the registration for such mark has to be obtained afresh.

While both registered and unregistered trademarks are protected under Indian law, the registration of trademarks offers significant advantages to the registered owner, particularly with respect to proving infringement. Registered trademarks may be protected by means of an action for infringement, whereas unregistered trademarks may only be protected by means of the common law remedy of passing off. In case of the latter, the plaintiff must, prior to proving passing off, first prove that he is the owner of the trademark concerned. In contrast, the owner of a registered trademark is prima facie regarded as the owner of the mark by virtue of the registration obtained.

The Patents Act, 1970

The Patents Act, 1970 (‘Patents Act’) is the primary legislation governing patent protection in India. In addition to broadly requiring that an invention satisfy the requirements of novelty, utility and non obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria. The term of a patent granted under the Patents Act is for a period of twenty years from the date of filing of application for the patent. The Patents Act deems that computer programs per se are not ‘inventions’ and are therefore, not entitled to patent protection. This position was diluted by The Patents Amendment Ordinance, 2004, which included as patentable subject matter:

1. Technical applications of computer programs to industry; and
2. Combinations of computer programs with the hardware.

However, the Patents Amendment Act, 2005, does not include this specific amendment and consequently, the Patents Act, as it currently stands, disentitles computer programs per se from patent, may disentitle the said invention to patent protection on grounds of lack of novelty. Under the Patents Act, an invention will be regarded as having ceased to be novel (and hence not patentable), inter alia, by the existence of:

1. Any earlier patent on such invention in any country;
2. Prior publication of information relating to such invention;

3. An earlier product showing the same invention; or
4. A prior disclosure or use of the invention that is sought to be patented.

Following its amendment by the Patents Amendment Act, 2005, the Patents Act permits opposition to grant of a patent to be made, both pre-grant and post-grant. The grounds for such patent opposition proceedings, inter alia, include lack of novelty, inventiveness and industrial applicability, non-disclosure or incorrect mention of source and geographical origin of biological material used in the invention and anticipation of invention by knowledge (oral or otherwise) available within any local or indigenous community in India or elsewhere. The Patents Act also prohibits any person resident in India from applying for patent for an invention outside India without making an application for the invention in India. Following a patent application in India, a resident must wait for six weeks prior to making a foreign application or may obtain the written permission of the Controller of Patents to make foreign applications prior to this six week period. The Controller of Patents is required to obtain the prior consent of the Central Government before granting any such permission in respect of inventions relevant for defense purpose or atomic energy. This prohibition on foreign applications does not apply, however, to an invention for which a patent application has first been filed in a country outside India by a person resident outside India.

Copyright Act, 1957

The Copyright Act, 1957 (“Copyright Act”) protects original literary, dramatic, musical and artistic works, Cinematographic films and sound recordings from unauthorized use of such works. Unlike the case with patents, copyright protects the expressions and not the ideas. There is no copyright in an idea. The object of copyright law is to encourage authors, artists and composers to create original works by rewarding them with exclusive right for a fixed period to reproduce the works for commercial exploitation. Copyrights subsist in following class of works:

- a) Original literary, musical, dramatic and artistic works
- b) Cinematograph films
- c) Sound recordings

Under the copyright law the creator of the original expression in a work is its author who is vested with a set of exclusive rights with respect to the use and exploitation of the work. The author is also the owner of the copyright, unless there is a written agreement by which the author assigns the copyright to another person or entity, such as a publisher, where work is done under a ‘work for hire’ agreement, the copyright vests with the hirer, i.e., the person providing the work. The owner of copyright in a work can assign or license his copyright to any person, such as publisher, under a written agreement. Copyright subsists in a work since the time it comes into being. Therefore, registration of copyright neither creates any rights nor precludes enforcement of the existing ones. However, owing to its evidentiary value, a registered copyright is easier to establish in the court of law. The term of copyright varies across different types of works. In the case of broadcasts, the Act grants “broadcast reproduction rights” to broadcasting organizations which subsist for 25 years.

ENVIRONMENTAL LEGISLATIONS

- Environment Protection Act, 1986;
- Indian Forest Act, 1927
- Wild Life Protection Act, 1972
- Bio-diversity Act, 2002
- Water (Prevention and Control of Pollution) Act, 1974; and
- Air (Prevention and Control of Pollution) Act, 1981.

LABOUR AND ENVIRONMENTAL LEGISLATIONS

Depending upon the nature of the activities undertaken by our Company, applicable labour and environmental laws and regulations include the following:

- Contract Labour (Regulation and Abolition) Act, 1970;
- Factories Act, 1948;
- Payment of Wages Act, 1936;
- Payment of Bonus Act, 1965;
- The Maternity Benefit Act, 1961
- Employees' State Insurance Act, 1948;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- The Industrial Disputes Act, 1947
- Payment of Gratuity Act, 1972;
- Minimum Wages Act, 1948;
- Shops and Commercial Establishments Acts, where applicable;

HISTORY AND CORPORATE STRUCTURE

History of our Company

Our Company was originally incorporated in Mumbai as “Ganga Pharmaceuticals Private Limited” on 11th September, 1989 under the provisions of the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Mumbai. Our Company was converted in to a Public Limited Company and consequently the name was changed to “Ganga Pharmaceuticals Limited” vide fresh certificate of incorporation dated 19th September, 1994 issued by the Registrar of Companies, Mumbai. The CIN No. of the Company is U99999MH1989PLC053392.

Our Company was set up by Late Shri Brijmohan Sharma, a qualified Ayurveda visionary in the year 1974 as a proprietary concern. In the year 1989, the proprietary firm was converted to a Private Limited Company and subsequently converted in to a Public Limited Company as on 19th September, 1994.

Our Company was established as a producer of quality Bulk Ayurvedic Medicines in Mumbai. Apart from manufacturing, the company is also into marketing, distribution of Bulk Ayurvedic Medicines. Under the Management of Late Shri Brijmohan Sharma, the Company had created an exceptional market reputation not only in Mumbai but all over Maharashtra. Initially, the company was manufacturing the following proprietary products:

- 1) Ampachan Vati;
- 2) Khadira Vati;
- 3) Nirmalaya churna

Bearing in mind, the growing demand for the above products and newer products, increasing market share in Bulk Ayurvedic Medicine Sector and need for expertise in the business; Mr. Bharat Brijmohan Sharma, son of Late Shri Brijmohan Sharma took over the business. Being a Bachelor of Pharmacy from Pune University and a technocrat having rich experience in production and management of Ayurvedic unit, he not only extended the business to the neighbouring states but also introduced newer products within the company. As on date the company, it has 230 number of products in its total portfolio.

We have been awarded a G.M.P Certification for following Good Manufacturing Practices under “Revised Schedule T” of Drugs & Cosmetics Rules, 1945 in respect of various categories of Tablets, Pills, Oils, Syrups and Powder based products by Food & Drug Administration, Maharashtra. Further, our company is characterized as Small Scale Industrial Unit by registering with the Directorate of Industries, Maharashtra. For details on the government approvals, please refer to the chapter titled “**Government and Other Approvals**” on page no.185 of this DRHP.

For further details of our Company's activities, services and the growth of our Company, please refer to the chapters titled ‘**Business Overview**’ and ‘**Management's Discussion and Analysis of Financial Conditions and Results of Operations**’ beginning on page no. 98 and 170 respectively of this Draft Prospectus.

The total number of members of our Company as on the date of filing of this Draft Prospectus is 297(Two Hundred Ninety Seven Only). For further details, please refer the chapter titled ‘**Capital Structure**’ beginning on page no. 55 of this Draft Prospectus.

Changes in our Registered Office

Our Company's Registered Office is currently situated at 1-A,802, N.G. Suncity Phase II, Thakur Village, Kandivali (East), Mumbai 400101.

Details of changes in the address of the Registered Office of our Company are set forth as under

Effective Date	From Address	To Address
On Incorporation	-	Gangatata Dhanwantri Marg, Virar (East),

Effective Date	From Address	To Address
		Thane – 401303
01 st September, 2009	Gangatata Dhanwantri Marg, Virar (East), Thane – 401303	1-A,802, N.G. Suncity Phase II, Thakur Village, Kandivali (East), Mumbai 400101

Main Objects of our Company

The object clauses of the Memorandum of Association of our Company enable us to undertake our present activities. The main objects of our Company are:

To take over the existing business of proprietary concern M/S. Ganga Pharmaceuticals with assets, rights, privileges along with liabilities of the above mentioned firm;

To manufacture, prepare, make, produce, refine, distill, import, export, and deal in cosmetics, pharmaceuticals, biological products, medicines, drugs and Ayurvedic medicines used by humans, animals, birds or any other creatures.

Amendments to the MoA of our Company since Incorporation

Since incorporation, the following amendments have been made to the MoA of our Company:

Sr. No.	Changes In M.O.A	Date Of General Meeting; Type of Meeting
1.	Conversion of our Company from Private Limited to a Public Limited Company.	19-09-1994;EGM
2.	Change in Authorized Capital from Rs. 100,000 to Rs. 250,000	31-Mar-1995;EGM
3.	Change in Authorized Capital from Rs. 250,000 to Rs. 5,500,000	18-Dec-1995;EGM

Key Events and Milestones:

The following table sets forth the key events and milestones in the history of our Company, since incorporation:

Year	Event
1993	Expanded the product portfolio to the current portfolio in 20 years
1993	Obtained Import-Export License
2000	Created and Developed Ayurvedic Pharmacopeias- a in-house guideline to be followed from manufacturing stage to packaging stage
2000	Set up full fledged in-house Laboratory with the Manufacturing Unit
2001	Received Good Manufacturing Practice (GMP) Certificate from FDA, Maharashtra
2004	Established C & F depots in West Bengal & Orissa
2009	'High Performance Capability and Moderate Financial Strength' Certificate received from NSIC-CRISIL (valid till 15-12-2010)

Subsidiaries and Holding Company:

Our Company is not a subsidiary of any company. Further, as on the date of this Draft Prospectus our Company does not have any subsidiary company.

Other declarations and disclosures

Our Company is not a listed entity and its securities have not been refused listing at any time by any recognized stock exchange in India or abroad. Further, our Company has not made any Public Issue or Rights Issue (as defined

in the SEBI (ICDR) Regulations) in the past. No action has been taken against our Company by any Stock Exchange or by SEBI. Our Company is not a sick company within the meaning of the term as defined in the Sick Industrial Companies (Special Provisions) Act, 1985. Our Company is not under winding up nor has it received a notice for striking off its name from the relevant Registrar of Companies.

Fund raising through equity or debt:

For details in relation to our fund raising activities through equity and debt, please refer to the chapters titled '*Restated Financial Statement*' and '*Capital Structure*' beginning on page no.147 and 55, respectively, of this Draft Prospectus.

Revaluation of assets:

Our Company has not revalued its assets since its incorporation.

Changes in the activities of Our Company having a material effect

Other than the above, there has been no change in the activities being carried out by our Company during the preceding five years from the date of this Draft Prospectus which may have a material effect on the profits/ loss of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

Injunctions or Restraining Orders:

There are no injunctions/ restraining orders that have been passed against the Company.

Mergers and acquisitions in the history of our Company

There has been no merger or acquisition of businesses or undertakings in the history of our Company.

Defaults or Rescheduling of borrowings with financial institutions/banks:

There have been no Defaults or Rescheduling of borrowings with financial institutions/banks.

Strikes and lock-outs:

Our Company has, since incorporation, not been involved in any labour disputes or disturbances including strikes and lock- outs. As on the date of this Draft Prospectus, our employees are not unionized.

Time and cost overruns in setting up projects:

As on the date of this Draft Prospectus, there have been no time and cost overruns in any of the projects undertaken by our Company.

Number of Shareholder in the Company

As on the date of this Draft Prospectus, the total number of holders of our Equity Shares is 297. For further details of our shareholding pattern, please see '*Capital Structure*' on page no. 55 of this Draft Prospectus.

Shareholders' agreement:

Our Company does not have any subsisting shareholders' agreement as on the date of this Draft Prospectus.

Other Agreements:

Except as mentioned below, Our Company does not have any other agreement as on the date of this Draft Prospectus.

The company has entered into a C & F agreement with M/s Indian Aman Enterprises and M/s Shree Ram Promoters for marketing, distribution and selling of our products in the state of West Bengal and Orissa, respectively. These agreements are valid for a period of 12 months with effect from September 15, 2015 and May 02, 2015 respectively.

Strategic Partners:

Our Company does not have any strategic partner(s) as on the date of this Draft Prospectus.

Financial Partners:

As on the date of this Draft Prospectus, our Company does not have any financial partners.

OUR MANAGEMENT

As per the Articles of Association of our Company, we are required to have not less than 2 Directors and not more than 12 Directors on its Board.

As on date of this Draft Prospectus, our Board consist of 6(Six) Directors. Mr. Bharat Brijmohan Sharma is the Managing Director of our Company. Further, in compliance with the requirements of Clause 52 of the SME Equity Listing Agreement, our Board consist of 3 (three) Independent Directors.

The Board of Directors of our Company

The following table sets forth certain details regarding the members of our Company's Board as on the date of this Draft Prospectus:

Name, Age, Address, Designation/Occupation, Din No. & Nationality	Date Of Appointment & Term Of Office	Qualification	Other Directorships
Mr. Bharat Brijmohan Sharma S/o Late Brijmohan Sharma Age: 51 years Address: 1/A/802,N.G.Sun City Phase-2,Thakur Village, Kandivali(E), Mumbai 400101 Managing Director DIN: 00077026 Nationality: Indian	03-03-2015; Term: 3 years effective from 01-04-2015	B. Pharma	<ul style="list-style-type: none"> ▪ Ganga Ayurved Bhandar (proprietary firm); ▪ Bharat Sharma HUF(proprietary firm);
Mrs. Srijna Bharat Sharma W/o Mr. Bharat Brijmohan Sharma Age: 50 years Address: 1/A/802,N.G.Sun City Phase-2,Thakur Village, Kandivali(E), Mumbai 400101 Whole Time Director DIN: 00078169 Nationality: Indian	03-03-2015; Term: 3 years effective from 01-04-2015	M.Sc	Nil
Mr. Sanjay Vyankatesh Kulkarni S/o Vyankatesh Shyam Kulkarni Age: 61 years Address: Flat No. 9, Manoranjan CHS, Lane No.7, Dahanukar Colony, Kothrud, Pune 411038 Whole Time Director DIN: 00065190 Nationality: Indian	03-03-2015; Term: 3 years effective from 01-04-2015	B. Sc	Nil
Mr. Chetan Bhikhubhai Patel S/o Bhikhubhai Mangabhai Patel Age: 43 years Address: B-205,Arvindo CHS, Sec-9, Charkop, Kandivali (W), Mumbai 400067 Independent Director DIN: 06534475 Nationality: Indian	17-05-2013; change in designation w.e.f. 29-09-2014	B.Com & M. Com	Nil
Mr. Sachin Chandrakant Chavan S/o Chandrakant Shankar Chavan Age: 38 years	17-05-2013; change in designation w.e.f.	B.Com & A.C.A.	Nil

Name, Age, Address, Designation/Occupation, Din No. & Nationality	Date Of Appointment & Term Of Office	Qualification	Other Directorships
Address: Flat No. 9, Manoranjan CHS, Lane No.7, Dahanukar Colony, Kothrud, Pune 411038 Independent Director DIN: 06524382 Nationality: Indian	29-09-2014		
Mr. Harish Bhagwan Talreja S/o Mr. Bhagwan Talreja Age: 67 years Address: 102 Neminath Classic Suncity, Vasai (West), Bassein Road, Vasai, Thane 401202 Independent Director DIN: 07270005 Nationality: Indian	24-08-2015	M.A, MBA, DCE, CAIIB	Nil

Note:

- 1) *None of the above mentioned Directors are on the RBI List of willful defaulters as on the date of this Draft Prospectus.*
- 2) *None of the Promoters, persons forming part of our Promoter Group, our Directors or persons in control of our Company or Our Company are debarred by SEBI from accessing the capital market.*
- 3) *None of the Promoters, Directors or persons in control of our Company, have been or are involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.*

Brief Profile of the Directors of our Company

PROMOTER DIRECTOR

Managing Director- Mr. Bharat Brijmohan Sharma

Mr. Bharat Brijmohan Sharma, the Managing Director of the Company has 25 years of experience in Ayurveda manufacturing, marketing and general administration. He is primarily responsible for general administration and smooth functioning of the Company on daily basis. He has also worked today's marketing the Company's products while his various official trips within India and Aboard. Besides, creating and developing the marketing network for his Company, he had researched on the demand of the Ayurvedic and Herbal medicines within India and Aboard. He was a part of the production department wherein he played an instrumental role in designing various proprietary products for the Company. He holds a Bachelor's degree in Pharmacy from University of Pune.

Whole-Time Director- Mrs. Srijna Bharat Sharma

As a Whole Time Director of the company and Quality Control Manager, her primarily responsibility is to ensure the quality of the products being manufactured. In order ascertain the same, she has written a book called 'Practical Handbook for Testing Ayurvedic Products' which is used internally by the company. She has worked in all departments of instrumental, chemical and microbiological analysis and is familiar with types of instrumental analysis. She has also worked with production department and has good knowledge of manufacturing good with the required standard quality. She possesses a Master degree in Science (Analytical & Medicinal Chemistry) and Post-Graduate Diploma in Analytical Chemistry having 22 years of experience in Ayurveda manufacturing and quality control analysis. Apart from being a business woman, she also professional trains the students of M.Sc. of Mumbai University in operation of Ayurvedic quality control laboratory.

Other Director

Whole-Time Director- Mr. Sanjay Vyankatesh Kulkarni

Mr. Sanjay Vyankatesh Kulkarni, aged 61 years is a Bachelor in Science from Pune University. He started his career in M/s TTK Pharmaceuticals Limited, Chennai wherein he worked as medical representative. In 1987, he joined Ganga Pharma as a Marketing Manager where he is responsible for sales and marketing of the Company's product. He has travelled extensive in India and has good networking with the Ayurved distributors and doctor. He is instrumental in developing vast network of distributors for the company throughout India. Having 33 years of experience in sales & marketing knowledge, he is an asset to the Company.

Independent Director-Mr. Chetan Bhikhubhai Patel

Mr. Chetan Patel, aged 38 is a Post Graduate in Commerce having 15 years of experience in Accounts, Audit and Taxation. Currently, he is working for Chartered Accountant, Mumbai. He also has experience in the field of manufacturing medicine, automobile, garments, electronics sports, and film Production Company.

Independent Director-Mr. Sachin Chandrakant Chavan

Mr. Chavan, aged 43 is a Chartered Accountant is by professional. He specializes in taxation and audit. He has 10 years of experience in CA field. Besides practicing CA, an enthusiastic teacher and with his vast experience, he also teaches, trains and guides aspiring CA students. His vast experience in accounts and audits will benefit our company.

Independent Director-Mr. Harish Bhawgan Talreja

Mr. Talreja, aged 67 is a Post Graduate in English Literature and is currently pursuing his passion of teaching English Literature to students. Besides being a Post Graduate, he has also done his Masters in Business Administration, CAIIB and DCE. Being a qualified banker, he has worked for State Bank of India for 40 years.

Relationship between Directors

Except for Mr. Bharat Brijmohan Sharma and Mrs. Srijna Bharat Sharma being husband-wife; no other directors are related to each other.

Borrowing power of the Board

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum or sums of money for the purposes of our Company.

Pursuant to a resolution passed on September 15, 2015 by our shareholders authorized our Board to borrow from time to time such sums of money as may be required, provided that such amount shall not exceed Rs. 10,24,000.

For further details of the provisions of our Articles of Association regarding borrowing powers, please refer to the section titled '*Main Provisions of the Articles of Association*' beginning on page no.241 of this Draft Prospectus.

Remuneration/ Compensation of our Directors

Set forth below is the remuneration received by our Directors in fiscal 2014.

Sr. No.	Name of Director	Designation	Amt (Rs. In Lakhs)
1.	Mr. Bharat Brijmohan Sharma	Managing Director	1,080,000
2.	Mrs. Srijna Bharat Sharma	Whole Time Director	1,080,000
3.	Mr. Sanjay Vyankatesh Kulkarni	Whole Time Director	204,000
4.	Mr. Chetan Bhikhubhai Patel	Independent Director	-
5.	Mr. Sachin Chandrakant Chavan	Independent Director	-

Sr. No.	Name of Director	Designation	Amt (Rs. In Lakhs)
6.	Mr. Harsih Bhagwan Talreja	Independent Director	-

Terms and conditions of employment of our Managing Director and whole-time Directors

Mr. Bharat Brijmohan Sharma, *Managing Director*

Mr. Bharat Brijmohan Sharma was designated as the Managing Director for a term of three years commencing, w.e.f. April 01, 2015 *vide* a resolution of the Board of Directors dated March 03,2015 which was dully approved by the shareholders *vide* resolution dated April 07, 2015.

Compensation of our Managing Director - As per the approved in the Board Meeting dated March 03,2015 which was dully approved by the shareholders *vide* resolution dated April 07, 2015.

Name	Mr. Bharat Brijmohan Sharma
Designation	Managing Director
Period	3 years
Remuneration	Rs. 1,080,000
Perquisite	Repayment of expenses relating to Conveyance, Telephone, Telefax and other Communication facilities. The salary and perquisites in any financial year shall not exceed the limits prescribed from time to time under Section 196 and 197 of Companies Act,2013 read with Schedule V to the said Act.

Mrs. Srijna Bharat Sharma, *Whole-time Director*

Mrs. Srijna Bharat Sharma was designated as the Whole-time Director for a term of three years commencing, w.e.f. April 01, 2015 *vide* a resolution of the Board of Directors dated March 03,2015 which was dully approved by the shareholders *vide* resolution dated April 07, 2015.

Compensation of our Whole-time Director - As per the approved in the Board Meeting dated March 03,2015 which was dully approved by the shareholders *vide* resolution dated April 07, 2015.

Name	Mrs. Srijna Bharat Sharma
Designation	Whole-time Director
Period	3 years
Remuneration	Rs. 1,080,000
Perquisite	Repayment of expenses relating to Conveyance, Telephone, Telefax and other Communication facilities. The salary and perquisites in any financial year shall not exceed the limits prescribed from time to time under Section 196 and 198 of Companies Act,2013 read with Schedule V to the said Act.

Mr. Sanjay Vyankatesh Kulkarni, *Whole-time Director*

Mr. Sanjay Vyankatesh Kulkarni was designated as the Whole-time Director for a term of three years commencing, w.e.f. April 01, 2015 *vide* a resolution of the Board of Directors dated March 03,2015 which was dully approved by the shareholders *vide* resolution dated April 07, 2015.

Compensation of Whole-time Director - As per the approved in the Board Meeting dated March 03,2015 which was dully approved by the shareholders *vide* resolution dated April 07, 2015.

Name	Mr. Sanjay Vyankatesh Kulkarni
Designation	Whole-time Director
Period	3 years
Remuneration	Rs. 204,000
Perquisite	Repayment of expenses relating to Conveyance, Telephone, Telefax and other

	Communication facilities. The salary and perquisites in any financial year shall not exceed the limits prescribed from time to time under Section 196 and 198 of Companies Act,2013 read with Schedule V to the said Act.
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Non-Executive and Independent Directors

Our independent Directors are not entitled to any sitting fees for attending meetings of the Board, or of any committee of the Board.

Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold qualification shares. As on date of filing of this Draft Prospectus, except the following, none of our Directors hold any Equity Shares of our Company:

Sr. No.	Name of the Directors	Designation	No. of Shares held in our Company	% of pre-Offer paid-up Equity Share Capital
1.	Mr. Bharat B. Sharma	Managing Director	1,283,785	42.26
2.	Mrs. Srijna B.Sharma	Whole Time Director	241,905	7.96
3.	Mr. Sanjay V. Kulkarni	Whole Time Director	-	-
4.	Mr. Chetan B. Patel	Independent Director	-	-
5.	Mr. Sachin C. Chavan	Independent Director	-	-
6.	Mr. Harish B. Talreja	Independent Director	-	-
	TOTAL		1,525,690	50.23

Details of current and past directorship(s) in listed companies whose shares have been / were suspended from being traded on the BSE / NSE and reasons for suspension

None of our Directors is/ was a Director in any listed company during the last five years before the date of filing this Draft Prospectus, whose shares have been/ were suspended from being traded on the BSE and NSE.

Details of current and past directorship(s) in listed companies which have been/ were delisted from the stock exchange(s) and reasons for delisting

None of our Directors is or was a director on any listed companies which have been or were delisted from any stock exchange during the term of their directorship in such companies.

None of our Directors is or was a director of any listed companies during the five years immediately preceding the date of filing of this Draft Prospectus and until date, whose shares have been or were suspended from being traded on any stock exchange during the term of their directorship in such companies.

Interest of Directors

All of our Directors may be deemed to be interested to the extent of fees payable to them (if any) for attending meetings of the Board or a committee thereof as well as to the extent of remuneration payable to them for their services as Managing Director and Whole time Director of our Company and reimbursement of expenses as well as to the extent of commission and other remuneration, if any, payable to them under our Articles of Association. Some of the Directors may be deemed to be interested to the extent of consideration received/ paid or any loans or advances provided to any body corporate including companies and firms, and trusts, in which they are interested as directors, members, partners or trustees.

All our Directors may also be deemed to be interested to the extent of equity shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to our non-promoter Directors, out of the Offer and also to the extent of any dividend payable to them and other distribution in respect of the said equity shares.

The Directors may also be regarded as interested in the equity shares, if any, held or that may be subscribed by and allocated to the companies, firms and trusts, if any, in which they are interested as directors, members, partners, and/ or trustees.

Our Directors may also be regarded interested to the extent of dividend payable to them and other distribution in respect of the equity shares, if any, held by them or by the companies/firms/ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as directors, members, partners and promoters, pursuant to the Offer.

All our Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by the Company with either the Director himself or other company in which they hold directorship or any partnership firm in which they are partners, as declared in their respective declarations.

Interest in promotion of Our Company

Except for, being Promoters and to the extent to remuneration received/ to be received, none of our Directors have any interest in the promotion of our Company.

Interest in the property of Our Company

Our Directors have no interest in any property acquired or proposed to be acquired by our Company in the preceding two years from the date of the Draft Prospectus nor do they have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company.

Interest in the business of Our Company

Further, save and except as stated otherwise in '***Annexure XXVI: Statement of Related Parties' Transactions***' in the chapter titled '***Restated Financial Statement***' beginning on page no.147 of this Draft Prospectus, our Directors do not have any other interests in our Company as on the date of this Draft Prospectus. Our Directors are not interested in the appointment of Underwriters, Registrar and Bankers to the Offer or any such intermediaries registered with SEBI.

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the directors was selected as a director or member of senior management.

Details of Service Contracts

However, there is no service contracts entered into with any Directors for payments of any benefits or amount upon termination of employment. Further, since our Company does not have any subsidiaries or associate companies as on the date of filing of this Draft Red Herring Prospectus, our Directors have received remuneration only from our Company.

Bonus or Profit Sharing Plan for the Directors

There is no bonus or profit sharing plan for the Directors of our Company.

Contingent and Deferred Compensation payable to Directors

No Director has received or is entitled to any contingent or deferred compensation.

