



## GOODWILL HOSPITAL AND RESEARCH CENTRE LIMITED

(Our Company was incorporated on June 26, 2000 under the Companies Act, 1956 with the Registrar of Companies NCT Delhi & Haryana. We received the Certificate of Commencement of Business on July 14, 2000. The Corporate Identification Number of our Company is U74899DL2000PLC106486. For details of changes in Registered Office of our Company, please see the Section "History and Certain Corporate Matters" on page 94 of this Draft Red Herring Prospectus. There has been no change in the name of our Company since incorporation.

Registered Office: 705, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi - 110 001, Tel.: +91 11 2371 1897, Telefax: +91 11 2331 9995

Promoter: Ojju Medicare Private Limited

Compliance Officer: Mr. Charanjeet Bareja, Chief Financial Officer

**PUBLIC ISSUE OF [●] EQUITY SHARES OF ₹ 10 EACH OF GOODWILL HOSPITAL AND RESEARCH CENTRE LIMITED ("GOODWILL" OR "THE COMPANY" OR "THE ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE ("ISSUE PRICE") INCLUDING SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE AGGREGATING TO ₹ 9,800 LAKHS (THE "ISSUE"). THE ISSUE WILL CONSTITUTE [●]% OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF THE COMPANY**

*Our Company is considering a Pre-IPO Placement of up to [●] Equity Shares, for cash consideration aggregating up to ₹ 3,000 lakhs with certain investors ("Pre-IPO Placement"). The Pre-IPO Placement is at the discretion of our Company. Our Company will complete the issuance and allotment of such Equity Shares, if any, prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 25% of the post-Issue paid-up equity capital being offered to the public.*

**THE PRICE BAND AND THE MINIMUM BID LOT SIZE FOR THE ISSUE WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND ADVERTISED IN ALL EDITIONS OF BUSINESS STANDARD (ENGLISH AND HINDI LANGUAGE), ATLEAST TWO WORKING DAYS PRIOR TO THE BID OPENING DATE**

In case of revision in the Price Band, the Bidding / Issue Period shall be extended for three additional working days after such revision, subject to the Bidding / Issue Period not exceeding ten working days. Any revision in the Price Band and the revised Bidding / Offer Period, if applicable, shall be widely disseminated by notification to the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), by issuing a press release and also by indicating the change on the website of the Book Running Lead Manager and the terminals of the Syndicate.

The Issue is being made through Book Building Process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers. Further, our Company may allocate upto 30% of the QIB Portion to Anchor Investors, out of which one-third will be available for allocation to Domestic Mutual Funds. In the event of under subscription in Anchor Investors Portion, the balance equity shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to mutual funds only and the remaining Net QIB portion shall be available for allocation on a proportionate basis to all Qualified Institutional Buyers, including mutual funds, subject to valid bids being received at or above issue price. Further, not less than 15% of the Issue shall be available for allocation on proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders subject to valid bids being received from them at or above the Issue Price.

**All QIB Bidders and Non Institutional Bidders shall compulsorily apply through Application Supported by Blocked Amount ("ASBA") process.**

**Retail Bidders have an option participate in this Issue through the ASBA process.** Any Bidder participating in the Issue through the ASBA process should provide the details of their respective bank accounts in which the corresponding Bid amounts will be blocked by Self Certified Syndicate Banks (the "SCSBs"). For details in this regard, specific attention is invited to "Offering Information" on page 206.

### RISK IN RELATION TO FIRST ISSUE

This being the first public issue of Equity Shares of the Issuer, there has been no formal market for the Equity Shares of the Issuer. The face value of the Equity Shares is ₹ 10 per Equity Share and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times of face value at the higher end of Price Band. The Issue Price (has been determined and justified by the Book Running Lead Manager and the Issuer as stated under the paragraph on "Basis for Issue Price" given on Page 63 of this Draft Red Herring Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of the Issuer or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offering. For taking an investment decision, investors must rely on their own examination of the Issuer and the Offer including the risks involved. The Equity Shares offered in this Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the section titled "Risk Factors" given on Page 10 of this Draft Red Herring Prospectus.

### ISSUER'S ABSOLUTE RESPONSIBILITY

Issuer having made all reasonable inquiries, accepts responsibility for and confirms that this Offer Document contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in the Offer Document 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 omissions of which makes this offer document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

### LISTING

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"). In-principle approvals for the listing of the Equity Shares of our Company from BSE and NSE has been received vide their letters dated [●] and [●] respectively. For the purpose of this Issue, BSE shall be the Designated Stock Exchange.

### IPO GRADING

This Issue has been graded by [●] and has been assigned [●] indicating [●] fundamentals. The IPO Grading is assigned on a 5 point scale from 1 to 5 with a Grade 5/5 indicating strong fundamentals and 1/5 indicating poor fundamentals. For further details please see the chapter titled "General Information" on page 35 of Draft Red Herring Prospectus.

BOOK RUNNING LEAD MANAGER		REGISTRAR TO THE ISSUE	
	<b>SPA Merchant Bankers Limited</b> SEBI Regn.: INM 000010825 25, C - Block, Community Centre Janak Puri, New Delhi - 110 058 Tel. +91 11 2551 7371, 4567 5500 Fax +91 11 2553 2644 Email: goodwill ipo@spagroupindia.com Website: www.spacapital.com Contact Person: Mr. Nitin Somani / Ms. Ashi Mehra		<b>Beetal Financial &amp; Computer Services (P) Limited</b> SEBI Regn.: INR 000000262 Beetal House, 3rd Floor, 99 Madangir Behind Local Shopping Centre, New Delhi - 110 062 Tel.: +91 11 2996 1281 - 83 Fax: +91 11 2996 1284 E-mail: goodwill@beetalfinancial.com Website: www.beetalfinancial.com Contact Person: Mr. S P Gupta

### BID / ISSUE PROGRAM

BID / ISSUE OPENS ON*	[●]	BID / ISSUE CLOSURES ON	[●]
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\* Anchor Investors, if any, shall submit their Bid on the Anchor Investor Bidding Date, which is one Working Day prior to the Bid Opening Date.

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## DEFINITIONS AND ABBREVIATIONS

### Company Related Terms

Term	Description
“Goodwill”, “the Company”, “our Company”, “Issuer”, “we”, “us” or “our”	Unless the context otherwise requires, refers to, Goodwill Hospital and Research Centre Limited, a public limited company incorporated under the Companies Act, 1956
“Group”	Unless the context otherwise required, collectively refers to Goodwill Hospital and Research Centre Limited, Holding Company, Subsidiary Company and entities forming part of the Promoter Group
Articles / Articles of Association / AOA	The Articles of Association of our Company, as amended from time to time
Statutory Auditors / Auditors	The Statutory Auditors of our Company, Chandiok & Guliani, Chartered Accountants, C - 44, Nizamuddin East, New Delhi - 110 013
Board of Directors / the Board / our Board	The Board of Directors of Goodwill Hospital and Research Centre Limited and includes its committee thereof
Directors / our Directors	The Director(s) of Goodwill Hospital and Research Centre Limited, unless otherwise specified
Memorandum / Memorandum of Association / MOA	The Memorandum of Association of our Company, as amended from time to time
Ojjus Fidelity / Subsidiary Company / Wholly owned Subsidiary	Ojjus Fidelity Healthcare Private Limited.
OMPL / Holding Company / Promoter	Ojjus Medicare Private Limited.
Ojjus Medicare	The name under which we operate our Hospital at Noida
Proposed Hospital	The hospital for oncology & rehabilitation and neurology & neurosurgery proposed to be set up at Faridabad by our Wholly owned Subsidiary, i.e. Ojjus Fidelity Healthcare Private Limited
Registered Office / Our Registered Office	Registered Office of our Company situated at 705, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi - 110 001

### Issue Related Terms

Term	Description
Allotment / Allocation	Unless the context otherwise requires, the issue and allotment of Equity Shares, pursuant to the Issue
Allottee	The successful Bidder to whom the Equity Shares are/ have been issued
Anchor Investor	A Qualified Institutional Buyer applying under the Anchor Investor Portion, with a minimum Bid of ₹ 1,000 lakhs
Anchor Investor Bid	Bid made by an Anchor Investor
Anchor Investor Bidding Date	The date which is one Working Day prior to the Bid Opening Date, prior to or after which the Syndicate will not accept any Bids from Anchor Investors
Anchor Investor Issue Price	The price at which Equity Shares will be issued and Allotted in terms of the Red Herring Prospectus and the Prospectus to the Anchor Investors, which will be a price equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company, in consultation with the BRLM
Anchor Investor Portion	Up to 30% of the QIB Portion to be allocated to Anchor Investors by the Company, in consultation with the BRLM, on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Anchor Investor Bids being received from the domestic Mutual Funds, at or above the price at which allocation will be made to Anchor Investors

Term	Description
Application Supported by Blocked Amount / ASBA	Application Supported by Blocked Amount means an application (whether physical or electronic) subscribing to an Issue containing an authorization to block the Bid Amount in their specified bank account with Self Certified Syndicate Bank
ASBA Bidders / ASBA Investors	Any Bidder who intends to apply through ASBA
ASBA Account	Account maintained by an ASBA Bidder with an SCSB which will be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder
Bid	An indication to make an offer during the Bidding / Issue Period by a Bidder (including an ASBA Bidder), or on the Anchor Investor Bidding Date by an Anchor Investor, to subscribe to or purchase the Company's Equity Shares at a price within the Price Band, including all revisions and modifications thereto.
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder on submission of the Bid in the Issue.
Bid cum Application Form	The form used by the Bidder (including the format of such application form used by the ASBA Bidder, whether physical or electronic) in terms of which the Bidder shall make an offer to purchase Equity Shares of the Company in terms of this Draft Red Herring Prospectus.
Bid / Issue Closing Date	Except in relation to Anchor Investors, [●], the date after which the Syndicate and SCSBs will not accept any Bids.
Bid / Issue Opening Date	Except in relation to Anchor Investors, [●], the date on which the Syndicate and SCSBs shall start accepting Bids.
Bidding / Issue Period	The period starting from the Bid / Issue Opening Date and ending on the Bid / Issue Closing Date during which prospective Bidders / ASBA Bidders (excluding Anchor Investors) can submit their Bids, including any revisions thereof.
Bid Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of the Bid options as per their Bid cum Application Forms or any previous Bid Revision Form(s)
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and includes ASBA Bidder
Book Running Lead Manager / BRLM	SPA Merchant Bankers Limited
Book Building Process	Book building process as provided in Schedule XI of the ICDR Regulations in terms of which this Issue is being made
Cap Price	The higher end of the Price band, above which the Issue Price and Anchor Investor Issue Price will not be finalized and above which no Bids will be accepted, including any revisions thereof
Confirmation of Allocation Note / CAN	The note or advice or intimation of allocation of Equity Shares sent to the Bidders / ASBA Bidder who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process, including any revision thereof.  In relation to Anchor Investors, the note or advice or intimation of allocation of Equity Shares sent to the successful Anchor Investors who have been allocated Equity Shares after discovery of the Anchor Investor Issue Price, including any revisions thereof
Controlling Branches	Such branches of the SCSBs which co-ordinate Bids received under this Issue by the ASBA Bidders with the BRLM, the Registrar to the Issue and the Stock Exchange(s)
Cut-off Price	The Issue Price finalized by the Company in consultation with the BRLM.
Designated Branches	Branch offices of the SCSBs which the respective SCSB has identified as a designated branch at which the Physical ASBA Form can be submitted by an ASBA Investor, a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a>

Term	Description
Designated Date	The date on which the Escrow Collection Banks transfers the funds from the Escrow Account to the Public Issue Account, or the amount blocked by the SCSB is transferred from the bank account of the ASBA Bidder to the ASBA Public Issue Account, as the case may be, after the Prospectus is filed with the Registrar of Companies, NCT of Delhi & Haryana, following which the Board of Directors shall allot Equity Shares to successful Bidders.
Designated Stock Exchange	BSE
Draft Red Herring Prospectus / DRHP	The Draft Red Herring Prospectus, dated May 04, 2012 issued in accordance with Section 60B of the Companies Act, 1956, and the SEBI ICDR Regulations which does not contain, inter alia, complete particulars on the price at which the Equity Shares are offered and the size (in terms of value) of the Issue
Eligible NRI	NRI from such jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Draft Red Herring Prospectus constitutes an invitation to subscribe to the Issue
Equity Shares	Equity Shares of our Company of face value ₹ 10 each, unless otherwise specified in the context thereof
Escrow Account	Account opened with Escrow Collection Bank(s) for the Issue and in whose favor the bidder (excluding the ASBA Bidder) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement dated [●] entered into between our Company, BRLM, Registrar to the Issue, Syndicate Members and Escrow Collection Bank(s) for collection of the Bid Amounts and remitting refunds, if any, to the Bidder (excluding ASBA Bidder).
Escrow Collection Bank(s)	The Banks, which are registered with SEBI as Banker to the Issue and with whom the Escrow Account have been opened, in this case being [●].
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form or the ASBA Bid cum Application Form.
Floor Price	The lower end of the Price Band, at or above which the Issue Price will be finalized and below which no Bids will be accepted including any revisions thereof
IPO Grading Agency	[●]
Issue	The public issue of [●] Equity Shares aggregating ₹ 9,800 lakhs.  Our Company is considering a Pre-IPO Placement of up to [●] Equity Shares, for cash consideration aggregating up to ₹ 3,000 lakhs with certain investors. The Pre-IPO Placement is at the discretion of our Company. Our Company will complete the issuance and allotment of such Equity Shares, if any, prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 25% of the post-Issue paid-up equity capital being offered to the public
Issue Price	The price at which Equity Shares will be issued and allotted in terms of the Red Herring Prospectus or the Prospectus.
Margin Amount	The amount paid by the Bidder or blocked in the account of the ASBA Bidders at the time of submission of the Bid, being 100%, of the Bid amount.
Mutual Fund	A Mutual Fund as registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Fund Portion	5% of the Net QIB portion available for allocation to Mutual Funds only, on a proportionate basis
Net QIB Portion	QIB Portion reduced by the number of Equity Shares allotted to the Anchor Investor
Non-Institutional Bidders	All Bidders who are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹ 200,000.
Non-Institutional Portion	The portion of the Issue being not less than 15% of Issue i.e. [●] Equity Shares available for allocation to Non-Institutional Bidders

Term	Description
Pay-in Date	The Bid Closing Date, except with respect to Anchor Investors, which shall be the Anchor Investor Bidding Date or a date not later than two Working Days after the Bid Closing Date, as may be applicable
Pay-in-Period	The period commencing in the Bid / Issue Opening Date and extending until the Pay-in Date.
Pre-IPO Placement	A Pre-IPO Placement of up to [●] Equity Shares, for cash consideration aggregation up to ₹ 3,000 lakhs with certain investors, which is being considered by our Company, and will be completed prior to the filing of the Red Herring Prospectus with the RoC
Price Band	Price band of a minimum Floor Price of ₹ [●] and a maximum Cap Price of ₹ [●] respectively, including revisions thereof. The Price Band and the minimum Bid lot size for the Issue will be decided by our Company, in consultation with the BRLM and advertised in all editions of Business Standard (English and Hindi language), atleast two Working Days prior to the Bid Opening Date
Pricing Date	The date on which Company in consultation with the BRLM finalizes the Issue Price
Promoter	Ojjus Medicare Private Limited
Prospectus	The Prospectus to be filed with the RoC pursuant to Section 60 of the Companies Act, containing, inter alia, the Issue Price that is determined at the end of the Book Building process, the size of the Issue and certain other information, and including any corrigendum thereof.
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account(s) and from the SCSBs from the bank account of the ASBA Bidders, on the Designated Date
Qualified Institutional Buyers / QIBs	Public financial institutions as specified in Section 4A of the Companies Act, FIIs registered with SEBI, scheduled commercial banks, mutual funds registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of ₹ 2,500 lakhs, pension funds with minimum corpus of ₹ 2,500 lakhs, National Investment Fund set up by Resolution No. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India, insurance funds set up and managed by the army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India
QIB Portion	The portion of the Issue being not more than 50% of the Issue, i.e., [●] Equity Shares, to be allotted to QIBs, including Anchor Investor Portion
Red Herring Prospectus	The Red Herring Prospectus dated [●] to be filed with the RoC in terms of Section 60B of the Companies Act, which do not have complete particulars of the price at which the Equity Shares are offered and the number of Equity Shares being offered in the Issue, and which will be filed with the RoC atleast three days before the Bid Opening Date and will become a Prospectus after filing with the RoC after the Pricing Date.
Refund Banker	[●]
Refund Account	Account opened with the Refund Banker(s) from which the refunds of the whole or part of the Bid Amount (excluding to the ASBA Bidders), if any, shall be made.
Refund through electronic transfer of funds	Refunds through ECS, Direct Credit or RTGS, or the ASBA process, as applicable
Registrar to the Issue	Beetal Financial & Computer Services Private Limited
Registrar of Companies / RoC	Registrar of Companies NCT Delhi and Haryana, IFCI Tower, Nehru Place, New Delhi - 110 019
Retail Individual Bidder(s)	Individual Bidders (including HUFs and eligible NRIs) who have not Bid for Equity Shares for an amount more than or equal to ₹ 200,000 in any of the bidding options in the Issue.

Term	Description
Retail Portion	The portion of the Issue being not less than 35% of the Issue i.e. [●] Equity Shares available for allocation to Retail Individual Bidder(s).
SPA	SPA Merchant Bankers Limited
Self Certified Syndicate Bank / SCSB	SCSB is a Bank registered under the SEBI (Bankers to an Issue) Regulations 1994, which offers the facility of applying through the ASBA process, a list of which is available on www.sebi.gov.in.
Specified Cities	Cities as specified in the SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely, Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda and Surat.
Stock Exchanges	The BSE and the NSE.
Syndicate	Collectively, the BRLM and the Syndicate Members (including their Sub syndicate members)
Syndicate Agreement	Agreement dated [●] entered into between our Company, BRLM and Syndicate Members in relation to the collection of Bids in this Issue (excluding Bids from the ASBA Bidders).
Syndicate Members	[●]
TRS / Transaction Registration Slip	The slip or document issued by the Syndicate to the Bidder as proof of registration of the Bid.
Underwriters	[●]
Underwriting Agreement	Agreement dated [●] entered into between our Company and the Underwriters to be entered on or after the Pricing Date.
Working Day	All days other than a Sunday or a public holiday (except during the Bidding Period where a working day means all days other than a Saturday, Sunday or a public holiday), on which commercial banks in India are open for business

#### Conventional and General Terms / Abbreviations

Term	Description
Act or Companies Act	The Companies Act, 1956, as amended from time to time
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
BIFR	Board for Industrial and Financial Reconstruction
BSE	Bombay Stock Exchange Limited
CARO	Companies (Auditors' Report) Order, 2003
CDSL	Central Depository Services (India) Limited
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository / Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time, in this case being NSDL and CDSL
Depository Participant / DP	A depository participant as defined under the Depositories Act
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPS	Earnings per Equity Share
ESOP / ESOS	Employees Stock Option Plan / Employees Stock Option Scheme
ESPP / ESPS	Employees Stock Purchase Plan / Employees Stock Purchase Scheme
ESOP Guidelines	Securities & Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 2000
FCNR Account	Foreign Currency Non Resident Account
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed hereunder
Foreign Institutional Investor / FII	Foreign institutional investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995) registered with SEBI under applicable laws in India
Financial Year / Fiscal Year /	Twelve months ending on March 31 of a particular year

Term	Description
FY	
FIs	Financial Institutions
FVCI	Foreign venture capital investor, registered with SEBI under the SEBI (foreign venture Capital Investor) Regulations, 2000
HUF	Hindu Undivided Family
ID Act	Industrial Dispute Act
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial public issue/ offering
NAV	Net Asset Value / Book Value per Equity Share
Non Residents	All Bidders who are not NRIs or FIIs and are not persons resident in India
NRE Account	Non Resident External Account
NRI / Non Resident Indian	A person resident outside India, as defined in FEMA and who is a citizen of India or a Person of Indian Origin, and as defined under FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent Account Number
RBI	Reserve Bank of India
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956 as amended from time to time
SCRR	Securities Contracts (Regulations) Rules, 1957 as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI ICDR Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI effective from August 26, 2009, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2009, as amended
SSI Undertaking	Small Scale Industrial Undertaking
Venture Capital Funds / VCF	Venture Capital Funds as defined and registered with SEBI under the SEBI (Venture Capital Fund) Regulations, 1996, as amended from time to time

**Industry related terms / Abbreviations**

Term	Description
CABG	Coronary Artery Bypass Graft
CAG	Coronary Angiography
CAGR	Compound Annual Growth Rate
CGHS	Central Government Health Schemes
CHC	Community Health Center
CT	Computed Tomography
DIPP	Department of Industry Policy and Promotion
DSA	Digital Subtraction Angiography
ECG	Electrocardiography
ECHS	Ex Servicemen Contributory Health Scheme
ELISA	Enzyme-linked immunosorbent assay
ENT	Ear Nose Throat
FICCI	Federation of Indian Chambers of Commerce and Industry
GDP	Gross Domestic Product
HUDA	Haryana Urban Development Authority
ICU	Intensive Care Unit



IPD	Inpatient department
KRIBHICO	Krishak Bharati Cooperative Limited
MRI	Magnetic Resonance Imaging
NABH	National Accreditation Board for Hospitals
NABL	National Accreditation Board for Laboratories
NIMHANS	National Institute of Mental Health & Neuro Sciences
NRHM	National Rural Health Mission
NSSO	National Sample Survey Office
O & M	Operation and Management
OPD	Outpatient department
OT	Operation Theatre
PET	Positron Emission Tomography
PFT	Pulmonary Function Test
PHC	Primary Healthcare
PPP	Public Private Partnership
PTCA	Percutaneous Transluminal Coronary Angioplasty
TMT	Treadmill Test
WAN	Wide Area Network
WHO	World Health Organization
X-rays	X-radiations

## **CURRENCY OF FINANCIAL PRESENTATION**

In this Draft Red Herring Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “Goodwill Hospital and Research Centre Limited”, unless the context otherwise indicates or implies, refers to Goodwill Hospital and Research Centre Limited. In this Draft Red Herring Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “ten lac / lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this Draft Red Herring Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

Throughout this Draft Red Herring Prospectus, unless otherwise stated, all figures have been expressed in lakhs. Unless indicated otherwise, the financial data in this Draft Red Herring Prospectus is derived from our restated financial statements prepared in accordance with Indian GAAP and included in this Draft Red Herring Prospectus. Unless indicated otherwise, the operational data in this Draft Red Herring Prospectus is presented on a basis and refers to the operations of our Company. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

There are significant differences between Indian GAAP and U.S. GAAP; accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practice and Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

For additional definitions used in this Draft Red Herring Prospectus, see the section Definitions and Abbreviations on page 1 of this Draft Red Herring Prospectus. In the section titled “Main Provisions of Articles of Association”, defined terms have the meaning given to such terms in the Articles of Association of our Company.

## **USE OF MARKET DATA**

Unless stated otherwise, market data used throughout this Draft Red Herring Prospectus was obtained from internal Company reports, data, websites and industry publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although, we believe market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source.

### **FORWARD LOOKING STATEMENT**

We have included statements in this Draft Red Herring Prospectus which contain words or phrases such as “will”, “aim”, “is likely to 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, that are “forward-looking statements”.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Changes in laws and regulations relating to the industries in which we operate;
- Increased competition in these industries;
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various projects and business plans for which funds are being raised through this Issue;
- Our ability to meet our capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Changes in technology;
- Changes in political and social conditions in India or in countries that we 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;
- The performance of the financial markets in India and globally; and
- Any adverse outcome in the legal proceedings in which we are involved.