Changes in the Board for the last three years

Except as mentioned below, there has been no change in the Board of Directors during the last three (3) years:

Sr. No.	Name	Designation	Date Of Appointment	Date Of Cessation	Remarks
1.	Mr. Bharat Brijmohan Sharma	Managing Director	03-03-2015	-	Appointment as Managing Director
2.	Mrs. Srijna Bharat Sharma	Whole Time Director	03-03-2015	-	Reappointment as Whole time director
3.	Mr. Sanjay Vyankatesh Kulkarni	Whole Time Director	03-03-2015	-	Reappointment as Whole time director
4.	Mr. Chetan Bhikhubhai Patel	Independent Director	17-05-2013	-	Regularized as independent director on 29-09-2014
5.	Mr. Sachin Chandrakant Chavan	Independent Director	17-05-2013	-	Regularized as independent director on 29-09-2014
6.	Mrs. Savitri Brijmohan Sharma	Executive Director	-	13-12-2012	Resigned for personal Reasons
7.	Mr. Harish Bhagwan Talreja	Independent Director	24-08-2015	-	Fresh Appointment

Corporate Governance

The provisions of the listing agreements to be entered into with the Stock Exchanges with respect to corporate governance and the SEBI ICDR Regulations in respect of corporate governance become applicable to our Company at the time of seeking in-principle approval of the Stock Exchanges. Our Company has complied with the corporate governance code in accordance with Clause 52 of such Listing Agreement, particularly those relating to composition of Board of Directors, constitution of committees such as Audit Committee, Remuneration and Shareholder/ Investors Grievance Committee. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas. Further, our Company undertakes to take all necessary steps to comply with all the requirements of Clause 52 of the Listing Agreement to be entered into with the Stock Exchanges.

Composition of Board of Directors

The Board of Directors of our Company has an optimum combination of executive and non-executive Directors as envisaged in Clause 52 of the Listing Agreement. Our Board has six Directors out of which three are Independent Directors in accordance with the requirement of Clause 52 of the Listing Agreement.

In terms of Clause 52 of the Listing Agreement, our Company has constituted the following Committees of the Board:

- 1) Audit Committee,
- 2) Remuneration Committee and
- 3) Shareholders/ Investors Grievance Committee

4) Sexual Harassment Committee

Audit Committee

The Audit Committee was constituted *vide* Board resolution dated August 24,2015. As on the date of this Draft Prospectus the Audit Committee consists of the following Directors:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Chetan B. Patel	Chairman	Non Executive-Independent Director
Mr. Sachin C. Chavan	Member	Non Executive-Independent Director
Mr. Bharat B. Sharma	Member	Managing Director

Set forth below are the scope, functions and the terms of reference of our Audit Committee, in accordance with Section 177 of the Companies Act, 2013 and Clause 52 of the SME Listing Agreement.

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to the statutory auditors for any other services rendered by the statutory auditors.
4. Appointment, removal and terms of remuneration of internal auditor.
5. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference, but not restricted to:
 - (a) Matters required to be included in the Director's Responsibility Statement' to be included in our Board's report in terms of Clause (2AA) of Section 217 of the Companies Act;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to the financial statements;
 - (f) Disclosure of any related party transactions;
 - (g) Qualifications in the draft audit report.
6. Reviewing, with the management, the quarterly financial statements before submission to the board of directors for their approval, including such review as may be required for compliance with provisions of the listing agreement entered into with the Stock Exchanges;
7. Monitoring the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/Draft Prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
8. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
9. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
10. Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors;
11. Discussing with internal auditors on any significant findings and follow up thereon.
12. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
13. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
14. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.To review the functioning of the 'whistle blower' mechanism, when the same is adopted by our Company and is existing.

15. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
16. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and to carry out any other function statutorily required to be carried out by the Audit Committee as per applicable laws;
17. The Audit Committee shall mandatorily review the following information:
 - a) Management discussion and analysis of financial information and results of operations;
 - b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
 - c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d) Internal audit reports relating to internal control weaknesses; and
 - e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
18. Terms of reference, power, quorum and other matters in relation to the Audit Committee will be as per Clause 52 of Listing Agreement

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Audit Committee, reasons for disagreement shall have to be minuted in the Board Meeting and the same has to be communicated to the shareholders. The chairman of the committee has to attend the Annual General Meetings of our Company to provide clarifications on matters relating to the audit.

The Audit Committee is required to meet at least four times in a year and not more than four months will elapse between two meetings. The quorum will be either two members or one third of the members of the Audit Committee whichever is greater, but there should be a minimum of two independent members present.

Remuneration Committee

The constitution of the Remuneration Committee was constituted at a meeting of the Board of Directors held on August 24, 2015.

As on the date of this Draft Prospectus the Remuneration Committee consists of the following Directors:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Sachin C. Chavan	Chairman	Non Executive-Independent Director
Mr. Harish B. Talreja	Member	Non Executive-Independent Director
Mr. Sanjay V Kulkarni	Member	Whole Time Director

The scope of Remuneration Committee shall include but shall not be restricted to the following:

1. To ensure that our Company has formal and transparent procedures for the selection and appointment of new directors to the board and succession plans;
2. to develop and implement a plan for identifying and assessing competencies of directors;
3. to identify individuals who are qualified to become board members, taking into account a variety of factors, including, but not limited to:
 - a) the range of skills currently represented on the board;
 - b) the skills, expertise, experience (including commercial and/or industry experience) and particular qualities that make individuals suitable to be a director of our Company; and/or
 - c) the individual's understanding of technical, accounting, finance and legal matters;
4. to make recommendations for the appointment and removal of directors;
5. ensure that our Company has in place a programme for the effective induction of new directors;
6. to review, on an ongoing basis, the structure of the board, its committees and their inter relationship;

7. to recommend to the Board, the remuneration packages of our Company's Managing / Joint Managing / Deputy Managing / Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
8. to be authorized at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, our Company's policy on specific remuneration packages for Company's Managing / Joint Managing / Deputy Managing / Whole-time / Executive Directors, including pension rights and any compensation payment;
9. to implement, supervise and administer any share or stock option scheme of our Company; and
10. to attend to any other responsibility as may be entrusted by the Board within the terms of reference.

The Remuneration Committee is required to meet at least four times in a year and not more than four months will elapse between two meetings. The quorum will be either two members or one third of the members of the Remuneration Committee whichever is greater, but there should be a minimum of two independent members present.

Shareholders/ Investors Grievance Committee

The Shareholders/ Investors Grievance Committee have been formed by the Board of Directors at the meeting held on August 24, 2015

As on the date of this Draft Prospectus the Shareholders/ Investors Grievance Committee consists of the following Directors:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Harish B. Talreja	Chairman	Non Executive-Independent Director
Mr. Chetan B. Patel	Member	Non Executive-Independent Director
Mr. Bharat B. Sharma	Member	Managing Director

This Committee will address all grievances of Shareholders and Investors in compliance of the provisions of Clause 52 of the Listing Agreements with the Stock Exchange and its terms of reference include the following:

1. Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
2. Redressal of shareholders and investor complaints in relation to transfer of shares, allotment of shares, non-receipts of the refund orders, right entitlement, non-receipt of Annual Reports and other entitlements, non-receipt of declared dividends etc;
3. Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares
4. Issue of duplicate / split / consolidated share certificates;
5. Allotment and listing of shares;
6. Review of cases for refusal of transfer / transmission of shares and debentures;
7. Reference to statutory and regulatory authorities regarding investor grievances;
8. Ensure proper and timely attendance and redressal of investor queries and grievances.
9. To do all such acts, things or deeds as may be necessary or incidental to the exercise of all the above powers.

Sexual Harassment Committee

The Sexual Harassment Committee was constituted by the Board of Directors at the meeting held on August 24, 2015 in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. As on the date of this Draft Prospectus the Sexual Harassment Committee consists of the following Directors:

Name of the Director	Designation in the Committee	Nature of Directorship
Mrs. Srijna B. Sharma	Chairman	Whole-Time Director
Mr. Harish B. Talreja	Member	Non Executive-Independent Director
Mr. Sanjay V. Kulkarni	Member	Whole-Time Director

The scope and function of the Sexual Harassment Committee and its terms of reference shall include the following:

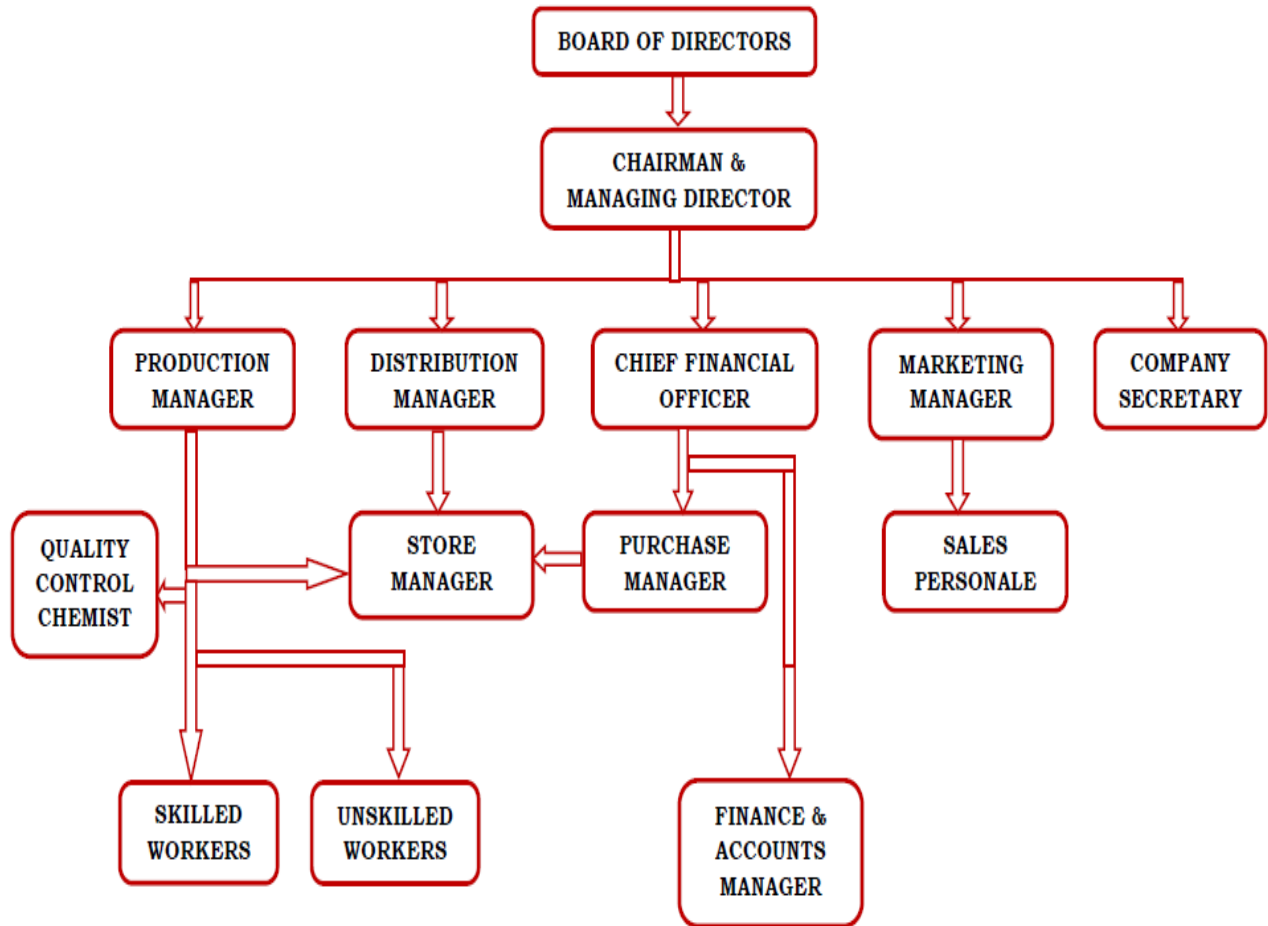
1. To create and maintain an atmosphere in which employees can work together, without fear of sexual harassment, exploitation or intimidation.
2. Every employee is made aware that the Company is strongly opposed to sexual harassment and that such behavior is prohibited both by law and by the Company.
3. The committee shall take reasonable steps to ensure prevention of sexual harassment at work which may include circulating applicable policies and other relevant information to all associates, including to all new joiners'.
4. Ensure to provide safeguards against false or malicious charges.
5. To discourage and prevent employment-related sexual harassment.
6. To investigate every formal written complaint of sexual harassment.
7. Review the complainant's complaint in a fair and objective manner.
8. Determine the facts of the case with the individuals concerned and the witnesses, if any, and prepare a report with the findings.
9. To redress complaints of sexual harassment by taking appropriate remedial measures to respond to any substantiated allegations of sexual harassment.
10. To protect the interests of the victim, the accused person and others who may report incidents of sexual harassment, confidentiality will be maintained throughout the investigatory process to the extent practicable and appropriate under the circumstances.
11. To ensure all records of complaints, including contents of meetings, results of investigations and other relevant material kept are confidential by the Company except where disclosure is required under disciplinary or other remedial processes.
12. Be bound in the principle of natural justice and be unbiased in their evaluation.

The Sexual Harassment Committee is required to meet at least four times in a year and not more than four months will elapse between two meetings. The quorum will be either two members or one third of the members of the Sexual Harassment Committee whichever is greater, but there should be a minimum of two independent members present.

Policy on Disclosures and Internal Procedure for Prevention of Insider Trading

Our Company undertakes to comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 after listing of our Company's shares on the Stock Exchanges. Our Compliance Office, Mr. Bharat B. Sharma, is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of price sensitive information and in the implementation of the code of conduct under the overall supervision of the Board.

ORGANIZATIONAL STRUCTURE OF THE COMPANY



KEY MANAGERIAL PERSONNEL

Our Company is managed by our Board of Directors, assisted by qualified professionals, who are permanent employees of our Company. Below are the details of the Key Managerial Personnel of our Company:

Name	Designation	Age	Qual.	Exp . In Yrs	Date Of Joining	Functional Responsibility	Current CTC (Rs. In Lakhs)	Previously Employed
Mr. Bharat B. Sharma	MD & CEO	51 years	B. Pharm.	25	01.04. 2015	Ensures the smooth functioning of the company on daily basis & looking into the overall functioning of the Company	10.80	-
Mrs. Srijna B. Sharma	WTD	50 years	M.Sc.	22	01.04. 2015	Ensures the quality of the raw material used and finished products	10.80	-
Mr. Sanjay V. Kulkarni	WTD	61 years	B. Sc	33	01.04. 2015	Handles the overall sales and marketing of the company from the start to end	2.04	M/s T.T.K. Pharmaceuticals Limited
Mr. Ganesh J. Paradeshi	CFO	32 years	B.Com	6	13.08. 2015	Manages the Finance and looks into the accounts of the company at every stage	1.80	-
Mr. Pravin Patel	Production Chemist	59 years	B. Pharm.- Ayurved	36	22.03. 2011	Manages, handles and ensuring the production of each product is done as per the formulations laid down by the company	1.20	M/s Baidyanath Ayurved Bhawan &M/s Unjha Pharmacy

Notes:

- All of our Key Managerial Personnel mentioned above are on the payrolls of our Company as permanent employees.
- There is no agreement or understanding with major shareholders, customers, suppliers or others pursuant to which any of the above mentioned personnel was selected as a director or member of senior management.
- Except for Mr. Bharat Brijmohan Sharma and Mrs. Srijna Bharat Sharma being husband wife and existing Promoter of the Ganga Pharma, none of the other Key Managerial Personnel, are "related" to the Promoters or Directors of our Company as defined under the Companies Act.

Bonus and/ or Profit Sharing Plan for the Key Managerial Personnel

Our Company does not have any bonus and/ or profit sharing plan for the Key Managerial Personnel.

Contingent and Deferred Compensation payable to Key Managerial Personnel

None of our Key Managerial Personnel has received or is entitled to any contingent or deferred compensation.

Shareholding of the Key Managerial Personnel

As on date of filing of this Draft Prospectus, except the following, none of our Directors hold any Equity Shares of our Company:

Sr. No.	Name of the Directors	Designation	No. of Shares held in our Company	% of pre-Offer paid-up Equity Share Capital
1.	Mr. Bharat Brijmohan Sharma	Managing Director	1,283,785	42.26
2.	Mrs. Srijna Bharat Sharma	Whole Time Director	241,905	7.96
3.	Mr. Sanjay Vyankatesh Kulkarni	Whole Time Director	-	-
4.	Mr. Chetan C. Chavan	Independent Director	-	-
5.	Mr. Sachin B. Patel	Independent Director	-	-
6.	Mr. Chetan C. Chavan	Independent Director	-	-
	TOTAL		1,525,690	50.23

Interest of Key Managerial Personnel

None of our key managerial personnel has any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business.

Our key managerial personnel may also be deemed to be interested to the extent of Equity Shares that may be subscribed for and allotted to them, pursuant to this Offer. Such key managerial personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

None of our key managerial personnel has been paid any consideration of any nature, other than their remuneration.

Changes in Our Company's Key Managerial Personnel during the last three years

Following have been the changes in the Key Managerial Personnel during the last three years:

Name	Designation	Date Of Appointment	Date Of Cessation	Remarks
Mr. Bharat B. Sharma	MD & CEO	27-07-2015	-	Fresh Appointment
Mrs. Srijna B. Sharma	WTD & Quality Control Manger	01.04. 2015	-	Appointed as Whole Time Director
Mr. Sanjay V. Kulkarni	WTD & Marketing Manager	01.04. 2015	-	Appointed as Whole Time Director
Mr. Ganesh J. Paradeshi	CFO	13-08-2015	-	Fresh Appointment

Scheme of Employee Stock Options or Employee Stock Purchase

Our Company does not have any Employee Stock Option Scheme or other similar scheme giving options in our Equity Shares to our employees.

Employees

As on the date of this Draft Prospectus, our Company has 10 employees including the Managing Director and Whole Time Director. For details of the Employees/ Manpower of our Company, please refer to the paragraph titled 'Manpower' under the chapter titled '*Business Overview*' beginning on page no. 98 of this Draft Prospectus.

Loans to Key Managerial Personnel

There are no loans outstanding against the Key Managerial Personnel as on the date of this Draft Prospectus.

Payment of Benefits to officers of our Company (non-salary related)

Except for the payment of salaries and perquisites and reimbursement of expenses incurred in the ordinary course of business, we have not paid/ given any benefit to the officers of our Company, within the two preceding years nor do we intend to make such payment/ give such benefit to any officer as on the date of this Draft Prospectus.

Retirement Benefits

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company.


Arrangements and Understanding with Major Shareholders

None of our key managerial personnel or Directors has been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

OUR PROMOTERS

The Promoters of our Company are:

A. MR. BHARAT BRIJMOHAN SHARMA


	Pan	AAKPS1394R
	Passport Number	Z1779323
	Nationality	Indian
	Bank A/C Details	State Bank of India; A/C no.: 10649559773
	Address	1/A/802,N.G.Sun City Phase-2,Thakur Village, Kandivali(E), Mumbai 40010
	Other Details - E.C. Voter Id No.;; - Driving License Number	- Mt/09/043/1088286; - Mh04/8643/690

Brief Profile

Mr. Bharat Brijmohan Sharma, the Managing Director of the Company has 25 years of experience in Ayurveda manufacturing, marketing and general administration. He is primarily responsible for general administration and smooth functioning of the Company on daily basis. He has also worked today's marketing the Company's products while his various official trips within India and Aboard. Besides, creating and developing the marketing network for his Company, he had researched on the demand of the Ayurvedic and Herbal medicines within India and Aboard. He was a part of the production department wherein he played an instrumental role in designing various proprietary products for the Company. He holds a Bachelor's degree in Pharmacy from University of Pune.

For further details relating to Mr. Bharat Brijmohan Sharma, including terms of appointment as Managing Director and other directorships, please refer to the chapter titled '*Our Management*' on page no. 125 of this Draft Prospectus.

B. MRS. SRIJNA BHARAT SHARMA

	Pan	AAZPS9276P
	Passport Number	J1712707
	Nationality	Indian
	Bank A/C Details	State Bank of India; A/C No.: 30287020888
	Address	1A, 802- NG Suncity Phase 2,Thakur Village , Kandivali East, Mumbai –400101
	Other Details - E.C. Voter Id No.;; - Driving License Number	- NIL; - Mh02/2000/48084

Brief Profile

Mrs. Srijna Bharat Sharma, the Whole Time Director and Quality Control Manager of the company, is primarily responsibility to ensure the quality of the products being manufactured. In order ascertain the same, she has written a book called 'Practical Handbook for Testing Ayurvedic Products' which is used internally by the company. She has worked in all departments of instrumental, chemical and microbiological analysis and is familiar with types of instrumental analysis. She has also worked with production department and has good knowledge of manufacturing good with the required standard quality. She possesses a Master degree in Science (Analytical & Medicinal Chemistry) and Post-Graduate Diploma in Analytical Chemistry having 22 years of experience in Ayurveda manufacturing and quality

control analysis. Apart from being a business woman, she also professional trains the students of M.Sc. of Mumbai University in operation of Ayurvedic quality control laboratory.

For further details relating to Mrs. Srijna Bharat Sharma, including terms of appointment as Whole Time Director and other directorships, please refer to the chapter titled '*Our Management*' on page no.125 of this Draft Prospectus.

Other Declaration and Confirmations

Our Company hereby confirms that the personal details of our Individual Promoter viz., Permanent Account Number, Passport Number and Bank Account Number have been submitted to BSE, at the time of filing this Draft Prospectus with them.

Our Promoters and Promoter Group Companies have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authorities. None of our Promoters was or also is a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI.

Further, our Promoters have not been identified as a willful defaulter by RBI or any other Government authority and there are no violations of securities laws committed by the Promoters in the past or any such proceedings are pending against the Promoters.

Payment or Benefit to Promoters of Our Company

No payment has been made or benefit given to our Promoters in the two years preceding the date of the DRHP or is intended to be given by us except mentioned / referred to in this Chapter and in page no. 147 under Related Party Transactions, under the Chapter "*Financial Information of our company*" of the DRHP.

COMMON PURSUITS OF OUR PROMOTERS

Our Promoters have promoted our Group entities i.e. M/s. Ganga Ayurved Bhandar and Bharat Sharma HUF, both being proprietorship firm, established with the object to carry on the Ayurvedic medicine retail business of our Company. However, as on the date of this Draft Prospectus, none of the above said entities are involved in providing our Ayurvedic medicine retail business nor are they engaged in any other kind of retail business. Accordingly, our Company has not signed any non-compete or such other agreement / document with such entities. However, we cannot assure that the said entities will not resume their operations by providing similar services nor we can assure that our Promoters who have common interest in such other entities will not favor the interests of the said entities over our interest which may adversely affect our business operations. For details of our Promoter Group and Group Company/entities, please refer to Section titled "*Our Promoter Group and Group Companies / Entities*" on page no.143 of this Draft Prospectus.

INTEREST OF PROMOTERS

Interest in promotion of Our Company

Our Promoters jointly hold 15,25,690 Equity Shares aggregating to 50.23% of pre-Offer Equity Share Capital in our Company and they are interested to the extent that they have promoted our Company and to the extent of their shareholding in our Company & dividend payable thereon, if any. Our Promoters are the Chief Executive Officer & Managing Director and Whole-Time Director of our Company and may be deemed to be interested to the extent of remuneration, as per the terms of their appointment and reimbursement of expenses payable to them or sitting fees paid to them. Our Promoters may be interested to the extent of unsecured loans granted to our Company. Further our Promoters are also interested to the extent of loans, if any, taken by them or their relatives or taken by the companies/ firms in which they are interested as Directors/Members/Partners. Further they may be deemed to be

interested to the extent of transactions carried on / payment made by our Company to the proprietorship firm / partnership firm / companies in which they are Proprietor/ Partner / Promoter and/or Directors. For further details, please refer to section titled “**Related Party Transactions**” on page no. 167 and “**Interest of Directors**” on page no. 129 of this Draft Prospectus.

Interest in the property of Our Company

Except as disclosed in the chapters titled “**Our Business**” and “**Restated Financial Statements – Related Party Transactions**” on page no. 98 and 167 respectively of this Draft Prospectus, our Promoters does not have any interest in any property acquired two years prior to the date of this Draft Prospectus. Further, our Promoters are not currently interested in any transaction with our Company involving acquisition of land, construction of building or supply of any machinery.

Interest as a creditor of Our Company

As on the date of this Draft Prospectus our Company has not availed any secured loan from the Promoters of our Company.

Interest as Director of our Company

Except as stated in ‘**Annexure XXVI: Statement of Related Parties’ Transactions**’ beginning on page no.167 of this Draft Prospectus, our Promoters/ Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or Committees thereof as well as to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of our AoA.

Interest in transactions involving acquisition of land

Our Promoters are not currently interested in any transaction with our Company involving acquisition of land, construction of building or supply of any machinery.

Other Ventures of our Promoters

Except as disclosed in the chapter titled “**Our Group Companies**” beginning on page no.143 of this Draft Prospectus, there are no other ventures of our Promoters in which they have business interests/other interests.

Payment or benefit to Promoters

For details of payments or benefits paid to our Promoters, please refer to the paragraph “**Compensation of our Managing Director**” and “**Compensation of our Whole-Time Director**” in the chapter titled ‘**Our Management**’ beginning on page no. 125 of this Draft Prospectus and as disclosed under ‘**Annexure XXVI: Statement of Related Parties’ Transactions**’ on page no.177 of the chapter titled “**Restated Financial Statement**” beginning on page no.147 of this Draft Prospectus, there has been no payment or benefit to Promoters of our Company.

Related Party Transactions

For details of related party transactions entered into by our Company, please refer to ‘**Annexure XXVI: Statement of Related Parties’ Transactions**’ on page no. 167 of the chapter titled ‘**Restated Financial Statements**’ beginning on page no. 147 of this Draft Prospectus.

Litigation details pertaining to our Promoters

For details on litigations and disputes pending against the Promoters and defaults made by the Promoters please refer to the section titled “**Outstanding Litigations**” beginning on page no.180 of this Draft Prospectus.

OUR PROMOTER GROUP AND GROUP COMPANIES / ENTITIES

In addition to the Promoters named above, the following natural persons are part of our Promoter Group:

1. Natural Persons who are part of the Promoter Group

As per Regulation 2(zb)(ii) of the SEBI (ICDR) Regulations, 2009, the Natural persons who are part of the Promoter Group (due to their relationship with the Promoters), other than the Promoters, are as follows:

Relationship	Mr. Bharat Brijmohan Sharma	Mrs. Srijna Bharat Sharma
Father	Late Brijmohan C. Sharma	Mr. Brahms Shankar Vyas
Mother	Mrs. Savitri Brijmohan Sharma	Mrs. Maya Brahms Shankar Vyas
Spouse	Mrs. Srijna Bharat Sharma	Mr. Bharat Brijmohan Sharma
Brother	-	Mr. Vyanu B. Vyas
Sister	Mrs. Nisha Sharma	-
	Mrs. Usha Shukla	-
Son	Mr. Anagh Bharat Sharma	Mr. Anagh Bharat Sharma
Daughter-in-Law	-	-
Daughter	-	-
Son-in-Law	-	-
Sister-in-law	Mrs. Geeta Vyas	Mrs. Nisha Sharma
	-	Mrs. Usha Shukla
	-	Mrs. Geeta Vyas
Brother-in-law	Mr. S.C. Sharma	Late Mr. Chandrakant Shukla
	Mr. Amit Shukla	-
	Late Mr. Chandrakant Shukla	-

2. Corporate Entities or Firms forming part of the Promoter Group

As per Regulation 2(zb) of the SEBI (ICDR) Regulations, 2009, the following entities would form part of our Promoter Group:

Nature of Relationship	Entity
Any Body corporate in which ten percent or more of the equity share capital is held by the promoters or an immediate relative of the promoters or a firm or HUF in which the promoter or any one or more of his immediate relative is a member.	-
Any Body corporate in which a body corporate as provided above holds ten percent or more of the equity share capital.	-
Any HUF or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than ten percent of the total	M/s Ganga Ayurveda Bhandar(Sole Proprietorship); Bharat Brijmohan Sharma HUF

OUR GROUP COMPANIES / ENTITIES

Details of Group Companies

1. M/S GANGA AYURVED BHANDAR (MR. BRIJMOHAN C SHARMA HUF)

“Ganga Ayurved Bhandar” is a Hindu Undivided Firm wherein Mr. Bharat B. Sharma is the Karta of the Firm. The Firm commenced its activities in F.Y. 1994 and is mainly engaged in retail business of selling Ayurvedic and Herbal Medicines to the consumers directly. The operations of the firm have been closed down w.e.f. June 30, 2015.

2. MR. BHARAT BRIJMOHAN SHARMA HUF

“Bharat B Sharma HUF” is a Hindu Undivided Firm wherein Mr. Bharat B. Sharma is the Karta of the Firm. The Firm commenced its activities in F.Y. 1994. The firm was incorporated keeping in mind the investment activities. However, the HUF does not have any trading activity in connection to Ganga Pharma.

Companies / Firms from which the Promoters have disassociated themselves in last 3 (three) years

Our Promoters have not disassociated themselves from any company in which they were promoters, in last three years.

Sick Companies/ Winding up

No Promoter Group Entities listed above have been declared as a sick company under the Sick Industrial Companies (Special Provisions) Act, 1985. There are no winding up proceedings against any of the Promoter Group Entities.

Negative Net Worth

None of our Promoter Group Companies have negative net worth as on the date of this Draft Prospectus.

Litigation

For details relating to legal proceedings involving our Group Company/Entities, if any, please refer to the chapter titled '*Outstanding Litigations*' beginning on page no. 180 of this Draft Prospectus.

Undertaking / confirmations

None of our Promoters or Promoter Group or Group Companies/entities or person in control of our Company has been

- (i) Prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority; or
- (ii) Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

None of our Promoters, person in control of our Company or have ever been a Promoter, Director or person in control of any other Company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, neither our Promoters, the relatives of our individual Promoters (as defined under the Companies Act) nor our Group Companies /entities have been declared as a wilful defaulter by the RBI or any other government authority and there are no violations of securities laws committed by them or any entities they are connected with in the past and no proceedings for violation of securities laws are pending against them.

Common Pursuits/Conflict of Interest

Except for, M/s. Ganga Ayurved Bhandar and Bharat B. Sharma HUF, none of our Promoter /Group Companies /Entities have any common pursuits. For details please refer to chapter titled “*Our Promoters*” on page no. 140 of this Draft Prospectus.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

For details relating to sales or purchases our Company and any of our Group entities, please refer to ‘*Annexure XXVI: Statement of Related Parties’ Transactions*’ on page no.167 of the chapter titled ‘*Restated Financial Statements*’ beginning on page no. 147 of this Draft Prospectus.

DIVIDEND POLICY

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the Annual General Meeting. The shareholders of our Company have the right to decrease not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has no formal dividend policy. The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or dividend amounts, if any, in the future. Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares. Our Company has not declared any dividends in last 5 fiscal years.

SECTION VII - FINANCIAL STATEMENTS

FINANCIAL INFORMATION

AUDITORS' REPORT

To,
The Board of Directors,
GANGA PHARMACEUTICALS LIMITED
1-A 802, N G Suncity,
Phase 2 Thakur Village,
Kandivali (East),
Mumbai 400101

Sub.: Public Issue of 1,024,000 Equity Shares of face value of Rs. 10.00 each for cash at a price of Rs. 15.00 per Equity Share aggregating Rs. 153.60 Lakhs through the fixed price route

Dear Sir,

We have examined the Restated Summary Financial Statements and Other Financial Information of **Ganga Pharmaceuticals Limited** for each of the five financial years ended March 31, 2010, 2011, 2012, 2013, 2014 and 2015 and 3 months ending June 30, 2015 annexed to this report and initialed by us for identification. The said Restated Summary Financial Statements and Other Financial Information have been prepared for the purposes of inclusion in this Draft Prospectus in connection with the proposed Initial Public Offer (“IPO”) by Offer for Sale of Equity Shares of the Company in accordance with the requirements of:

- a) Sub- Clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 (‘the Act’) read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules (‘the Rules’), 2014.
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (‘the Regulations’) issued by the Securities and Exchange Board of India (‘SEBI’) on August 26, 2009, as amended from time to time in pursuance of Section 30 of the Securities and Exchange Board of India Act, 1992 and related.
- c) The Guidance Note (Revised) on Reports in Company Prospectus and Guidance Note on Audit Reports/ Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India.
- d) The terms of our letter of engagement dated 20th June 2015 where the Company requested us to carry out assignment in connection with this Draft Prospectus being issued by the Company for its proposed IPO.

(A) Restated Summary Financial Statements:

- 1) These Restated Financial information have been extracted by the Management from the financial statements for the year ended March 31, 2011, 2012, 2013, 2014, 2015 and 3 months endings June 30, 2015.
- 2) We have examined the financial information of the Company for the year ended March 31st 2010, 2011, 2012, 2013, 2014 and 3 months endings June 30, 2015 that has been prepared and approved by the Board of Directors for the purpose of disclosure in the Draft Prospectus of the company mentioned in Paragraph (1) above.
- 3) The audit for the financial year ended March 31, 2012, 2013, 2014, 2015 was conducted by **M/s. Amarnath**

Sharma And Co., Chartered Accountants and Audit for the period ended March 31, 2011 was conducted by **M/s. Amar Prashant & Associates**. Chartered Accountants accordingly reliance has been placed on the financial information examined by them for the said years / periods. The financial report included for these years / periods are based solely on the report submitted by them.

The financial information for the above period was examined to the extent practicable, for the purpose of audit of financial information in accordance with the Engagement Standards issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform our audit to obtain reasonable assurance, whether the financial information under examination is free of material misstatement.

In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts of **M/S Ganga Pharmaceuticals Limited**, We, **M/s. SDA & Associates**, Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board' of the ICAI.

Based on the above, we report that in our opinion and according to the information and explanations given to us, we have found the same to be correct and the same have been accordingly used in the restated financial information appropriately.

- 4) Based on our examination and in accordance with the requirements of the Companies Act,2013, the SEBI (ICDR) Regulations and terms of our engagements agreed with you, we further report that;
 - a) The Restated Statement of Assets and Liabilities of the Company as at March 31st 2010, 2011, 2012, 2013, 2014 and 3 months endings June 30,2015 examined by us , are as set out in **ANNEXURE I** to this report after making such material adjustments and regroupings as in our opinion are appropriate and are to be read with the Significant Accounting Policies And Notes along with adjustments on account of change in policies and restatements as appearing in **ANNEXURE IV** to this report;
 - b) The Restated Statement of Profits and/or Loss of the Company as at March 31st 2010, 2011, 2012, 2013, 2014 and 3 months endings June 30,2015 examined by us , are as set out in **ANNEXURE II** to this report after making such material adjustments and regroupings as in our opinion are appropriate and are to be read with the Significant Accounting Policies And Notes along with adjustments on account of change in policies and restatements as appearing in **ANNEXURE IV** to this report;
 - c) The Restated Statement of Cash Flow of the Company as at March 31st 2010, 2011, 2012, 2013, 2014 and 3 months endings June 30,2015 examined by us , are as set out in **ANNEXURE III** to this report after making such material adjustments and regroupings as in our opinion are appropriate and are to be read with the Significant Accounting Policies And Notes along with adjustments on account of change in policies and restatements as appearing in **ANNEXURE IV** to this report.

(Collectively hereinafter referred as “Restated Financial Statements”)

- d) Based on above, we are of the opinion that that the restated financial information have been made after incorporating.
 - (i) Adjustments if any, made for the changes in Accounting Policies and Estimates adopted by the Company with retrospective effect to reflect the significant accounting policies being adopted by Company as on March, 2014 are explained in **ANNEXURE IV** to this report.
 - (ii) The “Restated Summary Financial Statements” have to be read in conjunction with the Statement of Significant Accounting Policies, As Restated given in **ANNEXURE IV** of this report.

- (iii) Amount if any, relating to adjustments for previous years have been identified and adjusted in the statements in the year to which they relate;
- (iv) There are no extra-ordinary items that need to be disclosed separately in the Restated Summary Financial Statements;
- (v) There are no qualifications in auditor's reports for incorrect accounting policies that require Adjustment in the Restated Summary Statements.

(B) Other Financial Information

- 1) We have also examined the following other Restated financial information set out in Annexure prepared by the Management and approved by the Board of Directors relating to the Company as at and for the year ended March 31st 2010, 2011, 2012, 2013, 2014 and 3 months endings June 30,2015.

Annexure V	: Statement of Share Capital and Reserves and Surplus, As Restated
Annexure VI	: Statement of Reserves and Surplus, As Restated
Annexure VII	: Statement of Long Term Borrowing, As Restated
Annexure VIII	: Statement of Short Term Borrowing, As Restated
Annexure IX	: Statement of Deferred Tax (Asset)/Liabilities
Annexure X	: Statement of Long Term Provisions
Annexure XI	: Statement of Trade Payable
Annexure XII	: Statement of Trade Receivables
Annexure XIII	: Statement of Current Liabilities and Short Term Provisions, As Restated
Annexure XIV	: Statement of Fixed Assets
Annexure XV	: Statement of Long –Term Loans And Advances, as restated
Annexure XVI	: Statement of Short Term Loans and Advances, As Restated
Annexure XVII	: Statement of Inventory
Annexure XVIII	: Statement of Other Non- current assets, As restated
Annexure XIX	: Statement of Non-Current Investments, As Restated
Annexure XX	: Statement of Cash and Cash Equivalent
Annexure XXI	: Statement of Other Current Asset
Annexure XXII	: Statement of Other Income
Annexure XXIII	: Statement of Financial Indebtness , As Restated
Annexure XXIV	: Statement of Turnover
Annexure XXV	: Statement of Accounting Ratios
Annexure XXVI	: Statement of Related Parties' Transactions
Annexure XXVII	: Statement of Capitalization
Annexure XXVIII	: Statement of Tax Shelter
Annexure XXIX	: Statement of Contingent Liabilities

- 2) In our opinion the Restated financial information contained in **Annexure I to XXIX** this report read along with the Significant Accounting Policies, Notes to accounts and adjustments on account of change in policies and restatements as appearing in **Annexure IV** to this report along with regroupings as considered appropriate, and have been prepared in accordance with sub- clauses (i) and (iii) of clause (b) of sub-section (1) of section

26 of the Companies Act,2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities)Rules,2014 and the Regulations issued by SEBI.

- 3) This report should not in any way be construed as a re-issuance or re-dating of the previous audit report, nor should this be construed as a new opinion on any of the financial statements referred to herein.
- 4) We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- 5) This report is intended solely for use of the Management and for inclusion in the Offer Document in connection with the proposed IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For SDA & Associates
Chartered Accountants
Firm Registration No.: 120759W

Dayaram Paliwal
Partner
M. No. 109393

Place: Mumbai
Date: September 15, 2015

ANNEXURE – I
RESTATED STATEMENT OF ASSET AND LIABILITIES

Particulars	As on June,2015	For the year ended on March 31				
		2015	2014	2013	2012	2011
I. EQUITY AND LIABILITIES						
Shareholders' Funds						
Share Capital	2,85,75,000	2,32,50,000	2,32,50,000	2,32,50,000	1,92,50,000	1,92,50,000
Reserve And Surplus (excluding Revaluation Reserves, if any)	20,98,194	31,18,641	27,83,620	24,84,133	22,22,561	20,34,835
Money received against share warrants	-	-	-	-	-	-
Share Application Money Pending Allotment	-	-	-	-	-	-
Non Current Liabilities	-	-	-	-	-	-
Long-term Borrowings	1,51,94,224	1,53,27,440	1,49,30,961	1,63,86,686	1,71,94,065	49,83,909
Deferred tax Liabilities (Net)	-	-	-	-	-	-
Other Long Term Liabilities	-	-	-	-	-	-
Long-term Provisions	-	-	-	-	-	-
Current Liabilities						
Short-term Borrowings	63,69,769	61,17,814	57,81,216	-	15,18,639	1,46,54,519
Trade Payables	6,10,452	43,46,755	38,12,620	48,87,955	36,41,520	31,79,844
Other Current Liabilities	33,667	13,79,289	5,73,730	5,67,890	3,06,974	2,38,657
Short-term Provisions	5,04,335	3,62,992	2,97,488	2,18,491	1,12,243	1,07,853
TOTAL	5,33,85,641	5,39,02,931	5,14,29,635	4,77,95,155	4,42,46,002	4,44,49,617
II. Asset						
Non Current Asset						
Fixed Asset						
(i) Tangible Asset	64,27,554	65,29,697	65,31,673	66,17,657	53,58,546	56,10,334

(ii) Intangible Asset	-	-	-	-	-	-
(iii) Capital Work-In-Progress	-	-	-	-	-	-
(iv) Intangible Asset Under Development	-	-	-	-	-	-
Non Current Investment	5,42,500	5,42,500	5,42,500	92,500	92,500	6,000
Deferred tax Asset (Net)	70,354	76753	1,38,059	2,20,953	2,90,071	3,45,016
Long-term Loan and Advances	1,44,29,861	1,37,82,119	1,43,82,793	1,40,88,003	1,32,65,476	1,63,98,376
Other Non Current Asset	92,58,513	92,78,513	72,62,479	59,34,692	46,00,000	-
Current Asset						
Current Investment	-	-	-	-	-	-
Inventories	1,06,11,451	1,05,37,204	1,12,58,402	1,01,53,308	98,49,342	76,26,994
Trade Receivables	83,34,062	73,05,683	69,38,017	64,58,849	90,54,038	1,09,20,140
Cash and Cash Equivalent	8,12,966	20,23,515	17,46,833	18,50,927	5,06,951	9,12,247
Short-term Loan and Advances	28,98,380	38,26,947	26,28,878	23,78,266	12,29,078	11,65,002
Other Current Asset	-	-	-	-	-	14,65,508
Total	5,33,85,641	5,39,02,931	5,14,29,635	4,77,95,155	4,42,46,002	4,44,49,617

ANNEXURE – II
RESTATED STATEMENT OF PROFIT AND LOSS

Particulars	As on June 30, 2015	For the year ended March 31				
		2015	2014	2013	2012	2011
Revenue from Operations	65,56,054	2,69,47,448	2,66,21,105	2,30,99,741	1,94,54,026	1,86,00,573
Other Income	31,250	17,23,298	14,61,615	4,83,241	2,45,667	1,08,926
Total Revenue	65,87,304	2,86,70,746	2,80,82,720	2,35,82,982	1,96,99,693	1,87,09,499
Expenses:						
Cost of Material Consumed	27,00,794	1,33,32,420	1,32,11,748	1,16,56,040	71,68,187	74,17,595
Purchase of Stock in Trade	-	-	-	-	-	-
Changes in inventories of finished goods, WIP and Stock in Trade	-	-	-	-	-	-
Employee benefits expenses	1,88,368	14,89,716	16,93,065	16,87,077	16,88,225	16,63,115
Finance Costs	7,83,582	33,05,974	29,78,454	29,22,293	29,36,626	28,46,514
Depreciation and amortization expense	1,02,142	3,77,128	3,22,296	2,99,864	2,79,738	3,24,494
Other expenses	23,13,787	96,75,884	94,43,745	66,37,946	73,23,822	63,28,261
Total Expenses	60,88,673	2,81,81,122	2,76,49,309	2,32,03,219	1,93,96,598	1,85,79,980
before exceptional and extraordinary items and tax (A-B)	4,98,631	4,89,624	4,33,411	3,79,762	3,03,095	1,29,519
Exceptional/Prior Period items						
Profit before extraordinary items and tax	4,98,631	4,89,624	4,33,411	3,79,762	3,03,095	1,29,519
Profit Before Tax	4,98,631	4,89,624	4,33,411	3,79,762	3,03,095	1,29,519
Provision for Tax						
- Current Tax	1,47,678	93,297	51,030	49,072	60,424	26,660
- Deferred Tax Liability / (Asset)	6,399	61,306	82,894	69,118	54,945	75,453
Restated profit after tax for the period from continuing operations	3,44,554	3,35,021	2,99,487	2,61,572	1,87,725	27,406

**ANNEXURE –III
RESTATED CASH FLOW STATEMENT**

Particulars	As on June 30, 2015	For the year ended March 31				
		2015	2014	2013	2012	2011
CASH FLOW FROM OPERATING ACTIVITIES						
Net Profit before tax	4,98,631	4,89,624	4,33,411	3,79,762	3,03,095	1,29,519
Adjustment for :	-	-	-	-	-	-
Less Profit on sale of fixed asset	-	-	-	-	-	-
Less Interest Income	-	-	-	-	-	-
Add Contribution for Gratuity & Leave Encashment	-	-	-	-	-	-
Add Proposed Dividend (Including Dividend Distribution Tax)	-	-	-	-	-	-
Add Depreciation	1,02,142	3,77,128	3,22,296	2,99,864	2,79,738	3,24,494
Add Interest Expenses	-	-	-	-	-	-
Operating profit before working capital changes	6,00,773	8,66,752	7,55,707	6,79,626	5,82,833	4,54,013
Adjustment for :						
(Increase)/Decrease in Trade Receivable	(10,28,379)	(7,43,578)	(4,79,169)	25,95,189	18,66,101	82,72,482
(Increase)/Decrease in Inventories	-	-	-	-	-	-
(Increase)/Decrease in Short-term Loan and Advances	9,28,567	(4,36,958)	(2,50,612)	(11,49,188)	14,01,432	9,08,047
(Increase)/Decrease in Long-term Loan and Advances	-	-	-	-	-	-
(Increase)/Decrease in Other Current Asset	(74,247)	7,21,198	(11,05,093)	(3,03,966)	(22,22,348)	(49,58,963)
(Increase)/Decrease in Trade Payables	(37,36,303)	(2,26,976)	(10,75,335)	12,46,436	4,61,676	(65,38,207)
(Increase)/Decrease in Provisions	-	-	-	-	-	-
(Increase)/Decrease in Other Current Liabilities	(12,04,279)	25,91,694	84,837	3,67,164	72,707	(2,47,502)
(Increase)/Decrease in Short-term Borrowings	-	-	-	-	-	-
Net Adjustments	-	-	-	-	-	-
Cash generated from / (used in) operations	(45,13,868)	27,72,132	(20,69,665)	34,35,261	21,62,401	(21,10,130)
Income Tax Paid (Net)	(1,47,678)	(93,297)	(51,030)	(49,072)	(60,424)	(26,660)

Net cash generated from /(used in) operating activities - (A)	(46,61,546)	26,78,835	(21,20,695)	33,86,189	21,01,977	(21,36,790)
CASH FLOW FROM INVESTING ACTIVITIES						
Purchase of tangible fixed assets	-	(3,75,153)	(2,36,312)	(15,58,976)	(27,950)	--
Purchase of Investments	-	-	(4,50,000)	-	(86,500)	(3,266)
Sale of tangible fixed assets	-	-	-	-	-	2,28,247
Others	(6,27,742)	(14,15,360)	(16,22,577)	(21,57,219)	(14,67,100)	
Net cash (used in) Investing Activities - (B)	(6,27,742)	(17,90,513)	(23,08,889)	(37,16,195)	(15,81,550)	2,24,981
CASH FLOW FROM FINANCING ACTIVITIES						
Repayment of Long Term borrowings	-	-	-	-	-	-
Process from Issue of Share Capital (including Share Premium)	39,60,000	-	-	40,00,000	-	6,80,000
Increase/ (Decrease) in Secured Loans	1,18,739	(6,11,642)	43,25,491	(23,26,018)	(9,25,724)	25,005
Increase/ (Decrease) in Unsecured Loans	-	-	-	-	-	6,14,916
Share Issue Expenses	-	-	-	-	-	(7,93,926)
Interest Income	-	-	-	-	-	-
Interest Paid	-	-	-	-	-	-
Dividend Paid (Including Dividend Distribution Tax)	-	-	-	-	-	-
Net cash (used in) / from financing activities- (C)	40,78,739	(6,11,642)	43,25,491	16,73,982	(9,25,724)	5,25,995
Net Increase /(decrease) in Cash & Cash Equivalents (A+B+C)	(12,10,549)	2,76,681	(1,04,093)	13,43,976	(4,05,296)	(13,85,814)
Cash and cash equivalents at the beginning of the year	20,23,515	17,46,834	18,50,927	5,06,951	9,12,247	22,98,061
Cash and cash equivalents at the end of the year	8,12,966	20,23,515	17,46,834	18,50,927	5,06,951	9,12,247
Note:-	For the Period/Year ended					
1. Components of cash and cash equivalents:						
Particulars	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011	
Cash on hands	19,46,715	13,29,162	17,89,813	2,74,225	9,03,791	
Balances with Banks						
(i) In current accounts	76,800	4,17,672	61,115	2,32,726	8,456	
(ii) In fixed deposit accounts						

Total Cash and Cash Equivalents	20,23,515	17,46,834	18,50,928	5,06,951	9,12,247
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1. The Cash Flow Statements has been prepared under indirect method as set out in Accounting Standard - 3 on Cash Flow Statement, specified under the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act,2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules,2014).

2. Figures in Brackets represents outflow.

3. The above statement should be read with significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing IV, I and II.

ANNEXURE-IV

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNT TO THE RESTATED SUMMARY STATEMENTS

(A) NOTES ON ADJUSTMENTS MADE TO THE FINANCIAL STATEMENTS

1) Changes in Accounting Policies in the years/periods covered in the Restated Financials

There is no change in significant accounting policies during the reporting period except as and when Accounting Standards issued by the Institute of Chartered Accountants of India / companies (Accounting Standard) Rules 2006 were made applicable on the relevant dates.

2) Non-adjustment Items:

No audit qualifications for the respective periods which require any corrective adjustment in these Restated Financial Statements of the Company have been pointed out during the last five years.

3) Material Regroupings:

Appropriate adjustments have been made in the restated summary statements of Assets and Liabilities Profits and Losses and Cash flows wherever required by reclassification of the corresponding items of income expenses assets and liabilities in order to bring them in line with the requirements of the SEBI Regulations.

4) The Company does not possess information as to which of its supplier are Micro small and Medium Enterprise registered under The Micro small and Medium Enterprise Development Act 2006. Consequently the liability, if any, of interest which would be payable under The Micro small and Medium Enterprise Development Act 2006, cannot be ascertained. However, the Company has not received any claims in respect of such interest and as such, no provision has been made on the books of accounts.

5) Other figures of the previous years have been regrouped / reclassified and / or rearranged wherever necessary.

6) The balance of Sundry Creditors, Sundry Debtors, Loans Advances, are subject to confirmation and reconciliation.

7) Contingent liabilities

There are Contingent Liabilities of Civil Suit No. 241 of 2009: Dispute of Security Deposit refund & outstanding amount payable by the Debtor RS. 2,36,000/- as of 30th June 2015.

(B) SIGNIFICANT ACCOUNTING POLICIES:

1) Basis of Preparation of Financial Statements

The financial statements are prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and the requirements of the Companies Act, 1956 (up to March 31, 2014), and notified sections, schedules and rules of the Companies Act 2013 (with effect from April 01, 2014), including the accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014).

2) Use of Estimates

The preparation of financial Statement conformity with Generally Accepted Accounting Principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported

amount of income and expenses during the year. The Management believes that the estimates, used in preparation of the financial statements are prudent and reasonable. Differences between actual results and estimates are recognized in the period in which the results are known / materialized.

3) Inventories

Inventories are measured at the lower of cost and net realizable value. Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present condition and location. Costs of materials are determined by the FIFO method.

4) Depreciation and Amortization

Depreciation on fixed assets is provided to the extent of depreciable amount on written down value method (WDV) at the rates and in the manner prescribed in schedule XIV to the Companies Act, 2013 over their useful life.

5) Revenue Recognition

Income is recognized and accounted for on accrual basis. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Sale is recognized on dispatch to goods from point of sales. Sales are recorded net of sales returns, sales tax/VAT, cash and trade discounts. Other income is accounted for on accrual basis in accordance with Accounting Standards (AS) 9- "Revenue Recognition".

6) Fixed Assets

Tangible Fixed Assets: Tangible Fixed Assets are stated in the Balance Sheet at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

Intangible Fixed Assets: Intangible assets are stated at cost less accumulated amount of amortization.

7) Current Assets, Loans & Advances

In the opinion of the Board of Directors and to the best of its knowledge and belief, the value on realization of current assets in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet and repayable on demand.

8) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

9) Employees Benefits

Employee Benefits such as salaries, allowances, non-monetary benefits and employee benefits are charged as expense to the profit and loss account in the period in which the service is rendered.

10) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as Current Investments. All other investments are classified as Long Term Investments. *Current investments are carried at lower of cost and quoted/fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in nature.*

11) Operating Leases

Assets acquired on lease wherein significant portion of risks and rewards of ownership are retained by the Lessor are classified as operating leases. Lease rentals paid for such leases are recognized as an expense on systematic basis over the term of lease.

12) Earnings per share

The Company reports basic and diluted Earnings per Share (EPS) in accordance with Accounting Standard 20 on Earnings per Share. Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

13) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. All other borrowing costs are charged to revenue.

14) Preliminary Expenses

Preliminary expenses are amortized as per applicable income tax rules.

15) Impairment of Assets

An asset is considered as impaired in accordance with Accounting Standard 28 on Impairment of Assets when at the balance sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists the recoverable amount is reassessed and the assets is reflected at the recoverable amount.