For a further discussion of factors that could cause our actual results to differ, please refer to the sections titled “Risk Factors” “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of the Operations” on pages 10, 79 and 174, of this Draft Red Herring Prospectus respectively. By their nature, certain market 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 we, our Directors nor the members of the Syndicate, nor any of their respective affiliates have any obligation 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 BRLM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

## RISK FACTORS

*An investment in equity shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks and uncertainties described in this section are not the only risk we may face. If any of the following risks actually occur, our business, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. Unless otherwise stated in the relevant risk factors set below, we are not in a position to specify or quantify the financial or other implications of any risk mentioned herein. In making an investment in this Issue, prospective investors must rely on their own examination of our Company and terms of the Issue. The numbering of the Risk Factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.*

### INTERNAL RISK FACTORS

**1. *There are certain legal proceedings involving / notice issued to two of our Director.***

There are no litigations outstanding against our Company. However two of our Directors are involved in certain litigations and statutory notices have been issued against them in their personal capacity, brief details of which are as under:

Nature of Litigation	Name of Director involved	No. of cases	Amount involved
Income Tax Notice(s)	Mr. Harvansh Chawla	3	₹ 4,101.30 lakhs <sup>1</sup>
Central Excise	Mr. Amanveer Singh	1	₹ 66.61 lakhs <sup>2</sup>
Civil Matter	Mr. Amanveer Singh	1	Not ascertainable
Writ Petition	Mr. Amanveer Singh	1	Not ascertainable

<sup>1</sup> Amount is ascertainable only for two cases. The appeal has been filed by Mr. Harvansh Chawla in both the cases. In third case, no specific demand has been raised. Excludes penalty amount, if any.

<sup>2</sup> Excludes penalty amount, if any.

For details on the litigation proceedings involving our Company and our Promoter, Subsidiary, Promoter Group Companies, Director and Directors of our Promoter, please refer to section titled “Outstanding Litigations and Material Developments” on page 185 of the Draft Red Herring Prospectus.

**2. *The funding requirements and the deployment of the proceeds of the Issue are based on management estimates and have not been independently appraised. Further, the deployment of the Issue proceeds is entirely at our discretion and is not subject to any monitoring by an independent agency.***

Our funding requirements and the deployment of the proceeds of the Issue are based on management estimates and have not been appraised by any bank or financial institution. Further, such estimates are based on market conditions and management expectations as of the date they were made. In view of the highly competitive nature of the industry in which we operate, we may have to revise our management estimates from time to time and consequently our funding requirements may also change. Significant revisions to our funding requirements or the deployment of Issue proceeds may result in the rescheduling of our resource raising programs and an increase or decrease in our proposed expenditure for a particular object.

Further we have not appointed any independent monitoring agency to monitor the utilization of the proceeds raised from this Issue. The Issue proceeds will be utilized at the sole discretion of the Board of Directors of our Company. For further details please refer to section titled “Objects of the Issue” on page 50 of the Draft Red Herring Prospectus.

3. ***We have not yet entered into definitive agreements to utilize the proceeds of the Issue. Any delay in finalization and placement of order for machinery and equipments for setting up Polyclinics and Cosmetology and Wellness Centre may have an adverse impact on our Company's operations.***

We have not entered into any definitive agreement or placed any orders for establishing Polyclinics and Cosmetology and Wellness Centre for which funds are proposed to be raised through this Issue. Whilst the quotations obtained by us for equipment, installations or civil works in connection with such projects are described in "Objects of the Issue" on page 50 of the Draft Red Herring Prospectus, such costs are subject to change in the light of various factors beyond our control, including delays or increase in quoted prices by identified vendors. Our inability to complete the identified projects as per the stated schedules of implementation may lead to cost overruns and may impact our future profitability.

Also the requirement of miscellaneous surgical equipments, computers, office and miscellaneous equipments and security deposits for setting up the Cosmetology centre at Gurgaon and polyclinics aggregating to ₹ 1,067 lakhs are purely management estimates and not based on quotations from vendors.

4. ***We propose to invest ₹ 2,000 lakhs out of the Proceeds of Issue in our wholly Owned Subsidiary, which is setting up a hospital in Faridabad. Any delay in the execution of the project by our Subsidiary may adversely affect return on our investment and hence profitability***

We propose to invest ₹ 2,000 lakhs out of the Proceeds of the Issue in equity of our Wholly Owned Subsidiary, Ojjus Fidelity, which is setting up a super speciality hospital in Faridabad. The operations of the hospital are proposed to be commenced in phases. The completion of hospital project of Ojjus Fidelity may involve delays or problems including receiving the regulatory approvals, unavailability of required equipments and any other unforeseen events or circumstances. Our inability to complete the hospital project as per the stated schedule of implementation may lead to cost overruns and may impact our future revenue and profitability.

Further, we may not achieve the operating levels that we expect from the proposed hospital project of Ojjus Fidelity and we will not be able to achieve our target return on investments or intended benefits from this project.

For further information, see "Objects of the Issue" on page 50. For the audited restated standalone financial statement of our Subsidiary, see "History and Certain Corporate Matters - Ojjus Fidelity Healthcare Private Limited" on page 98.

5. ***We propose to utilize ₹ 1,462.65 lakhs out of the Proceeds of the Issue in setting a Cosmetology & Wellnes centre at Gurgaon. We do not own the premise for the Cosmetology & Wellness centre and it is owned by our Promoter Group Company, KR Chawla Consulting Private Limited. If the license agreement with the owner of the premise is terminated or not renewed, it may have an adverse effect on our business operations.***

We do not own the premise on which the Cosmetology & Wellness centre at Gurgaon is proposed to be set up. The premise is owned by our Promoter Group Company, KR Chawla Consulting Private Limited. We have entered into a license agreement dated April 05, 2012 with KR Chawla Consulting Private Limited for using the premises for setting up of Cosmetology & Wellness Centre. The license agreement is valid for a period of seven years. Thereafter the license agreement for the facility is renewable on mutual consent upon payment of such rates as stated in the agreement.

If the license agreement with the owner of the premises is terminated or not renewed or renewed such agreements on terms and conditions that are unfavorable to us, we may suffer a disruption in our operations which could have an adverse effect on our business. For details of said agreement, please refer to section "History and Certain Corporate Matters" on page 94 of the Draft Red Herring Prospectus.

6. *We propose to establish 8 polyclinics within a radius of 200 kms of Noida. We have not identified the properties proposed to be taken on lease for setting up of these polyclinics. Delay, if any, in identifying the properties or taking their possession for proposed polyclinics may have an adverse impact on our expansion plan.*

We intend to set up Polyclinics for high end treatment in Neuro, cardiac, Orthopedics and Minimal Invasive Surgery within a radius of 200 km of Noida. These polyclinics are proposed to provide comprehensive general healthcare services to patients in their cities and refer patients for advance care and critical treatment to our hospital at Noida. Initially, we propose to set up one polyclinic each in Muzaffarnagar, Bulandshahar, Meerut, Saharanpur, Hapur, Moradabad, Palwal and Mathura. All these cities depend on Delhi and Noida for the high end healthcare needs. We are in the process of identifying the location in these cities for setting up of Polyclinics. Any delay in identifying the properties or taking their possession for the proposed polyclinics may have an adverse impact on our expansion plan.

7. *We withdrew the earlier initial public offering that opened for public subscription on December 30, 2011 but was withdrawn by our Company due to then uncertainty in the capital market and weak response from the investors. There can be no assurance on the outcome of the current proposed initial public offering.*

As set out in the section "History and Certain Corporate Matters" beginning on page 94 of this Draft Red Herring Prospectus, we had filed Red Herring Prospectus dated December 15, 2011 with ROC to raise ₹ 6,200 lakhs from equity shares alongwith detachable warrants. The IPO opened for subscription on December 30, 2011. However, due to the then uncertainty in the capital market and weak response from the investors, we withdrew the IPO on January 09, 2012. There can be no assurance on the outcome of the current proposed initial public offering and we may exercise the right not to proceed with the initial public offering. As a result of withdrawal of IPO we could not implement projects proposed in the Red Herring Prospectus dated December 15, 2011 for which funds were required to be raised through that issue.

8. *Our Company and the officers in default have filed applications under Section 621A of the Companies Act for compounding of certain offences committed under sections 269 (non appointment of Managing Director), 295 (loan to Director / Companies controlled by Director) and 383A (non appointment of full time Company Secretary) of the Companies Act, 1956.*

- (a) Our Company has entered into an agreement dated January 15, 2009 with Karina Healthcare Private Limited, a promoter group company, for taking on lease - MRI Equipment for the Hospital at Noida. The said equipment was purchased by Karina Healthcare Private Limited in January 2009 with financing of ₹ 208.50 lakhs from GE Capital, Gurgaon and the loan was repayable in 36 monthly installments till February 10, 2012.

In terms of the agreement between with our Company and Karina Healthcare Private Limited, no lease rental is payable by our Company to Karina Healthcare Private Limited. Our Company has to pay the installment consisting of principal and interest on behalf of Karina Healthcare Private Limited during the period of lease of equipment. While our Company has to bear the interest paid to GE Capital, the principal amount paid by our Company to GE Capital is to be treated as loan given by our Company to Karina Healthcare Private Limited and is to be repaid by Karina Healthcare Private Limited on completion of the tenure of the said loan. After completion of the tenure of the said loan, both the parties will re-negotiate the terms of business for use of said machine. The principal amount repaid by Company on behalf of GE Capital is shown as loan given to Karina Healthcare Private Limited. Our Company was not in compliance with the provisions of Section 295 of the Companies Act, 1956.

Pursuant to the provisions of section 295 of the Companies Act, 1956, the person who is in default may be punishable with fine which may extend to fifty thousand rupees or imprisonment for a

term which may extend to six months. Our Company and the officers in default have filed application(s) under section 621A with the ROC for compounding of contraventions of the provisions of the said section of the Companies Act, 1956.

- (b) In accordance with Section 269 of the Companies Act, 1956, every Company having paid up capital of ₹ 500 lakhs or more is required to appoint a Managing Director or Whole Time Director. The paid up share capital of our Company was ₹ 500 lakhs on August 07, 2008 subsequent to allotment of shares made on the referred date. Our Company was not in compliance with the provisions of Section 269 of the Companies Act, 1956 for the period from September 30, 2008 to December 22, 2010 and thus has filed an application under section 621A for compounding of the same with the Registrar of Companies.
- (c) In accordance with Section 383A of the Companies Act, 1956, every Company having paid up capital of ₹ 200 lakhs or more (w.e.f. June 11, 2002) is required to appoint a full time Company Secretary. The provisions of Section 383A were applicable to our Company w.e.f. June 11, 2002. Our Company was not in compliance with the provisions of Section 383A(1) of the Companies Act, 1956 for the period from (i) June 11, 2002 to August 31, 2005, (ii) October 02, 2005 to August 19, 2009 and (iii) from March 31, 2010 to April 14, 2010 and thus has filed an application under section 621A for compounding of the same with the Registrar of Companies.

We have neither received any notice nor any action has been initiated against us by the Registrar of Companies / Ministry of Corporate Affairs for the violation of the provisions of the Companies Act, 1956 as indicated at paras (a) to (c) as aforesaid. The compounding applications filed by us are pending before the regulatory authority. For details refer to the section titled "Outstanding Litigations and Material Developments" on page 185 of this Draft Red Herring Prospectus.

**9. *There is auditor's qualification in restated financial statement in respect of arrears of payment of Income Tax for the financial year 2010-11.***

The auditor has given a remark in the restated financial statement that out of total tax payable of ₹ 461.34 lakhs for the financial year ending March 31, 2011. Our Company has paid ₹ 150 lakhs and we are in the process of paying the balance tax arrears. As a result there is also a delay in filing of Income Tax Return for financial year 2010-11. Our Company will be liable to pay interest on the late payment of tax and penalty for the delay in filing of Income Tax return for the financial year 2010-11.

**10. *Our Promoter, Subsidiary Company and certain of our promoter group entities have incurred losses during recent fiscal years.***

Our Promoter, our Subsidiary and some of our Promoter Group entities have incurred losses in recent fiscal years, details of which are given below:

(₹ in lakhs)			
<b>Name of the Company</b>	<b>March 31, 2011</b>	<b>March 31, 2010</b>	<b>March 31, 2009</b>
<b>Promoter</b>			
Ojjus Medicare Private Limited	(0.08)	(0.07)	-
<b>Subsidiary</b>			
Ojjus Fidelity Healthcare Private Limited <sup>1</sup>	(20.07)	(11.93)	(154.07)
<b>Promoter Group</b>			
HN Properties Private Limited	(0.46)	-	-
HP IT Solutions Private Limited	(0.17)	-	-
Karina Healthcare Private Limited	(80.10)	(44.11)	(36.02)
HPC Finsec Consultancy Private Limited	(5.15)	(0.23)	-
Karina Fincap Limited	(2.79)	(0.18)	-
M and D Hospitals Private Limited <sup>2</sup>	(47.83)	(59.59)	(68.79)

<sup>1</sup> Ojjus Fidelity Healthcare Private Limited has not commenced its business operations and the pre-operative expenses are being charged to the profit and loss account.

<sup>2</sup> Our Promoter acquired the equity shares of M and D Hospitals Private Limited on January 27, 2012.

**11. We have not applied for any regulatory approval required for setting up of Cosmetology & Wellness Centre and polyclinics for which the funds are proposed to be raised through this Issue. Failure to apply for such approval in time or rejection of our application may adversely affect our expansion plans. Further, our Company requires a number of approvals, licenses, registrations and permits for its business(es) and the failure to obtain or renew them in a timely manner may adversely affect its operations.**

We have not applied for any regulatory approval required for setting up of Cosmetology & Wellness Centre and polyclinics for which the funds are proposed to be raised through this Issue. The applications for requisite approvals will be made after placing the orders for medical equipments & machineries or on receipt of the same.

We require a number of approvals, licenses, registrations and permits for our business(s). Additionally, we may need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course. As on date, we have applied for following approval, applications for which are pending for approval:

Authority Granting approval	Nature of approval / Statute	Status
National Accreditation Board for Hospital and Healthcare Providers, Quality Council of India	NABH Accreditation Certificate	Application dated July 06, 2010 submitting the policies required for NABH Accreditation as per the NABH Guidelines have been submitted with the office of Deputy Director, Quality Council of India. The reference no. allotted to our Company is H-2009-0300. The Quality Council of India is likely to conduct a pre-assessment of the hospital in May 2012
National Accreditation Board for testing and Calibration Laboratories, Department of Science and Technology, Government of India	NABL Accreditation Certificate	Application made for the NABL accreditation. The Accreditation Officer NABL had issued observations to us on the documents submitted. We have made the necessary changes as per the NABL requirement and replied vide our letter dated December 01, 2010. The Quality Council of India is likely to conduct a pre-assessment of the hospital in May 2012.
Chief Medical Officer, Gautam Budh Nagar	For running multi speciality hospital	Application dated March 16, 2012 made for renewal of the license no. 325/GBN/10-10. The application is still pending.

For more information, please refer section titled “Government and Other Approvals” on page 190 of the Draft Red Herring Prospectus. Furthermore, the government approvals and licenses are subject to various conditions. If we fail to comply, or a regulator claims that our Company has not complied with these conditions, its business, financial position and operations would be materially adversely affected.

**12. We may be subject to restrictive covenants, including restriction on raising of further capital, under term loans and working capital facilities provided to us by our Banker.**

We have availed of several loans and financial facilities from Bank of India. In respect of various agreements entered into by our Company with our Lender and sanction letters issued by them to us, we are bound by certain restrictive covenants regarding capital structure and other general restrictive covenants. The restrictive covenants as imposed by the lenders on our Company are as under:



- All the assets charged to the Bank to be kept fully insured at all times against all risks and original Insurance Cover note / policy in the name of the Bank a/c borrower firm / company with Bank's Hypothecation clause to be lodged with the Bank.
- Without prior written permission of the Bank, there should not be any alteration in the constitution, controlling ownership or any document relating to the constitution or material change in the Management or in the nature of business or operations of the Issuer during the period of subsistence of facilities.
- Bank has the right to appoint a nominee Director on the Board to oversee the functioning of the Company.

Further, our immovable properties and Hospital equipments are charged to lenders / Banks as per the terms and conditions of the term loan agreement. For details of the loans availed and assets charged, please refer to section titled "Financial Indebtedness" on page 173 of this Draft Red Herring Prospectus. In compliance with such restrictive covenants, we have obtained the consent from Bank of India vide its letter dated March 07, 2012 for the proposed issue.

**13. We have entered into a number of related party transactions with our Promoter, Subsidiary, Promoter Group entities and Directors, which may involve conflict of interest. Further our Company and our Subsidiary has also taken certain unsecured loans from Promoter and Promoter Group Companies.**

We have entered into a number of related party transactions with our Promoter, Subsidiary, Promoter Group entities and Directors. Such transactions or any future transactions with related parties may potentially involve conflicts of interest and impose certain liabilities on our Company. The summary details of the related party transactions entered by us during the financial year ended March 31, 2011 and ten months period ended January 31, 2012 are as under:

(₹ in lakhs)			
Sr. No.	Particulars	January 31, 2012	March 31, 2011
1	Investment in Subsidiary	967.81	381.85
2	Unsecured Loan taken	167.58	499.03
3	Loan given	28.73	86.76
4	Interest paid	5.98	18.00
5	Professional Charges	-	10.00
6	Allotment of shares against share application money	-	400.00
7	Unsecured Loan Taken & repaid	285.00	-
8	Unsecured loan converted in share capital	2,284.60	-
9	Services Taken	0.24	-
10	Salary Paid	42.00	11.29
11	Rent paid	2.50	1.00
	<b>Total</b>	<b>3,784.44</b>	<b>1,407.93</b>

For further details on related party transactions, see the section titled "Financial Statements" beginning on page 127 of this Draft Red Herring Prospectus.

Further, our Wholly Owned Subsidiary, Ojjus Fidelity Healthcare Private Limited, has taken unsecured loans aggregating ₹ 2,286.98 lakhs as on January 31, 2012 including unsecured loan from our Company aggregating to ₹ 967.81 lakhs. The said unsecured loans do not carry any interest and are repayable on demand. If called on short notice, the same may affect our cash flows adversely to such extent. For further details please refer to consolidated financial statements under section titled "Financial Statements - Unsecured Loan" on page 167 and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 174 of the Draft Red Herring Prospectus.

**14. *Our Promoter, our Subsidiary and two of our Promoter Group Companies, i.e. Ojjus Medicare Private Limited, Ojjus Fidelity Healthcare Private Limited and Karina Healthcare Private Limited and M & D Hospitals Private Limited, respectively, have objects conflicting with our business.***

There is common pursuit between our Company and our Promoter, Ojjus Medicare Private Limited, and Subsidiary, Ojjus Fidelity Healthcare Private Limited as the main objects of our Company, our Promoter and our Subsidiary are similar in nature. Our Holding Company and Subsidiary Company have entered into a Non Compete Agreement dated October 14, 2011 with our Company. Our Promoter is presently not engaged in any commercial activity and has agreed not to offer services currently being offered by us. Further, in terms of the aforesaid Non Compete Agreement, our Company will have the first right of refusal for any new business opportunity. In case we relinquish our right, then Ojjus Fidelity shall have the first right for such business opportunity. The said Agreement is valid for a period of five years.

Further, two of our Promoter Group Companies viz. Karina Healthcare Private Limited and M and D Hospitals Private Limited, have objects similar to that our company and are of conflicting nature. However, we have entered into Non-Compete Agreement with Karina Healthcare Private Limited on November 10, 2010 and with M and D Hospitals Private Limited on April 20, 2012 whereby both the Promoter Group Companies had agreed not to execute any of the services offered by us.

For details on the Non-Compete Agreement, please see the chapter titled “History and Certain Corporate Matters” on page 94 of the Draft Red Herring Prospectus.

**15. *In the last three years preceding the date of Draft Red Herring Prospectus, some of the persons comprising part of the Promoter Group of our Company had disassociated from several group companies and re-associated with some of them later.***

In the last three years preceding the date of the Draft Red Herring Prospectus, some of the Persons / entities forming part of our Promoter Group of our Company had disassociated from several group companies. Mr. Harvansh Chawla, Promoter of Ojjus Medicare Private Limited, disposed off some of the group companies as these were non operative and could not start any commercial activity. However he again associated with three of these companies namely, Karina Developers Limited, Ojjus Airlines Limited and Ojjus Pharmacy Limited to explore new business opportunities. Further, he again disassociated from these as the purpose for which he associated again was not fruitful. He also re-associated with two companies namely HC Power Projects Private Limited and Conquer Power Projects Private Limited as Director and again disassociated with them. For details refer to section titled “Our Promoter Group” on page 116 of the Draft Red Herring Prospectus.

**16. *We have issued Equity Shares in recent past at a price which may be lower than the Issue Price.***

We have issued certain Equity Shares to our Promoter, in the recent past, at a price which may be lower than the Issue Price. Further, Our Company is considering the Pre-IPO Placement to certain investors prior to filing of the Red Herring Prospectus with ROC. The Equity Shares issued to such investors pursuant to the Pre-IPO Placement may be at a price lower than the Issue Price. For details refer to the section titled “Capital Structure” on page 42 of the Draft Red Herring Prospectus.

**17. *We have limited history of operations and our Promoter does not have past record in running hospitals.***

We received the Certificate of Commencement of Business from the Registrar of Companies NCT Delhi and Haryana on July 14, 2000. The construction of the hospital was commenced in the year 2002 and we started free medical checkup at the site to promote the business of upcoming hospital. Later on, medical consultancy services on small scale were provided to patients. The hospital started the inpatient department in financial year 2004-05. It was only in December 2007, when our present Promoter took over the control and management of our Company and thereafter increased the scale of operations with addition of various high end medical equipments with specialization in treatment of

critical ailments. As a result we have a limited history of operations upon which you can evaluate us or our prospects. Further our Promoter, Ojjus Medicare Private Limited and its Promoter do not possess past experience in running hospital or medical facilities.

**18. *Majority of our Director do not have prior experience in the Hospital and Healthcare Industry.***

The Directors on our Board have a varied experience in different fields and Industry. However except Dr. Vineet Arora who is a medical consultant with over 13 years of experience, Mr. Amanveer Singh, who has past experience in the Healthcare Industry and Mr. Harvansh Chawla and Mr. Sandeep Singhania, who are on the Board of our Company since April 14, 2008 and December 01, 2006 respectively, all other Directors do not have prior experience in the Hospital and Healthcare Industry. The lack of relevant experience in the Hospital and Healthcare Industry may affect our policy making decision and the operations of our Company. For details regarding experience of our Directors, refer to Chapter titled "Our Management" on page 100 of the Draft Red Herring Prospectus.

**19. *Our Registered office is not owned by us. If the owner of premises does not renew the lease agreement, our business operation may suffer disruption. Further we share our registered office premises with H N Reacon Private Limited, a Promoter Group Company and we does not have any rent sharing agreement or demarcation of the premises and facilities installed therein for use by both the parties.***

We do not own the premises where our registered office is situated. We are using the premises licensed to us by one of our Directors, Mr. Harvansh Chawla. Mr. Harvansh Chawla is the lessee of the premises and authorized to use the premises for the purpose of a firm or professional company where he is a proprietor or director or shareholder as per lease agreement with owners of the premises. As per agreement renewed on November 01, 2011 and executed between us and Mr. Harvansh Chawla, our Company is authorized to occupy and use the premises as our registered office. The lease agreements for facilities are renewable on mutual consent upon payment of such rates as stated in these agreements.