16) Taxes on income

Tax expenses for the year comprise of current tax and deferred tax.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognized unless there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

17) Contingent Liabilities & Provisions

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Contingent liabilities, if any are disclosed in the Notes. Contingent Liability is disclosed for:

- a. Possible obligation which will be confirmed only by future events not wholly within the control of the company; or

- b. Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

**ANNEXURE V
STATEMENT OF SHARE CAPITAL AND RESERVES AND SURPLUS, AS RESTATED**

Particulars	As on June 30, 2015	For the year ended March 31				
		2015	2014	2013	2012	2011
Share Capital						
Authorized Share Capital	5,50,00,000	5,50,00,000	5,50,00,000	5,50,00,000	5,50,00,000	5,50,00,000
Share Capital						
Issued, Subscribed and Paid up Share Capital of Rs. 10 each fully paid up	3,03,75,000	2,32,50,000	2,32,50,000	2,32,50,000	1,92,50,000	1,92,50,000
Less: Calls-in-arrears	18,00,000	-	-	-	-	-
Total	2,85,75,000	2,32,50,000	2,32,50,000	2,32,50,000	1,92,50,000	1,92,50,000

**ANNEXURE VI
STATEMENT OF RESERVES AND SURPLUS, AS RESTATED**

Particulars	As on June 30, 2015	For the year ended March 31				
		2015	2014	2013	2012	2011
Profit / (Loss) Brought Forward	31,18,640	27,83,620	24,84,133	22,22,561	20,34,835	20,07,429
Add: Restated Profit / (Loss) for the Year	3,44,554	3,35,021	2,99,487	2,61,572	1,87,726	27,406
Profit / (Loss) Carried Forward		-	-	-	-	-
Less: Bonus	23,25,000	-	-	-	-	-
Reserves & Surplus	20,98,194	31,18,641	27,83,620	24,84,133	22,22,561	20,34,835

**ANNEXURE VII
STATEMENT OF LONG TERM BORROWING, AS RESTATED**

Particulars	As on June 30, 2015	For the year ended March 31				
		2015	2014	2013	2012	2011
Secured:						
Term Loan from Banks	1,31,87,177	1,31,00,455	1,28,81,084	1,39,86,247	1,47,53,027	34,65,295.
Loan from Financial Institutions	-	-	-	-	-	-
Unsecured:						
Loan from Promoters/Directors/Related Parties	3,09,000	1,52,996	1,68,639	1,24,876	8,03,349	1,68,614
Loan from Financial Institutions	16,98,047	17,73,988	12,31,238	16,25,563	12,87,689	10,00,000
Loan From Others	-	3,00,000	6,50,000	6,50,000	3,50,000	3,50,000
Total	1,51,94,224	1,53,27,440	1,49,30,961	1,63,86,686	1,71,94,065	49,83,909

**ANNEXURE VIII
STATEMENT OF SHORT TERM BORROWING, AS RESTATED**

Particulars	As on June 30, 2015	For the year ended March 31				
		2015	2014	2013	2012	2011
Secured:						
Working Capital Loan from Banks	63,69,769	61,17,814	57,81,216	-	15,18,639	1,46,54,519
Other Loans	-	-	-	-	-	-
Unsecured:						
Loan from Directors & Relatives	-	-	-	-	-	-
Other Loans	-	-	-	-	-	-
Total	63,69,769	61,17,814	57,81,216	-	15,18,639	1,46,54,519

**ANNEXURE IX
STATEMENT OF DEFERRED TAX (ASSET)/LIABILITIES**

In view of the Accounting Standard 22 issued by Institute of Chartered Accountants of India, the significant component and classification of deferred tax liability/asset because of timing difference comprises of the following:

Particulars	As on June 30, 2015	For the year ended March 31				
		2015	2014	2013	2012	2011
Balance of Deferred Tax (Asset)/ Liability	76,752.84	(1,38,059.00)	(2,20,953.00)	(2,90,071.00)	(3,45,016.00)	(4,20,469.00)
(DTA)/DTL on Depreciation	6,398.64	61,306	82,894	69,118	54,945	75,453
Tax Liability / (Asset)	70,354.20	(76,753.00)	(1,38,059.00)	(2,20,953.00)	(2,90,071.00)	(3,45,016.00)

**ANNEXURE X
STATEMENT OF LONG TERM PROVISIONS**

Particulars	As on June 30, 2015	For the year ended March 31				
		2015	2014	2013	2012	2011
Provision for Employee Benefits						
		Nil				
Total						

**ANNEXURE XI
STATEMENT OF TRADE PAYABLE**

Particulars	As on June 30, 2015	For the year ended March 31				
		2015	2014	2013	2012	2011
Trade Payable						
Micro, Small and Medium Enterprises	-	-	-	-	-	-
For Goods & Services	6,10,452	43,46,755	38,12,620	48,87,955	36,41,519	31,79,844
Total	6,10,452	43,46,755	38,12,620	48,87,955	36,41,519	31,79,844

**ANNEXURE XII
STATEMENT OF TRADE RECEIVABLES**

Particulars	As on June 30, 2015	For the year ended March 31				
		2015	2014	2013	2012	2011
(A) Unsecured, Considered good outstanding for a period less than six months						
Others	-	44,36,735	61,86,193	60,51,545	77,73,911	94,53,597
Amount due from Promoter/Group Companies and Directors	-	-	7,51,824	4,07,304	12,80,127	14,66,542
(B) Unsecured, Considered good outstanding for a period more than six months						
Others	83,34,062	-	-	-	-	-
Amount due from Promoter/Group Companies and Directors	-	28,68,948	-	-	-	-
Total	83,34,062	73,05,683	69,38,017	64,58,849	90,54,038	1,09,20,139

**ANNEXURE XIII
STATEMENT OF CURRENT LIABILITIES AND SHORT TERM PROVISIONS, AS RESTATED**

Particulars	As on June 30, 2015	For the year ended March 31				
		2015	2014	2013	2012	2011
<u>Other Current Liabilities</u>						
Salary Payable	-	-	-	-	-	-
Auditors Remuneration Payable	-	-	-	-	-	-
Others Payable		14,62,965	7,10,512	6,75,660	3,56,093	3,19,150
Advance from Customers						
Statutory Dues:-		25,493	180	1,225	2,700	700
Sales Tax Payable	-	-	-	-	-	-
TDS Payable	33,667	-	-	-	-	-
Sub Total (A)	33,667	14,88,458	7,10,692	6,76,885	3,58,793	1,31,193
<u>Provisions</u>						
Provision for Taxation	5,04,335	2,53,823	1,60,526	1,09,496	60,424	26,660
Sub Total (B)	-	2,53,823	1,60,526	1,09,496	60,424	26,660
Total (A+B)	5,38,002	17,42,281	8,71,218	7,86,381	4,19,217	3,46,510

**ANNEXURE XIV
STATEMENT OF FIXED ASSETS**

Particulars	As on June 30, 2015	For the year ended March 31				
		2015	2014	2013	2012	2011
Tangible Assets						
Plant and Machinery	23,68,454	29,10,317	28,57,402	29,10,872	18,69,988	19,88,942
Vehicles	-	-	-	-	-	-
Furniture & Fixture	88,627	91,852	72,610	35,121	35,647	51,416
Office Equipment and Other Electrical Fittings	20,084	92,088	1,23,537	1,45,944	1,68,351	1,90,758
Room & Factory Land & Building	39,36,317	34,19,082	34,51,918	35,17,722	32,80,689	33,36,643
Computers	14,072	16,358	26,204	7,998	3,870	42,573
Total Tangible Assets	64,27,554.46	65,29,697	65,31,671	66,17,657	53,58,545	56,10,334
Intangible Assets	-	-	-	-	-	-
Capital Work-in- Progress	-	-	-	-	-	-
Intangible Assets under development	-	-	-	-	-	-
Total	64,27,554.46	65,29,697	65,31,671	66,17,657	53,58,545	56,10,334

**ANNEXURE XV
STATEMENT OF LONG –TERM LOANS AND ADVANCES, AS RESTATED**

Particulars	As on June 30, 2015	For the year ended March 31				
		2015	2014	2013	2012	2011
Unsecured, Considered Good unless otherwise stated						
Security Deposit	1,32,65,476	1,32,65,476	1,37,65,476	1,32,65,476	1,31,00,000	1,31,00,000
Other Advances	11,64,385	5,16,643	6,17,317	8,22,527		
Loans & Advance to related Parties	-	-	-	-	-	-
Total	1,44,29,861	1,37,82,119	1,43,82,793	1,40,88,003	1,32,65,476	1,63,98,376

**ANNEXURE XVI
STATEMENT OF SHORT TERM LOANS AND ADVANCES, AS RESTATED**

Particulars	As on June 30, 2015	For the year ended March 31				
		2015	2014	2013	2012	2011
Advances given to staff	-	4,20,342	1,40,127	1,69,086	1,04,571	65,002
Balance with Revenue Authorities	3,39,344	3,39,344	2,63,398	1,09,180	24,507	-
Other Advances	-	1,39,483	1,25,353	-	-	-
Advance to Suppliers	25,59,036	29,27,778	28,61,111	21,00,000	11,00,000	11,00,000
Total	28,98,380	38,26,947	26,28,878	23,78,266	12,29,078	11,65,002

**ANNEXURE XVII
STATEMENT OF INVENTORY**

Particulars	As on June 30, 2015	For the year ended March 31				
		2015	2014	2013	2012	2011
Finished Goods	82,21,738	82,19,948	77,12,876	81,86,998	46,71,072	44,65,593
Packing Material	-	8,33,864	14,16,793	9,20,845	14,92,889	11,26,629
Raw Material	-	6,28,101	11,46,037	4,12,209	29,19,528	13,62,027
Work In Process	-	8,55,291	9,82,696	6,33,256	7,65,853	6,72,745
Stock on Consignment	23,69,713	-	-	-	-	-
Total	1,06,11,451	1,05,37,204	1,12,58,402	1,01,53,308	98,49,342	76,26,994

**ANNEXURE XVIII
STATEMENT OF OTHER NON- CURRENT ASSETS, AS RESTATED**

Particulars	As on June 30, 2015	For the year ended March 31				
		2015	2014	2013	2012	2011
Vinay Overseas Corp	90,58,443	66,08,443	46,23,445	59,34,692	46,00,000	-
Khetan Exim Pvt Ltd.	2,00,070	26,70,070	26,39,034	-	-	-
Total	92,58,513	92,58,513	72,62,479	59,34,692	46,00,000	-

**ANNEXURE XIX
STATEMENT OF NON- CURRENT INVESTMENTS, AS RESTATED**

Particulars	As on June 30, 2015	For the year ended March 31				
		2015	2014	2013	2012	2011
Shares with Co-op Bank	5,42,500	5,42,500	5,42,500	92,500	92,500	6,000
Total	5,42,500	5,42,500	5,42,500	92,500	92,500	6,000

**ANNEXURE XX
STATEMENT OF CASH AND CASH EQUIVALENT**

Particulars	As on June 30, 2015	For the year ended March 31				
		2015	2014	2013	2012	2011
Cash in Hand (As Certified Management)	7,06,214	19,46,715	13,29,162	17,89,813	2,74,225	9,03,791
Balances with Banks						
- In Current Accounts	1,06,752	76,800	4,17,672	61,115	2,32,726	8,456
-In Bank Deposits (Bank Deposit includes securities given against Bank Borrowing and Bank Guarantee)	-	-	-	-	-	-
Total	8,12,966	20,23,515	17,46,834	18,50,928	5,06,951	9,12,247

**ANNEXURE XXI
STATEMENT OF OTHER CURRENT ASSET**

Particulars	As on June 30, 2015	For the year ended March 31				
		2015	2014	2013	2012	2011
NIL						

**ANNEXURE XXII
STATEMENT OF OTHER INCOME**

Particulars	As on June 30, 2015	For the year ended March 31				
		2015	2014	2013	2012	2011
Interest Income		17,23,298	7,39,977	-	-	-
Consultancy Income		-	-	-	-	-
Other Income		-	7,21,638	4,83,241	2,45,667	1,08,926
Total		17,23,298	14,61,615	4,83,241	2,45,667	1,08,926

**ANNEXURE XXIII
STATEMENT OF FINANCIAL INDEBTEDNESS**

A) Secured Loan

STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY

Name of Lender	Purpose	Sanction Amount/ Takeover amount (In Lakhs)	Rate of Interest (%)	Securities offered	Name of Lender	Purpose	Sanction Amount/ Takeover amount (In Lakhs)
The Malad Sahakari Bank Ltd.	Working Capital Term Loan	150.00	15.00	Hypothecation of Stock & Book debts, Hypo. Of old Plant & Machineries and Regd. Mort. Of Factory, Land & Indl. Bldg. along with Plot bearing Survey No.329/A,3 (pt), Ganga Tat, Dhanvantri Marg, Virar (E), Thane-401 301.	120 months	Nil	1,22,07,801.15
The Malad Sahakari Bank Ltd.	Working Capital Cash Credit limit	50.00	15.00	Hypothecation of Stock & Book debts, Hypo. Of old Plant & Machineries and Regd. Mort. Of Factory, Land & Indl. Bldg. along with Plot bearing Survey No.329/A,3 (pt), Ganga Tat, Dhanvantri Marg, Virar (E), Thane-401 301.	12 months	Nil	52,22,821.18

Name of Lender	Purpose	Sanction Amount/ Takeover amount (In Lakhs)	Rate of Interest (%)	Securities offered	Name of Lender	Purpose	Sanction Amount/ Takeover amount (In Lakhs)
The Malad Sahakari Bank Ltd.	Temporary overdraft facilities	10.00	17.00	Hypothecation of Stock & Book debts, Hypo. Of old Plant & Machinerics and Regd. Mort. Of Factory, Land & Indl. Bldg. along with Plot bearing Survey No.329/A,3 (pt), Ganga Tat, Dhanvantri Marg, Virar (E), Thane-401 301.	90 days	Nil	10,50,495.00
Sub Total (A)							1,84,81,117.33

**ANNEXURE XXIV
STATEMENT OF TURNOVER**

Particulars	As on June 30, 2015	For the year ended March 31				
		2015	2014	2013	2012	2011
(i) Turnover from Sale of Product	65,56,054	2,69,47,448	2,66,21,105	2,30,99,741	1,94,54,026	1,86,00,573
(ii) Turnover from Sale of Services	-	-	-	-	-	-
(iii) Other Operating Income	-	-	-	-	-	-
(iv) Turnover in respect of Products not Normally dealt	-	-	-	-	-	-
Total	65,56,054	2,69,47,448	2,66,21,105	2,30,99,741	1,94,54,026	1,86,00,573

**ANNEXURE XXV
STATEMENT OF ACCOUNTING RATIOS**

Particulars	As on June 30, 2015	For the year ended March 31				
		2015	2014	2013	2012	2011
Net Worth (A)	3,06,73,194	2,63,68,641	2,60,33,620	2,57,34,133	2,14,72,561	2,12,84,835
Net Profit after Tax (B)	3,44,554	3,35,021	2,99,487	2,61,572	1,87,726	27,406
No. of Shares outstanding at the end [F.V Rs.10] (C)	28,57,500	23,25,000	23,25,000	23,25,000	19,25,000	19,25,000
Weighted average number of shares outstanding [F.V Rs.10](D)	28,57,500	23,25,000	23,25,000	23,25,000	19,25,000	19,25,000
Earnings per Share (EPS) (B / D) (Rs.)	0.12	0.14	0.13	0.11	0.10	0.1
Return on Net Worth (B / A)	1.12%	1.27%	1.15%	1.02%	0.87%	0.13%

Net Assets Value per Share (A / D)	10.73	11.34	11.20	11.07	11.15	11.06
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Definitions of key ratios:

I. Earnings per share (Rs.): Net Profit attributable to equity shareholders / weighted average number of equity shares. Earnings per share calculations are done in accordance with Accounting Standard 20 “Earnings Per Share” as issued by The Institute of Chartered Accountants of India. As per AS-20, the number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported. In case of a bonus issue after the Balance Sheet date but before the date on which the Financial Statements are approved by the Board of Directors’, the per share calculations for those Financial statements and any prior period Financial Statements presented are based on the new no. of shares. Weighted average number of equity shares outstanding during all the previous years have been considered accordingly.

II. Return on Net Worth (%): Net Profit after tax / Net worth as at the end of the year / period

III. Net Asset Value (Rs.): Net Worth at the end of the year / Number of equity shares outstanding at the end of the year / period.

IV. Net Profit, as appearing in the Statement of restated profits and losses, and Net Worth as appearing in the restated statement of Assets & Liabilities has been considered for the purpose of computing the above ratios.

**ANNEXURE XXVI
STATEMENT OF RELATED PARTIES’ TRANSACTIONS**

Particulars	For the year ended March 31				
	2015	2014	2013	2012	2011
REVENUE ITEMS :					
Purchase of Goods	-	-	-	-	-
Sale of Goods	2,00,739	2,44,381	2,59,423	2,08,643	2,84,759
Remuneration to Promoters & Directors	14,40,000	16,44,000	16,44,000	16,44,000	16,44,000
Rent Paid	7,94,400	5,49,057	4,68,057	4,68,057	4,68,057
Total	24,35,139	24,37,438	23,71,480	23,20,700	23,96,816
NON-REVENUE ITEMS :					
Loan Taken	7,97,006	15,48,726	42,36,839	39,27,210	25,33,658
Loan Given	-	-	-	-	-
Loan Repaid	30,47,049	36,97,964	70,27,311	54,04,475	45,30,742
Loan Received Back	-	-	-	-	-
Total	38,44,055	52,46,690	1,12,64,150	93,31,685	70,64,400

**ANNEXURE XXVII
STATEMENT OF CAPITALIZATION**

Particulars	Pre-issue as at 31.03.15	Post Issue *
Borrowing		
Short - Term Debt	61,17,814	-
Long - Term Debt	1,53,27,440	-
Total Debt	2,14,45,254	-
Shareholders' Funds		
Share Capital	2,32,50,000	-
- Equity	31,18,641	-
Less: Calls - in – arrears	-	-
- Preference	-	-
Reserves & Surplus	-	-
Less: Miscellaneous Expenditure not written off	-	-
Total Shareholders' Funds	2,63,68,641	-
Long - Term Debt / Shareholders Fund	0.58	-
Short - Term Debt / Shareholders Fund	0.81	-

* The Post Issue Capitalization will be determined only after the completion of the allotment of equity shares

**ANNEXURE XXVIII
STATEMENT OF TAX SHELTER**

Particulars	2015	2014	2013	2012	2011
Profit before tax as per Restated P/L	4,89,624.00	4,33,411.00	3,79,762.00	3,03,094.00	1,29,519.00
Applicable Corporate Tax Rate	30.90%	30.90%	30.90%	30.90%	30.90%
Tax at Notional Rate	1,51,293.82	1,33,924.00	1,171,346.46	93,656.05	40,021.00
Adjustments					
Difference between Tax Depreciation and Book Depreciation	(1,98,401.00)	(2,68,265.00)	(2,23,685.00)	(1,72,815.00)	(1,28,604.00)
Exempted Income	-	-	-	-	-
Disallowance	-	-	-	-	-
Items Chargeable at special rates	-	-	-	-	-
Other Items	-	-	-	-	-
Set off of Business Losses / Unabsorbed Depreciation					
Net Adjustments	(1,98,401.00)	(2,68,265.00)	(2,23,685.00)	(1,72,815.00)	(1,28,604.00)
Tax Saving thereon	61,305.91	82,893.00	69,118.67	53,399.84	39,738.91
Tax Saving to the the extent of Tax at Notional Rate	61,305.91	82,893.00	69,118.67	53,399.84	39,738.91

Particulars	2015	2014	2013	2012	2011
Tax Payable [A]	93,297.85	82,586.47	72,363.65	57,754.56	24,012.82
Tax Payable on items chargeable at special rates [B]	-	-	-	-	-
Total Tax Payable [C=A+B]	93,297.85	82,586.47	72,363.65	57,754.56	24,012.82
Tax Rebates [D]	-	-	-	-	-
Net Tax Payable [E=C-D]	93,297.85	82,586.47	72,363.65	57,754.56	24,012.82

**ANNEXURE XXIX
STATEMENT OF CONTINGENT LIABILITIES**

PARTICULARS	As on June 30, 2015	For the year ended March 31				
		2015	2014	2013	2012	2011
Contingent liabilities in respect of:						
Claims against the company not acknowledged as Debts	-	NIL				
Guarantees given on Behalf of the Company	-					
Guarantees given on Behalf of the Subsidiary Company	-					
Other moneys for which the Company is contingently liable	-					
Commitments (to the extent not provided for)	-					
Estimated amount of contracts remaining to be executed on capital account and not provided for	-					
Uncalled liability on shares and other investments partly paid	-					
Civil Suit No. 241 of 2009: Dispute of Security Deposit refund & outstanding amount payable by the Debtor.	2,36,000					
Total	2,36,000					

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

You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in this Draft Prospectus. You should also read the section entitled “Risk Factors” beginning on page 15 and “Forward Looking Statements” beginning on page 13 which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations.

The following discussion of our financial condition and results of operations should be read in conjunction with our Restated Financial Statements as of and for the fiscal years ended March 31, 2011, 2012, 2013, 2014 and 2015 and 3 months ending June 30, 2015 prepared in accordance with the Companies Act, 1956 and Companies Act, 2013 to the extent applicable and Indian GAAP and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexure and notes thereto and the reports thereon, included in the section titled “Financial Information of the Company” on page no. 147 of this Draft Prospectus. Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year/financial year are to the twelve-month period ended on March 31 of that year. The forward-looking statements contained in this discussion and analysis is subject to a variety of factors that could cause actual results to differ materially from those contemplated by such statements.

Indian GAAP differs in certain material respects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Prospectus, nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, Indian GAAP and the SEBI ICDR Regulations.

Overview

The Company was set up by Late Shri Brijmohan Sharma, a qualified Ayurveda visionary in the year 1974 as a proprietary concern. In the year 1989, the proprietary firm was converted to a Private Limited Company and subsequently converted in to a Public Limited Company as on 19th September, 1994.

The Company was established as a producer of quality Bulk Ayurvedic Medicines in Mumbai. Apart from manufacturing, the company is also into marketing, distribution of Bulk Ayurvedic Medicines. Under the Management of Late Shri Brijmohan Sharma, the Company had created an exceptional market reputation not only in Mumbai but all over Maharashtra. Initially, the company was manufacturing the following proprietary products:

- 4) Ampachan Vati;
- 5) Khadira Vati;
- 6) Nirmalaya churna

Bearing in mind, the growing demand for the above products and newer products, increasing market share in Bulk Ayurvedic Medicine Sector and need for expertise in the business; Mr. Bharat Brijmohan Sharma, son of Late Shri Brijmohan Sharma took over the business. Being a Bachelor of Pharmacy from Pune University and a technocrat having rich experience in production and management of Ayurvedic unit, he not only extended the business to the neighbouring states but also introduced newer products within the company. As on date the company, it has 230 number of products in its total portfolio.

They have been awarded a G.M.P Certification for following Good Manufacturing Practices under “Revised Schedule T” of Drugs & Cosmetics Rules, 1945 in respect of various categories of Tablets, Pills, Oils, Syrups and Powder based products by Food & Drug Administration, Maharashtra. Further, the company is characterized as Small Scale Industrial Unit by registering with the Directorate of Industries, Maharashtra.

Significant Developments Subsequent To The Last Financial Year

In the opinion of the Board of Directors of our Company, there have not arisen, since the date of the last financial statements disclosed in this Draft Prospectus, any significant developments or any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

Key factors affecting our results of operation:

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “Risk Factor” beginning on page 15 of this Draft Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Changes, if any, in the regulations / regulatory framework / economic policies in India and / or in foreign countries, which affect national & international finance;
- Volatility in the Indian and global capital market;
- Company’s results of operations and financial performance;
- Performance of Company’s competitors;
- The company’s ability to compete successfully with our competitors in terms of competitive pricing, good drug quality, degree of successful monsoon as this is a key factor in the purchasing capacity in rural markets.
- The company’s ability to penetration to new geographical markets;
- Significant developments in India’s economic and fiscal policies;
- Our ability to attract and retain qualified personnel;
- Our ability to meet our capital expenditure requirements;
- Our number of product registrations constitutes an important factor for our results of operations. Our Company must ensure that government and other regulatory agencies do not withdraw marketing approvals for sales of our existing products and continue to approve our products for sale in their respective markets in a timely manner, and our results of operations depend on our ability to obtain and retain these approvals.;
- Our ability to launch newer products in the market;
- Our ability to ability to manufacture existing and new products for sale in India and abroad;
- Our ability to maintain its position as a low-cost producer and increase its cost competitiveness is dependent on efficient management of its production costs;
- Our ability to maintain and renew our trade marks as and when required;
- Significant developments in India’s environmental regulations.

Key factors that may affect our results of operation:

1. Unusual or infrequent events or transactions.

Except as described in this Draft Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. Significant economic changes that materially affected or are likely to affect income from continuing Operations.

Other than as described in the section titled “Risk Factors” beginning on page 15 of this Draft Prospectus respectively, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

Other than as described in the section titled “Risk Factors” beginning on page 15 of this Draft Prospectus, in our opinion there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

4. Future relationship between Costs and Income.

Our Company’s future costs and revenues will be determined by demand/supply situation, government policies and prices quoted by material suppliers and service vendors.

5. Increases in net sales or revenue and Introduction of new products or services or increased sales prices.

Increases in revenues are by and large linked to increases in volume of business which is expected to grow with the increase in number of client base and contacts with them.

6. Total turnover of each major industry segment in which Our Company operated

As on date our Company operates in Herbal and Ayurvedic Medicine Industry. The details relating to the same has been mentioned in under Section “*Restated Financial Statements*” and “*Industry Overview*” beginning on page no.147 and 86.

7. Status of any publicly announced new products or business segment.

Our Company has not announced any new product and segment / scheme, other than through the Draft Prospectus.

8. Dependence on a single or few customers / supplier.

Our company is dependent on certain customers /suppliers up to an extent.

The % of contribution of our Company’s top 5 customers / suppliers is as follows:

Major Customers

The following are the top 5 clients for the last financial year ended March 2015:

Name of the Customers	FY ended March 31, 2015 (Rs. In Lakhs)	% of total revenue
M/s Indian Aman Enterprises-Kolkatta	58.77	21.81
M/s Shree Ram Promoters	20.13	7.47
M/s Kamini Enterprises	12.78	4.75
M/s Shree Balaji Agency	10.60	3.93
M/s Shri Ganpati Ayurved Bhavan	8.51	3.15
TOTAL (INCLUSIVE OF TAXES)	110.80	41.12

Major Suppliers

The following are the top 5 suppliers for the last financial year ended March 2015:-

Name of the Suppliers	FY ended March 31, 2015 (Rs. In Lakhs)	% of total revenue
M/s S.V. Ayurvedic Bhandar	18.12	20.70
M/s Raj & Company	7.65	8.75
M/s S. Vipul Herbs	6.77	7.73
M/s Premier Plastic Product	5.17	5.91

M/s Uma Ayuvedic Pvt. Ltd.	3.77	4.31
TOTAL	41.50	47.40

9. Competitive conditions.

We face competition from existing and potential competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in section titled “*Our Business*” on page no. 98 of this Draft Prospectus.

Results of Operation

The following table sets forth select financial data from restated Profit and Loss Accounts for the Financial Year ended on March 31, 2015, 2014, 2013, 2012 & 2011 and the components of which are also expressed as a percentage of total income for such periods.

Particulars	For the Year ended March 31									
	2015	% of Total Income	2014	% of Total Income	2013	% of Total Income	2012	% of Total Income	2011	% of Total Income
Revenue from Operations	2,69,47,448	93.99	2,66,21,105	94.80	2,30,99,741	97.95	1,94,54,026	98.75	1,86,00,573	99.42
Other Income	17,23,298	6.01	14,61,615	5.20	4,83,241	2.05	2,45,667	1.25	1,08,926	0.58
Total Revenue	2,86,70,746	100.00	2,80,82,720	100.00	2,35,82,982	100.00	1,96,99,693	100.00	1,87,09,499	100.00
Expenses:										
Cost of Material Consumed	1,33,32,420	46.50	1,32,11,748	47.05	1,16,56,040	49.43	71,68,187	36.39	65,39,305	34.95
Purchase of Stock in Trade	-		-		-		-		-	
Changes in inventories of finished goods, WIP and Stock in Trade	-		-		-		-		-	
Employee benefits expenses	14,89,716	5.20	16,93,065	6.03	16,87,077	7.15	16,88,225	8.57	8,97,405	4.80
Finance Costs	33,05,974	11.53	29,78,454	10.61	29,22,293	12.39	29,36,626	14.91	28,46,514	15.21
Depreciation and amortization expense	3,77,128	1.32	3,22,296	1.15	2,99,864	1.27	2,79,738	1.42	3,24,494	1.73
Other expenses	96,75,884	33.75	94,43,745	33.63	66,37,946	28.15	73,23,822	37.18	79,72,262	42.61
Total Expenses	2,81,81,122	98.29	2,76,49,308	98.46	2,32,03,220	98.39	1,93,96,598	98.46	1,85,79,980	99.31
Profit before exceptional and extraordinary items and tax (A-B)	4,89,624	1.71	4,33,411	1.54	3,79,762	1.61	3,03,095	1.54	1,29,519	0.69
Exceptional/Prior Period items										
Profit before extraordinary items and tax	4,89,624	1.71	4,33,411	1.54	3,79,762	1.61	3,03,095	1.54	1,29,519	0.69
Extraordinary items										
Profit Before Tax	4,89,624	1.71	4,33,411	1.54	3,79,762	1.61	3,03,095	1.54	1,29,519	0.69

Particulars	For the Year ended March 31									
	2015	% of Total Income	2014	% of Total Income	2013	% of Total Income	2012	% of Total Income	2011	% of Total Income
Provision for Tax										
Less: Current Tax	(93,297)	(0.33)	(51,030)	(0.18)	(49,072)	(0.21)	(60,424)	(0.31)	(26,660)	(0.14)
Less: Deferred Tax Liability / (Asset)	(61,306)	(0.21)	(82,894)	(0.30)	(69,118)	(0.29)	(54,945)	(0.28)	(75,452)	(0.40)
Short/(Excess) Tax adjustment of prior years	-		-		-		-		-	
Restated profit after tax for the period from continuing operations	3,35,021	1.17	2,99,487	1.07	2,61,572	1.11	1,87,726	0.95	27,407	0.15
Profit/(Loss) from Discontinuing operations	-		-		-		-		-	
Tax expenses of discontinuing operations	-		-		-		-		-	
Restated profit for the period	3,35,021	1.17	2,99,487	1.07	2,61,572	1.11	1,87,726	0.95	27,407	0.15

COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2015 WITH FISCAL 2014

Revenue from Operations

During the year 2014-15 the total revenue of our company increased to Rs.2,69,47,448/- as against Rs.2,66,21,105/- in the year 2013-14, representing an increase of 1.22% of the total revenue. This increase is majorly due to a slightly higher scale of operation in the financial year 2014-15.