If the lease agreement of Mr. Harvansh Chawla with the owner of the premises is not renewed or Mr. Harvansh Chawla does not renew the agreement under which we occupy the premises or renew such agreements on terms and conditions that are unfavorable to us, we may suffer a disruption in our operations which could have an adverse effect on our business. For details of said agreement, please refer to section "History and Certain Corporate Matters" on page 94 of the Draft Red Herring Prospectus.

Further, we share the premises of our registered office with one of our Promoter Group Company, H N Reacon Private Limited. Neither there is any rent sharing agreement between our Company and H N Reacon Private Limited nor there is a demarcation of the premises and facilities installed therein for use by both the parties.

**20. *Our Subsidiary, Ojjus Fidelity and six of our Promoter Group entities, namely HP IT Solutions Private Limited, Karina Healthcare Private Limited HPC Finsec Consultancy Private Limited, Karina Fincap Limited, Ojjus Skills Institutes Private Limited and K R Chawla & Company, share the same office premises and they do not have any rent sharing agreement or demarcation of the premises and facilities installed therein for use by the said parties.***

Our Subsidiary, Ojjus Fidelity, do not own the premises where its registered office is situated. Ojjus Fidelity is using the premises licensed to it by one of our Directors, Mr. Harvansh Chawla. Mr. Harvansh Chawla is the lessee of the premises and authorized to use the premises for the purpose of a firm or professional company where he is a proprietor or director or shareholder as per lease agreement with owners of the premises.

Further, Ojjus Fidelity shares the premises of its registered office with six Promoter Group Entities, namely HP IT Solutions Private Limited, Karina Healthcare Private Limited, HPC Finsec Consultancy

Private Limited, Karina Fincap Limited, Ojjus Skills Institutes Private Limited and K R Chawla & Company. Neither there is any rent sharing agreement between Ojjus Fidelity and aforesaid Promoter Group Entities nor there is a demarcation of the premises and facilities installed therein for use by the said parties.

- 21. *After acquisition of equity shares in Ojjus Fidelity, the share application money outstanding in the books of Ojjus Fidelity received from Promoter group Entities was converted into unsecured loan during the financial year 2010-11. For the purpose of restatement of financial statements, as disclosed in this Draft Red Herring Prospectus, the said share application money is considered as unsecured loan in the financial years prior to financial year 2010-11.***

After the acquisition of shareholding and control of Ojjus Fidelity by our Company, we proposed to re-classify the share application money received from Ojjus Medicare Private Limited and K R Chawla & Company as Unsecured Loan. Ojjus Medicare Private Limited and K R Chawla & Company, both, gave their consent dated June 10, 2010 for the same and hence the share application money aggregating ₹ 4,422.14 lakhs outstanding from them (i.e. Ojjus Medicare Private Limited and K R Chawla & Company) as on March 31, 2010 was re-classified as unsecured loan in the financial year 2010-11. For the purpose of restated financial statements as disclosed in this Draft Red Herring Prospectus, the same is considered as unsecured loan in the financial years prior to financial year 2010-11 also. As per the certificate dated May 04, 2012 received from Mr. C Mohan Jain (Membership No. 512312), Proprietor, C Mohan Jain and Co., Statutory Auditor of Ojjus Fidelity, the retrospective re-classification of share application money into unsecured loans is not in non-conformity of any Accounting Standard.

- 22. *Our arrangements with some of our doctors may give rise to conflicts of interest and time-allocation constraints and adversely affect our operations.***

Our arrangements with some of the specialty doctors whom we engage as consultants, also permit them to maintain their own private practices, as well as positions at a limited number of other hospitals. Certain of our most senior doctors may also maintain positions at local clinics or affiliations with teaching hospitals. These arrangements may give rise to conflicts of interest, including with regard to how these doctors allocate their time and other resources between our hospitals and other clinics or hospitals at which they work and where doctors refer patients. Such conflicts may prevent us from providing a high quality of service at our hospital and adversely affect the level of our patient intake.

- 23. *Our gross income is dependent on inpatient income and occupancy rates, which could decline due to a variety of factors adversely affecting our business and results of operation.***

Our major source of gross income is from inpatient treatments. Growth in inpatient income and increasing or maintaining occupancy rates at our hospital is highly dependent on wider acceptance in the communities in which we operate, our ability to attract and retain well-known and respected doctors, our ability to offer the most desired services in the communities in which we operate, our ability to develop “super-specialty” practices and our ability to compete effectively with other hospitals and clinics. Growth in inpatient income may also be impaired by the absence of a developed health insurance sector in the area we operate, lack of appropriate government programs. Our inability to increase growth in inpatient treatments or occupancy rates may adversely affect our business and results of operations.

- 24. *Compliance with applicable safety, health, environmental and other governmental regulations may be costly and adversely affect our competitive position and results of operations.***

We are subject to central and local laws, rules and regulations governing, including for conduct of our operations, additions to facilities and services, adequacy of medical care, quality of medical equipment and services, discharge of pollutants to air and water and handling and disposal of bio-medical, radioactive and other hazardous waste, qualifications of medical and support personnel, confidentiality,

maintenance and security issues associated with health-related information and medical records; and screening, stabilization and transfer of patients who have emergency medical conditions.

Safety, health and environmental laws and regulations in India are stringent and it is possible that they will become significantly more stringent in the future. If we are held to be in violation of such regulatory requirements, including conditions in the permits required for our operations, by courts or governmental agencies, we may have to pay fines, modify or discontinue our operations, incur additional operating costs or make capital expenditures. Any public interest or class action legal proceedings related to such safety, health or environmental matters could also result in the imposition of financial or other obligations on us. Any such costs could adversely affect our competitive position and results of operations. For more information on the regulations applicable to us, see the section titled “Key Industry Regulations” on page 90 of this Draft Red Herring Prospectus.

**25. *Rapid technological advances, technological failures and other challenges related to our medical equipment could adversely affect our business.***

We use sophisticated and expensive medical equipment in our hospitals to provide services. Medical equipment often needs to be replaced frequently as innovation can rapidly make existing equipment obsolete. Replacement of equipment may involve significant costs, as well as foreign currency risks, since some equipment is imported from other countries. In addition, because of the high costs of medical equipment, we may not maintain back-up equipment and, therefore, if such equipment is damaged or breaks down, our ability to provide services to our patients may be impaired.

**26. *We operate in a fragmented industry and face increasing competition from other hospitals and healthcare providers, which may have adverse effects on our competitive position and results of operations.***

We compete with government owned hospitals, other private hospitals, smaller clinics, hospitals owned or operated by non-profit and charitable organizations and hospitals affiliated with medical colleges. We will also have to compete with any future healthcare facilities in the region in which we operate. Moreover, some of these competitors may be more established and have greater financial, personnel and other resources than our hospital. In particular, our competitors include hospitals owned or managed by government agencies and trusts, which may be able to obtain financing or make expenditures on more favorable terms than private hospitals owned and managed by for-profit interests, such as ourselves. In addition, even in situations where one of our hospital is the dominant or sole provider of healthcare in a region, patients may yet favor other hospitals. New or existing competitors may price their services at a significant discount to ours or offer greater convenience or better services or amenities than we provide. Smaller hospitals, stand-alone clinics and other hospitals may exert pricing pressures on some or all of our services and also compete with us for doctors and other medical professionals. If we are forced to reduce the price of our services or are unable to attract patients and doctors and other healthcare professionals to our hospitals, our business and financial results may be adversely affected. For further details, see the section titled “Our Business - Competition” on page 86 of this Draft Red Herring Prospectus.

**27. *Operations of our hospital, Ojjus Medicare, Noida are subject to risks including disruption in or lack of basic infrastructure such as electricity, and water supply which could increase our operating cost or interrupt our business operation***

We currently own and operate hospital in Noida under the name ‘Ojjus Medicare’. We are exposed to risk including disruptions in infrastructure facilities such as electricity and water supply which could require us to incur additional cost to the extent that we would be required to find alternative sources of supply of such infrastructural facilities. Further if our suppliers fail to deliver necessary equipments / medicines or adequately perform the services outsourced to them, our services may be disrupted. Any such development could have a material adverse affect on our business and results of operations.

- 28. *We are highly dependent on our doctors, nurses and other healthcare professionals, as well as other key personnel, and the loss of, or inability to attract or retain, such persons could adversely affect our business and results of operations.***

Our performance and the execution of our growth strategy depend substantially on our ability to attract and retain leading doctors and other healthcare professionals. We compete for these personnel with other healthcare providers.

The market for doctors is highly competitive and there is a general shortage of doctors in India. The factors that doctors consider important before deciding where they will work include the level of compensation, the reputation of the hospital and its owner, the quality of the facilities, research opportunities and community relations. We may not compare favorably with other healthcare providers on these factors. Many of these healthcare professionals are well-known personalities in their fields and regions with large patient bases and referral networks, and it may be difficult to negotiate favorable terms and arrangements with them. Our performance also depends on our ability to identify, attract and retain other healthcare professionals, including nurses, to support the multi-specialty and super-specialty practices at our hospital. In particular, the worldwide nursing shortage may make it difficult for us to attract and retain nurses who may choose to pursue similar opportunities abroad and may also cause salaries and wages for nurses to rise.

If we are unable to attract or retain doctors or other medical personnel as required, we may not be able to maintain the quality of our services and we could be forced to admit fewer patients to our hospitals. We are also highly dependent on members of our senior management team to manage our current operations and meet future business challenges.

- 29. *Any future equity offerings or issue of options under future employee stock option scheme may lead to dilution of investor's shareholding in our company.***

Purchasers of Equity Shares in this Issue may experience dilution of their shareholding to the extent we make future equity offerings and to the extent we decide to grant options to be issued under an employee stock option scheme. We do not have any ESOP scheme currently.

- 30. *Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.***

Our company has not declared any dividend during the preceding five financial years. The amount of our future dividend payments, if any, 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 dividends.

- 31. *The trademark "Ojjus Medicare" and logo being used is not owned by us. If the licence to use is withdrawn by the owner, it may affect our business.***

Our intellectual property consists mainly of our rights to use "Ojjus Medicare" name and logo. We do not own any trademark for our name, logo or slogans. One of our Directors, Mr. Harvansh Chawla has filed applications for registration of aforesaid name and logo in his name. Our Company has been licensed by Mr. Harvansh Chawla to use the trademark "Ojjus Medicare" in connection with our healthcare business.

- 32. *We face the risk of potential liabilities from lawsuits or claims by customers.***

We face the risk of legal proceedings and claims being brought against us by our patients / customers for any deficiency in our services or any defective product sold to them. We could face liabilities should our patients / customers face any loss or damage.

**33. *Our Promoter may have the ability to determine the outcome of any shareholder resolution.***

Our Promoter Group will continue to be the largest shareholders, holding [●]% of equity capital of our company after the Issue. As significant shareholder, our Promoter may have interests which may affect the interests of shareholders and /or our interests and may have the ability to determine the outcome of any shareholder resolution.

**EXTERNAL RISK FACTORS**

**34. *Any changes in the regulatory framework could adversely affect our operations and growth prospects***

We are subject to various regulations and policies. For details see section titled “Key Industry Regulations” on page 90 of this Draft Red Herring Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that we will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse affect on our business, financial condition and results of operations.

**35. *Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse affects on our operations and financial performance.***

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

**36. *Any downgrading of India’s debt rating by a domestic or international rating agency could adversely affect our business.***

Any adverse revisions to India’s credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our ability to raise additional financing, and the interest rates and other commercial terms. This could impact our profitability and ability to obtain financing for capital expenditures and the price of our Equity Shares.

**37. *Regional or International hostilities, terrorist attack or other acts of violence of war could have a significant adverse impact on international or Indian financial markets or economic conditions or on Government Policy. 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 on the market price of our company’s equity shares.***

**38. *An active market for the Equity shares may not develop which may cause the price of the equity shares to fall and may limit investor’s ability to sell the Equity Shares.***

The Equity Shares are new issues of securities for which there is currently no trading market. Applications have been made to the BSE and NSE for the Equity Shares to be admitted to trading on the BSE and NSE. No assurance can be given that an active trading market for the equity shares will develop or as to the liquidity or sustainability of any such market, the ability of the holders of the Equity Shares to sell their Equity Shares or the price at which share holders will be able to sell their Equity Shares. If an active market for the Equity Shares fail to develop or be sustained, the Trading price of the Equity Shares could fall.

**39. *Investors will not receive the Equity shares purchased in this issue until several days after they have paid for them, which will subject them to market risk.***

The Equity Shares purchased in this issue will not be credited to investor's demat account with depository participants until approximately 10 working days from the Bid / Issue closing date. Investors can start trading only after receipt of listing and trading approvals in respect of these Equity Shares which will require additional time after the credit of Equity shares into Investors demat account. Further, there can be no assurance that the equity Shares allocated will be credited to investor's demat account, or that the trading in the equity shares will commence, within the time periods specified above.

**40. *The market value of the Equity Shares may fluctuate due to the volatility of the securities markets.***

The securities markets are volatile and stock exchanges have in the past, experienced substantial fluctuations in the prices of listed securities. The stock exchanges have experienced problems, which, if these were to continue or recur, could affect the market price and liquidity of the securities of Indian Companies, including the Equity Shares. The governing bodies of the various Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, time to time disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on the market sentiment.

**41. *Future issues or sales of equity Shares of our company may significantly affect the trading price of the Equity Shares.***

Future issue of Equity Shares / convertible instruments by our company or the disposal of Equity Shares by any of the major shareholders or the perception that such issues or sales may occur may significantly affect trading price of the Equity Shares. Other than the lock-in of Pre-issue capital as prescribed under SEBI ICDR Regulations, none of the shareholders are subject to any lock-up arrangements restricting their ability to issue Equity Shares or the Shareholder's ability to dispose of their Equity Shares, and there can be no assurance that any shareholder will not dispose of, encumber, or pledge, his shares.

**PROMINENT NOTES:**

1. Public issue of [●] equity shares of ₹ 10 each of Goodwill Hospital and Research Centre Limited for cash at a price of ₹ [●] per equity share ("Issue Price") including share premium of ₹ [●] per equity share aggregating to ₹ 9,800 lakhs (the "Issue"). The Issue will constitute [●]% of the fully diluted post issue paid-up capital of our Company. Our Company is considering a Pre-IPO Placement of up to [●] Equity Shares, for cash consideration aggregating up to ₹ 3,000 lakhs with certain investors. The Pre-IPO Placement is at the discretion of our Company. Our Company will complete the issuance and allotment of such Equity Shares, if any, prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 25% of the post-Issue paid-up equity capital being offered to the public.
2. Under subscription, if any, in any category would be met with spill-over from other categories or a combination of categories in accordance with applicable laws, regulations and guidelines. Investors may note that in case of over-subscription in the Issue, allotment to QIB Bidders, Non-Institutional Bidders and Retail Individual Bidders shall be on a proportionate basis.
3. The average cost of acquisition of our Equity Shares by our Promoter, Ojjus Medicare Private Limited is ₹ 34.34 per equity share. For more information, see the section titled "Capital Structure" on page 42 of the Draft Red Herring Prospectus. The average cost of acquisition of Equity Shares by our Promoter has been calculated by taking the average of the amounts paid by them to acquire the Equity Shares currently held by them.



4. The Net Worth of our Company and net asset value per equity share as on March 31, 2011 and January 31, 2012 as per the restated financial statements of our Company prepared as per Indian GAAP and disclosed in Part A and Part B of the section titled “Financial Statements” on page 127 and 151 respectively of the Draft Red Herring Prospectus is as under:

Particulars	Consolidated financial statements		Standalone financial statement	
	January 31, 2012	March 31, 2011	January 31, 2012	March 31, 2011
Net Worth (₹ in lakhs)	6,515.97	3,263.33	6,612.60	3,284.15
Net Asset Value per equity share / Book Value (in ₹)	62.06	36.26	62.98	36.49

5. No part of the issue proceeds will be paid as consideration to our Promoter, our Directors, our key managerial employees or our promoter group companies or ventures except as mentioned in section “Objects of the Issue”, “Interest of Promoters” and “Interest of Key managerial Personnel” in normal course of business, as given on page 50, 115 and 112 of this Draft Red Herring Prospectus respectively.
6. Our Company has entered into certain related party transactions as disclosed in the “Standalone Financial Statements - Related Party Transactions” on page 136 of this Draft Red Herring Prospectus.
7. None of the Promoter Group Companies have any business interest or other interest in our Company except that our Promoter Ojjus Medicare Private Limited is our holding company.
8. Our Promoter Group, Directors and their relatives have not financed the purchase by any other person of the equity shares of our Company during the period of six months immediately preceding the date of filing of Draft Red Herring Prospectus with the SEBI.
9. Other than as stated in the section titled “Capital Structure” on page 42 of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration other than cash.
10. The Investors are advised to refer to the paragraph on “Basis for Issue Price” on page 63 of this Draft Red Herring Prospectus before making any investment in this Issue and “Basis of Allotment” on page 225 of this Draft Red Herring Prospectus.
11. Trading in the Equity Shares of our Company for all investors shall be in dematerialized form only. For further details, see the section titled “Offering Information” on page 206 of this Draft Red Herring Prospectus.
12. There has been no change in the name of our Company since incorporation.
13. Our Company and the BRLM will update the offer document in accordance with the Companies Act and the SEBI ICDR Regulations and our Company and the BRLM will keep the public informed of any material changes relating to our company till the listing of our shares on the Stock Exchanges. No selective or additional information would be made available to a section of investors in any manner whatsoever.
14. Any clarification or information relating to the Issue shall be made available by the BRLM, Compliance Officer and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever.
15. Investors may contact the BRLM, the Registrar to the Issue or the Compliance Officer for any complaints, clarifications, etc. pertaining to the Issue.

## SUMMARY OF INDUSTRY AND BUSINESS

This is only a summary and does not contain all the information that you should consider before investing in our Equity Shares. You should read the following summary with the Risk Factors on page 10 of this Draft Red Herring Prospectus and the more detailed information about Goodwill Hospital and Research Centre Limited and the financial statements included in this Draft Red Herring Prospectus.

### INDUSTRY OVERVIEW

**The information / data in this has been sourced from the following:**

Ministry of Finance – [www.finmin.nic.in](http://www.finmin.nic.in)

Website of Central Statistical Organization – [www.mospi.gov.in](http://www.mospi.gov.in)

Website of Department of Industrial Policy & Promotion – [www.dipp.nic.in](http://www.dipp.nic.in)

Website of Competition Commission of India - [www.cci.gov.in](http://www.cci.gov.in)

Website of Ministry of Health and Family Welfare – [www.mohfw.nic.in](http://www.mohfw.nic.in)

Website of FICCI – [www.ficci.com](http://www.ficci.com)

Website of World Health Organization – [www.who.int](http://www.who.int)

Website of Insurance Regulatory And Development Authority – [www.irda.gov.in](http://www.irda.gov.in)

### INDIAN ECONOMY OVERVIEW

The overall growth in gross domestic product at factor cost at constant prices is estimated at 6.9 per cent in 2011-12 as compared to the revised growth of 8.4 per cent during 2010-11. The growth in real GDP is placed at 6.1 per cent in the third quarter of 2011-12. As per the latest estimates available on the Index of Industrial Production (IIP), The General Index for the month of February 2012 stands at 174.9, which is 4.1% higher as compared to the level in the month of February 2011. The cumulative growth for the period April – February 2011-12 stands at 3.5% over the corresponding period of the previous year. The indices of industrial production for mining, manufacturing and electricity, registered growth rates of 2.1%, 4.0% and 8.0%, respectively for the month of February 2012 as compared to February 2011. The cumulative growth during April - February 2011-12 over the corresponding period of 2010-11 in the three sectors have been (-) 2.1%, 3.7% and 8.7% respectively. In terms of industries, eighteen out of twenty two industries groups (as per 2-digit NIC-2004) in the manufacturing sector have shown positive growth during the month of February 2012 as compared to the corresponding month of the previous year.

The Foreign Direct Investment (FDI) investment has gone up from USD 32.90 Billion in 2010-11 to USD 38.35 Billion in 2011-12 (April – January 2012) as per provisional figures by RBI. The cumulative amount of FDI inflows from April 2000 - January 2012 amounts to USD 243.06 Billion. The FDI equity inflows for the period April 2011 to January 2012 was USD 26.19 Billion and the cumulative FDI equity inflows for the period April 2000 to January 2012 was USD 159.97 Billion.

### INDUSTRY OVERVIEW

India is perched to witness additional growth in its economy as a result of positive trends within the healthcare sector. The health industry has emerged as one of the most challenging sectors as well as one of the largest service sector industries in India with an estimated revenue of USD35 billion; it constitutes 5.2% of India's GDP and employs 4 million people. The Indian health industry is expected to grow at 15% per annum to USD78.6 billion, reaching 6.1% of GDP by 2012 and employing 9 million people by 2012.

Recognizing the significant potential and challenges in the health sector, the government has prioritized it in the Eleventh Five Year Plan. The private sector plays a significant role by contributing 4.3% of GDP and 80% share of healthcare provision. However, deficiencies persist with respect to access, affordability, efficiency, quality and effectiveness, despite the high level of overall private and public expenditure on health.

#### **The Indian Healthcare Industry**

The Healthcare Sector in India comprises of hospitals and allied sectors such as diagnostics and pathology, medical equipments and supplies, medical tourism and private medical insurance. During the period 2000-09, the sector has registered a growth of 9.3%. The share of private expenditure as to the total expenditure

on health has grown from about 60% to almost 80% over the last decade. The current share of public expenditure on health is 20%. With a view to raise government expenditure on health as a proportion of GDP to 2-3 % by 2012, the government launched the National Rural Health Mission [NRHM] in 2005. There are an increasing number of private players changing the nations' health delivery landscape. New hospitals are mushrooming even in Tier II and Tier III Cities and leading healthcare entrepreneurs with deep pockets are expanding. At the root is the new age patient who is ready to undertake the best possible treatment that money can buy. State of art technology, wonder drugs and five star facilities are now the hospital mantra. It is booming industry both in terms of revenue and employment. Currently the industry employs over 4 million people making one of the largest service industries in the economy.

#### **Structure of the Healthcare Delivery Industry**

On the basis of infrastructural requirements and the types of services offered hospitals can be broadly classified into the following categories:

- Primary Healthcare
- Nursing Homes
- Secondary Care Hospitals
- Tertiary Care Hospitals
- Quaternary Care Hospitals

For details refer to “Industry Overview” on page 72 of the Draft Red Herring Prospectus.

#### **BUSINESS OVERVIEW**

We are engaged in running a multi specialty hospital at Noida called Ojjas Medicare, with super specialty focus on core areas such as Neurology and Neuro surgery, Cardiology and Cardiac surgery and Orthopaedics with emphasis on Joint Replacements and Sports Injuries. We also provide healthcare services in area of Minimally Invasive surgeries, Mother & Child Care, Paediatrics, Diagnostic, Critical Care Medicine, Oncology, Gynaecology & Obstetrics, Nephrology, Dermatology, Gastroenterology, Dental and Eye care, etc. We are also in the process of setting up a multi speciality hospital (with super speciality for oncology and rehabilitation) at cost of ₹ 23,787 lakhs at Faridabad through our Wholly Owned Subsidiary, Ojjas Fidelity Healthcare Private Limited.

We are committed to delivering quality healthcare services to our patients in modern facilities using advanced technology with a team of qualified and experienced healthcare professionals. Our hospital is a state-of-art multi-specialty hospital providing a depth of expertise in complete spectrum of advanced medical and surgical interventions with a comprehensive mix of in-patient and out-patient services. We provide all facility under one roof like – 24 Hour Emergency, Out Patient Department, Complete Diagnostics, Modular OTs, Cathlab, Perfexion Gamma Knife, Dialysis Centre, Cardiac Ambulances for patient transportation, 24 Hour Pharmacy, Cashless facility for Insured patients, Specialized clinics, Preventive Health Checks etc. Our hospital has 220 beds, Surgical ICU and Medical ICU, four state-of-the-art Operation Theatres and state-of-the-art Imaging facility with automatic laboratory support. A special feature of our hospital is the availability of state-of-the-art equipments and trained medical personnel required for managing critically ill patients.

We have installed “Perfexion” Gamma Knife Machine for non invasive treatment of brain tumors, vascular malformations and functional diseases like parkinson's disease, trigeminal neuralgia and psychiatric disorders using highly précised focused gamma rays. We are amongst few private centres in South and South East Asia to install Perfexion Gamma Knife. Leksell Perfexion Gamma Knife machine is the 5th generation machine, which uses robotic technology to deliver precise radiation to intracranial and cervical spine lesions and to treat functional disorders.

We were incorporated on June 26, 2000 under the Companies Act, 1956 with the Registrar of Companies NCT Delhi & Haryana and received the Certificate of Commencement of Business on July 14, 2000. The construction of the hospital was commenced in the year 2002 and we started free medical checkup at the site to promote the business of upcoming hospital. Later on, medical consultancy services on small scale were provided to patients. The hospital started the in-patient department in financial year 2004-05. In

December 2007, our management was taken over by Ojjus Medicare Private Limited, the present promoter and our operations were reorganized to create a multi specialty hospital. Our hospital is on the panel of various government and large organizations for treatment of their employees.

In the financial year 2010-11, we performed 435 Gamma Knife procedures, Neurosurgeries and Neuro interventions, 335 Cardiac Surgeries and Cardiac Interventions, and 979 Orthopedic, General Surgeries and Gynae procedures. For the ten months period ended January 31, 2012, we performed 384 Gamma Knife procedures, Neurosurgeries and Neuro interventions, 411 Cardiac Surgeries and Cardiac interventions and 811 Orthopedic, General Surgeries and Gynae procedures. The average occupancy rate for our hospital was approximately 54% in the year 2010-11 and in the current year 2011-12, for the ten months period ended January 31, 2012 the average occupancy rate is 61%. We had total revenue of ₹ 5,358.30 lakhs in the financial year 2010-11 with a profit after tax of ₹ 1,592.59 lakhs as per standalone restated accounts. For the ten months period ended January 31, 2012 we had total revenue of ₹ 5,161.37 lakhs with a net profit of ₹ 1,154.81 lakhs.

#### **Speciality Services by our Hospital**

Our hospital, Ojjus Medicare is located on plot number D - 141 A&B, Sector 40 at Noida owned by us and measuring 1,999 square meters with constructed area of approximately 50,000 sq ft. The area is fully developed and well connected with surface transport and is near metro station. The hospital building consists of five floors and basement housing various facilities for rendering health care services to the indoor and outdoor patients. The hospital is managed by a team of medical professionals under the supervision of Mrs. Namrata Chawla, our Managing Director. We also engage prominent medical specialist as consultants to provide their services.

The following are some of the specialty procedures performed at our hospital:

- Neurology and Neuro Surgeries
- Cardiac Care
- Orthopaedics & Joint Replacement Centre
- Nephrology
- Minimally Invasive Surgery/Micro-Surgical Techniques
- Mother and Child Care
- Critical Care
- Diagnostics
- Emergency and Trauma Centre
- Preventive Healthcare

#### **Our Competitive Strengths**

We believe our competitive strengths are in providing complete Neuro and Cardiac care under one roof backed up by the most advanced in house Diagnostic centre. The critical care facility comprising of state of the art life support equipment with highly experienced medical and non medical team is a strong support and confidence to the treating Consultants and to the patient and their attendants. Such set up enables us to treat patients of any critical illness related to the brain and heart in the best possible manner and pull out most of the critically ill patients.

#### **Experienced Team of Skilled doctors**

As of February 29, 2012, we had a team of 42 full time doctors complemented by 82 nurses and 36 other medical personnel. We adhere to international clinical protocols in patient handling, operating theaters, intensive care unit management and emergency care set by leading international hospitals and accreditation bodies. In addition we also engage prominent specialist in various field of medical sciences as consultants who provide their services regularly and are also in demand amongst patients. In addition, medical professionals at our rolls and / or engaged by us as consultants are dedicated to clinical research and have published studies on topics including neurology and neuro-surgery cardiology, cardiac surgery etc. Our Doctors are having experience in patient treatment by using innovative and latest techniques such as multiple metastasis in single sitting through perfexion gamma knife machine, minimally invasive cardiac

and orthopedic surgeries. Most of the doctors engaged by us have received advanced training at leading hospitals in India and overseas.

- **Quality patient care**

Our hospital has been designed to ensure that we are able to offer quality care to our patients. The layouts at our facilities minimize inpatient movement, with outpatient facilities located within the hospital. Other characteristics of many of our facilities, such as attractive architectural and design features, the use of special lighting and color and the reduction of “hospital odors”, also enhance the patient experience. Our hospital staff is trained to care for patients with techniques utilized in the hospitality industry, which, together with the design of our facilities, helps relieve patient anxiety and provide a more comfortable experience for patients. In addition, we focus on obtaining current technologies for providing healthcare services.

We have upgraded our hospital as per the standards prescribed by NABH and NABL and applied for NABL and NABH accreditation. The Quality Council of India is likely to conduct a pre-assessment of the hospital in May 2012. The said applications are under process. Our Hospital is also empanelled with CGHS with effect from May 04, 2011.

- **Specialty focus**

We focus on neurology along with other clinical areas such as cardiology and cardiac surgery, orthopedics, urology and nephrology and critical care. We have installed “Perfexion” Gamma Knife Machine for the treatments of brain tumor. We are amongst the few hospitals in South and South East Asia to have this facility. We are investing significantly in the technology, equipment and infrastructure required to perform the most advanced procedures and to strengthen our specialty focus.

For details refer to “Our Business” on page 79 of the Draft Red Herring Prospectus.

**THE ISSUE**

<b>Particulars</b>	<b>Number of Equity Shares</b>
Issue*	: [●] equity shares of face value ₹ 10 each at a premium of ₹ [●] per share for cash aggregating ₹ 9,800 lakhs
Of which	
Qualified Institutional Buyers Portion**	: Not more than [●] equity shares of face value ₹ 10 each at a premium of ₹ [●] for cash (allocation on proportionate basis). 5% of the Net QIB portion shall be available for allocation on proportionate basis to Mutual Funds only and the balance Net QIB Portion shall be available for allocation to all QIBs including Mutual Funds.
Non Institutional Portion	: Not less than [●] equity shares of face value ₹ 10 each at a premium of ₹ [●] for cash
Retail Portion	: Not less than [●] equity shares of face value ₹ 10 each at a premium of ₹ [●] for cash
Equity Shares outstanding prior to the Issue	: 1,05,00,000 equity shares of face value ₹ 10 each
Equity Shares outstanding after the Issue	: [●] equity shares of face value ₹ 10 each
Use of net proceeds	: Please see the chapter titled “Objects of the Issue” on page 50 of this Draft Red Herring Prospectus.

\* Our Company is considering a Pre-IPO Placement of up to [●] Equity Shares, for cash consideration aggregating up to ₹ 3,000 lakhs with certain investors. The Pre-IPO Placement is at the discretion of our Company. Our Company will complete the issuance and allotment of such Equity Shares, if any, prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 25% of the post-Issue paid-up equity capital being offered to the public.

\*\* Our Company may allocate upto 30% of the QIB Portion to Anchor Investors, out of which one-third will be available for allocation to Domestic Mutual Funds. In the event of under subscription in Anchor Investors Portion, the balance equity shares shall be added to the Net QIB Portion.

**SUMMARY OF FINANCIAL STATEMENTS**

The following summary of financial and operating information is derived from the restated standalone financial statements of our Company for the ten months period ended January 31, 2012 and financial years ended March 31, 2011, 2010, 2009, 2008 and 2007 and restated consolidated financial statements of our Company for the ten months period ended January 31, 2012 and financial years ended March 31, 2011 and 2010 as described in the Auditors Report of Chandio & Guliani, Chartered Accountants in the section titled "Financial Statements" on page 127 and 151 of the Draft Red Herring Prospectus respectively. These financial statements are prepared in accordance with Indian GAAP, Companies Act and SEBI ICDR Regulations.

**SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS****Consolidated summary statement of Assets and Liabilities (restated)**

(₹ in lakhs)

	Particulars	As at 31.01.2012	As at 31.03.2011	As at 31.03.2010
<b>(A)</b>	<b>Fixed Assets</b>			
	Gross Block	14,120.40	13,923.35	6,742.33
	Less Depreciation	3,317.73	2,147.22	1,071.51
	Net Block	<b>10,802.67</b>	<b>11,776.13</b>	<b>5,670.82</b>
	Less: Revaluation Reserve	-	-	-
	<b>Net Block after adjustment for Revaluation Reserve</b>	<b>10,802.67</b>	<b>11,776.13</b>	<b>5,670.82</b>
	Capital work-in-progress (including Capital Advances)	4,878.66	855.12	2,702.88
	<b>Total</b>	<b>15,681.33</b>	<b>12,631.25</b>	<b>8,373.70</b>
<b>(B)</b>	<b>Goodwill</b>	<b>166.50</b>	<b>166.50</b>	<b>166.50</b>
<b>(C)</b>	<b>Current Assets, Loans and Advances</b>			
	Inventories	65.90	56.55	44.82
	Sundry Debtors	1,280.56	416.97	54.55
	Cash and Bank Balances	184.52	142.66	27.64
	Loans and Advances & Other Current Assets	709.76	2,364.64	4,586.37
	<b>Total</b>	<b>2,240.74</b>	<b>2,980.82</b>	<b>4,713.38</b>
<b>(D)</b>	<b>Liabilities and Provisions:</b>			
	Secured Loans	8,045.44	6,352.78	4,150.49
	Unsecured Loans	1319.17	4,738.09	6,489.21
	Deferred Tax Liabilities	566.37	543.04	395.76
	Current Liabilities	504.34	336.42	246.15
	Provisions	1,137.28	544.91	153.92
	Share Application Money	-	-	494.00
	<b>Total</b>	<b>11,572.60</b>	<b>12,515.24</b>	<b>11,929.53</b>
	<b>Net worth(A+B+C-D)</b>	<b>6,515.97</b>	<b>3,263.33</b>	<b>1,324.05</b>
	<b>Represented by</b>			
<b>(E)</b>	Share Capital	1,050.00	900.00	500.00
<b>(F)</b>	Reserves & Surplus (Net of Revaluation Reserve)	5,639.30	2,395.80	824.05
<b>(G)</b>	Miscellaneous Expenditure	(173.33)	(32.47)	-
	(To the extent not written off or adjusted)			
	<b>Net worth(E+F+G)</b>	<b>6,515.97</b>	<b>3,263.33</b>	<b>1,324.05</b>

**Consolidated summary statement of Profit & Loss (restated)**

(₹ in lakhs)

<b>Particulars</b>	<b>For ten Months Period Ended on 31.01.2012</b>	<b>For the Financial Year ended on 31.03.2011</b>	<b>For the Financial Year ended on 31.03.2010</b>
<b>Income</b>			
Operating Income	5,156.29	5,353.39	2,289.67
Other income	5.08	4.91	1.33
<b>Total Income</b>	<b>5,161.37</b>	<b>5,358.30</b>	<b>2,291.00</b>
<b>Expenditure</b>			
Cost of materials consumed	360.58	279.62	96.58
Personnel Expenses	369.96	299.76	160.23
Operating Expenses	681.81	583.23	257.53
Selling, General & Administrative Expenses	184.12	367.22	64.1
Preliminary Expenses written off	-	0.03	0.35
<b>Total Expenditure</b>	<b>1,596.47</b>	<b>1,529.86</b>	<b>578.79</b>
<b>Net Profit before Interest, Depreciation, Taxation and extraordinary items</b>	<b>3,564.90</b>	<b>3,828.44</b>	<b>1,712.21</b>
Financial Expenses	607.53	451.75	374.63
Depreciation & Amortization	1,173.63	1,082.89	781.00
<b>Net Profit before Taxation &amp; extra ordinary items</b>	<b>1,783.74</b>	<b>2,293.80</b>	<b>556.58</b>
Extraordinary items (net of tax)	-	-	-
<b>Net profit before Taxation</b>	<b>1,783.74</b>	<b>2,293.80</b>	<b>556.58</b>
<b>Provision for:-</b>			
Current Tax	591.83	529.25	105.20
Deferred Tax	23.33	147.28	281.60
(Mat Credit)/ Set off	59.69	45.51	(105.20)
<b>Total</b>	<b>674.85</b>	<b>722.04</b>	<b>281.60</b>
<b>Net profit after taxation</b>	<b>1,108.89</b>	<b>1,571.76</b>	<b>274.98</b>
<b>Add: Balance Brought Forward</b>	<b>1,968.16</b>	<b>396.40</b>	<b>121.42</b>
<b>Balance Carried to Balance Sheet</b>	<b>3,077.05</b>	<b>1,968.16</b>	<b>396.40</b>



## Statement of Cash Flows (restated)

(₹ in lakhs)

	Particulars	For ten Months Period Ended on 31.01.2012	For the Financial Year ended on 31.03.2011	For the Financial Year ended on 31.03.2010
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
	Net profit before tax, prior period items and extra-ordinary items	1,783.73	2,293.80	544.65
	Adjustment for			
	Depreciation	1,173.63	1,082.89	781.00
	Loss on Sale of Fixed Assets	0.49		6.19
	Financial Expenses	607.53	451.75	374.63
	Misc. expenditure written off	-	0.03	0.38
	<b>Total Operating profit before working capital changes</b>	<b>3,565.38</b>	<b>3,828.47</b>	<b>1,706.85</b>
	<b>Working Capital Changes</b>			
	(Increase)/decrease in Receivables	(863.58)	(362.43)	(12.61)
	(Increase)/decrease in Inventories	(9.34)	(11.74)	(25.55)
	(Increase)/decrease in Loans and Advances	1,654.88	2,221.72	(271.99)
	(Increase)/decrease in Payables	167.92	90.27	129.49
	(Increase)/decrease in Provisions	0.54	(138.27)	107.22
	<b>Net (increase)/decrease in working capital</b>	<b>950.42</b>	<b>1,799.55</b>	<b>(73.44)</b>
	<b>Cash generated from operations</b>	<b>4,515.80</b>	<b>5,628.02</b>	<b>1,633.41</b>
	Taxes paid	59.69	45.50	-
	<b>Net cash from operating activities - A</b>	<b>4,456.11</b>	<b>5,582.52</b>	<b>1,633.41</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
	Purchase of assets / addition to CWIP/ construction stores & advances	(4,224.18)	(5,340.45)	(2,137.19)
	<b>Net cash used in Investing activities - B</b>	<b>(4,224.18)</b>	<b>(5,340.45)</b>	<b>(2,137.19)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
	Issue of Equity capital	2,284.60*	400.00	-
	Proceeds from borrowings(net)	(1,726.27)	451.17	456.05
	Proceeds of / (Repayment of) / (Allotment against) share application money		(494.00)	1,012.53
	Financial Expenses	(607.53)	(451.75)	(374.63)
	IPO Expenses	(110.97)	(32.47)	-
	Filing Fee for Increase in Authorised Capital	(29.90)		
	<b>Net cash from financing activities - C</b>	<b>(190.07)</b>	<b>(127.05)</b>	<b>1,093.95</b>
	<b>Net increase / decrease in cash and cash equivalents (A+B+C)</b>	<b>41.86</b>	<b>115.02</b>	<b>(23.36)</b>
	Cash and cash equivalents at the beginning of the year	<b>142.66</b>	<b>27.64</b>	<b>51.00</b>
	Cash and cash equivalents at the end of the year	<b>184.52</b>	<b>142.66</b>	<b>27.64</b>

\* The outstanding balance of unsecured loan aggregating to ₹ 2,284.60 lacs from Ojjus Medicare Private Limited was adjusted against share subscription amount.

**SUMMARY OF STANDALONE FINANCIAL STATEMENTS (RESTATED)****Standalone summary statement of Assets and Liabilities (restated)**

(₹ in lakhs)

	Particulars	As at 31.01.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008	As at 31.03.2007
<b>(A)</b>	<b>Fixed Assets</b>						
	Gross Block	13,143.40	12,946.36	6,146.19	2,974.92	802.25	768.54
	Less Depreciation	3,317.73	2,147.22	1,071.51	296.68	186.63	132.63
	Net Block	<b>9,825.67</b>	<b>10,799.14</b>	<b>5,074.68</b>	<b>2,678.24</b>	<b>615.62</b>	<b>635.91</b>
	Less: Revaluation Reserve	-	-	-	-	-	-
	<b>Net Block after adjustment for Revaluation Reserve</b>	<b>9,825.67</b>	<b>10,799.14</b>	<b>5,074.68</b>	<b>2,678.24</b>	<b>615.62</b>	<b>635.91</b>
	Capital work-in-progress (including Capital Advances)	413.79	351.73	2,209.67	3,749.32	2.49	-
	<b>Total</b>	<b>10,239.46</b>	<b>11,150.87</b>	<b>7,284.35</b>	<b>6,427.56</b>	<b>618.11</b>	<b>635.91</b>
<b>(B)</b>	<b>Investments</b>	<b>1112.38</b>	<b>995.38</b>	<b>613.53</b>	-	-	-
<b>(C)</b>	<b>Deferred tax assets</b>	-	-	-	-	<b>9.24</b>	<b>38.3</b>
<b>(D)</b>	<b>Current Assets, Loans and Advances</b>						
	Inventories	65.90	56.56	44.82	19.27	28.99	24.13
	Sundry Debtors	1,280.56	416.97	54.55	41.93	49.62	34.18
	Cash and Bank Balances	127.90	125.06	16.30	8.50	5.03	22.77
	Loans and Advances & Other Current Assets	1614.70	688.96	651.37	400.59	233.50	14.54
	<b>Total</b>	<b>3089.06</b>	<b>1,287.55</b>	<b>767.04</b>	<b>470.29</b>	<b>317.14</b>	<b>95.62</b>
<b>(E)</b>	<b>Liabilities and Provisions:</b>						
	Secured Loans	5,645.44	6,352.78	4,150.49	4,516.42	287.73	314.41
	Unsecured Loans	-	2,379.02	1,901.06	963.43	-	-
	Deferred Tax Liabilities	566.37	543.04	395.76	114.16	-	-
	Current Liabilities	479.21	329.91	245.63	114.42	53.40	25.51
	Provisions	1,137.28	544.90	153.92	46.70	6.29	0.33
	Share Application Money		-	494.00	94.00	316.62	159.38
	<b>Total</b>	<b>7,828.30</b>	<b>10,149.66</b>	<b>7,340.86</b>	<b>5,849.13</b>	<b>664.04</b>	<b>499.63</b>
	<b>Net worth(A+B+C+D-E)</b>	<b>6,612.60</b>	<b>3,284.15</b>	<b>1,324.06</b>	<b>1,048.72</b>	<b>280.45</b>	<b>270.20</b>
	<b>Represented by</b>						
<b>(F)</b>	Share Capital	1,050.00	900.00	500.00	500.00	371.87	371.87
<b>(G)</b>	Reserves & Surplus	5,706.04	2,416.62	824.06	549.07	6.22	6.22
<b>(H)</b>	Debit Balance of Profit & Loss Account	-	-	-	-	(96.43)	(105.84)
<b>(I)</b>	Miscellaneous Expenditure (To the extent not written off or adjusted)	(143.44)	(32.47)	-	(0.35)	(1.21)	(2.05)
	<b>Net worth(F+G+H+I)</b>	<b>6,612.60</b>	<b>3,284.15</b>	<b>1,324.06</b>	<b>1,048.72</b>	<b>280.45</b>	<b>270.20</b>

## Standalone summary statement of Profit &amp; Loss account (restated)

(₹ in lakhs)

Particulars	For ten months period ended on 31.01.2012	For the financial year ended				
		31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
<b>Income</b>						
Operating Income	5,156.29	5,353.39	2289.67	1046.05	548.95	360.05
Other income	5.08	4.91	1.33	0.58	0.49	2.56
<b>Total Income</b>	<b>5,161.37</b>	<b>5358.30</b>	<b>2291.00</b>	<b>1046.63</b>	<b>549.44</b>	<b>362.61</b>
<b>Expenditure</b>						
Cost of materials consumed	360.58	279.62	96.58	110.62	91.24	53.51
Personnel Expenses	369.96	299.76	160.23	112.43	90.77	34.32
Operating Expenses	663.32	566.73	257.53	238.29	203.21	135.47
Selling, General & Administrative Expenses	183.85	362.93	64.1	39.69	31.27	41.17
Preliminary Expenses written off		-	0.35	0.85	0.85	0.85
<b>Total Expenditure</b>	<b>1,577.71</b>	<b>1,509.04</b>	<b>578.79</b>	<b>501.88</b>	<b>417.34</b>	<b>265.32</b>
<b>Net Profit before Interest, Depreciation, Taxation and extraordinary items</b>	<b>3,583.66</b>	<b>3,849.26</b>	<b>1712.21</b>	<b>544.75</b>	<b>132.10</b>	<b>97.29</b>
Financial Expenses	580.37	451.74	374.63	51.85	37.13	38.73
Depreciation & Amortisation	1,173.63	1,082.89	781.00	110.05	54.00	56.19
<b>Net Profit before Taxation &amp; extraordinary items</b>	<b>1,829.66</b>	<b>2,314.63</b>	<b>556.58</b>	<b>382.85</b>	<b>40.97</b>	<b>2.37</b>
Extraordinary items (net of tax)		-	-	-	-	-
<b>Net profit before Taxation</b>	<b>1,829.66</b>	<b>2,314.63</b>	<b>556.58</b>	<b>382.85</b>	<b>40.97</b>	<b>2.37</b>
<b>Provision for:-</b>						
Current Tax	591.83	529.25	105.20	40.80	1.96	-
Fringe Benefit Tax		-	-	0.79	0.54	0.41
Deferred Tax	23.33	147.28	281.60	123.41	29.06	1.04
(Mat Credit)/Setoff	59.69	45.51	(105.20)	-	-	-
<b>Total</b>	<b>674.85</b>	<b>722.04</b>	<b>281.60</b>	<b>165.00</b>	<b>31.56</b>	<b>1.45</b>
<b>Net profit after taxation</b>	<b>1,154.81</b>	<b>1,592.59</b>	<b>274.98</b>	<b>217.85</b>	<b>9.41</b>	<b>0.92</b>
<b>Add: Balance Brought Forward</b>	<b>1,988.99</b>	<b>396.40</b>	<b>121.42</b>	<b>(96.43)</b>	<b>(105.84)</b>	<b>(106.76)</b>
<b>Balance Carried to Balance Sheet</b>	<b>3,143.80</b>	<b>1988.99</b>	<b>396.40</b>	<b>121.42</b>	<b>(96.43)</b>	<b>(105.84)</b>

## Statement of cash flows

(₹ in lakhs)

Particulars	For ten months period ended on 31.01.2012	For the financial year ended				
		31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
<b>CASH FLOW FROM OPERATING ACTIVITIES (A)</b>						
Net profit before tax , prior period items & extra-ordinary items	1,829.66	2,314.63	556.58	382.85	40.97	2.37
Adjustment for						
Depreciation	1,173.63	1,082.89	781.00	110.05	54.00	56.19
Provisions			-	1.38	-	-
Loss on Sale of Fixed Assets	0.49	-	6.19	-	-	-
Financial Expenses	580.37	451.74	374.62	51.85	35.50	37.87
Misc. expenditure written off			0.35	0.85	0.85	1.09
<b>Total Operating profit before working capital changes</b>	<b>3,584.15</b>	<b>3,849.26</b>	<b>1,718.74</b>	<b>546.98</b>	<b>131.32</b>	<b>97.52</b>
<b>Working Capital Changes</b>						
(Increase)/decrease in Receivables	(863.58)	(362.43)	(12.61)	7.69	(15.44)	(27.06)
(Increase)/decrease in Inventories	(9.34)	(11.74)	(25.55)	9.72	(4.87)	(17.84)
(Increase)/decrease in Loans & Advances	(925.74)	(37.59)	(250.77)	(167.09)	(218.96)	5.30
(Increase)/decrease in Payables	149.30	84.27	131.20	61.03	27.89	(8.61)
(Increase)/decrease in Provisions	0.54	(138.27)	107.22	-	3.78	-
<b>Net (increase)/decrease in working capital</b>	<b>(1,648.82)</b>	<b>(465.76)</b>	<b>(50.51)</b>	<b>(88.65)</b>	<b>(207.60)</b>	<b>(48.21)</b>
<b>Cash generated from operations</b>	<b>1,935.33</b>	<b>3,383.50</b>	<b>1,668.23</b>	<b>458.33</b>	<b>(76.28)</b>	<b>49.31</b>
Taxes paid	59.69	45.51	-	2.55	0.33	0.15
<b>Net cash from operating activities</b>	<b>1,875.64</b>	<b>3,337.99</b>	<b>1,668.23</b>	<b>455.78</b>	<b>(76.61)</b>	<b>49.16</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES (B)</b>						
Purchase of assets / addition to CWIP / construction stores & advances	(262.71)	(4,949.41)	(1,643.98)	(5,919.50)	(36.20)	(45.76)
Investment in Subsidiary	(117.00)	(381.85)	(613.53)	-	-	-
<b>Net cash used in investing activities</b>	<b>(379.71)</b>	<b>(5,331.26)</b>	<b>(2,257.51)</b>	<b>(5,919.50)</b>	<b>(36.20)</b>	<b>(45.76)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES (C)</b>						
Issue of Equity capital	2,284.60*	400.00	-	549.56	-	-
Proceeds from borrowings (net)	(3,086.36)	2,680.25	571.71	5,192.12	-	-
Repayment of loans			-	-	(26.68)	(75.81)
Proceeds of/(Repayment of)/(Allotment against) share application money	-	(494.00)	400.00	(222.63)	157.25	105.38
Financial Expenses	(580.37)	(451.74)	(374.63)	(51.85)	(35.50)	(37.87)
IPO Expenses	(110.97)	(32.47)	-	-	-	-
<b>Net cash from financing activities</b>	<b>(1,493.10)</b>	<b>2,102.03</b>	<b>597.08</b>	<b>5,467.20</b>	<b>95.07</b>	<b>(8.30)</b>
<b>Net increase / decrease in cash and cash equivalents (A+B+C)</b>	<b>2.83</b>	<b>108.76</b>	<b>7.80</b>	<b>3.47</b>	<b>(17.74)</b>	<b>(4.90)</b>
Cash and cash equivalents at the beginning of the year	<b>125.06</b>	<b>16.30</b>	<b>8.50</b>	<b>5.03</b>	<b>22.77</b>	<b>27.68</b>
Cash and cash equivalents at the end of the year	<b>127.90</b>	<b>125.06</b>	<b>16.30</b>	<b>8.50</b>	<b>5.03</b>	<b>22.77</b>

\* The outstanding balance of unsecured loan aggregating to ₹ 2,284.60 lacs from Ojjus Medicare Private Limited was adjusted against share subscription amount.