Other Income

Other income of the Company for the year 2014-15 was Rs. 17,23,298 in comparison with Rs. 14,61,615 for F.Y. 2013-14. The major factor for such increase was due to receipt of interest on bank deposits .

Total Expenses

The total expenditure for the year 2014-15 increased to Rs.2,81,81,122/- from Rs.2,76,49,309 an increase of 1.92% to the previous year. This was due to the cause of increase in these expenses was majorly due to higher scale of operation in the financial year 2014-15.

Purchases

Purchases in terms of value and percentage decreased by Rs. 12.06 Lakhs and 12.11 %, from Rs. 99.63 Lakhs in the fiscal year ended March 31, 2013 to Rs.87.56 Lakhs in the fiscal year ended March 31, 2014.

Cost of Material Consumed

The Cost of Material Consumed for the year 2014-15 increased to Rs. 1,33,32,420 from Rs. 1,32,11,748 a increased of 0.54 % to the 2013-14. The cause of increase in these was majorly due to slight increase in operation in the financial year 2014-15.

Employee benefits expenses

The Employee Benefit Expense comprises of salaries, allowances, staff welfare expenses and other benefits to the employees. The said expenses decreased to Rs. 14,89,716 during the current year from Rs. 16,93,065 in the previous year 2013-14 i.e. decrease of 12.01 % to the previous year. This was also due to decrease in business activities and fall in quantum of business of the Company.

Finance Costs

Finance cost for the year 2014-15 increased to Rs. 33,05,974 as against Rs ,29,78,454 of the previous year. The increase is 0.92 %. Increase in amount was due to increase in bank finance usage.

Depreciation and amortization expense

Depreciation for the year 2014-15 stood at Rs. 3,77,128 calculated as per the method specified in the Schedule II of the Companies Act, 2013. For the year 2013-14 the same was Rs. 3,22,296.

Other expenses

Other expenses include administrative, selling expenses which majorly comprises of electricity charges, advertisements, professional charges, Insurance expenses, travelling and conveyance, etc. These expenses were for the year 2014-15 increased to Rs 96,75,884 as against Rs.94,43,745 during the previous financial year. The cause of increase in these expenses was majorly due to higher scale of operation .

Profit/(Loss) After Tax

For the year 2014-15 the profit stood at Rs.3,35,021 as against the profit of Rs. 2,99,487 for the previous year 2013-14. The cause of increase was majorly due to better operation in the financial year.

COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2014 WITH FISCAL 2013

Revenue from Operations

During the year 2013-14 the total revenue of our company increased to Rs. 2,66,21,105 as against Rs.2,30,99,741 in the year 2012-13, representing a increase of 15.24 % of the revenue from the operations. This increase in this was majorly due to a higher scale of operation in the financial year 2013-14.

Other Income

Other income of the Company for the year 2013-14 was Rs. 14,61,615 in comparison with Rs. 4,83,241 for F.Y. 2012-13. The major factor for such increase was due to receipt of interest on bank deposits .

Total Expenses

The total expenditure for the year 2013-14 was Rs. 2,76,49,308 in comparison with Rs. 2,32,03,220 for F.Y. 2012-13 representing a increase of 19.16 % of the total expense. The cause of increase in these expenses was majorly due to higher scale of operation in the financial year 2013-14.

Purchases

Purchases in terms of value and percentage increased by Rs. 8.79 Lakhs and 9.68 %, from Rs. 90.84 Lakhs in the fiscal year ended March 31, 2013 to Rs. 99.63 Lakhs in the fiscal year ended March 31, 2014.

Cost of Material Consumer

The Cost of Material Consumed for the year 2013-14 increased to Rs. 1,32,11,748 from Rs. 1,16,56,040 increased of 2.38 % to the 2012-13. This was due to The cause of increase in these was majorly due to slight increase in operation in the financial year 2013-14.

Employee benefits expenses

The Employee Benefit Expense comprises of salaries, allowances, staff welfare expenses and other benefits to the employees. The said expenses increased to Rs. 16,93,065 during the current year from Rs.16,87,077 in the previous year 2012-13 i.e. increased of 0.35 % to the previous year. The cause of increase in these expenses was majorly due to higher scale of operation

Finance Costs

Finance cost for the year 2013-14 increased to Rs. 29,78,454 as against Rs 29,22,293 of the previous year. The increase is 1.92 %. Increase in amount was due to increase in bank finance usage.

Depreciation and amortization expense

Depreciation for the year 2013-14 stood at Rs.3,22,296 calculated as per the method specified in the Schedule II of the Companies Act, 2013. For the year 2012-13 the same was Rs. 2,99,864.

Other expenses

Other expenses include administrative, selling expenses which majorly comprises of electricity charges, advertisements, professional charges, Insurance expenses, travelling and conveyance, etc. These expenses were for the year 2013-14 increased to Rs 94,43,745 as against Rs. 66,37,946 during the previous financial year. The cause of increase in these expenses was majorly due to higher scale of operation.

Profit/(Loss) After Tax

For the year 2013-14 the profit stood at Rs. 2,99,487 as against the profit of Rs. 2,61,572 for the previous year 2012-13. The cause of increase was majorly due to better operation in the financial year.

COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2013 WITH FISCAL 2012

Revenue from Operations

During the year 2012-13 the total revenue of our company increased to Rs. 2,30,99,741 as against Rs. 1,94,54,026 in the year 2011-12, representing a increase of 18.74 % of the revenue from the operations. This increase was majorly due to a slightly higher scale of operation in the financial year 2012-13.

Other Income

Other income of the Company for the year 2012-13 was Rs. 4,83,241 in comparison with Rs.2,45,667 for F.Y. 2011-12. The major factor for such increase was due to receipt of interest on bank deposits

Total Expenses

The total expenditure for the year 2012-13 was Rs. 2,32,03,220 in comparison with Rs. 1,93,96,598 for F.Y. 2011-12 representing a increase of 19.63 % of the total expense. The cause of increase in these expenses was majorly due to higher scale of operation in the financial year 2012-13.

Purchases

Purchases in terms of value and percentage increased by Rs. 18.88 Lakhs and 38.52 %, from Rs. 71,95,551 Lakhs in the fiscal year ended March 31, 2013 to Rs. 90,84,147 Lakhs in the fiscal year ended March 31, 2014.

Cost of Material Consumed

The Cost of Material Consumed for the year 2012-13 increased to Rs.1,16,56,040 from Rs. 71,68,187 a increase of 62.61 % to the 2011-12. The cause of increase in these was majorly due to slight increase in operation in the financial year 2012-13.

Employee benefits expenses

The Employee Benefit Expense comprises of salaries, allowances, staff welfare expenses and other benefits to the employees. The said expenses decreased to Rs. 16,87,077 during the current year from Rs. 16,88,225 in the previous year 2011-12 i.e. decreased of 0.07 % to the previous year. This was also due to decrease in business activities and fall in quantum of business of the Company.

Finance Costs

Finance cost for the year 2012-13 decreased to Rs. 29,22,293 as against Rs 29,36,626 of the previous year. The decreased is 0.49 %. Decreased in amount was due to decrease in bank finance usage.

Depreciation and amortization expense

Depreciation for the year 2012-13 stood at Rs.2,99,864 calculated as per the method specified in the Schedule II of the Companies Act, 2013. For the year 2011-12 the same was Rs.2,79,738.

Other expenses

Other expenses include administrative, selling expenses which majorly comprises of electricity charges, advertisements, professional charges, Insurance expenses, travelling and conveyance, etc. These expenses were for the year 2012-13 decreased to Rs 66,37,946 as against Rs. 73,23,822 during the previous financial year. The cause of decrease in these expenses was majorly due to higher scale of operation.

Profit/(Loss) After Tax

For the year 2012-13 the profit stood at Rs. 2,61,572 as against the profit of Rs. 1,87,726 for the previous year 2011-12. The cause of increase was majorly due to better operation in the financial year.

COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2012 WITH FISCAL 2011

Revenue from Operations

During the year 2011-12 the total revenue of our company increased to Rs. 1,94,54,026 as against Rs. 1,86,00,573 in the year 2010-11, representing a increase of 4.59 % of the revenue from the operations. This increase was majorly due to a slightly higher scale of operation in the financial year 2011-12.

Other Income

Other income of the Company for the year 2011-12 was Rs. 2,45,667 in comparison with Rs. 1,08,926 for F.Y. 2010-11. The major factor for such increase was due to receipt of interest on bank deposits .

Total Expenses

The total expenditure for the year 2011-12 was Rs. 1,93,96,598 in comparison with Rs. 1,85,79,980 for F.Y. 2010-11 representing a increase of 4.40 % of the total expense. The cause of increase in these expenses was majorly due to higher scale of operation in the financial year 2011-12.

Purchases

Purchases in terms of value and percentage increased by Rs. 8.98 Lakhs and 14.26 %, from Rs. 62.97 Lakhs in the fiscal year ended March 31, 2013 to Rs. 71.95 Lakhs in the fiscal year ended March 31, 2014.

Cost of Material Consumer

The Cost of Material Consumed for the year 2011-12 increased to Rs. 71,68,187 from Rs. 65,39,305 a increase of 9.62 % to the 2010-11. This was due to The cause of increase in these was majorly due to slight increase in operation in the financial year 2011-12.

Employee benefits expenses

The Employee Benefit Expense comprises of salaries, allowances, staff welfare expenses and other benefits to the employees. The said expenses increased to Rs. 16,88,225 during the current year from Rs. 8,97,405 in the previous year 2010-11 i.e. increase of 88.12 % to the previous year. The cause of increase in these expenses was majorly due to higher scale of operation.

Finance Costs

Finance cost for the year 2011-12 increased to Rs. 29,36,626 as against Rs 28,46,514 of the previous year. The increase is 3.17 %. Increase in amount was due to increase in bank finance usage.

Depreciation and amortization expense

Depreciation for the year 2011-12 stood at Rs. 2,79,738 calculated as per the method specified in the Schedule II of the Companies Act, 2013. For the year 2010-11 the same was Rs. 3,24,494.

Other expenses

Other expenses include administrative, selling expenses which majorly comprises of electricity charges, advertisements, professional charges, Insurance expenses, travelling and conveyance, etc. These expenses were for the year 2011-12 decreased to Rs 73,23,822 as against Rs. 79,72,262 during the previous financial year. The cause of decrease in these expenses was majorly due to higher scale of operation.

Profit/(Loss) After Tax

For the year 2011-12 the profit stood at Rs. 1,87,726 as against the profit of Rs. 27,407 for the previous year 2010-11. The cause of increase was majorly due to better operation in the financial year.

SECTION VIII- LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS

Except as stated below there are no outstanding litigations, suits, criminal or civil prosecutions, proceedings or tax liabilities against/by the Company, its Directors, its Promoters and its Group Companies and there are no defaults, non-payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions by the Company, defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issued by our Company, default in creation of full security as per terms of issue/other liabilities, no amounts owed to small scale undertakings or any other creditor exceeding Rs. 1 Lakhs, which is outstanding for more than 30 days, no proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII to the Companies Act, 1956 or Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchange against the Company, its Promoters, its Directors and Group Companies.

Further, except as stated herein, there are no past cases in which penalties have been imposed on the Company, its Promoters, its Directors or its Group Companies, and there is no outstanding litigation against any other Company whose outcome could have a material adverse effect on the position of the Company. Further, there are no cases of litigation, defaults etc. in respect of companies/firms/ventures with which the Promoters were associated in the past but are no longer associated, in respect of which the name(s) of the Promoters continues to be associated.

Further, apart from those as stated below, there are no show-cause notices / claims served on the Company, its Promoters and its Directors or its Group Companies from any statutory authority / revenue authority that would have a material adverse effect on our business.

(A) Outstanding Litigations involving Our Company:

Details of litigations against our Company or the Directors of our Company whose outcome could have a materially adverse effect on the position of our Company.

Sr. No.	Name of the Statute	Brief Facts of the Case	Approximate Amount Payable pursuant to the relief granted (Rs. in Lakhs)	Assessment year to which the amount relates	Forum where dispute pending
1	Mahadev Ayurveda Pvt. Ltd., New Delhi	CIVIL SUIT NO. 241 OF 2009: Dispute Of Security Deposit refund & Outstanding Amount payable by the Debtor.	2,36,000/-	2005-2006	The Court Of Tis Hazari, Delhi

LITIGATIONS

(B) Pending Litigation

- (i) Labour Cases filed against the Company : N.A
- (ii) Labour Cases filed by the Company : N.A
- (iii) Civil Cases filed against the Company : Yes. Details mentioned above.

- (iv) Civil Cases filed by the Company : N.A
- (v) Criminal cases against the company : N.A
- (vi) Criminal cases filed by the company : N.A
- (vii) Notices served on the Company : N.A
- (viii) Tax related matters : N.A

(C) Pending litigation- Promoters

1) Mr. Bharat Brijmohan Sharma, *Managing Director*

- a) Criminal case against our promoter : N.A
- b) Civil Cases Against Our Promote : N.A
- c) Criminal Cases Filed By Our Promoter : N.A
- d) Civil Case Filed By Our Promoter : N.A
- e) Cases Relating To Tax Matters : N.A

2) Mrs. Srijna Bharat Sharma, *Whole-Time Director*

- a) Criminal case against our promoter : N.A
- b) Civil Cases Against Our Promote : N.A
- c) Criminal Cases Filed By Our Promoter : N.A
- d) Civil Case Filed By Our Promoter : N.A
- e) Cases Relating To Tax Matters : N.A

(D) Pending litigation- For Independent Directors

1. Mr. Chetan Bhikhubhai Patel

- a) Criminal case against our promoter : N.A
- b) Civil Cases Against Our Promote : N.A
- c) Criminal Cases Filed By Our Promoter : N.A
- d) Civil Case Filed By Our Promoter : N.A
- e) Cases Relating To Tax Matters : N.A

2. Mr. Sachin Chandrakant Chavan

- a) Criminal case against our promoter : N.A
- b) Civil Cases Against Our Promote : N.A
- c) Criminal Cases Filed By Our Promoter : N.A
- d) Civil Case Filed By Our Promoter : N.A
- e) Cases Relating To Tax Matters : N.A

3. Mr. Harish Bhagwan Talreja

- a) Criminal case against our promoter : N.A
- b) Civil Cases Against Our Promote : N.A
- c) Criminal Cases Filed By Our Promoter : N.A
- d) Civil Case Filed By Our Promoter : N.A
- e) Cases Relating To Tax Matters : N.A

(E) Pending litigation- For Our Promoter Groups

1. Mrs. Savitri Brijmohan Sharma

- a) Criminal case against our promoter : N.A
- b) Civil Cases Against Our Promote : N.A
- c) Criminal Cases Filed By Our Promoter : N.A
- d) Civil Case Filed By Our Promoter : N.A
- e) Cases Relating To Tax Matters : N.A

2. Mr. Anagh B. Sharma

- a) Criminal case against our promoter : N.A
- b) Civil Cases Against Our Promote : N.A
- c) Criminal Cases Filed By Our Promoter : N.A
- d) Civil Case Filed By Our Promoter : N.A
- e) Cases Relating To Tax Matters : N.A

3. Mrs. Usha Shukla

- a) Criminal case against our promoter : N.A
- b) Civil Cases Against Our Promote : N.A
- c) Criminal Cases Filed By Our Promoter : N.A
- d) Civil Case Filed By Our Promoter : N.A
- e) Cases Relating To Tax Matters : N.A

4. Mr. Amit Shukla

- a) Criminal case against our promoter : N.A
- b) Civil Cases Against Our Promote : N.A
- c) Criminal Cases Filed By Our Promoter : N.A
- d) Civil Case Filed By Our Promoter : N.A
- e) Cases Relating To Tax Matters : N.A

5. Ms. Ankita Shukla

- a) Criminal case against our promoter : N.A
- b) Civil Cases Against Our Promote : N.A
- c) Criminal Cases Filed By Our Promoter : N.A
- d) Civil Case Filed By Our Promoter : N.A
- e) Cases Relating To Tax Matters : N.A

(F) Pending litigation- Our Promoter Group Company/ Entities

1. M/s Ganga Ayurved Bhandar (Mr. Brijmohan Sharma HUF)

- i) Labour Cases filed against the Company : N.A
- ii) Labour Cases filed by the Company : N.A
- iii) Civil Cases filed against the Company : N.A
- iv) Civil Cases filed by the Company : N.A
- v) Criminal cases against the company : N.A
- vi) Criminal cases filed by the company : N.A
- vii) Notices served on the Company : N.A
- viii) Tax related matters : N.A

2. Mr. Bharat Sharma HUF

- i) Labour Cases filed against the Company : N.A

- ii) Labour Cases filed by the Company : N.A
- iii) Civil Cases filed against the Company : N.A
- iv) Civil Cases filed by the Company : N.A
- v) Criminal cases against the company : N.A
- vi) Criminal cases filed by the company : N.A
- vii) Notices served on the Company : N.A
- viii) Tax related matters : N.A

MATERIAL DEVELOPMENTS

Except as stated in the chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on page no.170 of this Draft Prospectus, no material developments or circumstances have arisen since the date of last financial statement till the date of filing this Draft Prospectus, which materially and adversely has affected or is/ are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months. There is no subsequent development after the date of the Auditor’s Report, which will have a material impact on the reserves, profits, earnings per share and book value of the Equity Shares of our Company.

In accordance with SEBI requirements, our Company and the Lead Manager shall ensure that investors are informed of material developments until such time as the grant of listing and trading permission by the SME Platform of BSE.

GOVERNMENT AND OTHER APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this Draft Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business.

In view of the approvals listed below, we can undertake the Offer and our current/ proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Offer or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Prospectus.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following statement sets out the details of licenses, permissions and approvals taken by us under various central and state laws for carrying out our business.

For further details in connection with the regulatory and legal framework within which we operate, please refer to the chapter titled 'Key Industry Regulations and Policies' on page no. 115 of this Draft Prospectus.

A) APPROVALS FOR THE ISSUE

Corporate Approvals

1. Our Board has pursuant to a resolution passed at its meeting dated on August 24,2015, under Section 62(1)(c) of the Companies Act 2013, authorized the Issue.
2. Our Shareholders have pursuant to a resolution passed at their meeting dated September 15, 2015, under Section 62(1)(c) of the Companies Act 2013, authorized the Issue.
3. Our Company has obtained an approval from the BSE- SME Platform for listing our Equity Shares through the Letter dated [●].

B) INCORPORATION DETAILS

1. Certificate of Incorporation dated September 11, 1989 under the name of Ganga Pharmaceuticals Private Limited was issued by the Registrar of Companies, Mumbai.
2. Fresh Certificate of Incorporation dated September 19, 1994 under the name of Ganga Pharmaceuticals Limited was issued by the Registrar of Companies, Mumbai.

C) APPROVALS/ LICENSES IN RELATION TO THE BUSINESS OF OUR COMPANY

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

Sr. No.	Issuing Authority	Registration / License No.	Nature Of Registration / License	Date Of Registration	Valid Upto
I.	Under Direct and Indirect Laws				
1.	Registration in Income Tax Department	AABCG3922H	Allotment of Permanent Account Number (PAN)	19 th Sept., 1994	Perpetual
2.	Registrar of Companies, Mumbai	CIN No.: U99999MH1989PLC053392	Certificate of Incorporation in the name of Ganga Pharmaceuticals Private Limited	11 th Sept., 1989	-
3.	Registrar of Companies, Mumbai	CIN No.: U99999MH1989PLC053392	Fresh Certificate of Incorporation in the name of Ganga Pharmaceuticals Limited	19 th Sept., 1994	Perpetual
4.	Central Board of Excise and Customs	AABCG3922HEM001	Allotment of Central Excise Number	07 th December, 2011	Perpetual
5.	Directorate of Industries, Maharashtra	11/24/BMR/00468/PMT/SSI	Allotted no. as a Small Scale Unit	06 th August, 1985	Perpetual
6.	Regional Office(Mumbai) Employee's State Insurance Corporation	31/53553	Implementation of ESI Act, 1948	-	Perpetual
7.	Corporation of Mumbai	PT\R\1\2\6\2419 12060018000131(enrolment Certificate No.	Allotment of Profession tax Number (PT)	-	Perpetual
8.	Commissioner of Sales Tax, Maharashtra	27070012956 V	Allotment of Maharashtra Value Added Tax (MVAT)	-	Perpetual
9.	Commercial Tax Department, Government of Maharashtra	27070012956 C	Tax Payer's Identification Number (TIN)	-	Perpetual
10.	Service Tax Commissionerate, Mumbai	ABCG 3922H ST001	Allotment of Service Tax Number(ST)	31 st March, 2005	Perpetual
11.	Income Tax Department, Government of India	PNEG04812D	Allotment of Tax Deduction Account Number (TAN)	-	Perpetual
12.	Municipal Corporation of Greater Mumbai	723	Allotment of Local Body Tax(LBT)	31 st May,2011	Perpetual
II.	Business Related Certifications				
1.	Director General of Foreign Trade, Mumbai	0393019951	Allotment of Import- Export Code (IEC Code)	01 st April, 1993	Perpetual
2.	Food & Drug	GMP/689-2001/6	Allotment of	06 th July, 2001	Perpetual

Sr. No.	Issuing Authority	Registration / License No.	Nature Of Registration / License	Date Of Registration	Valid Upto
	Administration, Maharashtra State, Thane		Good Manufacturing Practices Certificate (GMP)		
3.	Regional Office & Licensing Authority of Food & Drug Authority, Maharashtra	KD –AYU-80	License to manufacture for sale of Ayurvedic /Siddha or Unani Drugs	01 st Jan. 2013	31 st Dec., 2017

D) PENDING APPROVAL

Approvals applied for but not yet received/ Renewals to be made in the usual course of our business.

Sr. No.	Issuing Authority	Application No.	Nature of Registration/ License	Application Date
1.	Municipal Corporation of Greater Mumbai	-	Allotment of Bombay Shop & Establishment Number	11 th June, 2015
2.	Registrar of Trademarks, Mumbai	398840	Renewal of trademark no. 1368533 under the name of Anxy in Class 5	4 th July, 2015
3.	Registrar of Trademarks, Mumbai	398673	Renewal of trademark no. 1368534 under the name of Raktaz in Class 5	4 th July, 2015
4.	Registrar of Trademarks, Mumbai	397966	Renewal of trademark no. 1368535 under the name of Holetrica in Class 5	2 nd July, 2015
5.	Registrar of Trademarks, Mumbai	404968	Renewal of trademark no. 1382352 under the name of Ganga Ampachan- G in Class 5	31 st August, 2015


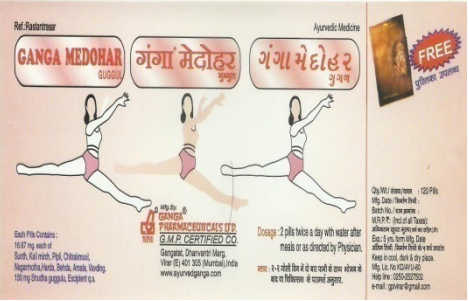

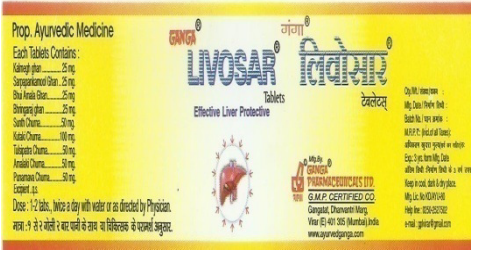
E) INTELLECTUAL PROPERTY

Trademark Approvals

Sr. No.	Issuing Authority	Trade Mark No.	Nature of Registration/ License	Valid upto
1.	Registrar of Trademarks, Mumbai	522612	Ganga Device in Class 5	11-01-2020
2.	Registrar of Trademarks, Mumbai	524394	MadhunaChurna in Class 5	14-02-2024
3.	Registrar of Trademarks, Mumbai	1016116	Sukham Gold- Medicinal oil in Class 5	12-06-2021
4.	Registrar of Trademarks,	1016118	Natural Coolant Nature`s Plus- right to use the words "PLUS NATURAL	12-06-2021

Sr. No.	Issuing Authority	Trade Mark No.	Nature of Registration/ License	Valid upto
	Mumbai		COOLANT”	
5.	Registrar of Trademarks, Mumbai	1016119	Raktaz Blood Purifier- right to use the words “RAKTAZ”	12-06-2021
6.	Registrar of Trademarks, Mumbai	1016121	Asuka Tablets- right to use the entire description on the label except for the word “Asuka”.	12-06-2021
7.	Registrar of Trademarks, Mumbai	1016122	Vato (Label) in Class 5	12-06-2021
8.	Registrar of Trademarks, Mumbai	1016123	Livosar (Label) in Class 5	12-06-2021
9.	Registrar of Trademarks, Mumbai	1016124	Goshoon (Label) in Class 5	12-06-2021
10.	Registrar of Trademarks, Mumbai	1016126	Ganga Kesham Tablets (Label) in Class 5- right to use the word “Kesham Tablets”	12-06-2021
11.	Registrar of Trademarks, Mumbai	1016127	Madhuna- D Tablets in Class 5- right to use the number “12”	12-06-2021
12.	Registrar of Trademarks, Mumbai	1029461	Herboty in Class 5	23-07-2021
13.	Registrar of Trademarks, Mumbai	1029462	Pranica Capsules(Label) in Class 5	23-07-2021
14.	Registrar of Trademarks, Mumbai	1035599	Gitrin Tablet in Class 5	09-08-2021
15.	Registrar of Trademarks, Mumbai	1035600	Figuro Tablet in Class 5	09-08-2021
16.	Registrar of Trademarks, Mumbai	1303869	Khadira (Label) in Class 5	20-08-2024
17.	Registrar of Trademarks, Mumbai	1309776	Vatoplus in Class 5	20-09-2024
18.	Registrar of Trademarks, Mumbai	1333637	Femoherb (Label) in Class 5	24-01-2025
19.	Registrar of Trademarks, Mumbai	1397328	Ganga AmpachanVati in Class 5	09-11-2015
20.	Registrar of Trademarks, Mumbai	1701781	Dendroil in Class 5	19-06-2018

Copy Right Approval

Sr. No.	Issuing Authority	Application No.	Nature of Registration/ License	Artistic Label Registered	Valid upto
1.	Registrar of Copyrights, Mumbai	A-21195/78	Artistic words in English for "Ganga Pharmaceuticals" & Logo registered		Perpetual
2.	Registrar of Copyrights, Mumbai	B-C.C 32117	Registration of an artistic label "Medohar"		Perpetual
3.	Registrar of Copyrights, Mumbai	B-C.C 32118	Registration of an artistic label "Kesham"		Perpetual
4.	Registrar of Copyrights, Mumbai	B-C.C 32119	Registration of an artistic label "Livisar"		Perpetual

The Details of Domain Name registered in the name of the Company is:-

Sr. No.	Domain Name and ID	Sponsoring Registrar and IANA ID	Registrant Name and Address	Creation Date	Registration Expiry Date
1.	www.ayurvedganga.com ; 674295046_DOMAIN_C OM-VRSN	Webiq Domains Solutions Pvt. Ltd.; 303	Mr. Bharat Sharma; Gangatat, Virar East, Thane 401303	November 17,2006	November 17,2015
2.	www.gangapharma.in ; D5944746-AFIN	Webiq Domains Solutions Pvt. Ltd.; 1495	Mr. Bharat Sharma; Gangatat, Virar East, Thane 401303	March 05, 2012	March 05, 2016

F) INVESTMENT APPROVALS

As per notification number bearing FEMA/20/2000-RB dated May 3, 2000, as amended from time to time, under automatic route of the Reserve Bank, our Company is not required to make an application for Issue of Equity Shares to NRIs/FIIs with repatriation benefits. However, the allotment/transfer of the Equity shares to NRIs/FIIs shall be subject to the prevailing RBI Guidelines.