## GENERAL INFORMATION

Our Company was incorporated on June 26, 2000 under the Companies Act, 1956 with the Registrar of Companies NCT Delhi & Haryana as Goodwill Hospital and Research Centre Limited. We received the Certificate of Commencement of Business on July 14, 2000. The Corporate Identification Number of our Company is U74899DL2000PLC106486. There has been no change in the name of our Company since incorporation. For details of change in our Registered Office, see “History and Certain Corporate Matters” on page 94 of the Draft Red Herring Prospectus.

### Registered Office

705, Kailash Building,  
26, Kasturba Gandhi Marg,  
New Delhi - 110 001  
Tel.: +91 11 2371 1897; Fax: +91 11 2331 9995  
Email: [ipo@ojjus.org](mailto:ipo@ojjus.org) ; Website: [www.ojjus.org](http://www.ojjus.org)

The information available on the website of our Company is generally in compliance with the requirement of Regulation 60(5) of SEBI ICDR Regulations. Attention of the investors is invited to the heading “Disclaimer from Our Company & the BRLM” under the Chapter “Other Regulatory and Statutory Disclosures” appearing on page 198 of the Draft Red Herring Prospectus.

### Registrar of Companies

Registrar of Companies, NCT of Delhi & Haryana,  
IFCI Tower, 61 Nehru Place, New Delhi - 110 019

### Board of Directors of our Company

Sr. No.	Name & Designation	Age (in years)	DIN	Status
1.	Mr. Vinod Kumar Grover S/o Sh. A.N. Grover	73	03398588	Non-executive Chairman
2.	Mr. Kuldeep Rai Chawla S/o Late Sh. Hans Raj Chawla	73	01892143	Non Executive Director (Non Independent)
3.	Mrs. Namrata Chawla W/o Mr. Harvansh Chawla	36	02699060	Managing Director
4.	Mr. Harvansh Chawla S/o Sh. Kuldeep Rai Chawla	42	00005271	Non Executive Director (Non Independent)
5.	Mr. Amanveer Singh S/o Sh. Jagmohan Singh	40	02159393	Whole Time Director (Executive Director)
6.	Mr. Sandeep Singhania S/o Sh. Vishwanath Singhania	47	01456864	Whole Time Director (Executive Director)
7.	Mr. Ram Avtar Poddar S/o Sh. Brij Mohan Poddar	72	00029313	Non-executive Independent Director
8.	Dr. Vineet Arora S/o of Sh. Dharam Dev Arora	42	05256026	Non-executive Independent Director
9.	Mr. Rajeev Anand S/o Sh. Satya Pal Anand	43	01159216	Non-executive Independent Director
10.	Fr. Jose Alarico Carvalho S/o Jose Inacio Carvalho	63	03398696	Non-executive Independent Director
11.	Mr. Mahendra Singh Kochar S/o Sh. Harbans Singh Giani	62	03486577	Non-executive Independent Director

For details of our Directors, refer to section titled “Our Management” on page 100 of the Draft Red Herring Prospectus.

**Compliance Officer**

Mr. Charanjeet Bareja  
Chief Financial Officer  
Goodwill Hospital and Research Centre Limited  
705, Kailash Building,  
26, Kasturba Gandhi Marg,  
New Delhi - 110 001  
Tel.: +91 11 2371 1897; Fax: +91 11 2331 9995  
Email: [ipo@ojjus.org](mailto:ipo@ojjus.org); Website: [www.ojjus.org](http://www.ojjus.org)

**Company Secretary**

Ms. Sunayana Tewari  
Goodwill Hospital and Research Centre Limited  
705, Kailash Building,  
26, Kasturba Gandhi Marg,  
New Delhi - 110 001  
Tel.: +91 11 2371 1897; Fax: +91 11 2331 9995  
Email: [ipo@ojjus.org](mailto:ipo@ojjus.org); Website: [www.ojjus.org](http://www.ojjus.org)

**Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-issue or post-issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account and refund orders.**

**All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs and the members of the Syndicate with whom the ASBA Bid cum Application Form was submitted, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the ASBA Form was submitted by the ASBA Bidders or the address of the centre of the Syndicate where the ASBA Bid cum Application Form was submitted by the ASBA Bidder.**

**BOOK RUNNING LEAD MANAGER**

**SPA Merchant Bankers Limited**

SEBI Regn.: INM 000010825  
25, C - Block, Community Centre  
Janak Puri, New Delhi - 110 058  
Tel.: +91 11 2551 7371, 4567 5500  
Fax: +91 11 2553 2644  
E-mail: [goodwill.ipo@spagroupindia.com](mailto:goodwill.ipo@spagroupindia.com)  
Website: [www.spacapital.com](http://www.spacapital.com)  
Contact Person: Mr. Nitin Somani / Ms. Ashi Mehra

**LEGAL ADVISORS TO THE ISSUE**

**Link Legal**

Thapar House, Central Wing  
First Floor, 124 Janpath  
New Delhi - 110 001  
Tel.: +91 11 4651 1000  
Fax: +91 11 4651 1099  
Email: [raj@linklegal.in](mailto:raj@linklegal.in)  
Contact Person: Mrs. Raj Rani Bhalla

**REGISTRAR TO THE ISSUE**

**Beetal Financial & Computer Services Private Limited**

SEBI Regn.: INR 000000262  
Beetal House, 3rd Floor, 99 Madangir  
Behind Local Shopping Centre  
New Delhi - 110 062  
Tel.: +91 11 2996 1281 - 83  
Fax: +91 11 2996 1284  
E-mail: [goodwill@beetalfinancial.com](mailto:goodwill@beetalfinancial.com)  
Website: [www.beetalfinancial.com](http://www.beetalfinancial.com)  
Contact Person: Mr. S P Gupta

**SYNDICATE MEMBERS**

[•]

**ESCROW COLLECTION BANKS AND BANKERS TO THE ISSUE**

[•]

**REFUND BANKER**

[•]

**SELF CERTIFIED SYNDICATE BANKS**

The list of banks which has been notified by SEBI to act as Self Certified Syndicate Banks (SCSBs) for ASBA process is available at [www.sebi.gov.in](http://www.sebi.gov.in).

**BANKERS TO THE COMPANY**

**Bank of India**

MID Corporate Branch  
37, Shaheed Bhagat Singh Marg  
Connaught Place (Near Shivaji Stadium)  
New Delhi-110 001  
Tel.: +91 11 2336 5621, 2336 2272  
Fax: +91 11 2334 5603  
E-mail: [corporatebanking.newdelhi@bankofindia.co.in](mailto:corporatebanking.newdelhi@bankofindia.co.in)

**AUDITORS TO THE COMPANY**

Chandiok & Guliani  
C - 44, Nizamuddin East  
New Delhi - 110 013  
Tel.: +91 11 2435 0860, 2435 9676  
Fax: +91 11 2435 0457  
Contact Person: Mr. V K Lalla  
(Peer review certificate issued by The Institute of Chartered Accountants of India on January 04, 2011)

**IPO GRADING AGENCY**

[•]

**IPO GRADING**

This issue has been graded by [•] and has been assigned [•] indicating [•] fundamentals. The IPO Grading is assigned on a 5 point scale from 1 to 5 with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals. For details in relation to report of grading agency please refer to the “Annexure” on page [•] of the Draft Red Herring Prospectus. Except as above, our Company has not obtained any other IPO Grading.

**MONITORING AGENCY**

There is no requirement for a monitoring agency in terms of Regulation 16(1) of the SEBI ICDR Regulations. The Audit Committee of our Board would monitor the utilization of the proceeds of the Issue. For details please refer to section titled ‘Objects of the Issue’ on page 50 of the Draft Red Herring Prospectus.

**APPRIISING AGENCY**

The issue has not been appraised.

**CREDIT RATING**

This being an issue of equity shares, there is no requirement of credit rating of the issue.

**TRUSTEES**

As the issue is of Equity Shares, the appointment of Trustees is not required.

### BOOK BUILDING PROCESS IN BRIEF

Book Building refers to the process of collection of Bids, on the basis of the Draft Red Herring Prospectus. The Issue Price is fixed after the Bid/Issue Closing Date.

The principal parties involved in the Book Building Process are:

- Our Company
- Book Running Lead Manager
- Syndicate Member(s) who are intermediaries registered with SEBI or registered as brokers with BSE / NSE and eligible to act as underwriters
- Registrar to the Issue and
- Escrow collection Banks
- The SCSBs

The primary responsibility of building the book shall be that of the lead book runner. The Equity Shares are being offered to the public through the 100% Book Building Process in accordance with the SEBI ICDR Regulations wherein: (i) not more than 50% of the Issue shall be allocated on a proportionate basis to QIBs. Our Company may allocate upto 30% of the QIB Portion to Anchor Investors, out of which one-third will be available for allocation to Domestic Mutual Funds. In the event of under subscription in Anchor Investors Portion, the balance equity shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion that shall be available for allocation on a proportionate basis to Mutual Funds only and the remaining Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds; (ii) not less than 15% of the Issue shall be available for allocation on a proportionate basis to the Non-Institutional Bidders and (iii) not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

QIBs (excluding Anchor Investors) are not allowed to withdraw their Bid(s) after the Bid Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. Allocation to the Anchor Investors will be on a discretionary basis. For further details, see "Issue Structure" on page 61 of the Draft Red Herring Prospectus.

Our Company shall comply with the SEBI ICDR Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, our Company has appointed SPA Merchant Bankers Limited as the Book Running Lead Manager to manage the Issue and to procure the subscriptions to the Issue.

Investors should note that Equity Shares would be allotted to all successful Bidders only in dematerialised form. Bidders 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 dematerialised segment of the Stock Exchanges.

### Illustration of Book Building and Price Discovery Process

(Investors should note that the following is solely for the purpose of illustration and is not specific to the Issue)

The Bidders (excluding the ASBA Bidders who can only Bid at Cut-off Price) can bid at any price within the Price Band. For instance, assume a Price Band of ₹ 60 to ₹ 72 per Equity Share, Issue size of 5,400 Equity Shares and receipt of five Bids from the Bidders. A graphical representation of the consolidated demand and price would be made available at the website of the BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)) during the bidding period. The illustrative book as set forth below shows the demand for the Equity Shares of our Company at various prices and is collated from Bids from various investors.

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
1,500	72	1,500	27.78%
3,000	69	4,500	83.33%
4,500	66	9,000	166.67%
6,000	63	15,000	277.78%



Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
7,500	60	22,500	416.67%

The price discovery is a function of demand at various prices. The highest price at which our Company is able to issue the desired quantity of Equity Shares is the price at which the book cuts off, i.e., ₹ 66 in the above example. Our Company, in consultation with the BRLM will finalize the Issue Price at or below such cut off price, i.e., at or below ₹ 66. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

Steps to be taken for bidding:

1. Check eligibility for bidding (see the section titled “Offering Information - Who Can Bid” on page 207 of this Draft Red Herring Prospectus);
2. Ensure that the Bidder has a demat account and the demat account details are correctly mentioned in the Bid-cum-Application Form;
3. Except for Bids on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, for Bids of all values ensure that you have mentioned your Permanent Account Number (“PAN”) allotted under the I.T. Act in the Bid cum Application Form and the ASBA Bid cum Application Form (see “Offering Information - PAN” on page 219 of this Draft Red Herring Prospectus);
4. Ensure that the Bid-cum-Application Form is duly completed as per instructions given in the Red Herring Prospectus and in the Bid-cum-Application Form.
5. The Bidder should ensure the correctness of his or her Demographic Details (as defined in the section “Offering Information - Bidder’s Depository Account and Bank Account Details” on page 216 of the Draft Red Herring Prospectus given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant).
6. Bids by QIBs and Non Institutional Bidders will have to be submitted only through the ASBA process
7. Bids by ASBA Bidders will have to be submitted to the Designated Branches or to the Syndicate Members (in the Specified Cities). ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that their Bid cum ASBA Form is not rejected.

#### WITHDRAWAL OF THE ISSUE

Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue any time after the Bid Opening Date but before Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two Working Days of such withdrawal, providing reasons for not proceeding with the Issue. The BRLM, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the day of receipt of such notification. Our Company shall also inform the Stock Exchanges on which the Equity Shares are proposed to be listed.

In the event our Company, in consultation with the BRLMs, withdraw the Issue after the Bid Closing Date, a fresh offer document will be filed with the RoC / SEBI in the event we subsequently decide to proceed with a public offering.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for only after Allotment, and (ii) the final RoC approval of the Prospectus.

#### BID/ISSUE PROGRAMME

Bid / Issue Opens on*	[●]
Bid / Issue Closes on	[●]

\* Anchor Investors, if any, shall submit their Bid on the Anchor Investor Bidding Date, which is one Working Day prior to the Bid Opening Date.

Bids by Anchor Investors may be submitted to the members of Syndicate or their affiliates. The number of Equity Shares allocated to each Anchor Investor and Anchor Investor Issue Price shall be made available in the public domain by the BRLM, before the Bid Opening Date.

Bids and any revision in Bids will be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time) during the Bidding Period as mentioned above at the Bidding centers mentioned in the Bid cum Application Form **except that on the Bid Closing Date, Bids excluding ASBA Bids will be accepted only between 10.00 a.m. and 3.00 p.m.** (Indian Standard Time) and uploaded until (i) 4.00 p.m. for QIB and Non-Institutional Bidders; and (ii) 5.00 p.m. in case of Retail Individual Bidders, which for Retail Individual Bidders may be extended up to such time as permitted by the Stock Exchanges. Due to limitation of time available for uploading the Bids on the Bid Closing Date, the Bidders are advised to submit their Bids one Working Day prior to the Bid Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid Closing Date, as is typically experienced in IPOs, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation in the Issue. If such Bids are not uploaded, the Company and the Syndicate Members shall not be responsible. Bids shall be accepted only between Monday and Friday (excluding any public holiday).

On the Bid Closing Date, extension of time may be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders, after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid-cum Application Forms as stated herein and reported by the BRLM to the Stock Exchanges within half an hour of such closure. We will decide the Price Band in consultation with the BRLM. The announcement on the Price Band shall also be made available on the websites of the BRLM and at the terminals of the Syndicate.

We reserve the right to revise the Price Band during the Bidding Period in accordance with SEBI ICDR Regulations. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price band can move up or down to the extent of 20% of the floor of the price band.

In case of revision in the Price Band, the Bidding / Issue Period will be extended for three working days after revision of Price Band subject to the Bidding/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding / Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the web sites of the BRLM and at the terminals of the Syndicate.

#### Underwriters to the Issue

After the determination of the Issue Price and allocation of the Equity Shares but prior to filing of the Prospectus with the ROC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through this Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved in the event that their respective Syndicate Members do not fulfill their underwriting obligations.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

Details of Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (₹ in lakh)
[•]	[•]	[•]
[•]	[•]	[•]
[•]	[•]	[•]
[•]	[•]	[•]
<b>Total</b>	<b>ot</b>	<b>[•]</b>

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the ROC)

The above-mentioned amount is indicative underwriting and this would be finalized after pricing and actual allocation. The above Underwriting Agreement is dated [●].

In the opinion of the Board of Directors (based on a certificate given by the Underwriters), the resources of all the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above-mentioned Underwriters are registered with SEBI or registered as brokers with the Stock Exchange(s).

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the above table. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default, the respective Underwriter in addition to other obligations to be defined in the Underwriting Agreement will also be required to procure / subscribe to equity shares to the extent of the defaulted amount, in accordance with the Underwriting Agreement.

**CAPITAL STRUCTURE**

The Share Capital of our Company as of the date of this Draft Red Herring Prospectus is set forth below

Particulars	In ₹ lakhs (except share data)	
	Aggregate Value at Nominal Price	Aggregate Value at Issue Price
(A) Authorised Share Capital 2,50,00,000 equity shares of face value ₹ 10 each	2,500.00	
(B) Issued, Subscribed and Paid up share capital before the Issue 1,05,00,000 equity shares of face value ₹ 10 each	1,050.00	
(C) Present Issue in terms of this Draft Red Herring Prospectus <sup>1</sup> [●] equity shares of face value ₹ 10 each	[●]	[●]
(D) Paid up share capital after the Issue [●] equity shares of face value ₹ 10 each	[●]	
(E) Securities Premium Account Before the Issue After the Issue	2,562.30 [●]	

<sup>1</sup>. The present Issue in terms of this Draft Red Herring Prospectus has been authorized by our Board of Directors and by our members in their Extra Ordinary General Meeting pursuant to the resolutions passed in their meeting held on February 25, 2012 and March 21, 2012 respectively.

Our Company is considering a Pre-IPO Placement of up to [●] Equity Shares, for cash consideration aggregating up to ₹ 3,000 lakhs with certain investors. The Pre-IPO Placement is at the discretion of our Company. Our Company will complete the issuance and allotment of such Equity Shares, if any, prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 25% of the post-Issue paid-up equity capital being offered to the public.

There is no Promoters' Contribution or reservation for any specified category in this Issue.

**Notes to the Capital Structure:****1. Changes in Authorised Share Capital**

The details of changes in authorised share capital of our Company since Incorporation are as follows

Date of Meeting	Cumulative No. of Equity Shares	Face Value (₹)	Authorised Share Capital (in ₹)	Particulars
-	1,00,000	10	10,00,000	Since Incorporation
August 01, 2001	25,00,000	10	2,50,00,000	Capital increased from ₹ 10,00,000 to ₹ 2,50,00,000
December 07, 2005	50,00,000	10	5,00,00,000	Capital increased from ₹ 2,50,00,000 to ₹ 5,00,00,000
June 22, 2010	80,00,000	10	8,00,00,000	Capital increased from ₹ 5,00,00,000 to ₹ 8,00,00,000
August 03, 2010	90,00,000	10	9,00,00,000	Capital increased from ₹ 8,00,00,000 to ₹ 9,00,00,000
December 23, 2010	2,50,00,000	10	25,00,00,000	Capital increased from ₹ 9,00,00,000 to ₹ 25,00,00,000

**2. Equity Share Capital History**

(in ₹, except share data)

Date of Allotment	No. of Equity Shares	Cumulative No. of Equity Shares	Face Value (in ₹)	Issue Price (in ₹)	Cumulative Paid up Capital (in ₹)	Cumulative Securities Premium (in ₹)	Nature of consideration	Category of Allottees
June 22, 2000	1,000	1,000	10.00	10.00	10,000	-	Cash	Subscribers to MOA
January 24, 2001	4,800	5,800	10.00	10.00	58,000	-	Cash	Allotment to then Promoters <sup>1</sup> and others
January 25, 2001	4,900	10,700	10.00	10.00	1,07,000	-	Cash	Allotment to then Promoters <sup>2</sup> and others
January 26, 2001	4,300	15,000	10.00	10.00	1,50,000	-	Cash	Allotment to then Promoters <sup>3</sup> and others
March 15, 2002	21,24,000	21,39,000	10.00	10.00	2,13,90,000	-	Cash	Allotment to then Promoters <sup>4</sup> and others
October 10, 2003	2,28,500	23,67,500	10.00	10.00	2,36,75,000	-	Cash	Allotment to then Promoters <sup>5</sup> and others
January 17, 2005	1,07,574	24,75,074	10.00	10.00	2,47,50,740	-	Cash	Allotment to then Promoters <sup>6</sup> and others
February 04, 2006	12,43,600	37,18,674	10.00	10.50	3,71,86,740	6,21,800	Cash	Allotment to then Promoters <sup>7</sup> and others
August 07, 2008	12,81,326	50,00,000	10.00	42.89	5,00,00,000	4,27,64,612	Cash	Allotment to Holding Company
June 22, 2010	30,00,000	80,00,000	10.00	10.00	8,00,00,000	4,27,64,612	Cash	Allotment to Holding Company
August 03, 2010	10,00,000	90,00,000	10.00	10.00	9,00,00,000	4,27,64,612	Cash	Allotment to Holding Company
January 30, 2012	15,00,000	1,05,00,000	10.00	152.31	10,50,00,000	25,62,29,612	Cash <sup>8</sup>	Allotment to Holding Company

<sup>1</sup> The names of allottees belonging to the erstwhile Promoter Group for allotment made on January 24, 2001 are as under:

Name	No. of Shares
Alok Bhatia	100
Harmeet Malhotra	100
Jatinder Bhatia	100
Manoj Kumar Johar	100
Neerja Johar	100
Sanjay Garg	100
Sudhir Sharma	100
Vandana Garg	100
B.K.Bhatia	100
Indu Johar	100
Indu Ravijit Singh	100
Jaswant Rai Johar	100
L.K.Bhatia	100
Madhu Sudan Garg	100
Anita Anand	100
B.K.Anand	100
Devinder Anand	100
Devinder Anand HUF	100
Dinesh Anand	100
Indu Anand	100
M.P.Anand	100
<b>Total</b>	<b>2,100</b>

<sup>2</sup> The names of allottees belonging to the erstwhile Promoter Group for allotment made on January 25, 2001 are as under:

Name	No. of Shares
N.K.Bhatia	100
Mukesh Johar	100
Naveen Bhatia	100
Neelam Johar	100
Neena Bhatia	100
Poonam Bhatia	100
Prateek Bhatia	100
Raj Bhatia	100
Rakshat Bhatia	100
Prithvi Raj Johar	100
Ranjeet Johar	100
Pradeep Anand	100
Pradeep Anand HUF	100
Praveen Kumar Anand	100
Praveen Kumar Anand-HUF	100
Promilla Anand	100
Rajinder Anand	100
Rachna Anand	100
Ranjana Anand	100
Rekha Anand	100
Ritu Anand	100
<b>Total</b>	<b>2,100</b>

<p><sup>3</sup> The names of allottees belonging to the erstwhile Promoter Group for allotment made on January 26, 2001 are as under:</p>	<p><sup>4</sup> The names of allottees belonging to the erstwhile Promoter Group for allotment made on March 15, 2002 are as under:</p>																																																																																						
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**3. Capital build up of existing shareholding of Promoter**

Name of Promoter	Date of Acquisition / Allotment / Transfer	No. of Equity Shares	Face Value (₹)	Issue / Acquisition Price (₹)	Nature of Consideration	Particulars of allotment / acquisition	% of pre-issue paid up capital	% of post issue paid up capital	Period of lock-in
Ojjus Medicare Private Limited	November 13, 2007	894	10	10	Cash	Purchased from Mr. S.S. Rawat	0.01	[●]	[●]
	December 03, 2007	4,11,500	10	10	Cash	Purchased from Dr. Ashwani Kumar Bansal	3.92	[●]	[●]
		5,11,900	10	10	Cash	Purchased from Dr. Vandana Bansal	4.88	[●]	[●]
		47,700	10	10	Cash	Purchased from Dr. S.D. Bansal	0.45	[●]	[●]
		2,500	10	10	Cash	Purchased from Mr. P.K. Gupta	0.02	[●]	[●]
		2,500	10	10	Cash	Purchased from Ms. Vidya Gupta	0.02	[●]	[●]
		1,67,500	10	10	Cash	Purchased from Navjeevan Pediatrics Private Limited	1.59	[●]	[●]
		4,42,627	10	10	Cash	Purchased from Arpit Hospital Limited	4.21	[●]	[●]
		21,31,547	10	10	Cash	Purchased from Jyoti Hospital Private Limited	20.30	[●]	[●]
	August 07, 2008	12,81,326	10	42.89	Cash	Allotment	12.20	[●]	[●]
	June 26, 2010	30,00,000	10	10	Cash	Allotment	28.57	[●]	[●]
	August 03, 2010	10,00,000	10	10	Cash	Allotment	9.53	[●]	[●]
	January 30, 2012	15,00,000	10	152.31	Cash	Allotment	14.29	[●]	[●]
<b>Total</b>		<b>1,04,99,994</b>					<b>99.99</b>	<b>[●]</b>	

In addition to aforesaid 1,04,99,994 equity shares held, Ojjus Medicare Private Limited is also the beneficial owner of 6 shares held by individual shareholders on its behalf. As per Companies Act, 1956, there should be atleast 7 members in a public limited company. The shares of our Company were acquired by Ojjus Medicare Private Limited making it a wholly owned subsidiary. To comply with the requirements of minimum number of members, Ojjus Medicare Private Limited has nominated 6 persons to hold 1 share each on its behalf. The names of these 6 members has been registered in our register of members, however beneficial interest of these 6 shares vests with Ojjus Medicare Private Limited.

Pursuant to section 187C of the Companies Act, 1956, we had filed Form 22B with the Registrar of Companies, NCT Delhi & Haryana (ROC) declaring the beneficial ownership of Ojjus Medicare Private Limited in these 6 shares. The beneficial interest of these 6 shares vests with Ojjus Medicare Private Limited. The details of shares held by these 6 shareholders are as under:

S. No.	Name of the Shareholders	No. of Equity Shares	% of total Shareholding (negligible)	Date of acquisition of shares	Date of acquisition of beneficial ownership by OMPL	Date of filing Form 22B with the ROC
1.	Mr. Kuldeep Rai Chawla	1	0.00	December 03, 2007	December 03, 2007	January 17, 2011
2.	Ms. Kumud Chawla	1	0.00	December 03, 2007	December 03, 2007	January 17, 2011
3.	Mr. Harvansh Chawla	1	0.00	October 04, 2010	October 20, 2010	January 17, 2011
4.	Ms. Namrata Chawla	1	0.00	October 04, 2010	October 20, 2010	January 17, 2011
5.	Ms. Poonam Chawla	1	0.00	August 25, 2010	September 10, 2010	January 17, 2011
6.	Ms. Meena Rani Chawla	1	0.00	December 03, 2007	December 03, 2007	January 17, 2011
<b>Total</b>		<b>6</b>	<b>0.00</b>			

Our Promoter, Directors, Promoter Group entities and Directors of our Promoter are not related to the persons / companies from whom our Promoter had purchased shares in 2007 as aforementioned.

4. The following shares were issued by our Company during the preceding one year at a price lower than the Issue Price:

Date	No. of shares issued	Consideration	Allotment Price (in ₹)	Name of allottees	Remarks
January 30, 2012	15,00,000	Cash	152.31	Ojjus Medicare Private Limited	Allotment to the Holding Company

#### 5. Promoters Contribution and Lock-in

The following shares held by Promoters are locked-in as Promoters Contribution after the issue. The shares will remain under lock-in for 3 years from the date of allotment under the Issue.

Name of Promoter	Date of purchase / transfer	No. of equity shares	Face Value (in ₹)	Issue Price (in ₹)	% of pre-issue paid up capital	% of post issue paid up capital	Lock-in period
Ojjus Medicare Private Limited	[●]	[●]	10	[●]	[●]	[●]	3 years
<b>Total →</b>		[●]			[●]	[●]	

Ojjus Medicare Private Limited is holding 89,99,994 equity shares which are eligible for lock-in as Promoters Contribution. All Equity Shares, which are being locked in as aforesaid are eligible for computation of Promoters contribution as per Regulation 33 of the SEBI ICDR Regulations and are being locked for 3 years in terms of Regulation 36(a) of the SEBI ICDR Regulations. We confirm that the requirements of minimum Promoters' Contribution as envisaged under Regulation 32 of SEBI ICDR Regulations have been complied with.

Our Promoter, Ojjus Medicare Private Limited has, by a written undertaking, consented to have [●] equity shares held by it to be locked in as Promoters contribution for a period of three years from the date of allotment in this Issue and will not be disposed / sold / transferred by the promoters during the period starting from the date of filing the Draft Red Herring Prospectus with the Board till the date of commencement of lock-in period as stated in the Draft Red Herring Prospectus. The equity shares under the Promoters contribution will constitute [●]% of our post-issue paid up share capital. Our Promoter have also consented that the Promoters contribution under Regulation 33 of the SEBI ICDR Regulations will not be less than 20% of the post issue paid up capital of our Company.

#### Details of share capital locked in for one year

In terms of Regulation 36(b) and 37 of the SEBI ICDR Regulations, in addition to the Promoters contribution which is locked in for three years, as specified above, the entire pre-issue equity share capital constituting [●] equity shares shall be locked in for a period of one year from the date of allotment of Equity shares in this Issue. The securities which are subject to lock-in shall carry inscription 'non-transferable' along with the duration of specified non-transferable period mentioned in the face of the security certificate. The shares which are in dematerialized form shall be locked-in by the respective depositories. The Equity Shares to be issued and allotted in the Pre-IPO Placement, will also be locked-in for a period of one year from the date of Allotment.

#### Details of lock-in for shares allotted to Anchor Investors

Equity Shares allotted to Anchor Investors, in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment of Equity Shares in this Issue.

#### Other requirements in respect of lock-in:

- In terms of Regulation 39 of the SEBI ICDR Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan.  
Provided that securities locked in as minimum promoters' contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.
- In terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 36 or 37 of the SEBI ICDR Regulations, subject to continuation



of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2009, as applicable.

- c) Further in terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by the Promoters may be transferred to and amongst the Promoter Group or to new promoters or persons in control of the Issuer subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2009, as applicable.

We shall comply with the requirements of Regulation 33, 36, 37, 39 and 40 of the SEBI ICDR Regulations. We further confirm that there is no provision for Promoters Contribution in the Issue.

## 6. Our Shareholding Pattern

The table below presents our shareholding pattern before and after the proposed Issue:

Category code	Category of shareholder	No. of Shareholders	Total Number of shares	Total pre issue shareholding		Total post issue shareholding	
				As a %age of (A+B)	As a %age of (A+B+C)	Number of shares	As a %age of (A+B+C)
<b>(A)</b>	<b>Promoter and Promoter Group</b>						
<b>(1)</b>	<b>Indian</b>						
	Individuals/HUF	6*	6	0.00	0.00	6	[●]
	Trusts	-	-	-	-	-	-
	Bodies Corporate	1	1,04,99,994	99.99	99.99	1,04,99,994	[●]
	<b>Sub-Total (A)(1)</b>	<b>7</b>	<b>1,05,00,000</b>	<b>100.00</b>	<b>100.00</b>	<b>1,05,00,000</b>	<b>[●]</b>
<b>(2)</b>	<b>Foreign</b>						
	Individuals/HUF	-	-	-	-	-	-
	<b>Sub-Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>7</b>	<b>1,05,00,000</b>	<b>100.00</b>	<b>100.00</b>	<b>1,05,00,000</b>	<b>[●]</b>
<b>(B)</b>	<b>Public Shareholding</b>						
	Others	-	-	-	-	-	-
	Initial Public Offering	-	-	-	-	[●]	[●]
	<b>Total Public Shareholding (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>[●]</b>	<b>[●]</b>
	<b>Total (A)+(B)</b>	<b>7</b>	<b>1,05,00,000</b>	<b>0.00</b>	<b>0.00</b>	<b>[●]</b>	<b>[●]</b>
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>						
		-	-	-	-	-	-
	<b>Grand Total (A)+(B)+(C)</b>	<b>7</b>	<b>1,05,00,000</b>	<b>100.00</b>	<b>100.00</b>	<b>[●]</b>	<b>[●]</b>

\* Ojjus Medicare Private Limited is the beneficial owner of these 6 shares held by individuals.

## 7. Shareholding of our Promoter, Promoter Group and Directors of our Promoter in our Company is as under:

Sr. No.	Name of the shareholder	Total Shares held		Shares pledged or otherwise encumbered		
		Number	As a % of grand total (A)+ (B)+ (C)	Number	As a percentage	As a % of grand total (A)+ (B)+ (C) of sub clause (I) (a)
(I)	(II)	(III)	(IV)	(V)	(VI)=(V)/(III)	(VII)
1.	Ojjus Medicare Private Limited	1,04,99,994	99.99	NA	NA	NA
2.	Mr. Kuldeep Rai Chawla	1	0.00	NA	NA	NA
3.	Ms. Kumud Chawla	1	0.00	NA	NA	NA
4.	Mr. Harvansh Chawla	1	0.00	NA	NA	NA
5.	Ms. Namrata Chawla	1	0.00	NA	NA	NA
6.	Ms. Poonam Chawla	1	0.00	NA	NA	NA
7.	Ms. Meena Rani Chawla	1	0.00	NA	NA	NA
	<b>Total</b>	<b>1,05,00,000</b>	<b>100.00</b>			

## 8. Equity Shares held by Top Ten Shareholders

- (a) Our shareholders and the number of Equity Shares of ₹ 10 each held by them as on the date of filing this Draft Red Herring Prospectus with SEBI is as follows:

S. No.	Name of the Shareholders	No. of Equity Shares	% of total Shareholding
1.	Ojjus Medicare Private Limited	1,04,99,994	99.99
2.	Mr. Kuldeep Rai Chawla	1	0.00
3.	Ms. Kumud Chawla	1	0.00
4.	Mr. Harvansh Chawla	1	0.00
5.	Ms. Namrata Chawla	1	0.00
6.	Ms. Poonam Chawla	1	0.00
7.	Ms. Meena Rani Chawla	1	0.00
<b>Total</b>		<b>1,05,00,000</b>	<b>100.00</b>

(b) Our shareholders and the number of Equity Shares of ₹ 10 each held by them 10 days prior to date of filing this Draft Red Herring Prospectus with SEBI is as follows:

S. No.	Name of the Shareholders	No. of Equity Shares	% of total Shareholding
1.	Ojjus Medicare Private Limited	1,04,99,994	99.99
2.	Mr. Kuldeep Rai Chawla	1	0.00
3.	Ms. Kumud Chawla	1	0.00
4.	Mr. Harvansh Chawla	1	0.00
5.	Ms. Namrata Chawla	1	0.00
6.	Ms. Poonam Chawla	1	0.00
7.	Ms. Meena Rani Chawla	1	0.00
<b>Total</b>		<b>1,05,00,000</b>	<b>100.00</b>

(c) Our shareholders and the number of Equity Shares of ₹ 10 each held by them two years prior to date of filing of this Draft Red Herring Prospectus with SEBI is as follows:

S. No.	Name of the Shareholders	No. of Equity Shares	% of total Shareholding
1.	Ojjus Medicare Private Limited	49,99,994	99.99
2.	Mr. Kuldeep Rai Chawla	1	0.00
3.	Ms. Kumud Chawla	1	0.00
4.	Mr. Sukhchain Chawla	1	0.00
5.	Mr. Dilbagh Chawla	1	0.00
6.	Ms. Manju Chawla	1	0.00
7.	Ms. Meena Rani Chawla	1	0.00
<b>Total</b>		<b>50,00,000</b>	<b>100.00</b>

9. Our Promoter, Promoter Group, Directors and their relatives and Directors of the Promoter have not sold or purchased any shares of our Company during the period of six months preceding the date of the Draft Red Herring Prospectus with SEBI except 15,00,000 equity shares allotted to our Promoter on January 30, 2012.
10. Our Promoter, Promoter Group, Directors and their relatives and Directors of the Promoter have not financed the purchase by any other person of the equity shares of our Company during the period of six months immediately preceding the date of filing of Draft Red Herring Prospectus with the Board.
11. As on the date of filing of this Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or shareholders or any other person any option to acquire our Equity Shares after the Initial Public Offer.
12. As on the date of the Draft Red Herring Prospectus, the issued capital of our Company is fully paid up.
13. The Equity Shares held by the Promoters are not subject to any pledge.
14. Neither we, nor our Directors, Promoters, Promoter Group Entities and the BRLM to the Issue have entered into any buyback and / or standby arrangements and / or similar arrangements for the purchase of our Equity Shares from any person.
15. The BRLM and their associates are not holding any equity shares in our Company as on the date of filing of the Draft Red Herring Prospectus with the SEBI.

16. This issue is being made through 100% Book Building process wherein not more than 50% of the Issue i.e., [●] Equity Shares shall be allotted on a proportionate basis to QIBs. Further, our Company may allocate upto 30% of the QIB Portion to Anchor Investors, out of which one-third will be available for allocation to Domestic Mutual Funds. In the event of under subscription in Anchor Investors Portion, the balance equity shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remaining Net QIB portion shall be available for allocation on a proportionate basis to all QIBs including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue, i.e., [●] Equity Shares shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue, i.e., [●] Equity Shares shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.
17. Under subscription, if any, in any category would be met with spill-over from other categories or a combination of categories in accordance with applicable laws, regulations and guidelines. Investors may note that in case of over-subscription in the Issue, allotment to QIB Bidders, Non-Institutional Bidders and Retail Individual Bidders shall be made on a proportionate basis.
18. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue and not exceeding the maximum limit of investment prescribed under relevant laws applicable to each category of bidder.
19. Our Company has not raised any bridge loan against the proceeds of the Issue.
20. Except with respect to the Pre-IPO Placement, if any, our Company does not presently intend or propose any further issue of Equity Shares, whether by way of issue of bonus shares, preferential allotment and rights issue or in any other manner during the period commencing from submission of the Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.
21. Our Company does not presently intend or propose to alter our capital structure for a period of six months from the Bid Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise, except if we enter into acquisitions, joint ventures or other arrangements, we may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisition or participation in such joint ventures or investment.
22. We have not issued any shares for consideration other than cash.
23. An over-subscription to the extent of 10% of the Net Offer to Public shall be retained for purpose of rounding off to the nearer multiple of minimum allotment lot while finalizing the basis of allotment.
24. Since the entire issue price per share is being called up on application, all the successful applicants will be allotted fully paid-up shares.
25. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
26. We do not have any Employees Stock Option Scheme or Employees Stock Purchase Scheme.
27. As on the date of Draft Red Herring Prospectus, we have 7 members and the entire shareholding of our Company comprising of 1,05,00,000 equity shares is held in dematerialized form.

## OBJECTS OF THE ISSUE

Our Company intends to utilize the issue proceed for the following objects:

- Equity investment in our wholly owned subsidiary, Ojjus Fidelity Healthcare Private Limited (“Ojjus Fidelity”) to part finance the construction and development by Ojjus Fidelity of a multi speciality hospital project in Faridabad, Haryana.
- Setting up of Cosmetology & Wellness Centre at Gurgaon
- Establishment of eight Polyclinics within a radius of 200 km from Noida
- Repayment / Prepayment of loan facilities
- General Corporate Purposes
- Expenses for the Issue

We believe that listing will enhance our brand name and create a public market for our equity shares. The main object clause of our Memorandum of Association and objects incidental to the main objects enable us to undertake our existing activities and the activities for which funds are being raised by us through this Issue.

### Requirement of Funds

The total estimated funds requirement is given below:

Particulars	Amount (₹ lakhs)
Equity investment in our wholly owned subsidiary, Ojjus Fidelity Healthcare Private Limited (“Ojjus Fidelity”) to part finance the construction and development by Ojjus Fidelity of a multi specialty hospital project in Faridabad, Haryana	2,000.00
Setting up of Cosmetology & Wellness Centre at Gurgaon	1,462.65
Establishment of 8 Polyclinics a radius of 200 km from Noida	4,697.52
Repayment / Prepayment of loan facilities	1,000.00
General Corporate Purposes	[•]
Expenses for the Issue#	[•]
<b>Total</b>	<b>[•]</b>

# will be incorporated at the time of filing of Prospectus

The fund requirement and deployment is based on our management estimates and vendor quotations and has not been appraised by any bank or financial institution or any other independent agencies. The fund requirement above is based on our current business plan.

We operate in a highly competitive, dynamic market condition, and may have to revise our business plan from time to time. Consequently, our fund requirements and utilization of proceeds may also change accordingly. Any such change in our plans may require rescheduling of our expenditure programs, at the discretion of our management, subject to the necessary approvals, and such rescheduling, if any, shall be within the objects of the Issue.

### Means of Finance

The details of the means of finance are provided below:

Particulars	Amount (₹ lakhs)
Proceeds of the Issue	9,800.00*
Internal accruals#	[•]

\*Includes the amount received if any pursuant to the Pre-IPO Placement.

# will be incorporated at the time of filing of Prospectus.

In case of any shortfall of the Proceeds of the Issue for the Objects or cost overruns, such shortfall will be met by way of such means available to our Company including internal accruals. In case of any surplus after utilization of the proceeds of the issue for the stated objects, we may use such surplus towards general corporate purposes. In case of variations in the actual utilization of funds earmarked for the purposes mentioned above, increase fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this issue.

#### Details of use of Issue Proceeds

#### 1. Equity investment in our wholly owned subsidiary, Ojjus Fidelity Healthcare Private Limited (“Ojjus Fidelity”) to part finance the construction and development by Ojjus Fidelity of a multi speciality hospital project in Faridabad, Haryana

We intend to utilize ₹ 2,000 lakhs of the net proceeds of the issue to partially fund the construction and development of a multi speciality hospital being set up by Ojjus Fidelity at Faridabad at an estimated cost of ₹ 23,787 lakhs. The hospital is proposed to be a super specialty for oncology & rehabilitation with 700 beds with other modern infrastructure and facilities. The hospital is proposed to be completed in three phases, the first phase of OPD, day care facilities and the Diagnostic Centre is expected to be operational in January 2013, the second phase of Rehabilitation centre in April, 2013 and the third phase for Oncology in December, 2013. The hospital is being set up on a land measuring 16,935 sq mtrs in sector 8, Urban Estate, Faridabad allotted by HUDA (Haryana Urban Development Authority). The project is to be financed by term loans for ₹ 15,000 lakhs, unsecured loans aggregating ₹ 2,287 lakhs from our promoter group and equity contribution of ₹ 6,500 lakhs. In respect of the equity investment by our Company in Ojjus Fidelity, it is proposed that Ojjus Fidelity will issue equity shares to our Company. The benefits expected to accrue to us out of proposed investment in equity shares of our Subsidiary, Ojjus Fidelity Healthcare Private Limited is distribution of profits by way of dividend and / or capital appreciation, if any. However no benefits / returns are assured on the proposed investment. We believe that such investment is in line with our strategy of expansion.

#### Project Cost

The cost of the hospital project is ₹ 23,787 lakhs as estimated by management. A detailed break up of the cost is given below:

Particulars	Amount (₹ lakhs)
Land and related cost	977.00
Civil Works, Building and interiors	8,802.84
Medical Equipments, Plant and Machinery	8,473.00
Furniture and Office Equipment	1,113.00
Vehicles	180.00
Interests during implementation period (24 months)	2,290.63
Pre-operative and preliminary expenses	368.00
Contingencies	643.61
Professional Fees	460.00
Margin for working capital	478.80
<b>Total</b>	<b>23,787.00</b>

#### Means of Finance

The estimated total cost of the hospital project is ₹ 23,787 lakhs is to be financed as under:

Sources	Amount (₹ Lakhs)
Promoters- Equity	6,500.00
Unsecured Loans from Promoter Group	2,287.00
Term Loan From Banks	15,000.00
<b>Total</b>	<b>23,787.00</b>

In respect of the debt funding for the hospital project, Ojjus Fidelity has received the sanction letters for the full amount of ₹ 15,000 lakhs from four banks as per details given below:

(₹ in lakhs)

Name of the Bank	Amount of loan sanctioned	Date of sanction letter	Repayment terms
Punjab National Bank, Large Corporate Branch, Tolstoy Marg, New Delhi	6,000.00	July 11, 2011	In 32 quarterly step up installments after a moratorium period of 2 years from the date of commercial operations of the Hospital
Corporation Bank, M3-4, Shopping Centre, Greater Kailash – II, New Delhi	4,000.00	October 07, 2011	In 32 quarterly step up installments within repayment holiday of two years and construction period of two years
Union Bank of India, 26/2 East Patel Nagar, New Delhi	3,500.00	October 10, 2011	In 32 quarterly step up installments starting 4 years from the financial closure of March 2015, which ever is later, the last of such installment to be paid in March 2023. Moratorium period of 24 months to be counted after scheduled date of completion of project in March 2013.
Central Bank of India, Parliament Street, New Delhi	1,500.00	October 22, 2011	In 32 quarterly step up installments after allowing two years of implementation period and two years of moratorium.