SECTION IX- OTHER REGULATORY AND STATUTORY DISCLOSURES

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Issue has been authorized by

1. Our Board of Directors at its meeting held on August 24, 2015 under Section 62(1)(c) of the Companies Act 2013; and
2. Our Shareholders through a special resolution passed at their Annual/ Extraordinary General Meeting dated September 15, 2015 at the registered office of the Company.

Our Company has also obtained all necessary contractual approvals required for the Offer. For further details, refer to the chapter titled '*Government and Other Approvals*' beginning on page no.185 of this Draft Prospectus.

Our Company has received approval from BSE *vide* their letter dated [●] to use the name of BSE in this Draft Prospectus for listing of the Equity Shares on SME Platform of BSE. BSE is the Designated Stock Exchange.

Prohibition by SEBI

Our Company, Directors, Promoters, members of the Promoter Group and Group Companies or the directors and promoters of our Promoter Companies, have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which Promoters, Directors or persons in control of our Company were or are associated as promoters, directors or persons in control of any other company have not been debarred from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Further, none of our Directors are or were associated with any entities which are engaged in securities market related business and are or registered with SEBI for the same.

The listing of any securities of our Company has never been refused by any of the stock exchanges in India.

Association with Securities Market

None of our Directors are in any manner associated with the securities market and there has been no action taken by SEBI against our Directors or any entity in which our Directors are involved as promoters or directors.

Prohibition by RBI or Governmental authority

Neither our Company, our Promoters, our Promoter Group, our Group Entities, relatives of our Promoters (as defined under the Companies Act 2013), our Directors and companies with which our Directors are associated as directors or promoters have not been declared as wilful defaulters by RBI / government authorities and there are no violations of securities laws committed by them in the past and no proceedings are pending against them except as details provided in the Chapter "*Outstanding Litigations*" beginning on page no. 180 of the Draft Prospectus.

Our Directors have not been declared as wilful defaulter by RBI or any other government authority and there have been no violation of securities laws committed by them in the past or no such proceedings are pending against our Company or them.

Eligibility for the Offer

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations; and this Issue is an "Initial Public Offer" in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 106M (2) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post-issue face value capital is more than Ten Crores Rupees and upto Twenty Five Crores Rupees and we may hence issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("**SME Exchange**", in this case being the SME Platform of BSE).

We confirm that:

- a) In accordance with Regulation 106P of the SEBI (ICDR) Regulations, the Offer has been hundred percent underwritten and that the Lead Manager to the Offer has underwritten **15.00%** of the Total Offer Size. For further details pertaining to said underwriting please refer to paragraph titled '**Underwriting Agreement**' under chapter titled '**General Information**' on page no. 46 of this Draft Prospectus.
- b) In accordance with Regulation 106R of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed Allottee's in the Offer is not less than fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within 8 (Eight) days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of 8 (Eight) days, be liable to repay such application money, with interest as prescribed under the Companies Act, 2013.
- c) In accordance with Regulation 106O the SEBI (ICDR) Regulations, we have not filed any Draft Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of Draft Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Draft Prospectus with Stock Exchange and the Registrar of Companies.
- d) In accordance with Regulation 106V of the SEBI (ICDR) Regulations, we have entered into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in the Offer. For further details of the arrangement of market making please refer to paragraph titled '**Details of the Market Making Arrangement for the Offer**' under chapter titled '**General Information**' on page no.46 of this Draft Prospectus.

We further confirm that, we shall be complying with all the other requirements as laid down for such an Issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106M (3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Regulation 49(1) of SEBI (ICDR) Regulations, 2009 shall not apply to us in the Offer.

BSE Eligibility Norms:

Our Company is also eligible for the Issue in accordance with eligibility norms for Listing on SME Exchange/ Platform BSE circular dated April 19, 2012 (<http://www.bsesme.com/static/getlisted/criteriaisting.aspx?expandable=0>) which states as follows:

1. ***The company is incorporated under the Companies Act, 1956.***

Our Company was originally incorporated in Mumbai as “Ganga Pharmaceuticals Private Limited” on 11th September, 1989 under the provisions of the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Mumbai. Our Company was converted in to a Public Limited Company and consequently the name was changed to “Ganga Pharmaceuticals Limited” vide fresh certificate of incorporation dated 19th September, 1994 issued by the Registrar of Companies, Mumbai. The CIN No. of the Company is U99999MH1989PLC053392.

2. ***The post-issue paid up capital of the company shall be at least Rs. 4,06,15,000.***

As per the restated financial statements as at and for the period ended March 31, 2015, our Company has a paid up capital of Rs. 303.75 Lakhs, and the Post Issue Capital shall be Rs. 406.15 Lakhs.

3. ***Net worth (excluding revaluation reserves) of at least Rs. 306.73 as per the latest restated audited financial results***

Our Company satisfies the above criteria. Our Net Worth as per the restated financial statements is as under:

(Rs. in Lakhs)				
Particulars	June 30, 2015	March 31, 2015	March 31, 2014	March 31, 2013
Net Worth	306.73	263.68	260.33	257.34

4. ***Net Tangible assets of at least Rs. 215.56 Lakhs as per the latest audited financial results***

Our Company satisfies the above criteria. Our Net Tangible Assets as per the restated financial statements are disclosed as under:

(Rs. in Lakhs)				
Particulars	June 30, 2015	March 31, 2015	March 31, 2014	March 31, 2013
Fixed Assets (Net)	64.27	65.29	65.31	66.17
Current Assets, Loans & Advances	120.45	236.93	225.72	208.41
Less: Intangible Assets	--	--	--	--
Less: Current Liabilities & provisions	75.18	122.06	104.65	56.74
Net Tangible Assets	45.27	114.87	121.07	151.67

5. ***Track record of distributable profits in terms of Section 205 of Companies Act, 1956, as detailed below for at least two years out of immediately preceding three financial years (each financial year has to be a period of at least 12 months). Extraordinary income will not be considered for the purpose of calculating distributable profits. Otherwise, the Net Worth shall be at least Rs. 5 Crores.***

(Rs. In Lakhs)				
Particulars	June 30, 2015	March 31, 2015	March 31, 2014	March 31, 2013
Net Profit	3.44	3.35	2.99	2.61

6. ***Other Requirements:***

- a. *Companies shall mandatorily have a website.*

Our Company has a live and operational website: www.ayurvedganga.com.

- b. *The company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.*
7. Our Company has entered into tripartite agreements with CDSL and NSDL along with our Registrar and Share Transfer Agent for facilitating trading in dematerialized mode. Also the Equity Shares allotted through the Offer will be in dematerialized mode.
8. ***Certificate from the applicant company / promoting companies stating the following:***
- a. *The Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).*

Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
 - b. *There is no winding up petition against the company, which has been admitted by the court or a liquidator has not been appointed.*

There is no winding up petition against our Company, which has been admitted by the court. Also, no liquidator has been appointed.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, FIRST OVERSEAS CAPITAL LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT PROSPECTUS, THE LEAD MERCHANT BANKER, FIRST OVERSEAS CAPITAL LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, FIRST OVERSEAS CAPITAL LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 23,2015 WHICH READS AS FOLLOWS:

WE, THE LEAD MERCHANT BANKER TO THE ABOVE MENTIONED FORTHCOMING OFFER, STATE AND CONFIRM AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT PROSPECTUS PERTAINING TO THE SAID OFFER.**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
 - a. THE DRAFT PROSPECTUS FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;**
 - b. ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - c. THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956, THE SECURITIES EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE OTHER INTERMEDIARIES NAMED IN THE OFFER DOCUMENT ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.**
5. **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT PROSPECTUS.**
6. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND PPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT PROSPECTUS.**
7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE OFFER. – NOT APPLICABLE**
8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. – COMPLIED WITH TO THE EXTENT APPLICABLE**
9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE OFFER DOCUMENT. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE**
10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR**

PHYSICAL MODE. – NOT APPLICABLE, UNDER SECTION 29 OF THE COMPANIES ACT, 2013, ALL THE SHARES SHALL BE ISSUED IN DEMATERIALIZED FORM ONLY

- 11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**
- 12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE OFFER DOCUMENT:**
 - (A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER; AND**
 - (B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.**
- 13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE OFFER. - NOTED FOR COMPLIANCE**
- 14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC.**
- 15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**
- 16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY, FIRST OVERSEAS CAPITAL LIMITED, AS PER FORMAT SPECIFIED BY THE BOARD THROUGH CIRCULAR BEARING REFERENCE CIR/MIRSD/1/2012 DATED JANUARY 10, 2012.**
- 17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. – COMPLIED WITH TO THE EXTENT THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD 18 IN THE FINANACIAL STATEMENTSOF THE COMPANY INCLUDED IN THE DRAFT PROSPECTUS**

ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY LEAD MANAGER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE

- 1. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**

2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THIS DRAFT PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE OFFER UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THE OFFER SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-OFFER ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE OFFER HAVE BEEN GIVEN. – NOTED FOR COMPLIANCE
3. WE CONFIRM THAT THE ABRIDGED DRAFT PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. - *NOTED FOR COMPLIANCE*
4. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.
5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, THE CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE DRAFT PROSPECTUS. – *NOT APPLICABLE*
6. WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION [106P] AND [106V] OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, HAVE BEEN MADE. - *NOTED FOR COMPLIANCE*
7. WE CONFIRM THAT THE ISSUER HAS REDRESSED AT LEAST NINETY FIVE PER CENT OF THE COMPLAINTS RECEIVED FROM THE INVESTORS TILL THE END OF THE QUARTER IMMEDIATELY PRECEDING THE MONTH OF THE FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES. – *NOT APPLICABLE*

THE FILING OF THE DRAFT PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER SECTION 34 AND SECTION 36 OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MERCHANT BANKER, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT PROSPECTUS.

All legal requirements pertaining to the Offer will be complied with at the time of registration of the Draft Prospectus with the Registrar of Companies, Mumbai. *The filing of the Draft Prospectus does not, however, absolve our company from any liabilities under section 34, Section 35, Section 36 and section 38(1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and / or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the LM any irregularities or lapses in the Draft Prospectus.*

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Mumbai in terms of sections 26 and 32 of the Companies Act, 2013.

DISCLAIMER STATEMENT FROM OUR COMPANY AND THE LEAD MANAGER

Our Company, our Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Prospectus or in the advertisements or any other material issued by or at instance of our Company and

anyone placing reliance on any other source of information, including our website, www.ayurvedganga.com, would be doing so at his or her own risk.

CAUTION

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Offer Agreement entered into among the Lead Manager and our Company dated September 19, 2015, the Underwriting Agreement dated September 19, 2015 entered into among the Underwriter and our Company and the Market Making Agreement dated September 14, 2015 entered into among the Market Maker and our Company.

Our Company, our Directors and the Lead Manager shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres, etc.

Investors who apply in the Offer will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER

For details regarding the price information and the track record of the past Issues handled by the Lead Manager to the Offer as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer to 'Annexure A' to this Draft Prospectus and the website of the Lead Manager at www.focl.in.

DISCLAIMER IN RESPECT OF JURISDICTION

The Offer is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2 (72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakhs, pension funds with minimum corpus of Rs. 2,500 Lakhs and the National Investment Fund, and permitted non-residents including FIIs, Eligible NRIs, QFIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company, this Draft Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Prospectus has been filed with BSE for its observations and BSE shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and the Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our

Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

DISCLAIMER CLAUSE OF THE SME PLATFORM OF BSE LIMITED

BSE Limited (“BSE”) has given *vide* its letter dated [●] permission to our Company to use its name in this Offer Document as one of the Stock Exchanges on which this company’s securities are proposed to be listed on the SME Platform.

As required, a copy of this Draft Prospectus shall be submitted to BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Draft Prospectus, shall be included in the Draft Prospectus prior to the RoC filing. BSE does not in any manner:-

- Warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- Warrant that this company’s securities will be listed or will continue to be listed on BSE; or
- Take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company;

And it should not for any reason be deemed or construed that this offer document has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities in this Company may do so

pursuant to independent inquiry, investigations and analysis and shall not have any claim against BSE whatsoever by reason of loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

FILING

This Draft Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on this Draft Prospectus in term of Regulation 106(O).

However, a copy of the Prospectus shall be filed with SEBI at Plot No. C 4-A , G Block, Near Bank of India, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra 400051 simultaneously with the filing of the Prospectus with the SME exchange and the Registrar of Companies.

A copy of the Draft Prospectus, along with the documents required to be filed under Section 60 of the Companies Act, 1956 and Section 32 of the Companies Act, 2013, will be delivered to the Registrar of Companies, Everest 5th Floor,100 Marine Drive, Mumbai 400002, Maharashtra.

LISTING

In terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, there is no requirement of obtaining In- Principle approval of the SME Platform of BSE. However, application shall be made to SME Platform of BSE for obtaining permission for listing of the Equity Shares being offered and sold in the Issue on its SME Platform after the allotment in the Issue. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

The SME Platform of BSE has given its approval for using its name in our Draft Prospectus vide its letter dated [●].

If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Draft Prospectus. If such money is not repaid within 8 (Eight) days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 (Eight) days, be liable to repay the application money, with interest at the rate of 15% per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME platform of BSE mentioned above are taken within 12 Working Days of the Offer Closing Date.

IMPERSONATION

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

- a. Makes or abets making of an application in a fictitious name, to the Company for acquiring or subscribing for, any shares therein, or*
- b. Makes or abets making of multiple applications to the Company in different names or in combination of his name or surname for acquiring or subscribing for its securities; or*

- a. Otherwise induces directly or indirectly to the Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,*

CONSENTS

We have obtained consents in writing of our Directors, Promoters, Compliance Officer, the Lead Manager, Registrar to the Offer, the Auditors to the Company (Peer Reviewed Auditor), the Statutory Auditor, the Legal Advisor to the Offer and Banker(s) to the Company. We will obtain consents in writing of the Market Maker(s), Underwriter(s), Refund Bank(s) and the Banker(s) to the Offer/ Escrow Collection Bank(s) to act in their respective capacities. These consents will be filed along with a copy of the Draft Prospectus with the RoC as required under Sections 60 and 60B of the Companies Act, 1956 and Section 32 of the Companies Act, 2013. Further, such consent and report will not be withdrawn up to the time of delivery of the Draft Prospectus for registration with the RoC.

In accordance with the Companies Act, 1956 and the SEBI (ICDR) Regulations, 2009, M/s Amarnath Sharma & Co., Chartered Accountants, our Statutory Auditors have agreed to provide their respective written consents for inclusion of their name, report on financial statements and report relating to the possible general and special tax benefits, as applicable, accruing to our Company and its shareholders, in this Draft Prospectus in the form and context in which they appear in this Draft Prospectus.

EXPERT OPINION TO THE ISSUE

Except as stated below, our Company has not obtained any other expert opinions:

Our Company has received consent from the Statutory Auditor of the Company to include their name as an expert as per Section 26 of the Companies Act 2013 in this Draft Prospectus in relation to the (a) Auditors' reports on the restated financial statements; and (b) Statement of Tax Benefits by the Statutory Auditors and such consent has not been withdrawn as on the date of this Draft Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act 1933.

OFFER RELATED EXPENSES

The expenses of the Offer include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, advertising expenses and listing fees. For details of total expenses of the Issue, see the chapter "Objects of the Issue" beginning on page no. 68 of the Draft Prospectus.

DETAILS OF FEES PAYABLE

Fees Payable to the Lead Manager

The total fees payable to the Lead Manager will be as per the Issue Agreement dated April 01,2015 has been executed between our Company and the Lead Manager, a copy of which is available for inspection at our Registered Office.

Underwriting Commission, Brokerage and Selling Commission

The underwriting and selling commission for the Offer is as set out in the Underwriting Agreement dated September 15, 2015 between our Company, the Lead Manager, Market Maker and Underwriter, a copy of which is available for inspection at our Registered Office. Payment of underwriting commission, brokerage and selling commission would be in accordance with applicable laws.

Fees Payable to the Market Maker(s)

The fees payable to the Market Maker(s) to the Offer will be as per the Market Making Agreement dated September 14, 2015 between our Company, Lead Manager and Market Maker, a copy of which is available for inspection at our Registered Office.

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer will be as per the Memorandum of Understanding dated August 01, 2015 executed between our Company and the Registrar to the Offer, a copy of which is available for inspection at our Registered Office.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by our Company to the Registrar to the Offer to enable them to send refund orders or Allotment advice by registered post/ speed post/ under certificate of posting.

Fees Payable to Others

The total fees payable to the Legal Advisor, Auditor, and Advertiser, *etc.* will be as per the terms of their respective engagement letters.

PREVIOUS RIGHTS AND PUBLIC ISSUES DURING THE LAST FIVE YEARS

We have not made any previous rights and/or public issues during the last five years, and are an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations, 2009, amended from time to time and the Offer is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations, 2009, amended from time to time.

COMPANIES UNDER THE SAME MANAGEMENT

No Company under the same management as the Company within the meaning of Section 370(1B) of the Companies Act 1956 / Section 186 of the Companies Act, 2013, has made any public issue (including any rights issues to the public) during the last three (3) years.

PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH

Except as stated in the chapter titled '*Capital Structure*' beginning on page 55 of this Draft Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

COMMISSION AND/ OR BROKERAGE ON PREVIOUS ISSUES

Since this is the initial public offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since inception.

PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370 (1) (B) OF THE COMPANIES ACT, 1956 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS:

None of our Group Companies have made any capital issue during the last three years.

PERFORMANCE VERSUS PERFORMANCE FOR OUR COMPANY

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations, 2009, and the Offer is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations, 2009. Therefore, data regarding promise versus performance is not applicable to us.

None of the Group Companies has made public issue of equity shares during the period of ten years immediately preceding the date of filing this Draft Prospectus with the BSE.

OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY

As on the date of this Draft Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

OPTION TO SUBSCRIBE

The investors have an option to get the shares in demat or physical mode. However, as per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it was decided by SEBI that trading in securities of companies making an initial public offer shall be in dematerialized form only. Moreover, as per Section 29 (1) of the Companies Act, 2013, all the shares shall be issued in dematerialized form in compliance with the provisions of the depositories act, 1996 and the regulations made there under. Hence, Equity Shares being offered through this Draft Prospectus can be applied for in dematerialized form only.

STOCK MARKET DATA FOR OUR EQUITY SHARES

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations, 2009, and the Offer is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations, 2009. Thus there is no stock market data available for the Equity Shares of our Company.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Memorandum of Understanding between the Registrar and Our Company provides for retention of records with the Registrar for a period of at least three year from the last date of dispatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach the Registrar to this Issue for redressal of their grievances.

All grievances relating to the Offer may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as the name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Bid-cum-Application Form was submitted by the ASBA Bidders.

DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders shall redress routine investor grievances. We estimate that the average time required by us or the Registrar to the Offer for the redressal of routine investor grievances will be 15 (Fifteen) Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

We have constituted the Shareholders/ Investors Grievance Committee of the Board *vide* resolution passed at the Board Meeting held on August 24,2015. For further details, please refer to the chapter titled '*Our Management*' beginning on page no. 125 of this Draft Prospectus.

Our Company has appointed Mr. Bharat B. Sharma as the Compliance Officer and he may be contacted at the following address:

GANGA PHARMACEUTICALSLIMITED

1 - A, 802, N.G. Suncity Ph II, Kandivali East,
Mumbai 400101, Maharashtra, India

Tel: +91 250 609 8333/ 444

Fax No.: +91 250-2528602

Email: ayurvedganga@gmail.com

Website: www.ayurvedganga.com

Investors can contact the Compliance Officer or the Registrar in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or refund orders, *etc.*

CHANGES IN AUDITORS DURING THE LAST THREE FINANCIAL YEARS

There have been no changes in the statutory auditors of our Company during the last three financial years.

CAPITALIZATION OF RESERVES OR PROFITS

Save and except as stated in the chapter titled '*Capital Structure*' beginning on page no. 55 of this Draft Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

REVALUATION OF ASSETS

Our Company has not revalued its assets since incorporation.

SECTION X - OFFER RELATED INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered are subject to the provisions of the Companies Act, 1956 and Companies Act, 2013, SEBI (ICDR) Regulations, 2009 and amendments thereto, our Memorandum and Articles of Association, the terms of this Draft Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note, the Listing Agreement to be entered into with the SME Exchange and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being issued in the Offer shall be subject to the provisions of the Companies Act, 1956 and Companies Act, 2013 and the Memorandum and Articles of Association of our Company and shall rank *pari-passu* with the existing equity shares of our Company including rights in respect of dividend. The Allottee's in receipt of Allotment of Equity Shares under the Offer will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to the section titled '**Main Provisions of the Articles of Association**' beginning on page no. 241 of this Draft Prospectus.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act 2013 and recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, 2013. For further details, please refer to the chapter titled "**Dividend Policy**" on page no. 146 of this Draft Prospectus.

Face Value and Offer Price per Share

The face value of the Equity Shares is Rs. 10/- each and the Offer Price is Rs. 15/- per Equity Share. The Offer Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled '**Basis for Offer Price**' beginning on page no. 73 of this Draft Prospectus. At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with SEBI ICDR Regulations

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2009. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and

- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, the terms of the listing agreements with the Stock Exchange(s) and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled '*Main Provisions of the Articles of Association*' beginning on page no. 241 of this Draft Prospectus.

Minimum Application Value, Market Lot and Trading Lot

As per Section 29 (1) of the Companies Act, 2013, all the shares shall be issued in dematerialized form in compliance with the provisions of the depositories act, 1996 and the regulations made there under, thus, the Equity Shares shall be allotted only in dematerialized form. As per the existing SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form for all investors.

The trading of the Equity Shares will happen in the minimum contract size of 8,000 Equity Shares and the same may be modified by BSE from time to time by giving prior notice to investors at large. Allocation and Allotment of Equity Shares through the Offer will be done in multiples of 8,000 Equity Share subject to a minimum Allotment of 8,000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Allocation and Allotment of Equity Shares through the Offer will be done in multiples of 8,000 Equity Share subject to a minimum Allotment of 8,000 Equity Shares to the successful applicants.

Minimum Number of Allottee's

The minimum number of Allottee's in the Offer shall be 50 (Fifty) shareholders. In case the minimum number of prospective Allottee's is less than 50 (Fifty), no Allotment will be made pursuant to the Offer and the monies collected shall be refunded within 15 days of closure of the Offer.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint – tenants with benefits of survivorship.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, 1956 and Corresponding to Section 72 of the Companies Act 2013, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of death of the sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, 1956 and Corresponding to Section 72 of the Companies Act 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the Registrar and Transfer Agents of our Company.

In accordance with Section 109B of the Companies Act, 1956 and Corresponding to Section 72 of the Companies Act 2013, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, 1956 and Corresponding to Section 72 of the Companies Act 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

In terms of the SEBI (ICDR) Regulations, 2009, the requirement for minimum subscription is not applicable to the Offer.

If the issuer does not receive the subscription of 100% of the Offer through this Draft Prospectus including devolvement of Underwriters within sixty days from the date of closure of the Offer, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under Section 73 of the Companies Act, 1956 and Section 39 and 40 of the Companies Act, 2013.

In accordance with Regulation 106P (1) of the SEBI (ICDR) Regulations, 2009, the Offer shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the Offer through this Draft Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 106R of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum number of Allottee`s in the Offer shall be 50 (Fifty) shareholders and the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakhs per application. In case the minimum number of prospective Allottee`s is less than 50 (Fifty), no Allotment will be made pursuant to the Offer and the monies collected shall be refunded within 15 days of closure of the Offer.

Arrangements for Disposal of Odd Lots

The trading of the Equity Shares will happen in the minimum contract size of 8,000 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Platform of BSE.

Application by Eligible NRIs, FIIs registered with SEBI, VCFs registered with SEBI and QFIs

It is to be understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

As per the extant policy of the Government of India, OCBs cannot participate in this Issue.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO.

However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Offer Equity Shares and Promoters' minimum contribution in the Offer as detailed in the chapter '*Capital Structure*' beginning on page 55 of this Draft Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation/ splitting except as provided in the Articles of Association.

For details please refer to the section titled '*Main Provisions of the Articles of Association*' beginning on page no. 241 of this Draft Prospectus.

Option to receive Equity Shares in Dematerialized Form

As per Section 29 (1) of the Companies Act, 2013, all the shares shall be issued in dematerialized form in compliance with the provisions of the Depositories Act, 1996 and the regulations made there under, thus, the investors should note that Allotment of Equity Shares to all successful applicants will only be in the dematerialized form. Applicants will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Migration to Main Board

Our Company may migrate to the main board of BSE from the SME Platform on a later date subject to the following:

- a) If the Paid up Capital of the company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- b) If the Paid up Capital of the company is more than Rs. 10 Crores but below Rs. 25 Crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

As per BSE SME guidelines, it is mandatory for the company to be listed and traded on the BSE SME Platform for a minimum period of two years before seeking migration to the Main Board.

Market Making

The Equity Shares offered though the Offer are proposed to be listed on the SME Platform of BSE, wherein the Lead Manager to the Offer shall ensure compulsory Market Making through the registered Market Makers of the SME Platform for a minimum period of three years from the date of listing of shares offered though this Draft Prospectus. For further details of the agreement entered into between the Company, the Lead Manager and the

Market Maker please refer to paragraph titled ‘Details of the Market Making Arrangement for the Offer’ under chapter titled ‘**General Information**’ beginning on page no. 46 of this Draft Prospectus.

In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012; it was decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:

Issue Size	Buy quote exemption threshold (including mandatory initial inventory of 5% of issue size)	Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of issue size)
Upto Rs. 20 Crores	25%	24%
Rs. 20 Crores to Rs. 50 Crores	20%	19%
Rs. 50 Crores to Rs. 80 Crores	15%	14%
Above Rs. 80 Crores	12%	11%

The exemption from threshold shall not be applicable for the first three months of market making and the market maker shall be required to provide two way quotes during this period irrespective of the level of holding.

Further, the Market Maker shall give two way quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two way quotes shall be resumed the moment inventory reaches the prescribed reentry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification

New Financial Instruments

The Issuer Company is not issuing any new financial instruments through the Offer.

Offer Program:

OFFER OPENS ON	[●]
OFFER CLOSES ON	[●]

Applications and revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Offer Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches, except that on the Offer Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

The above information is given for the benefit of the Applicants. The applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

Jurisdiction

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in Mumbai.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

OFFER STRUCTURE

The Offer is being made in terms of Regulation 106M (1) of Chapter XB of SEBI (ICDR) Regulations, 2009, and amendments thereto, since our post-Offer paid up capital exceeds Rs.10.00Crores. For further details regarding the salient features and terms of the Offer please refer chapters titled '*Terms of the Offer*' and '*Offer Procedure*' on page no.206 and 214 of this Draft Prospectus.

Particulars	Net Offer to Public [^]	Market Maker Reservation Portion
Number of Equity Shares*	9,72,800 Equity Shares	51,200 Equity Shares
Percentage of Offer Size available for allocation	95.00% of the Offer Size	5.00% of the Offer Size
	23.95 % of the Post Offer Paid up Capital	1.26% of the Post Offer Paid up Capital
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate subject to minimum Allotment of 8,000 Equity Shares and further Allotment in multiples of 8,000 Equity Shares each. For further details please refer to the paragraph titled ' <i>Basis of Allotment</i> ' on page no. 225 of this Draft Prospectus.	Firm Allotment
Mode of Application	<i>For QIB and NII:</i> Applicants the application must be made compulsorily through ASBA mode. <i>For Retail Individuals:</i> Retail Individual Applicants may apply through the ASBA or the Physical Form.	Through ASBA mode
Minimum Application Size	<i>For QIB and NII:</i> Such number of Equity Shares in multiples of 8,000 Equity Shares such that the Application Value exceeds Rs. 2,00,000 <i>For Retail Individuals:</i> 8,000 Equity Shares	51,200 Equity Shares
Maximum Bid	<i>For QIB and NII:</i> Such number of Equity Shares in multiples of 8,000 Equity Shares such that the Application Size does not exceed Rs. 2,00,000 Equity Shares <i>For Retail Individuals:</i> 8,000 Equity Shares so that	51,200 Equity Shares

Particulars	Net Offer to Public [^]	Market Maker Reservation Portion
	the Application Value does not exceed Rs. 2,00,000	
Mode of Allotment	Compulsorily in dematerialized mode	Compulsorily in dematerialized mode
Trading Lot	8,000 Equity Shares	8,000 Equity Shares; However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
Terms of payment	Entire Application Amount shall be payable at the time of submission of Application Form. In case of ASBA Applicants, the SCSBs shall be authorized to block such funds in the bank account of the Applicant that are specified in the ASBA Application Form.	