As certified by Mr. C Mohan Jain (Membership No. 512312), Proprietor, C Mohan Jain and Co., Statutory Auditor of Ojjus Fidelity vide their Certificate dated May 04, 2012, an amount of ₹ 5,587 lakhs have been incurred till March 26, 2012 towards the Hospital project and the same has been financed from our contribution of ₹ 1,112 lakhs towards equity (including share application money), unsecured loans from promoter group of ₹ 2,075 lakhs and ₹ 2,400 lakhs from loan disbursed by banks.

#### Land

The land measuring 16,935 sq mtrs was allotted by HUDA (Haryana Urban Development Authority) vide its letter of allotment dated October 06, 2008 to Ojjus Fidelity for a consideration of ₹ 702.80 lakhs. Ojjus Fidelity has paid an amount of ₹ 977 lakhs towards the full cost of land including interest on installments, stamp duty, etc. The Conveyance Deed was executed in our favor on June 09, 2011.

#### Architecture and Interiors

Ojjus Fidelity has engaged M/s Kothari Associates Private Limited as the architect and project management consultant vide an agreement dated April 02, 2011. The said architect has to provide architecture, structure, interior, landscaping, plumbing and sanitary, fire fighting, internal and external electrification, air conditioning, storm water drainage etc. The plan for construction has been approved. The total construction area of the hospital is 3.92 lakhs sq. ft.

#### Civil Works and Building

We have appointed M/s VS Construction & Interior Co., Kamla Nagar, Delhi for civil structure work at the hospital at Faidabad on the terms and conditions as per letter of award of work dated November 30, 2011 and agreement dated December 10, 2011. The excavation work of the land has been completed. The work of water proofing, PCC and construction of basement is in advanced stage of completion.

#### Medical Equipments, Plant and Machinery

The cost of the medical equipments and plant and machinery has been estimated at ₹ 8,473 lakhs. The details of the medical equipments and the cost of such medical equipments as estimated by the Company's Management are set out below:

(₹ in lakhs)

S. No.	Description/ name of Machinery	Units	Unit Price	Total Price
<b>Medical Equipment/ Machinery</b>				
1	MRI 1.5 Tesla; Model 1.5 Brivo GE	01	620	620
2	CT Scan 16 Slice; Phillips Brilliance	01	600	600
3	Mammography; Phillips Mammography system	01	110	110
4	Ultra sound / Echo; GE Vivid 7	02	95	190
5	ECG : 2 Heart Station, 1 Casualty, 2 ICU, 2 CCU, 4 Wards and 3 Operation theatre	14	6.50	91
6	Equipments for pathology labs			
	Automated Hematology Analyzer	01	56	56
	Fully automated Blood Coagulation analyzer	01	52	52
	Fully Automated Bio- chemistry analyzer	01	24	24
	Automated ELISA & IFA Analyzer	01	50	50
7	X- Ray M/C	02	46	92
8	C ARM	01	95	95
9	ICU Ventilator	30	18	540
10	Fully Modular Operation theatre	06	148	888
11	3 Sets of Tools for Cardiac, Orthopedics and Neuro	03	196	588
11	Monitor for ICU	100	4.50	450
12	GE Defib/ Monitor for ICU	06	6	36
13	Diagnostic Centre	1	556	556
14	Laparoscopic Instrument Set	1	150	150
<b>Sub – Total A</b>				<b>5,188</b>
<b>Non Medical equipments</b>				
15	Air Conditioning		1100	1100
16	Medical Gas Pipe Line		100	100
17	Sewage treatment Plant		15	15
18	Water RO Plant		20	20
19	Water Softener Plant		20	20
20	Lifts		700	700
21	Generators		680	680
22	Fire Fighting & Detection Equipment		650	650
<b>Sub Total – B</b>				<b>3,285</b>
<b>Grand Total</b>				<b>8,473</b>

No second-hand equipment and machinery is proposed to be purchased from the Net Proceeds.

The medical equipments / machinery, as aforesaid, have been finalized and purchase orders for equipments for ₹ 5,040 lakhs have been placed (except one Fully Modular Operation Theatre for ₹ 148 lakhs).

#### Implementation Schedule

The estimated schedule of implementation of the Project is as under:

Activity	Estimated	
	Commencement date	Date of Completion
Acquisition of land	Completed	
Civil Construction including building	December 2011	March 2013
Placement of orders for major equipments	January, 2012	April 2013
Supply of plant and Machinery and equipment at site	October 2012	July 2013
Installation of equipments	November 2012	August 2013
Commissioning & Testing	December 2012	September 2013
Commercial operation	January, 2013	December, 2013

## 2. Setting up of a Cosmetology and Wellness centre at Gurgaon.

The young generation i.e. age group 28 – 45 is becoming more conscious of health and the way they look, as such centers providing wellness and aesthetic improvement are now more in demand. Keeping this in mind we are proposing to start a wellness and cosmetology centre at Gurgaon. We have entered into a license agreement April 05, 2012 with KR Chawla Consulting Private Limited (“Licensor”) who is owner of the property at Plot No 33, Sector - 44, Gurgaon, Haryana and the Licensor has agreed to provide us a super built up area admeasuring 25,000 sq. ft. approximately for setting up a Cosmetology & Wellness centre at the said premise in terms of the aforesaid License Agreement. The agreement shall come into force on October 01, 2012 and is valid for a term of seven years. For details of the agreement please refer to section “History and Certain Corporate Matters” on page 94 of the Draft Red Herring Prospectus.

We plan to set up a state of the art centre and offer all solutions for wellness and aesthetics under one roof. The centre is proposed to have a fully developed department of plastic surgery, bariatric surgery, hair transplant, liposuction, liposuction with vaser technology, dental and ophthalmology. The centre is proposed to be equipped with state of the art equipment, treatment rooms and recovery areas with emphasis on ambience and hygiene. The proposed centre shall have 2 operating rooms, two minor procedure rooms, pre operative and post operative area. IPD (In Patient Department) shall be divided in two parts - day care and overnight admission. The IPD patient rooms shall be all single and shall have a non - hospital feel. The consultation rooms are proposed to be designed in the style of suites and private waiting areas to provide maximum confidentiality.

The proposed centre will emphasis more on day care treatments but shall also provide for IPD services as patients undergoing bariatric, liposuction and other intense surgeries of cosmetic correction shall require admission. We also plan to run programs for wellness which shall be based on modern techniques as well as ancient Indian techniques such as Ayurvedic, Yoga etc. The proposed investment in this centre as estimated by our management is ₹ 1,462.65 lakhs on security deposit of premises, equipments, medical furniture, medical disposables and medications etc.

(₹ in lakhs)	
Particulars	Estimated Cost
Security Deposit 6 months rent	300.00
Cost for civil modifications, electrical wiring & fixtures, Fire Fighting, Ducting & CCTV	493.94
Furniture & Fixtures	136.51
Cost of Medical Equipment	457.20
Miscellaneous Fixed Assets	75.00
<b>TOTAL</b>	<b>1,462.65</b>

The security deposit / advance have been estimated at 6 months’ rent with an average rent of ₹ 50 lakhs per month. The cost of civil modifications, electrical wiring & fixtures, Fire Fighting, Ducting & CCTV at ₹ 493.94 lakhs and furniture & fixture at ₹ 136.51 lakhs is based as per quotation dated March 26, 2012 of H & A Interior Dezine.

### Medical Equipments

The breakup of medical equipments required for Cosmetology & Wellness Centre is as under. The cost of medical equipments is estimated at ₹ 457.20 lakhs which is based on the quotations received from various vendors.

S. No.	Description/Type	Model / Make	Name of Supplier/ Vendor	Date of Quotation	Quantity	Amount (₹ in lakhs)
1	Patient Monitor	GE B20	Wipro GE Healthcare Pvt. Ltd.	09/02/2012	2	8.82
2	Patient Monitor	DASH 4000	Wipro GE Healthcare Pvt. Ltd.	09/02/2012	1	5.18



S. No.	Description/Type	Model / Make	Name of Supplier/ Vendor	Date of Quotation	Quantity	Amount (₹ in lakhs)
3*	Ventilator	Carina	Drager Medical India Pvt. Ltd. (at a price of Euro 12,279 per machine)	31/01/2012	1	8.19
4*	Anesthesia Work Station	Fabius Plus	Drager Medical India Pvt. Ltd. (at a price of Euro 22,857)	31/01/2012	2	30.49
5	Electro Hydraulic Operating Table	SS-1100	Cognate India	01/02/2012	2	8.84
6	Ceiling Shadow less Operating Lamp	CI-LED 5+3	Cognate India	01/02/2012	2	12.14
10	Polysomnography System	Philips Resprionics Alice 5	SB Lifecare Devices Pvt Ltd	25/02/2012	4	63.00
11	Defibrillator	GE Responder 2000	Wipro GE Healthcare Pvt. Ltd.	09/02/2012	1	5.70
12	ECG Machine	GE Mac 600 ¾ Channel	Wipro GE Healthcare Pvt. Ltd.	09/02/2012	2	1.70
13	Automated Hair Transplant System	S.A.F.E.R.	A. Lakhanpal Trading Company Pvt Ltd	19/03/2012	1	45.00
14	Beds with lockers and table	DX4201A	Janak Healthcare Private Limited	09/02/2012	20	26.72
15	Patients bed with lockers and table	SETA	Janak Healthcare Private Limited	16/02/2012	20	60.00
16	Vaser Liposuction	V.A.S.E.R.	Accordis Healthcare	15/02/2012	1	68.00
17	Power Shape	Power shape	A. Lakhanpal Trading Company Pvt Ltd	19/03/2012	1	18.00
18	Spashape	Spa shape	A. Lakhanpal Trading Company Pvt Ltd	19/03/2012	1	40.00
19	Medical Gas Pipe System		Corona Medicare Solutions Private Limited	February 02, 2012		35.42
20	Miscellaneous Surgical Instruments		Management Estimate			20.00
<b>TOTAL</b>						<b>457.20</b>

\*The conversion rate has been taken at 1 Euro = ₹ 66.70 for imported equipments

The cost of the miscellaneous fixed assets like computers, vehicles etc. has been estimated at ₹ 75 lakhs by our management.

#### Implementation Schedule

The estimated schedule of implementation of the Project is as under:

Activity	Estimated	
	Commencement date	Date of Completion
Acquisition of premises	October , 2012	
Interiors / fixtures etc.	November , 2012	February 2013
Placement of orders for major equipments	December, 2012	January 2013
Installation of equipments	February, 2013	February, 2013
Commercial operation	March, 2013	

### 3. Establishment of Polyclinics

We intend to set up eight Polyclinics for high end treatment in Neuro, cardiac, Orthopedics and Minimal Invasive Surgery within a radius of 200 km of Noida. These polyclinics are proposed to provide comprehensive general healthcare services to patients in their cities and refer patients for advance care and critical treatment to our existing hospital at Noida and upcoming hospital at Faridabad. Initially we propose to set up one polyclinic each in Muzaffarnagar, Bulandshahar, Meerut, Saharanpur, Hapur, Moradabad, Palwal and Mathura. All these cities majorly depend on Delhi and Noida for the high end healthcare needs. We are in the process of identifying the location in these cities for setting up of Polyclinics. We intend to utilize ₹ 4,697.52 lakhs out of the proceeds of the issue for setting up of these eight polyclinics. Since we have not identified the space for setting up of Polyclinics, we have not applied for any regulatory approvals required for the same.

Each polyclinic is proposed to be developed on an area of approximately 15,000 sq. ft. on leased properties. We shall undertake the work to modify the inner structure, services, interiors and utilities. The polyclinics are proposed to have consultation rooms for specialists in OPDs. The super specialists in neuro, cardiac and orthopedics are proposed to visit the centre once a week from our hospital. The polyclinics shall be equipped with basic diagnostics like X-rays, Ultrasound, Pathology, ECG etc. No orders have been placed for procurement of the requisite equipments. The patients requiring high end treatment or critical trauma patients shall be shifted to our hospitals at Noida and Faridabad in ambulance with advance life support system. The specialists from the local area shall be involved in the treatment and post treatment care of the patients when they return back to their city. The polyclinics shall comprise of:

- Emergency / Triage
- Consultation Rooms
- Diagnostic Centre
- IPD Beds
- Small procedure room with OT facility for minor procedures
- 24X7 Pharmacy

The detailed break-up of proposed investment in each polyclinic is as under.

		(₹ in lakhs)
Particulars	Estimated Cost	
Security Deposit	27.00	
Cost for civil modifications, interiors and utilities	240.00	
Furniture & Fixtures	60.00	
Cost of Medical Equipment	144.06	
Miscellaneous Fixed Assets	116.13	
<b>TOTAL</b>	<b>587.19</b>	

The security deposit / advance have been estimated at 6 months' rent with an average rent of ₹ 30 sq ft per month. The cost of interiors will include civil modifications for consultation rooms, emergency area, diagnosis centre, small procedure rooms with OT facilities for minor procedures, air conditioning, electrical, medical gas pipeline, fire fighting, gensets, lifts etc The cost of interiors at ₹ 240 lakhs and furniture & fixture at ₹ 60 lakhs per polyclinic is based as per quotation dated April 02, 2012 of Kothari Associates Private Limited, New Delhi.

#### Medical Equipments

The breakup of medical equipments required for each of the polyclinic is as under. The cost of medical equipments is estimated at ₹ 144.06 lakhs which is based on the quotations received from various vendors.

S. No.	Description/Type	Model / Make	Name of Supplier/Vendor	Date of Quotation	Quantity	Amount (₹ in lakhs)
1	Patient Monitor	GE B20	Wipro GE Healthcare Pvt. Ltd.	09/02/2012	2	8.82

S. No.	Description/Type	Model / Make	Name of Supplier/Vendor	Date of Quotation	Quantity	Amount (₹ in lakhs)
2	Patient Monitor	DASH 4000	Wipro GE Healthcare Pvt. Ltd.	09/02/2012	1	5.18
3*	Ventilator	Carina	Drager Medical India Pvt. Ltd. (at a price of Euro 12,279 per machine)	31/01/2012	4	32.76
4*	Anesthesia Work Station	Fabius Plus	Drager Medical India Pvt. Ltd. (at a price of Euro 22,857)	31/01/2012	1	15.25
5	Electro Hydraulic Operating Table	SS-1100	Cognate India	01/02/2012	1	4.42
6	Ceiling Shadow less Operating Lamp	CI-LED 5+3	Cognate India	01/02/2012	1	6.07
7	Blood Coagulation Analyzer	Sysmex CA-50	Transasia Bio-Medicals Limited	21/02/2012	1	2.35
8	Automated Hematology analyser	Sysmex KX-21	Transasia Bio-Medicals Limited	21/02/2012	1	4.75
9	Bio-chemistry Analyzer	Erba Chem – 5+V2	Transasia Bio-Medicals Limited	21/02/2012	1	1.80
10	Holter Analysis System	GE Mars Express	Wipro GE Healthcare Pvt. Ltd.	09/02/2012	1	7.50
11	Defibrillator	GE Responder 2000	Wipro GE Healthcare Pvt. Ltd.	09/02/2012	1	5.70
12	ECG Machine	GE Mac 600 ¾ Channel	Wipro GE Healthcare Pvt. Ltd.	09/02/2012	2	1.70
13	Ultrasound / Color Doppler System	LOGIQ P 5 PRO	Wipro Healthcare Pvt. Ltd.	09/02/2012	1	17.50
14	ICU / Emergency Beds with lockers and table	DX4201A	Janak Healthcare Private Limited	31/01/2012	5	6.68
15	Patients bed with lockers and table	Semi fowler BX 2000	Janak Healthcare Private Limited	31/01/2012	10	6.08
16	X-ray Machine	MediRay 300-ma	Accordis Healthcare	31/01/2012	1	15.00
17	Miscellaneous Surgical Instruments		Management Estimate			2.50
<b>TOTAL</b>						<b>144.06</b>

\* The conversion rate has been taken at 1 Euro = ₹ 66.70 for imported equipments

#### Miscellaneous Fixed Assets

We need to incur expenditure on other miscellaneous fixed assets as well like ambulances with advance life support systems, stretcher trolleys, dressing trolleys, wheel chairs, oxygen cylinders, CCTV cameras, computers and other office equipment. The cost of miscellaneous fixed assets is estimated at ₹ 116.13 lakhs for each polyclinic.

Item	Model / Make	Name of Supplier	Quantity	Amount (₹ in lakhs)
Traveler Ambulance	BS – IV, 3350 mm WB with TD 2200 FT CRDI Engine Body Fabrication	Tempo Automobiles Private Limited	1	9.33
		Jesai Healthcare (India) Private Limited		6.09

Item	Model / Make	Name of Supplier	Quantity	Amount (₹ in lakhs)
Equipments for Ambulance	Ventilator Model S2/T, defibrillator (AED), Phillips-Suresigns, Syringe Pump, Infusion Pump etc.	Jesai Healthcare (India) Pvt. Ltd	1	8.71
Computers & office equipments, stretcher trolleys, dressing trolleys, oxygen cylinders, wheel chairs, weighing machines etc.		Management Estimates		92.00
<b>TOTAL</b>				<b>116.13</b>

#### Implementation Schedule for setting up of eight Polyclinics

The estimated schedule of implementation of the Project is as under:

Activity	Estimated	
	Commencement date	Date of Completion
Possession of constructed space	October, 2012	March, 2013
Placement of order for equipments	November, 2012	March, 2013
Completion of interiors / fixtures	November, 2012	May, 2013
Arrival of equipments and commencement of operations	December 2012	July 31, 2013

#### 4. Repayment / Prepayment of loan facilities

We intend to utilize up to ₹ 1,000.00 lakhs out of the proceeds of the issue towards the prepayment / repayment of the secured debt. The prepayment / repayment of debt will reduce our financial expenses and thus improve our profitability. Brief details of the loan facilities proposed to be partly repaid / prepaid from the proceeds of the Issue are provided below:

(₹ in lakhs)						
Name of Bank	Nature and Purpose of Loan	Date of Sanction / Disbursement	Current rate of interest	Loan sanctioned	Amount Outstanding (as on April 30, 2012)	Amount proposed to be repaid
Bank of India	Term Loan for Purchase of Medical Equipment	August 26, 2010 Repayable in 24 quarterly installments	14.75% p.a.	1,875.00	1,655.00	1,000.00

Prepayment penalty at a simple rate of 2% p.a. is to be charged for the remaining tenure of the term loan. Mr. V K Lalla (Membership No. 80847), Partner, Chandio & Guliani, Chartered Accountants, vide their certificate dated May 05, 2012 has certified that the said loan has been used for the purpose for which it was raised from the Bank. For details of our borrowing refer to the section titled "Financial Indebtedness" on page 173 of this Draft Red Herring Prospectus.

#### 5. General Corporate Purposes

The Proceeds of the Issue will be first utilized towards the Objects. We intend to deploy the balance Issue proceeds and / or Internal accruals aggregating ₹ [●] lakhs, towards the general corporate purposes, including but not restricted to entering into brand building exercises and strengthening our marketing capabilities or contingencies in ordinary course of business which may not be foreseen or any other purposes as approved by our Board of Directors. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. However, not more than 10% of the proceeds of issue would be deployed for the General Corporate purposes.

## 6. Expenses for the Issue

The Issue related expenses consist of underwriting fees, selling commission, fees payable to BRLM to the Issue, Legal Counsel, Escrow Collection Banks and Registrar to the Issue, printing and distribution expenses, advertising and marketing expenses, depository fees, and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges. We intend to use about ₹ [●] lakhs towards these expenses for the Issue. All expenses with respect to the Issue will be borne out of Issue proceeds and / or internal accruals.

Particulars	Amount (₹ in Lakhs)*	As a % of Total Issue Size	As a % of Total Issue Expenses
BRLM / Syndicate member fee	[●]	[●]	[●]
Underwriting, Brokerage, Selling Commission and Processing fees to SCSBs	[●]	[●]	[●]
Advertising & Marketing expenses	[●]	[●]	[●]
Registrar to the Issue	[●]	[●]	[●]
Printing, Stationary, Dispatch	[●]	[●]	[●]
Other expenses (including listing fee, SEBI filing fee, IPO Grading fee, Legal Counsel fee, Depository charges, Auditor's fee, etc.)	[●]	[●]	[●]
<b>Total</b>	[●]	[●]	[●]

\*will be incorporated at the time of filing of the prospectus

### Estimated Schedule of Deployment of Funds

As estimated by our management, the entire proceeds from the Issue would be utilized as under:

Particulars	Funds Already Deployed (till April 02, 2012)	(₹ in lakhs)		
		FY 2012-13	FY 2013-14	Total
Equity investment in our wholly owned subsidiary, Ojjus Fidelity Healthcare Private Limited	-	2,000.00	-	<b>2,000.00</b>
Setting up of Wellness & Cosmetology Centre at Gurgaon	-	1,462.65	-	<b>1,462.65</b>
Establishment of eight Polyclinics within a radius of 200 km from Noida	-	3,016.95	1,680.57	<b>4,697.52</b>
Repayment / Prepayment of loan facilities	-	1000.00	-	<b>1,000.00</b>
General Corporate Purposes	-	[●]	[●]	[●]
Expenses for the Issue	5.00	[●]	[●]	[●]
<b>Total</b>	<b>5.00</b>	[●]	[●]	[●]

### Deployment of Funds in the Project

We have incurred ₹ 5.00 lakhs upto April 02, 2012 towards objects of the issue which has been certified by Mr. V K Lalla (Membership No. 80847), Partner, Chandiok & Guliani, Chartered Accountants, vide their certificate dated April 02, 2012. The same has been incurred towards payment of issue related expenses and have been financed through internal accruals.

### Second hand Machinery

We do not intend to utilize the proceeds of the issue for any purchase of second hand machinery or equipment.

### Working Capital Requirement

The proceeds of the issue will not be used to meet our working capital requirements as we expect to have internal accruals, avail debt and / or drawdown from our existing or new lines of credit to meet our working capital requirements.

**Bridge Financing Facilities**

We have not raised any bridge loan against the proceeds of the issue.

**Interim Use of Proceeds**

Pending utilization of the proceeds out of the Issue for the purposes described above, we intend to temporarily invest the funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks and other investment grade interest bearing securities as may be approved by the Board. Such investments would be in accordance with the investment policies approved by the Board from time to time.

**Monitoring of Utilization of Funds**

There is no requirement for appointment of an independent monitoring agency in terms of Regulation 16(1) of the SEBI ICDR Regulations. Pursuant to Clause 49 of the listing agreement, the Audit Committee of our Board will monitor the utilization of the proceeds of the Issue.

We shall, on a quarterly basis disclose to the Audit Committee the uses and application of the proceeds of the Issue and further disclose the same a part of the quarterly declaration of financial results. We will disclose the utilization of the proceeds of the Issue under a separate head in our balance sheet till such time the proceeds of the Issue have been utilised, clearly specifying the purpose for which such proceeds have been utilized. We will also, in our balance sheet till such time the proceeds of the Issue have been utilised, provide details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue. The said annual disclosure shall also be certified by the Statutory Auditors of our Company.

No part of the proceeds from the Issue will be paid by us as consideration to our Promoter, our Directors, Key Management Personnel or Promoter Group Entities, except proposed investment of ₹ 2,000 lakhs in our Subsidiary, Ojjus Fidelity Healthcare Private Limited and proposed payment of ₹ 300 lakhs of security deposit to our Promoter Group Company, KR Chawla Consulting Private Limited, for licensing the premises for Cosmetology & Wellness Centre at Gurgaon and in the normal course of our business as disclosed under section titled “Interest of Directors”, “Interest of Promoters” and “Interest of Key Managerial Personnel” on page 107, 115 and 112 respectively of this Draft Red Herring Prospectus.

Neither our Promoter nor any Directors and / or entities comprising the Promoter Group have any interest either in the proposed procurement of any equipment indicated under the Section “Objects of the Issue” or any of the entities from whom quotations have been obtained for the proposed procurement.

### ISSUE STRUCTURE

The present Issue of [●] Equity Shares, at a price of ₹ [●] for cash aggregating ₹ 9,800 lakhs, is being made through the 100% Book Building Process. Our Company is considering a Pre-IPO Placement of up to [●] Equity Shares, for cash consideration aggregation up to ₹ 3,000 lakhs with certain investors. The Pre-IPO Placement is at the discretion of our Company. Our Company will complete the issuance and allotment of such Equity Shares, if any, prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 25% of the post-Issue paid-up equity capital being offered to the public.

Particulars	QIBs#	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares*	Not more than [●] equity shares or Issue less allocation to Non-Institutional Bidders and Retail Bidders	Not less than [●] equity shares or Issue less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] equity shares or Issue less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Issue Size available for allocation	Not more than 50% of the Issue (of which 5% shall be available for allocation for Mutual Funds) or Issue less allocation to Non-Institutional Bidders and Retail Bidders. Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion, if any, in the Mutual Fund portion will be available to remaining QIBs.	Not less than 15% of the Issue or Issue less allocation to QIB Bidders and Retail Individual Bidders	Not less than 35% of the Issue or Issue less allocation to QIB Bidders and Non-Institutional Bidders
Basis of Allocation if respective category is oversubscribed	Proportionate as follows: (a) Upto [●] Equity Shares shall be allocated on a proportionate basis to Mutual Funds in the Mutual Funds Portion; (b) Balance [●] Equity Shares shall be allocated on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate
Minimum Bid / Bid lot	Such number of Equity Shares that the Bid Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter.	Such number of Equity Shares that the Bid Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Maximum Bid / Bid lot	Such number of equity shares not exceeding the Issue, subject to regulations as applicable to the Bidder.	Such number of equity shares not exceeding the Issue subject to regulations as applicable to the Bidder.	Such number of Equity Shares so as to ensure that the Bid Amount does not exceed ₹ 2,00,000
Mode of Allotment	Compulsorily in dematerialised form	Compulsorily in dematerialised form	Compulsorily in dematerialised form
Allotment lot	[●] equity shares and in multiple of 1 equity share thereafter	[●] equity shares and in multiple of 1 equity share thereafter	[●] equity shares and in multiple of 1 equity share thereafter
Trading Lot	One Equity Share	One Equity Share	One Equity Share

Particulars	QIBs#	Non-Institutional Bidders	Retail Individual Bidders
Who can Apply**	Public financial institutions, as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds, foreign institutional investor registered with SEBI, multilateral & bilateral development financial institutions, Venture Capital Funds registered with SEBI, foreign Venture capital investors registered with SEBI, State Industrial Development Corporations, Insurance Companies registered with the Insurance Regulatory and Development Authority, Provident Funds with minimum corpus of ₹ 2,500 lakh and Pension Funds with minimum corpus of ₹ 2,500 lakh, National Investment Fund set up by Resolution No. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India, insurance funds set up and managed by the army, navy and air force of the Union of India, and insurance funds set up and managed by the Department of Posts, GoI.	Resident Indian individuals, HUF (in the name of Karta), companies, corporate bodies, NRIs, societies and trusts	Individuals (including NRIs and HUFs in the name of Karta) applying for Equity Shares such that the Bid Amount does not exceed ₹ 200,000 in value.
Terms of Payment	The entire Bid Amount on bidding, to be blocked by the SCSBs pursuant to Bids being submitted by ASBA Bidder	The entire Bid Amount on bidding, to be blocked by the SCSBs pursuant to Bids being submitted by ASBA Bidder	The entire Bid Amount shall be payable at the time of submission of Bid cum Application Form to the Members of the syndicate. In case of ASBA Bidders, the SCSBs shall be authorised to block such funds in the bank account of the ASBA Bidder that are specified in the Bid cum Application Form.

# Our Company may allocate upto 30% of the QIB Portion to Anchor Investors, out of which one-third will be available for allocation to Domestic Mutual Funds. In the event of under subscription in Anchor Investors Portion, the balance equity shares shall be added to the Net QIB Portion.

\* Subject to valid bids being received at or above the Issue Price. Under subscription, if any, in any category would be met with spill-over from other categories or a combination of categories in accordance with applicable laws, regulations and guidelines. Investors may note that in case of over-subscription in the Issue, allotment to QIB Bidders, Non-Institutional Bidders and Retail Individual Bidders shall be on a proportionate basis

\*\* In case the Bid cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and in the same sequence in which they appear in the Bid cum Application Form.



### BASIS FOR ISSUE PRICE

The Issue Price will be determined by us in consultation with the BRLM on the basis of assessment of market demand for the Equity Shares offered by way of Book Building.

Investors should read the following summary along with the section titled “Risk Factors” on page 10 and section titled “Financial Statements” on page 127 of this Draft Red Herring Prospectus. The trading price of the equity shares of our Company could decline due to these factors and you may lose all or part of your investment.

#### Qualitative Factors

Our following strengths help us to complete successfully in our industry:

- Experienced Team of Skilled doctors
- Quality patient care
- Specialty focus

For details on the qualitative factors which form the basis for computing the price, please see the section titled “Our Business” on page 79 of this Draft Red Herring Prospectus.

#### Quantitative Factors

Information presented in this section is derived from our company’s restated financial statements prepared in accordance with Indian GAAP. The quantitative factors, which form the basis for computing the price, are as follows:

#### 1. Weighted average Earning Per Share (Basic & Diluted)

##### (a) Standalone

Period	EPS (₹)	Weight
Year ended March 31, 2009	4.79	1
Year ended March 31, 2010	5.50	2
Year ended March 31, 2011	19.92	3
<b>Weighted Average EPS</b>	<b>12.60</b>	

##### (b) Consolidated

Period	EPS (₹)	Weight
Year ended March 31, 2010	5.50	1
Year ended March 31, 2011	19.65	2
<b>Weighted Average EPS</b>	<b>14.93</b>	

The EPS based on restated standalone and consolidated financial statements for the ten months ended January 31, 2012 is ₹ 12.82 and ₹ 12.31 respectively.

#### 2. Price Earning (P/E) ratio in relation to Issue Price of ₹ [●] per share of ₹ 10 each

	At the lower Band of ₹ [●]	At the upper Band of ₹ [●]
a) (i) Based on weighted average EPS (standalone)	[●]	[●]
(ii) Based on weighted average EPS (consolidated)	[●]	[●]
b) (i) Based on EPS as on March 31, 2011 (standalone)	[●]	[●]
(ii) Based on EPS as on March 31, 2011 (consolidated)	[●]	[●]
c) Industry PE Multiple:		
Highest (Apollo Hospitals Enterprise Limited)		36.60
Lowest (Kovai Medical Centre & Hospital Limited)		8.50
Average		30.50

Source: Capital Market Vol. XXVII/05 April 30 - May 13, 2012, Industry: Healthcare

**3. Return on Net Worth****(a) Standalone**

Year	RONW%	Weight
Year ended March 31, 2009	20.77	1
Year ended March 31, 2010	20.77	2
Year ended March 31, 2011	48.49	3
Weighted Average	<b>34.64</b>	

**(b) Consolidated**

Year	RONW%	Weight
Year ended March 31, 2010	20.77	1
Year ended March 31, 2011	48.16	2
Weighted Average	<b>39.03</b>	

Return on Net Worth based on the restated standalone and consolidated financial statements for the ten months period ended January 31, 2012 is 17.47% and 17.02%.

Minimum Return on total Net Worth after issue needed to maintain pre-issue EPS (standalone) of ₹ 19.92 is [●]%. Minimum Return on total Net Worth after issue needed to maintain pre-issue EPS (consolidated) of ₹ 19.65 is [●]%.

**4. Net Asset Value per Equity Share**

Particulars	Amount (₹)
Issue Price	[●]
<b>Standalone</b>	
As on March 31, 2011	36.49
As on January 31, 2012	62.98
After the Issue	[●]
<b>Consolidated</b>	
As on March 31, 2011	36.26
As on January 31, 2012	62.06
After the Issue	[●]

**5. The accounting ratios of selected companies in the Peer Group**

Name of the Company	Total income (₹)	Face Value (₹)	EPS (₹)	P/E	RONW%	(Standalone) NAV (₹)
Goodwill Hospital and Research Centre Limited (As on March 31, 2011)*	5,358.30	10	19.92	[●]	48.49	36.49
Fortis Malar Hospitals Limited	8,369.49	10	2.92	9.14	20.90	13.91
Kovai Medical Centre & Hospital Limited	17,595.30	10	11.05	9.50	23.83	46.38
Regency Hospital Limited	5,220.41	10	2.39	18.97	8.78	27.18

EPS, RONW and NAV have been calculated from the annual report of the peer group for the financial year ended March 31, 2011. (For calculation of Net worth of peer group, revaluation reserve has been excluded).

\* EPS, return on net worth and book value per share have been calculated from standalone restated financial statements.

PE is calculated based on the standalone EPS for the financial year ended March 31, 2011 and the Market Price of peer group Company as on April 30, 2012 on Bombay Stock Exchange Limited ([www.bseindia.com](http://www.bseindia.com)).

(Consolidated)						
Name of the Company	Total Income (₹)	Face Value (₹)	EPS (₹)	P/E	RONW%	NAV (₹)
Goodwill Hospital and Research Centre Limited (As on March 31, 2011)*	5,358.30	10	19.65	[●]	48.16	36.26
Fortis Malar Hospitals Limited	8,369.49	10	2.93	9.11	21.03	13.92
Kovai Medical Centre & Hospital Limited	17,565.30	10	11.06	9.49	23.97	46.13
Regency Hospital Limited	5,220.41	10	2.39	18.97	8.78	27.18

*EPS, RONW and NAV have been calculated from the annual report of the peer group for the financial year ended March 31, 2011. (For calculation of Net worth of peer group, revaluation reserve has been excluded).*

*\* EPS, return on net worth and book value per share have been calculated from Consolidated restated financial statements.*

*PE is calculated based on the consolidated EPS for the financial year ended March 31, 2011 and the Market Price of peer group company as on April 30, 2012 on Bombay Stock Exchange Limited ([www.bseindia.com](http://www.bseindia.com)). For companies which do not have subsidiaries, their standalone results have been taken as consolidated results also.*

For details on calculation of ratios of our Company, refer to the section titled “Standalone Financial Statements - Statement of Accounting Ratios” and “Consolidated Financial Statements - Statement of Accounting Ratios” on page 147 and 170 of the Draft Red Herring Prospectus.

The Issue Price is [●] times of the face value of the Equity Shares. The issue price of ₹ [●] per Equity Share has been determined by us in consultation with the BRLM, on the basis of assessment of market demand for the offered securities by way of Book Building process and is justified based on the above accounting ratios. Investor should read the following summary along with the section titled “Risk Factors” on page 10, “Financial Statement” on page 127 and the “Our Business - Strengths and Growth Strategies” on page 83 of this Draft Red Herring Prospectus.

### STATEMENT OF TAX BENEFITS

To,  
The Board of Directors  
Goodwill Hospital and Research Centre Limited,  
705, Kailash Building, 26, Kasturba Gandhi Marg,  
New Delhi – 110001

Dear Sir,

**Statement of Possible Tax Benefits available to the Company and its shareholders**

We hereby report that the enclosed statement states the possible tax benefits available to the company and to the shareholder of the Company under the Income Tax act 1961 and Wealth Tax Act, 1957, 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 their fulfilling such conditions, which based on 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. The 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.

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

- 1) The company or its share holders will continue to obtain these benefits in future; or
- 2) The conditions prescribed for availing the benefits have been/would be met with.

The contents of the enclosed statements are based on information, explanation and representations obtained from the company and on the basis of their understanding of the business activities and operations of the Company.

We have no objection if the attached statement i.e. Tax Benefits Available to Goodwill Hospital and Research Centre Limited and its shareholders is incorporated in the Red Herring Prospectus / Prospectus to be submitted to the concerned authorities.

**For Chandiok & Guliani**  
**Chartered Accountants**  
**FRN:-001199N**

**V. K. Lalla**  
**Partner**  
**M No.80847**

Place: New Delhi  
Date: 28.03.2012

## **STATEMENT TAX BENEFITS**

As per current provisions of the Income Tax Act, 1961 and the existing laws for the time being in force, no special tax benefits are available to the Company or its shareholders.

The following general tax benefits will be available to the company & its members:

### **(A) Under the Income –Tax Act, 1961(“the Act”)**

#### **1. Benefits Available to the Company**

**1.1** Under Section 10(34) of the Act, any income by way of dividends referred to in section 115O (i.e. dividends declared, distributed or paid on or after April 1, 2003 by domestic companies) received on the shares of any Company is exempt from Tax.

**1.2** Under section 32(1) (ii) of the Act, the company can claim depreciation allowance at the prescribed rates on tangible assets such as building, plant and machinery, furniture and fixtures etc. and intangible assets such as patent, trademark, copyright, licenses, know-how, franchises or any other business or commercial rights of similar nature if acquired after March 31, 1998.

**1.3** The Company is eligible for amortization of preliminary expenses being the expenditure on public issue of share under Section 35D (2) (c) (iv) of the Act, subject to limits specified in sub section (3).

**1.4** Under Section 54EC of the Act, capital gain arising from transfer of long term capital assets (other than those exempt u/s 10(38) of the Act) shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months after the date of such transfer for a period of at least three years in the bonds issued by-

**a)** National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988 and notified by the Central Government in the Official Gazette for the propose of this section ;or

**b)** Rural Electrification Corporation limited (RECL) a company formed and registered under the Companies Act 1956, and notified by the Central Government in the Official Gazette for the purpose of this section.

**1.5** Under the Provisions of Section 48 of the Income Tax Act, 1961 if the company’s shares are sold after being held for not less than twelve months, the gains if any will be treated as long term capital gains and the gains shall be calculated by deducting from the gross consideration, the indexed cost of acquisition.

**1.6** Under Section 112 of the Income Tax Act, 1961 and other relevant provisions of the Act, Long Term Capital Gains (i.e. shares are held for a period exceeding 12 months) (in case not covered under section 10(38) of the Act), arising on transfer of shares in the Company, shall be taxed at the rate of 20% (Plus applicable surcharge) after indexation as provided in the second proviso to section 48. The amount of such tax should however, be limited to 10% (plus applicable surcharge) without indexation, at the option to the shareholder, if the transfer is made after listing of shares.

**1.7** Under Section 111A of the Income Tax Act 1961 and other relevant provision of the Act, short term capital gains, (i.e., if shares are held for a period of less than 12 months) (in case not covered under section 10(38) of the Act), arising on transfer of shares of the company shall be taxed at a rate of 15% (plus applicable education cess) subject to conditions specified therein.

**1.8** As per the provisions of Section 10(38) of the Income Tax Act, as inserted by Finance (No.2) Act, 2004, any income arising from the transfer of a long term capital asset being an equity share in a Company or a Unit of an Equity Oriented Fund (held for more than 12 months) where the sale transaction is chargeable to securities transaction tax, is exempt from tax.

**1.9** The company is entitled to a deduction under section 80 G of the Income tax Act in respect of amounts contributed as donations to various charitable institutions and funds covered under that section subject to fulfillment of conditions prescribed therein.

**1.10** In terms of Section 115JAA(1A) of the Act tax credit shall be allowed for any Assessment Year commencing on or after April 01, 2006. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Act. The credit is available for set off only when tax becomes payable under the normal provisions and the tax credit can be utilized to set-off any tax payable under the normal provisions in excess of MAT payable for that relevant year. MAT credit in respect of MAT paid shall be available for set-off up to 10 years succeeding the year in which the MAT credit initially arose.

## **2. Benefits Available to the Resident Shareholders**

**2.1** Under Section 10(34) of the Act, income earned by way of dividend from, domestic company referred to in section 115-o of the Act is exempt from income – tax in the hands of the shareholders.

**2.2** In terms of section 10(23D) of the Income Tax Act all mutual funds setup by public sector bank or public financial institutions or Mutual Funds registered under the Securities and Exchange Board of India or authorized by the Reserve Bank of India, subject to the conditions specified therein are eligible for exemption from Income Tax on all their income, including income from investments in shares of the company.

**2.3** Under the Provisions of Section 48 of the Income Tax Act, 1961 if the company's shares are sold after being held for not less than twelve months, the gains if any will be treated as long term capital gains and the gains shall be calculated by deducting from the gross consideration, the indexed cost of acquisition.

**2.4** In accordance with and subject to the conditions and to the extent specified in Section 54 EC of the Income Tax Act, 1961, the Shareholders would be entitled to exemption from long Term Capital Gains on sale of shares of the company up to investment made out of long Term Capital Gains arising from the sale of such shares in any specified Bonds issued by National Highways Authority of India (NHAI), Rural Electrification Corporation of India (RECI).

**2.5** In case of shareholder, being an individual or Hindu Undivided Family, in accordance with and subject to the conditions and to the extent specified in Section 54F of the Income Tax Act, 1961 the shareholders would be entitled to exemption from Long Term Capital Gains on sale of their shares in the company upon investment of Net consideration in purchase/ construction of a residential house.

**2.6** Under Section 111A of the Income Tax Act 1961 and other relevant provision of the Act, short term capital gains, (i.e., if shares are held for a period of less than 12 months) (in case not covered under section 10(38) of the Act), arising on transfer of shares of the company shall be taxed at a rate of 15% (plus applicable education cess) if the following condition are satisfied.

- a) The transaction of sale of such equity share or unit is entered into on or after October 1, 2004.
- b) Such transaction is chargeable to securities transaction tax.

**2.7** As per the provisions of Section 10(38) of the Income Tax Act, as inserted by Finance (No.2) Act, 2004, any income arising from the transfer of a long term capital asset being an equity share in a Company or a Unit of an Equity Oriented Fund (held for more than 12 months) where the sale transaction is chargeable to securities transaction tax, is exempt from tax.

**2.8** As per section 112 of the Act, taxable long-term capital gains, if any, on sale of shares of the Company other than exempt under the provision of section 10(38) will be charged to tax at the rate of 20% (plus applicable surcharge and cess) after considering indexation benefits or at 10% (plus applicable surcharge

and cess) without indexation benefits, whichever is less. Under section 48 of the Act, the long term capital gains arising out of sale of shares will be computed after indexing the cost of acquisition/ improvement.

**3. Benefits Available to the Non-Resident Indians/Non-Resident Shareholders (Other than Foreign Institutional Investors):**

**3.1** Under Section 115-I of the Income Tax Act, a non-resident Indian (i.e. an individual being a citizen of India or a person of Indian Origin who is not a resident may elect not to be governed by the provisions of Chapter XII-A (Sections 115-C to Sections 115-I) for any Assessment Year by declaring in writing in the return. In that case his income for that year shall be computed and tax on such total income shall be charged in accordance with the other provisions of the Income Tax Act.

**3.2** In case of Non-Resident Shareholders, if the shares in the company have been acquired or purchased with, or subscribed to, in convertible foreign currency, the Long Term Capital Gains on Sale of shares in the company (transfer of shares held for more than a period of 12 months) (in case not covered under section 10(38) of the act) shall be concessionally charged to tax at the rate of 10% (Plus Surcharge as applicable) (without indexation benefit but with protection against foreign exchange fluctuation) without aggregating any other income earned in India, which is taxed separately as specified in clause (b) to Section 115E.

**3.3** The long Term Capital Gains on sale of shares (in case not covered under section 10(38) of the Act) in the company shall be exempted from tax upon re-investment of Net consideration in any specified assets as specified in sub section (1) to Section 115F within six months from the date of Transfer of Shares. The amount so exempt from tax shall, however, be chargeable to tax, if the new asset is transferred or converted into money within three years from the date of acquisition of the specified new asset.

**3.4** Under Section 10(34) of the Act, income earned by way of dividend from, domestic company referred to in section 115-o of the Act is exempt from income – tax in the hands of the shareholders.

**3.5** As per section 10(38) of the Act, long term capital gains arising from the transfer of long term capital asset being an equity share of the Company, where such transaction is chargeable to securities transaction tax, will be exempt in the hands of the shareholder.

**3.6** As per first proviso to section 48 of the Act, in case of a non resident shareholder, the capital gain/loss arising from transfer of shares of the Company, acquired in convertible foreign exchange, is to be computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively incurred in connection with such transfer, into the same foreign currency which was initially utilized in the purchase of shares. Cost Indexation benefit will not be available in such a case.

**3.7** In accordance with and subject to the conditions and to the extent specified in Section 54 EC of the Income Tax Act, 1961, the Shareholders would be entitled to exemption from long Term Capital Gains on sale of shares of the company up to investment made out of long Term Capital Gains arising from the sale of such shares in any specified Bonds issued by National Highways Authority of India (NHAI), Rural Electrification Corporation of India (RECI).

**3.8** In case of shareholder, being an individual or Hindu Undivided Family, in accordance with and subject to the conditions and to the extent specified in Section 54F of the Income Tax Act, 1961 the shareholders would be entitled to exemption from Long Term Capital Gains on sale of their shares in the company upon investment of Net consideration in purchase/ construction of a residential house.

**3.9** As per section 111A of the Act, short term capital gains arising from the sale of equity shares of the Company 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 and cess).

**3.10** As per section 112 of the Act, taxable long-term capital gains, if any, on sale of shares of the Company (other than exempt under the provision of 10(38)) will be charged to tax at 20% (plus applicable

surcharge and cess) after considering indexation benefit or at 10% (plus applicable surcharge and cess) without indexation benefits, whichever is less.

**3.11** 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.

**3.12** As per section 115H of the Act, where 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 that year under section 139 of the Act to the effect that the provisions of 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.

**3.13** In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Double Tax Avoidance Agreement, if any, between India and the country in which the non-resident is resident. As per the provisions of section 90(2) of the Act, the provisions of the Double Tax Avoidance Agreement would prevail over the provisions of the Act to the extent they are more beneficial to the non-resident.

#### **4. Benefits Available to Foreign Institutional Investors (FIIs)**

**4.1** In terms of section 10(34) of the Income Tax Act, 1961, 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 exempted from the tax

**4.2** As per section 10(38) of the Act, long term capital gains arising from the transfer of long term capital asset being an equity share of the Company, where such transaction is chargeable to securities transaction tax, will be exempt to tax in the hands of the FIIs.

**4.3** Under Section 54 EC of the Income Tax Act, 1961, 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 shares of the Company will be exempt from Capital gains tax if the capital gain are invested a period of 6 months after the date of such transfer for a period of at least 3 years in bonds issued by:

- a. National Highway Authority of India constituted under section 3 of the National Highway Authority of India Act, 1988.
- b. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

**4.4** As per section 111A of the Act, short term capital gains arising from the sale of equity shares of the Company 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 and cess).

**4.5** As per section 115AD of the Act, FIIs will be taxed on income or capital gains arising in respect of securities (other than unit referred to in section 115AB), at the following rates:

<b>Nature of income</b>	<b>Rate of tax (%)</b>
Long term capital gains other than exempt under the provision of section 10(38)	10
Short term capital gains other than referred to in section 111A	30

The above tax rates have to be increased by the applicable surcharge and cess.

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.



**4.6** As per section 196D of the Act, no tax is to be deducted from any income, by way of capital gains arising from the transfer of shares payable to Foreign Institutional Investor.

**4.7** The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Double Tax Avoidance Agreement, if any, between India and the country in which the FII is resident. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Double Tax Avoidance Agreement to the extent they are more beneficial to the FII.

## **5. Benefits Available to Foreign Institutional Investors (FIIs)**

**5.1** 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 authorised by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf.

### **(B) Benefits available under the Wealth Tax Act, 1957**

Asset as defined under section 2(ea) of the Wealth tax Act, 1957 does not include shares in companies and hence, shares of the Company are not liable to wealth tax in