[^]50 % of the Equity Shares offered in the Net Offer to Public portion are reserved for applications whose value is below Rs. 2,00,000 and the balance 50 % of the Equity Shares are reserved for applications whose value is above Rs. 2,00,000.

Withdrawal of the Offer

In accordance with the SEBI (ICDR) Regulations, 2009, our Company, in consultation with Lead Manager, reserve the right not to proceed with the Offer at any time after the Offer Opening Date, but before our Board meeting for Allotment, without assigning reasons thereof. If our Company withdraws the Offer after the Offer Closing Date, we will give reason thereof within two days by way of a public notice which shall be published in the same newspapers where the pre-Offer advertisements were published.

Further, the Stock Exchanges shall be informed promptly in this regard and the Lead Manager, through the Registrar to the Offer, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Applicants within one Working Day from the date of receipt of such notification. In case our Company withdraws the Offer after the Offer Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI (ICDR) Regulations, 2009, QIB and NII Applicants shall not be allowed to withdraw their Application after the Offer Closing Date.

Offer Programme

OFFER OPENS ON		[●]
OFFER CLOSES ON		[●]

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Offer Period at the Application Centers mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Offer Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

OFFER PROCEDURE

Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment, modification or change in applicable law, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (General Information Document) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document has been updated to include reference to certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

Our Company, and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Draft Prospectus and the Prospectus.

This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.

Fixed Price Procedure

The Offer is being made under Regulation 106M (2) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via Fixed Price Process.

Applicants are required to submit their Applications to the selected branches/ offices of the Banker(s) to the Offer who shall duly submit them to the Registrar to the Offer.

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing. In case of Non Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

Under-subscription, if any, in any category, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Manager and the BSE SME.

Investors should note that the Equity Shares will be allotted to all successful Applicants only in dematerialized form. The Application Forms which do not have the details of the Applicants' depository account, including DP ID, PAN and Client ID, shall be treated as incomplete and will be rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic application system of the stock exchanges by the Brokers (including sub-brokers) do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of being allotted Equity Shares in physical form. The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Applicants are required to ensure that the PAN (of the sole/ first Applicant) provided in the Application Form is exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held. In case of joint applications, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders.

Application Form

Applicants shall only use the specified Application Form bearing the stamp of the Bankers to the Offer for the purpose of making an Application in terms of this Draft Prospectus. Upon completing and submitting the Application Form to the Bankers, the Applicant is deemed to have authorized our Company to make the necessary changes in the Draft Prospectus and the Application Form as would be required for filing the Draft Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Applicant.

ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA applicants. Upon completing and submitting the Application Form for ASBA Applicants to the SCSB, the ASBA Applicant is deemed to have authorized our Company to make the necessary changes in the Draft Prospectus and the ASBA as would be required for filing the Draft Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Applicant.

The prescribed color of the Application Form for various categories is as follows:

Category	Color
Indian Public / NRI's applying on a non-repatriation basis (ASBA and Non-ASBA)	White
Non-Residents including eligible NRI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA and Non-ASBA)	Blue

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f May 02, 2011, the Non-Institutional applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

Who can apply?

1. Indian nationals resident in India who are not minors in single or joint names (not more than three);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of Sole or First Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs would be considered at par with those from individuals;
3. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws. NRIs other than eligible NRIs are not eligible to participate in the Offer;
6. Indian Financial Institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, as applicable);

7. FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB portion;
8. FPIs and sub-accounts registered with SEBI, other than Category III Foreign Portfolio Investor
9. Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Applicants portion;
10. FVCIs registered with SEBI;
11. Eligible QFIs;
12. Venture Capital Funds registered with SEBI;
13. State Industrial Development Corporations;
14. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorized under their constitution to hold and invest in equity shares;
15. Scientific and/or industrial research organizations authorized to invest in equity shares;
16. Insurance Companies registered with Insurance Regulatory and Development Authority;
17. Limited Liability Partnership registered in India and authorized to invest in equity shares and;
18. Provident Funds with minimum corpus of Rs. 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
19. Pension Funds with minimum corpus of Rs. 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
20. Foreign Venture Capital Investors registered with SEBI;
21. Multilateral and bilateral development financial institutions;
22. National Investment Fund;
23. Nominated Investor and Market Maker
24. Insurance funds set up and managed by the army, navy or air force of the Union of India;
25. Insurance funds set up and managed by the Department of Posts, India and
26. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

Applications not to be made by:

- a. Minors
- b. Partnership firms or their nominations
- c. Foreign Nationals (except NRIs)
- d. Overseas Corporate Bodies

Participation by Associates of LM

Except for the Underwriting Obligations, the Lead Manager shall not be allowed to subscribe to the Offer in any manner. However, associates and affiliates of the LM may subscribe to or purchase Equity Shares in the Offer, where the allocation is on a proportionate basis.

Availability of Draft Prospectus and Application Forms

The Memorandum Form 2A containing the salient features of the Draft Prospectus together with the Application Forms and copies of the Draft Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Offer, Registrar to the Offer and the collection Centres of the Bankers to the Offer, as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE Limited, i.e. www.bseindia.com

Option to Subscribe in the Offer

- (a) As per Section 29 (1) of the Companies Act, 2013, all the shares shall be issued in dematerialized form in compliance with the provisions of the depositories act, 1996 and the regulations made there under, thus, the investors should note that Allotment of Equity Shares to all successful applicants will only be in the dematerialized form.
- (b) The Equity Shares, on Allotment, shall be traded on stock exchange in demat segment only.
- (c) A single application from any investor shall not exceed the investment limit/ minimum number of specified securities that can be held by him/her/ it under the relevant regulations/ statutory guidelines.

Application by Indian Public including eligible NRIs applying on Non Repatriation

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/ institutions and NOT in the names of Minors, Foreign Nationals, Non Residents (except for those applying on non repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, partnership firms or their nominees. In case of HUF's application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of securities exceeding the number of securities offered to the public. Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE/FCNR accounts as well as NRO accounts.

Application by Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

Applications by Eligible NRIs/FII's/FPIs on Repatriation Basis

Application Forms have been made available for Eligible NRIs at our registered Office.

Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians.

Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to the companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. The Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of Offer of shares for Allotment to NRI's on repatriation basis.

Allotment of Equity Shares to Non Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

The Company does not require approvals from FIPB or RBI for the Transfer of Equity Shares in the Offer to eligible NRI's, FII's, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post Offer capital. In respect of an FII investing in our equity shares on behalf of its sub accounts, the investment on behalf of each sub account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub account is a foreign corporate or an individual.

In accordance with the foreign investment limits, the aggregate FII holding in our Company cannot exceed 24% of our total issued capital. With the approval of the board and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as on this date, no such resolution has been recommended to the shareholders of the Company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII may issue, deal or hold, off shore derivative instruments such as participatory notes, equity linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "Know Your Client" requirements. An FII shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

In case of FII's in NRI/FII Portion, number of Equity Shares applied shall not exceed Offer size.

AS PER THE CURRENT REGULATIONS, THE FOLLOWING RESTRICTIONS ARE APPLICABLE FOR INVESTMENTS BY FPIs.

1. A foreign portfolio investor shall invest only in the following securities, namely- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by a domestic mutual funds, whether listed on a recognized stock exchange or not; (c) Units of Schemes floated by a collective investment scheme; (d) Derivatives traded on a recognized Stock Exchange; (e) Treasury bills and dated government securities; (f) Commercial papers issued by an Indian Company; (g) Rupee denominated credit enhanced bonds; (h) Security

receipts issued by asset reconstruction companies; (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time; (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where 'infrastructure' is defined in terms of the extant External Commercial Borrowings (ECB) guidelines; (k) Non-Convertible debentures or bonds issued by Non – Banking Financial Companies categorized as 'Infrastructure Finance Companies' (IFC) by the Reserve Bank of India; (l) Rupee denominated bonds or units issued by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by the Board from time to time.

2. Where a foreign institutional investor or a sub account, prior to commencement of these regulations, hold equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after Initial Public Offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment from the time being in force.
3. In respect of investments in the secondary market, the following additional conditions shall apply:
 - a. A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
 - b. Nothing contained in clause (a) shall apply to:
 - i. Any transactions in derivatives on a recognized stock exchange;
 - ii. Short selling transactions in accordance with the framework specified by the Board;
 - iii. Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - iv. Any other transaction specified by the Board.
 - c. No transaction on the stock exchange shall be carried forward;
 - d. The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board; provided nothing contained in this clause shall apply to:
 - i. Transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;
 - ii. Sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - iii. Sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - iv. Sale of securities, in accordance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
 - v. divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines of Disinvestment of shares of Indian Companies in the overseas market through issue of American Depository Receipts or Global Depository Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
 - vi. Any bid for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
 - vii. Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - viii. Any other transaction specified by Board.
 - e. A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form:

Provided that any shares held in non-dematerialized form, before the commencement of these regulations, can be held in non-dematerialized form, if such shares cannot be dematerialized. Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Depositories Act, 1996.

4. The purchase of Equity Shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of the total issued capital of the company.
5. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.
6. In cases where the Government of India enters into agreements or treaties with other sovereign governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.
7. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard. No foreign portfolio investor may issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:
 - (a) Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority
 - (b) Such offshore derivative instruments are issued after compliance with 'know your client' norms:

Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal, in offshore derivatives instruments directly or indirectly.

Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.

Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to offshore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.

Any offshore derivative instruments issued under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 before commencement of these regulations shall be deemed to have been issued under the corresponding provision of these regulations.

The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below 10 per cent of the total issued capital of the company.

Applications by Eligible QFIs

Eligible QFIs are permitted to invest in the equity shares of Indian companies on a repatriation basis subject to certain terms and conditions. Eligible QFIs have also been permitted to invest in equity shares of Indian companies which are offered to the public in India in accordance with the SEBI Regulations.

The individual and aggregate investment limits for Eligible QFIs in an Indian company are 5% and 10% of the paid up capital of the Indian company respectively. These limits are in addition to the investment limits prescribed under

the portfolio investment scheme for FIIs and NRIs. However, in cases of those sectors which have composite foreign investment caps, Eligible QFI investment limits are required to be considered within such composite foreign investment cap. An Eligible QFI may make investments in the equity shares of an Indian company through both the FDI route and the QFI route. However, the aggregate holding of such Eligible QFI shall not exceed 5% of the paid-up capital of the Indian company at any point of time.

QFIs shall be eligible to apply under the Non-Institutional Applicants category. Further, SEBI in its circular dated January 13, 2012 has specified, amongst other things, eligible transactions for Eligible QFIs (which includes investment in equity shares in public issues to be listed on recognised stock exchanges and sale of equity shares held by Eligible QFIs in their demat account through SEBI registered brokers), manner of operation of demat accounts by Eligible QFIs, transaction processes and investment restrictions. SEBI has specified that transactions by Eligible QFIs shall be treated at par with those made by Indian non-institutional investors in various respects including, margins, voting rights, public issues, etc.

Eligible QFIs shall open a single non-interest bearing Rupee account with an AD category-I bank in India for routing the payment for transactions relating to purchase of equity shares (including investment in equity shares in public issues) subject to the conditions as may be prescribed by the RBI from time to time.

Eligible QFIs who wish to participate in the Offer are advised to use the Application Form meant for Non Residents (blue in colour). Eligible QFIs shall compulsorily apply through the ASBA process to participate in the Offer.

Eligible QFIs are not permitted to issue off-shore derivative instruments or participatory notes.

Applications by SEBI registered Venture Capital Funds, Alternative Investment Funds and Foreign Venture Capital Investors

As per the current regulations, the following restrictions are applicable for SEBI Registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI.

Accordingly, whilst the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund, a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital Investors can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

The SEBI (Alternate Investment Funds) Regulations, 2012 prescribe investment restriction for various categories of AIFs.

The Category I and II AIFs cannot invest more than 25% of their respective corpus in one Investee Company. A category III AIF cannot invest more than 10% of its corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI (Alternate Investment Funds) Regulations, 2012, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI (Alternate Investment Funds) Regulations, 2012 shall continue to be regulated by the VCF Regulations.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

MAXIMUM AND MINIMUM APPLICATION SIZE

a) For Retail Individual Applicants

The Application must be for a 8,000 Equity Shares so as to ensure that the Application Price payable by the Applicant does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed Rs. 2, 00,000.

b) For Other Applicants (Non Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds Rs. 2,00,000 and in multiples of 8,000 Equity Shares thereafter. An Application cannot be submitted for more than the Offer Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Offer Closing Date and is required to pay 100% QIB Margin upon submission of Application.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.

Applications by Limited Liability Partnerships

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, as amended (“LLP Act”) a certified copy of certificate of registration issued under the LLP Act must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof. Limited Liability partnerships can participate in the Offer only through ASBA process.

Applications by Insurance Companies

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form or the ASBA Application Form, as the case may be. Failing this, our Company in consultation with the LM, reserve the right to reject any Application without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment Scheme (5th Amendment)) Regulations, 2013, as amended, are broadly set forth below:

- (a) equity shares of a company: the least of 10% of the investee company’s subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) the entire group of the investee company: at least 15% of the respective fund in case of a life insurer or a general insurer or reinsurer or 15% of investment asset in all companies belonging to the group; and
- (c) The industry sector in which the investee company operates: the least of 15% of the respective fund in case of life insurer or a general insurer or reinsurer or 15% of investment assets.

In addition, IRDA partially amended the exposure limits applicable to investments in public limited companies in the infrastructure and housing sectors on providing, among other things, that the exposure of an insurer to an infrastructure company may be increased to not more than 20%, provided that in case of equity investment, a dividend of not less than 4% including bonus should have been declared for at least five preceding years. This limit of 20% would be combined for debt and equity taken together, without sub ceilings.

Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50% of the exposure norms specified under the IRDA Investment Regulations.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FPIs, MFs, Insurance Companies, Provident Funds, Pension Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/ or bye laws must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made pursuant to a power of attorney by FIIs, FPIs, VCFs, FVCIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made by provident funds and pension funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with minimum corpus of Rs. 2,500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / refund orders / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations

The Company in its absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that the Company and the Lead Manager may deem fit.

Application by Provident Funds/Pension Funds

In case of Applications made by provident funds with minimum corpus of Rs. 2,500 lakhs (subject to applicable law) and pension funds with minimum corpus of Rs. 2,500 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of filing of the Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the maximum number of Equity Shares applied for or maximum investment limits do not exceed the applicable limits under laws or regulations or as specified in the Draft Prospectus.

ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED B

Information for the Applicants:

- (a) Our Company will file the Prospectus with the RoC at least 3 (three) days before the Offer Opening Date.
- (b) The LM will circulate copies of the Prospectus along with the Application Form to potential investors.
- (c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Draft Prospectus and/ or the Application Form can obtain the same from our registered office or from the corporate office of the Lead Manager.
- (d) Applicants who are interested in subscribing for the Equity Shares should approach the Lead Manager or their authorized agent(s) to register their Applications.
- (e) Applications made in the Name of Minors and/or their nominees shall not be accepted.
- (f) Applicants are requested to mention the application form number on the reverse of the instrument to avoid misuse of instrument submitted along with the application for shares. Applicants are advised in their own interest, to indicate the name of the bank and the savings or current a/c no in the application form. In case of refund, the refund order will indicate these details after the name of the payee. The refund order will be sent directly to the payee's address.

Instructions for Completing the Application Form

The Applications should be submitted on the prescribed Application Form in BLOCK LETTERS and in ENGLISH only, in accordance with the instructions contained herein and in the Application Form. Applications not so made, are liable to be rejected.

ASBA Application Forms should bear the stamp of the SCSB's. ASBA Application Forms, which do not bear the stamp of the SCSB, will be rejected.

Applicants residing at places where the designated branches of the Banker to the Offer are not located may submit/mail their applications at their sole risk along with Demand Draft payable at Mumbai.

Applicant's Depository Account and Bank Details

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Offer will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds to the Applicants.

Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that, failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants sole risk and neither the LM nor the Registrar to the Offer nor the Escrow Collection Banks nor the SCSBs nor the Company shall have any responsibility and undertake any liability for the same.

Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable.

The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Offer. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Offer, the required Demographic Details as available on its records.

Applicant's should note that providing bank account details in the space provided in the application form in mandatory and application that do not contain such details are liable are liable to be rejected.

BASIS OF ALLOTMENT

Allotment will be made in consultation with SME Platform of BSE (The Designated Stock Exchange). In the event of oversubscription, the Allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis, i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate Allotment works out to less than 8,000 equity shares, the Allotment will be made as follows:
 - a. Each successful applicant shall be allotted 8,000 equity shares; and
 - b. The successful applicants out of the total applicants for that category shall be determined by the withdrawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate Allotment to an applicant works out to a number that is not a multiple of 8,000 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 8,000 equity shares subject to a minimum Allotment of 8,000 equity shares.
5. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate Allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 8,000 equity shares, results in the actual Allotment being higher than the shares offered, the final Allotment may be higher at the sole discretion of the Board of Directors, upto 110% of the size of the Offer specified under the chapter titled '*Capital Structure*' on page no. 55 in this Draft Prospectus.
6. The above proportionate Allotment of shares in an Offer that is oversubscribed shall be subject to the reservation for small individual applicants as described below
 - (a) A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.

- (b) The balance net offer of shares to the public shall be made available for Allotment to: a) individual applicants other than retails individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
- (c) The unsubscribed portion of the net offer to any one of the categories specified in (a) or (b) shall / may be made available for allocation to applicants in the other category, if so required.

However, if the retail individual investor category is entitled to more than fifty per cent. on proportionate basis, the retail individual investors shall be allocated that higher percentage.

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000. Investors may note that in case of over subscription, Allotment shall be on proportionate basis and will be finalized in consultation with SME Platform of BSE.

The Executive Director/ Managing Director of the SME Platform of BSE (Designated Stock Exchange) in addition to Lead Merchant Banker and Registrar to the Offer shall be responsible to ensure that the basis of Allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

REFUNDS:

In case of Applicants receiving refunds through electronic transfer of funds, delivery of refund orders/ allocation advice/ CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Applicants sole risk and neither the Company, the Registrar to the Offer, Escrow Collection Bank(s) nor the LM shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches three parameters, namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Applications are liable to be rejected.

The Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Offer, that for the purpose of printing particulars on the refund order and mailing of the refund order/ CANs/ allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the Applicant). In such cases, the Registrar shall use Demographic Details as given in the Application Form instead of those obtained from the depositories.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/ or commission. In case of Applicants who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Applicants so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Application Form. The Company will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

As per the RBI regulations, OCBs are not permitted to participate in the Offer.

There is no reservation for Non Residents, NRIs, FPIs, FIIs and foreign venture capital funds and all Non Residents, NRI, FII and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

ESCROW MECHANISM

TERMS OF PAYMENT/ PAYMENT INSTRUCTIONS

The entire Offer Price of Rs. 15/- per Equity Share is payable on application. In case of Allotment of lesser number of Equity Shares than the number applied, the Company shall refund the excess amount paid on Application to the Applicants.

Where the payment is made by other than ASBA, it should be made by cheque, or demand draft drawn on any Bank (including a Co-Operative Bank), which is situated at, and is a member of or sub member of the bankers' clearing house located at the centre where the Application Form is submitted. Outstation cheques/ bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

Cash/ Stock-invest/ Money Orders/ Postal orders will not be accepted.

A separate Cheque or Bank Draft should accompany each application form where the payment is made by other than ASBA Mechanism. Applicants should write the Application Number on the back of the Cheque/ Draft. Outstation Cheques will not be accepted and applications accompanied by such cheques drawn on outstation banks are liable for rejection. Money Orders/ Postal Notes will not be accepted.

Each Applicant shall draw a cheque or demand draft for the amount payable on the Application and/ or on allocation/ Allotment as per the following terms:

1. The payment instruments for payment into the Escrow Account should be drawn in favour of:

Category of Investor	Account Name
Indian Public including eligible NRIs applying on non repatriation basis	Ganga Pharma-R
In case of Non Resident Retail Applicants applying on repatriation basis	Ganga Pharma - NR

2. In case of Application by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non Resident External (NRE) Accounts or Foreign Currency Non Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non Resident Ordinary (NRO) Account of Non Resident Applicant applying on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.
3. Where an Applicant has been allocated a lesser number of Equity Shares than the Applicant has applied for, the excess amount, if any, paid on Application, after adjustment towards the balance amount payable by the Pay-In Date on the Equity Shares allocated will be refunded to the Applicant from the Refund Account.
4. On the Designated Date and no later than 15 days from the Offer Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Applicants and also the excess amount paid on Application, if any, after adjusting for allocation/ Allotment to the Applicants.

Payment by Stock invest

In terms of, the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003 04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in the Offer.

Payment mechanism for ASBA Applications

All investors other than retail individual investors are required to make their application using ASBA process only.

The ASBA applicants shall specify the bank account number in the Application Form and the SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the ASBA Application or receipt of instructions from the Registrar to the Offer to unblock the Application Amount. In the event of withdrawal or rejection of the Application Form or for unsuccessful -Application Forms, the Registrar to the Offer shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Offer and consequent transfer of the Application Amount to the Public Offer Account, or until withdrawal/ failure of the Offer or until withdrawal of the Application by the ASBA Applicant, as the case may be.

In case of Applications by Eligible NRIs applying on repatriation basis, a NRE Account or a FCNR Account, maintained with banks authorized to deal in foreign exchange in India, should be mentioned in the Application Form for blocking of funds, along with documentary evidence in support of the remittance.

In case of Applications by Eligible NRIs applying on a non-repatriation basis, a NRE Account or a FCNR Account maintained with banks authorized to deal in foreign exchange in India or a NRO Account, should be mentioned in the Application Form for blocking of funds, along with documentary evidence in support of the remittance.

GENERAL INSTRUCTIONS

Do's:

- Check if you are eligible to apply;
- Ensure that you have applied at the Issue Price;
- Read all the instructions carefully and complete the Application Form;
- Ensure that the details about the PAN, Depository Participant and the beneficiary account are correct and the Applicant's Depository Account is active as Allotment of Equity Shares will be in the dematerialised form only;
- Ensure that the applications are submitted at the collection centres only on forms bearing the stamp of a Broker or with respect to ASBA Applicants, ensure that your application is submitted at a Designated Branch of the SCSB where the ASBA Applicant or the person whose bank account will be utilised by the Applicant for applying, has a bank account;
- With respect to applications by ASBA Applicants, ensure that the Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- Non Retail Applicants should submit their applications through the ASBA process only;
- Ensure that you have funds equal to the Application Amount in your bank account maintained with the SCSB before submitting the Application Form to the respective Designated Branch of the SCSB or a Banker to the Issue, as the case may be;
- Instruct your respective banks to not release the funds blocked in the bank account under the ASBA process;

- Except for applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market and (ii) applications by persons resident in the State of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, for applications of all values, ensure that you have mentioned your PAN allotted under the Income Tax Act in the Application Form. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in —active status; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same;
- Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form;
- Ensure that the category is indicated;
- Ensure that in case of applications under power of attorney or applications by limited companies, corporate, trusts etc., relevant documents are submitted;
- Ensure that applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange by the SCSBs match with the DP ID, Client ID and PAN available in the Depository database;
- In relation to the ASBA applications, ensure that you use the Application Form bearing the stamp of the relevant SCSB and/ or the Designated Branch;
- In relation to the ASBA applications, ensure that your Application Form is submitted at a Designated Branch of a SCSB where the ASBA Account is maintained or to our Company or the Registrar to the Issue;
- Ensure that you have mentioned the correct ASBA Account number in the Application Form;
- In relation to the ASBA applications, ensure that you have correctly signed the authorization/undertaking box in the Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form; and
- In relation to the ASBA applications, ensure that you receive an acknowledgement from the Designated Branch for the submission of your Application Form.

Don't's:

- Do not apply for a price other than the Offer Price;
- Non Retail Applicants should neither withdraw nor lower the size of their applications at any stage;
- Do not apply on another Application Form after you have submitted an application to the Bankers to the Issue or the SCSBs, as applicable;
- Do not pay the Application Amount in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to a Banker to the Issue or the SCSB, only;
- Do not apply for an Application Amount exceeding Rs. 2,00,000 (for applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit the applications without the full Application Amount;

- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit applications on plain paper or incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant; and
- Do not apply if you are not competent to contract under the Indian Contract Act, 1872, as amended.

OTHER INSTRUCTIONS

Joint Applications in the case of Individuals

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Applications

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Offer to detect multiple applications are given below:

All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications:

- i) Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- ii) Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.
- iii) For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID

No separate applications for demat and physical is to be made. If such applications are made, the applications for physical shares will be treated as multiple applications and rejected accordingly.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB and Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple Applications and are liable to be rejected. The Company, in

consultation with the LM reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made. .

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post Allotment and released on confirmation of “know your client” norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

Permanent Account Number or PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (“**PAN**”) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

Please note that, Central or State Government and the officials appointed by the courts and investors residing in the State of Sikkim are exempted from specifying their PAN subject to the Depository Participants’ verifying the veracity of such claims of the investors in accordance with the conditions and procedures under this section on Offer Procedure.

RIGHT TO REJECT APPLICATIONS

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

Grounds for Rejections

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of the Offer;

- Applications for number of Equity Shares which are not in multiples of 8,000;
- Category not ticked;
- Multiple Applications as defined in this Draft Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Offer Opening Date advertisement and the Draft Prospectus and as per the instructions in the Draft Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications where clear funds are not available in the Escrow Account as per the final certificate from the Escrow Collection Bank(s);
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed by the sole Applicant;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of Rs. 2,00,000, received after 5.00 pm on the Offer Closing Date;
- Where Application is made for allotment in physical mode.
- Where two or more separate applications for demat and physical are made, the applications for physical shares shall be treated as multiple application and liable for rejection.

APPLICANTS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BROKERS DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.

Applicants should note that providing bank account details in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Impersonation

Attention of the applicants is also specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

“Any person who:

- a. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- b. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of the Companies Act, 2013.”*

Signing of Underwriting Agreement

Vide an Underwriting agreement dated September 15, 2015, the Offer is 100% Underwritten.

Filing of the Draft Prospectus with the RoC

The Company will file a copy of the Draft Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act 2013, the Company shall, after registering the Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR (Regulations), 2009, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one Bengali newspaper with wide circulation.

Designated Date and Allotment of Equity Shares

Our Company will ensure that (i) the Allotment of Equity Shares; and (ii) credit to the successful Applicant's depository account will be completed within 12 Working Days of the Offer Closing Date. After the funds are transferred from the Escrow Account to the Public Offer Account on the Designated Date, our Company will ensure the credit to the successful Applicant's depository account is completed within two Working Days from the date of Allotment.

In accordance with section 29(1) of the Companies Act, 2013, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottee's.

Allottee`s will have the option to re-materialize the Equity Shares so allotted as per the provisions of the Companies Act and the Depositories Act

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to the Offer.

Applicants to whom refunds are made through electronic transfer of funds will be sent a letter intimating them about the mode of credit of refund within 15 days of closure of Offer.

The Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Offer.

Refunds will be made by cheques, pay orders or demand drafts drawn on a bank appointed by us as Refund Banker and payable at par at places where applications are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

PAYMENT OF REFUND

Applicants must note that on the basis of name of the Applicants, Depository Participant`s name, DP ID, Beneficiary Account number provided by them in the Application Form, the Registrar to the Offer will obtain, from the Depositories, the Applicants` bank account details, including the nine digit Magnetic Ink Character Recognition (“MICR”) code as appearing on a cheque leaf.

Hence Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Applicants` sole risk and neither the Company, the Registrar to the Offer, Escrow Collection Bank(s), Bankers to the Offer nor the LM shall be liable to compensate the Applicants for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

Mode of making refunds

The payment of refund, if any, would be done through various modes as given hereunder:

- 1) **ECS (Electronic Clearing System)** – Payment of refund would be done through ECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of such centres, except where the applicant, being eligible, opts to receive refund through NEFT, direct credit or RTGS.
- 2) **Direct Credit** – Applicants having bank accounts with the Refund Banker(s), as mentioned in the Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.
- 3) **RTGS (Real Time Gross Settlement)** – Applicants having a bank account at any of the centres where such facility has been made available and whose refund amount exceeds Rs. 2.00 Lakhs, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant`s bank receiving the credit would be borne by the applicant.
- 4) **NEFT (National Electronic Fund Transfer)** – Payment of refund shall be undertaken through NEFT wherever the applicants` bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a

Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.

- 5) For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

Mode of making refunds for ASBA Applicants

In case of ASBA Applicants, the Registrar to the Offer shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 12 working days from the Offer Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure the dispatch of Allotment advice, refund orders (except for Applicants who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 days from the Offer Closing Date. A suitable communication shall be sent to the Applicants receiving refunds through this mode within 15 days of Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within seven working days of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

- 1) Allotment of Equity Shares shall be made within 12 (twelve) days of the Offer Closing Date;
- 2) Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 15 (fifteen) days of the Offer Closing Date would be ensured; and
- 3) The Company shall pay interest at 15% p.a. for any delay beyond the 12 (twelve) days time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/ or demat credits are not made to investors within the 15 (fifteen) days time.

UNDERTAKINGS BY OUR COMPANY

The Company undertakes the following:

- 1) That the complaints received in respect of the Offer shall be attended to by us expeditiously;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within seven working days of finalization of the Basis of Allotment;
- 3) That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by the Issuer;
- 4) That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Offer Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 5) That the certificates of the securities/ refund orders to the non resident Indians shall be dispatched within specified time;
- 6) That no further issue of equity shares shall be made till the Equity Shares offered through this Draft Prospectus are listed or until the Application monies are refunded on account of non listing, under subscription etc.; and
- 7) That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the Basis of Allotment.

UTILIZATION OF OFFER PROCEEDS

Our Board certifies that:

1. All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in Section 40 of the Companies Act, 2013;
2. Details of all monies utilized out of the issue referred to in point 1 above shall be disclosed and continued to be disclosed till the time any part of the issue proceeds remains unutilized under an appropriate separate head in the balance-sheet of the issuer indicating the purpose for which such monies had been utilized;
3. Details of all unutilized monies out of the Issue referred to in 1, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested;
4. Our Company shall comply with the requirements of Clause 52 of the SME Listing Agreement in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue; and
5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

WITHDRAWAL OF THE OFFER

Our Company, in consultation with the LM reserves the right not to proceed with the Offer at anytime, including after the Offer Closing Date but before the Board meeting for Allotment, without assigning any reason.

Notwithstanding the foregoing, the Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI Regulations, QIB Applicants shall not be allowed to withdraw their Application after the Offer Closing Date.

EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar to the Offer:

1. Agreement dated [●] between CDSL, the Company and the Registrar to the Offer;
2. Agreement dated [●] between NSDL, the Company and the Registrar to the Offer;
3. The Company's shares bear an ISIN: [●]

An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.

The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.

Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.

Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.

The Applicant is responsible for the correctness of his or her Demographic Details given in the application Form vis-à-vis those with his or her Depository Participant.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

The trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

COMMUNICATIONS

All future communications in connection with Applications made in the Offer should be addressed to the Registrar to the Offer quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Offer where the Application was submitted and cheque or draft number and issuing bank thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Offer in case of any pre Offer or post Offer related problems such as non-receipt of letters of Allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc.

OFFER PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS

This section is for the information of investors proposing to subscribe to the Offer through the ASBA process. Our Company and the LM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. ASBA Applicants are advised to

make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>.

For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.

ASBA Process

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant (“**ASBA Account**”) is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Offer and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Offer Account, or until withdrawal/failure of the Offer or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Offer shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Offer Account.

In case of withdrawal/failure of the Offer, the blocked amount shall be unblocked on receipt of such information from the LM.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

Who can apply?

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f May 02, 2011, the Non-Institutional applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

Mode of Payment

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Application Amount paid in cash, by money order or by postal order or by stockinvest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Offer Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Offer.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Offer and consequent transfer of the Application Amount against allocated shares to the ASBA Public Offer Account, or until withdrawal/failure of the Offer or until rejection of the ASBA Application, as the case may be.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Offer, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Offer Account and shall unblock excess amount, if any in the ASBA Account. However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Offer by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Offer, in the event of withdrawal/failure of the Offer or rejection of the ASBA Application, as the case may be.

SECTION XI - RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated primarily by the FEMA and the policy prescribed by the Department of Industrial Policy and Promotion, Government of India through circular 2 of 2011 with effect from October 1, 2011 ("FDI Policy"). While the FDI Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the FDI Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The Government bodies responsible for granting foreign investment approvals are FIPB and the RBI.

In terms of the Consolidated FDI policy (effective from April 10, 2012), issued by the Department of Industrial Policy and Promotion, 100% foreign direct investment in the Company is permitted.

Subscription by foreign investors (NRIs/FIIs)

FIIs are permitted to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/ RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION – XII

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Companies Act, the SEBI ICDR Regulations, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that the each provision herein below is numbered as per the corresponding article number in the Articles of Association. Certain defined terms used in the Articles of Association are set forth below. All other defined terms used in this section have the meaning given to them in the Articles of Association.

The Authorized capital of our Company is Rs. 5,50,00,000 divided into 55,00,000 Equity Shares of Rs. 10 each.

Share Capital and variation of Rights

1. The Authorized Share Capital of the Company shall be such amounts and be divided into such shares as may from time to time be provided in Clause V of the Memorandum of Association of the Company with the power to increase or reduce such capital from time to time in accordance with the regulations of the Company and the legislative provisions for the time being in force in this behalf and with the power also to divide the shares in the capital for the time being into equity share capital and preference share capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, in accordance with the provisions of the Act and these Articles.
2. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of Board the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
3. Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be, if the price of such shares is determined by the valuation report of a registered valuer and such issuance and allotment is approved by a special resolution of the shareholders of the company.
4. The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:
 - a. Equity share capital: (i). with voting rights; and / or (ii). with differential rights as to dividend, voting or otherwise in accordance with the Rules; and
 - b. Preference share capital
5. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions Issue of certificate of issue shall be provided:
 - a. one certificate for all his shares without payment of any charges; or
 - b. several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

- c. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
 - d. In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
6. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
7. The provisions of the Articles 6 and 7 above, relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.

Provided that, notwithstanding what is stated above, the Directors shall comply with such rules or regulations or requirements of any stock exchange or the rules made under the Act or the rules made under the Securities Contracts (Regulation) Act, 1956 or any other Act or rules applicable in this behalf.

8. Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
9. Subject to the provision of sub section 6 of section 40 of the Act and rules thereof, the company may exercise the powers of paying commissions conferred by the Act, to any person in connection of the securities, provided that
- a. the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made there under.
 - b. the rate or amount of the commission shall not exceed the rate or amount prescribed in the Act, and rules made there under.
 - c. the commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
- 10.
- a. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48 of the Act, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class, as prescribed under the Act.
 - b. To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question. Provisions as to general meetings to apply mutatis mutandis to each meeting.

11. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.
12. Subject to the provisions section 55 of the Act and Rules thereof, the Company shall have the power to issue Preference Shares which are or at the option of the Company are liable to be redeemed on or within the expiry of a period of 20 years from the date of their issue and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption.
13.
 - a. The Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to
 - i. persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or
 - ii. employees under any scheme of employees' stock option, subject to approval by the shareholders of the company by way of a special resolution; or
 - iii. any persons, whether or not those persons include the persons referred to in clause (i) or clause (ii) above, subject to approval by the shareholders of the company by way of a special resolution.
 - b. A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement or public issue, subject to and in accordance with the Act and the Rules.
14. Subject to the provisions of the Act and other applicable provisions of law, the Company may with the approval of the shareholders by a special resolution in general meeting issue sweat equity shares in accordance with such rules and guidelines issued by the Securities and Exchange Board of India and/or other competent authorities for the time being and further subject to such conditions as may be prescribed in that behalf.
15. Any debentures, debenture-stock or other securities may be issued subject to the provisions of the Act and these Articles, at a discount, premium or otherwise and may be issued on the condition that they shall be convertible into shares of any denomination and with any special privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the general meeting, appointment of directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the general meeting by way of a special resolution.

Lien

16. The company shall have a first and paramount lien
 - a. on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
 - b. on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

- c. The company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares.

17. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien, Provided that no sale shall be made:
 - a. unless a sum in respect of which the lien exists is presently payable; or
 - b. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto.
18. To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
19. The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.
20. The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.
21. In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognize any equitable or other claim to, or interest in, such share on the part of any Outsider's lien not to effect Company's lien other person, whether a creditor of the registered holder or otherwise.
22. The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.

Sub-Division and Consolidation of Share Certificates

23. The Board may allow for sub-division/consolidation of share certificates.
24. Notwithstanding anything contained these Articles, the Directors of the Company may in their absolute discretion refuse subdivision of share certificates or debenture certificates into denominations of less than the marketable lots except where such subdivision is required to be made to comply with a statutory provision or an order of a competent court of law.

Dematerialize of Shares, Dentures and other Securities

25. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its shares, debentures and other securities and to offer any shares, debentures or other securities proposed to be issued by it for subscription in a dematerialized form and on the same being done, the Company shall further be entitled to maintain a Register of Members/ Debenture-holders/ other Securityholders with the details of members/ debenture-holders/ other securityholders holding shares, debentures or other securities both in materialized and dematerialized form in any media as permitted by the Act.

26. Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities in electronic form with a Depository. If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records the name of the allottee as the Beneficial Owner of the Security.
27. Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears as the beneficial owner of the shares, debentures and other securities in the records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus on shares, interest/premium on debentures and other securities and repayment thereof or for service of notices and all or any other matters connected with the Company and accordingly the Company shall not (except Beneficial owner deemed as absolute owner as ordered by the Court of competent jurisdiction or as by law required and except as aforesaid) be bound to recognize any benami trust or equity or equitable, contingent or other claim to or interest in such shares, debentures or other securities as the case may be, on the part of any other person whether or not it shall have express or implied notice thereof.
28. In the case of transfer of shares, debentures or other securities where the Company has not issued any certificates and where such shares, debentures or other securities are being held in an electronic and fungible form, the provisions of the Depositories Act, shall apply. Provided that in respect of the shares and securities held by the depository on behalf of a beneficial owner, provisions of Section 9 of the Depositories Act shall apply so far as applicable.
29. Every Depository shall furnish to the Company, information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws of the Depository and the Company in that behalf.
30. Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in electronic form so far as they apply to shares in physical form subject however to the provisions of the Depositories Act. Provided that, nothing contained in these Articles shall apply to the transfer of shares, debentures or other marketable securities effected by the transferor and the transferee, both of whom are entered as beneficial owners in the record of depository.

Notice of Call, its revocation and postponement

31. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. Board may make call by giving (i) at least fourteen days' notice of any call specifying the time and place of payment, and to whom such call shall be paid. (ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares. (iii) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances. (iv) A call may be revoked or postponed at the discretion of the Board.

32. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.
33. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
34. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at such rate as the Board may determine. However the Board shall be at liberty to waive payment of any such interest wholly or in part.
35. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
36. The Board: (i) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and (ii) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.
37. If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.
38. All calls shall be made on a uniform basis on all shares falling under the same class.
39. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.
40. The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of the Company.

Transfer and Transmission of shares

41. (i) The instrument of transfer of any share in the company which is in physical form shall be executed by or on behalf of both the transferor and transferee. (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

42. The Company shall not register a transfer of shares or debentures of the Company held in physical form except on production of instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificates relating to the shares or debentures, or if no such certificate is in existence, along with the letter of allotment of the shares or debentures: Provided that where on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost or where the instrument of transfer has not been delivered within the prescribed period, the Company may register the transfer on such terms as to indemnity as the Board may think fit: Provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder or debenture holder any person to whom the right to any shares in, or debentures of, the Company has been transmitted by operation of law.
43. In case of shares held in physical form, the Board may, subject to the right of appeal conferred by section 58 of the Act decline to register any transfer of shares on which the company has a lien.
44. A transfer of the shares or other interest in the Company of a deceased member thereof made by his legal representatives shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of the instrument of transfer.
45. Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered, unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the date of receipt of the notice. For the purpose of above clause notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer, and shall be deemed to have been duly delivered upon the expiry of 7 days from the date of dispatch.
46. In case of shares held in physical form, the Board may decline to recognize any instrument of transfer unless: (i) the instrument of transfer is in the form as prescribed in rules made under sub section (1) of section 56 of the Act, (ii) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and (iii) the instrument of transfer is in respect of only one class of shares.
47. If the Company refuses to register the transfer of any share pursuant to these Articles, it shall within thirty days from the date on which the instrument of transfer was delivered to the Company send notice of refusal to the transferee and transferor.
48. The registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Issuer on any account whatsoever, except when the company has a lien on the shares.
49. All instruments of transfer shall be retained by the Company, but any instrument of transfer which the Directors may decline shall be returned to the person depositing the same.
50. The Company may, after giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the Registered Office of the Company is situate, close the

register of members or the register of debenture-holders for any period or periods not exceeding in the whole forty-five days in each year, but not exceeding thirty days at any one time.

51. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the company as having any title to his interest in the shares. (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
52. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either— (a) to be registered himself as holder of the share; or (b) to make such transfer of the share as the deceased or insolvent member could have made. (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
53. The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.
54. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects. (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share. (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
55. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company: Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.
56. The provisions of these Articles relating to transfer and transmission by operation of law shall mutatis mutandis apply to any other securities including debentures of the Company.
57. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

Forfeiture of shares

58. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

59. The notice aforesaid shall:
- a. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
 - b. state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
60. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
61. When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.
62. The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.
63. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
64. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares. (ii) All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realization. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares Member still liable to pay money owing at time of forfeiture and interest at the time of forfeiture or waive payment in whole or in part. (iii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
65. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share; (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of; (iii) The transferee shall thereupon be registered as the holder of the share; (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
66. Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of member in respect of such shares, the validity of the sale.

67. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.
68. The Board may, subject to the provisions of the Act, accept a surrender of the share certificate for any forfeited share from or by any member desirous of surrendering those on such terms as they think fit.
69. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
70. The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

Alteration of capital

71. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
72. Subject to the provisions of section 61 of the Act, the company may, by ordinary resolution:
 - a. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - b. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
 - c. subdivide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
 - d. cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
73. Where shares are converted into stock;
 - a. the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

- b. the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
- c. such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

74. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law:
- a. its share capital;
 - b. any capital redemption reserve account; or
 - c. any share premium account
75. Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles;(i) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share. (ii)On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held.. (iii) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share. (iv) Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders. (v) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by any attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares. (vi)Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders. (vii) The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names.

Capitalization

- 76.
- (i) The company in general meeting may, upon the recommendation of the Board, resolve(a.) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and b. that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
 - (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in these articles either in or towards (a) paying up any amounts for the time being unpaid on any shares held by such members respectively; (b) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid; (c) partly in the way specified in subclause (a) and partly in that specified in sub-clause (b);
 - (iii) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

- (iv) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

- 77. Whenever such a resolution as aforesaid shall have been passed, the Board shall: (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and (b) generally do all acts and things required to give effect thereto.
- 78. The Board shall have power(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions (b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;

Buy-back of shares

- 79. Notwithstanding anything contained in these articles but subject to the provision of section 68 to 70 of the Act and SEBI (Buy Back of Securities) Regulations and any other law for the time being in force, the company may purchase its own shares or other specified securities.
- 80. The Company shall not give any financial assistance for or in connection with the purchase or subscription of any shares in the Company or in its holding company, save as provided by the Act.

General Meetings

- 81.
 - a. All general meetings other than annual general meeting shall be called extraordinary general meeting.
 - b. Subject to the provisions contained in Section 96 and 129 of the Act, as far as applicable, the Company shall in each year hold, in addition to any other meetings, a general meeting as its annual general meeting, and shall specify, the meeting as such in the notice calling it, and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next.
 - c. Every annual general meeting shall be called at any time during business hours that is between 9 am to 6 pm, on a day that is not a National Holiday, and shall be held either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situated, and the notice calling the meeting shall specify it as the annual general meeting.
- 82.
 - a. The Board may, whenever it thinks fit, call an extraordinary general meeting.
 - b. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.
 - c. A general Meeting of the Company may be called by giving not less than clear twenty one days' notice in writing or through electronic mode in such manner as may be prescribed
 - d. A General Meeting of the Company may be called after giving shorter notice than that specified in clause(c), if consent is accorded thereto by not less than ninety-five per cent of the members entitled to vote at such meeting;

83. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
84. Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103 of the Act.
85. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
86. No business shall be discussed or transacted at any general meeting whilst the chair is vacant, except election of Chairperson.
87. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
88. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by poll or electronically choose one of their members to be Chairperson of the meeting.
89. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
90. On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.
91. (i) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered. (ii) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting not to be included in the minutes books (a) is, or could reasonably be regarded, as defamatory of any person; or (b) is irrelevant or immaterial to the proceedings; or (c) is detrimental to the interests of the Company. (iii) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause. (iv) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.
92. (i) The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:
 - a. be kept at the registered office of the Company; and
 - b. be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays. (ii) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (i) above, Provided Members may obtain copy of the minutes that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.

Adjournment of Meeting

- 93.
- a. If within half an hour from the time appointed for holding a meeting of quorum is not present, the meeting, (i) if called upon by requisition of members, shall stand dissolved. (ii) In any other case, the meeting shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Board may determine.
 - b. If at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be the quorum.
 - c. where a resolution is passed at an adjourned meeting of the Company, the resolution shall, for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.
94. (i) The Chairperson may with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Notice of adjourned meeting (iv) Save as aforesaid, and as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting Rights

95. Subject to any rights or restrictions for the time being attached to any class or classes of shares
- a. on a show of hands, every member present in person shall have one vote; and
 - b. on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
96. Where a poll is to be taken, the Chairman of the meeting shall appoint such numbers of Scrutinizers at poll persons, as he deems necessary to scrutinize the poll process and votes given on the poll and to report thereon to him;
97. The Chairman shall have power, at any time before the result of the poll is declared to remove a scrutinizer from office and to fill vacancies in the office of scrutinizer arising from such removal or from any other cause;
98. A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.
99. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
100. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.

101. Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares.
102. Any business other than that upon which a poll has been demanded may be proceeds with pending the taking of the poll.
103. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid or in regard to which the Company has exercised any right of lien.
104. A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.
105. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.
106. Any member shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.

Proxy

107. Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.
108. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
109. An instrument appointing a proxy shall be in the form as prescribed in the rules made under the Act.
110. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given: Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Board of Directors

111. Unless otherwise determined by the Company in general meeting, the numbers of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen).

112. The following shall be the first Directors of the Company.
1. Mr. Brijmohan C Sharma
 2. Mr. Bharat B. Sharma
 3. Mrs. Savitri B. Sharma
113. The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company, subject to section 203 of the Act.
114. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
- 115.
- i. The remuneration payable to the directors, including to any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting.
 - ii. In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or (b) in connection with the business of the company.
 - iii. The fees payable to the Director for attending the meeting of the Board or Committee thereof or a General Meeting shall be decided by the Board of Directors from time to time within the maximum limits of such fees that may be prescribed under the Act or the Rules.
116. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
117. Subject to the provisions of section 149 of the Act, the Board shall have power at any time, and from time to time, (i) to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles. (ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.
118. The Board may appoint an alternate director to act for a director (hereinafter in this Article called “the Original Director”) during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.
119. An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.
120. If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

121. If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.
122. The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated
123. The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.
124. The Directors may, from time to time, at their discretion, raise or borrow, or secure the payment of, any sum or sums of money for the purposes of the Company; Provided that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not at any time except with the consent of the Company by way of special resolution in general meeting exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set part for any specific purpose.
125. The Directors, with shareholders' consent where required by the Act and Rules, may raise or secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and, in particular, by the issue of debentures or debenture-stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being.
126. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. (ii) The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time summon a meeting of the Board.
127. A meeting of the Board of Directors shall be held at least once in every three calendar months and not more than a period of 120 days shall lapse between two Board meetings.
128. Notice of every meeting of the Board of Directors of the Company shall be given in writing to every Director at his address registered with the Company or through the others means as may be provided in the Act form time to time.
129. The quorum for a Board meeting shall be as provided in the Act.
130. The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

131. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
132. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
133. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
134. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit. (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
135. The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.
136. (i) A committee may elect a Chairperson of its meetings. (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
137. (i) A committee may meet and adjourn as it thinks fit. (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
138. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they Acts of Board or Committee valid notwithstanding defect of appointment or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
139. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

Chief Executive Officer, Manager, Company Secretary, Whole Time Director Chief Financial Officer

140. Subject to the provisions of the Act (i) A chief executive officer, manager, company secretary, Whole Time Director, or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief

financial officer so appointed may be removed by means of a resolution of the Board; (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

141. Any provision of the Act or regulations requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.
142. (i) Subject to the provisions of the Companies Act, the Directors may from time to time appoint one or more of their member to be the Managing Director of the Company, in accordance with the provisions of the Act and the Rules (ii) A Managing Director so appointed shall exercise the powers and authorities conferred upon him by an agreement entered into between him and the Company and/or by a Resolution of the Board and be subject to the obligations and restrictions imposed upon him thereby or by the Act.

Execution of Negotiable Instruments

143. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine instruments.

Statutory Registers

144. The Company shall keep and maintain at its registered office all statutory registers including, register of charges, register annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.
145. The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register. The foreign register shall be open for inspection and extracts may be taken therefrom in the same manner, mutatis mutandis, as is applicable to the register of members.

The Seal

146. The Company shall have a Common Seal and the Directors shall provide for the safe custody thereof. The Seal shall not be affixed to any instrument except; (i) by the authority of a Resolution of the Board of Directors or a committee of the Board authorized in that behalf, and (ii) in the presence of at least two Directors or one Director and the Secretary of the Company or such other person as the Board may appoint for the purpose, who shall sign every instrument to which the Seal is so affixed. Such signatures shall be conclusive evidence of the fact that the seal has been properly affixed.

Dividends and Reserve

147. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
148. Subject to the provisions of section 123 of the Act, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
149. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends only to be paid out of profits; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit. (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
150. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares. (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
151. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
152. The Board may retain dividends payable upon shares in respect of which any person is, under the transmission clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.
153. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
154. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
155. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
156. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in

consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

157. No dividend shall bear interest against the company.
158. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law;

Inspection of Books of Accounts

159. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors. (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorized by the Board or by the company in general meeting.

Winding up of Company

160. Subject to the provisions of Chapter XX of the Act and rules made thereunder
 - a. If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
 - b. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
 - c. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity and Insurance

161. Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.
162. Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending an proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.
163. The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

General Power

164. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

Secrecy Clause

165. Subject to the provisions of the Companies Act, no member shall be entitled to require discovery of any information respecting any detail of the Company's trading or any matter in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board of Directors it may be inexpedient in the interest of the Company to communicate to the public.

SECTION XIII – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Draft Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Draft Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected on working days between 10.00 a.m. to 5.00 p.m. at the Registered Office of our Company located at 1 - A, 802, N.G. Suncity Ph II, Kandivali East, Mumbai 400101, Maharashtra, India, from date of filing the Draft Prospectus with RoC till the Offer Closing Date.

Material Contracts

- 1) Memorandum of Understanding dated September 19, 2015 issue by our Company to the Lead Manager to the Issue.
- 2) Agreement dated August 01, 2015 between our Company and the Registrar to the Issue
- 3) Underwriting Agreement dated September 19, 2015 between our Company, the Lead Manager, the Market Maker and Underwriter.
- 4) Market Making Agreement dated September 14, 2015 between our Company, Lead Manager and Market Maker.
- 5) Tripartite agreement among the NSDL, our Company and the Registrar to the Offer dated [●].
- 6) Tripartite agreement among the CDSL, our Company and the Registrar to the Offer dated [●].
- 7) Escrow Agreement dated September 12, 2015 signed between our Company, the Lead Manager, Banker(s) to the Offer/ Escrow Collection Bank(s) and the Registrar to the Offer.

Material Documents

- 1) Certified true copy of the Memorandum and Articles of Association of our Company, as amended from time to time including certificates of incorporation.
- 2) Copy of resolution passed at the Meeting of the Board of Directors of our Company dated August 24, 2015, authorizing the Offer.
- 3) Special Resolution of the shareholders passed at the Extra-Ordinary Meeting dated September 15, 2015 authorizing the Issue.
- 4) Copy of resolution passed at the Board Meeting held on August 24, 2015 approving the contents of this Draft Prospectus.
- 5) Copy of resolution passed at the Board Meeting held on March 03, 2015 and subsequent approval of the shareholders passed at their Extra Ordinary General meeting dated April 07, 2015, for fixing the term of appointment and the remuneration of, Mr. Bharat B. Sharma, Managing Director.
- 6) Copy of Certificate from the Auditors of the Company, M/s Amarnath Sharma & Company, Chartered Accountants dated August 24, 2015 regarding the Eligibility of the Issue.

- 7) Statement of Tax Benefits dated September 11, 2015, issued by Auditor to the Company, Amarnath Sharma & Company, Chartered Accountants.
- 8) Report of the Independent Auditor to the Company (Peer Reviewed Auditor), SDA & Associates, Chartered Accountants dated August 24,2015 on the Restated Financial Statements for the Financial Year ended as on March 31, 2015, 2014, 2013, 2012 and 2011 of our Company.
- 9) Copies of Annual reports of the Company for the years ended March 31, 2015, 2014, 2013, 2012 and 2011 and 3 months ending June 30, 2015.
- 10) Consents of our Directors,
- 11) Compliance Officer, the Lead Manager, the Registrar to the Offer, the Auditors to the Company (Peer Reviewed Auditor), the Legal Advisor to the Offer, Banker(s) to the Company, Market Maker(s), Underwriter(s), Refund Bank(s) and the Banker(s) to the Offer/ Escrow Collection Bank(s) to act in their respective capacities.
- 12) Initial listing applications dated [●] filed with the BSE.
- 13) Copy of approval from BSE vide letter dated [●], to use the name of BSE in this offer document for listing of Equity Shares on SME Platform of BSE.
- 14) Due Diligence Certificate dated September 23,2015 from the Lead Manager to BSE.
- 15) Due Diligence Certificate dated [●] from the Lead Manager to SEBI.

Any of the contracts or documents mentioned in the Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

SECTION – XIV: DECLARATION

We hereby declare that, all the relevant provisions of the Companies Act,1956, Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 1956 / Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/ guidelines issued, as the case may be. We further certify that all statements in this Draft Prospectus are true and correct.

SIGNATURE BY ALL THE DIRECTORS OF OUR COMPANY

Name of the Directors	Signature
Mr. Bharat B. Sharma DIN No.: 00077026	_____
Mrs. Srijna B. Sharma DIN No.: 00077026	_____
Mr. Sanjay V Kulkarni DIN No.: 00065190	_____
Mr. Chetan B Patel DIN No.: 06534475	_____
Mr. Sachin C Chavan DIN No.: 06524382	_____
Mr. Harish B Talreja DIN No.: 07270005	_____

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Mr. Ganesh J. Paradeshi

SIGNED BY THE COMPLIANCE OFFICER

Mr. Bharat B. Sharma

PLACE: Mumbai

DATE: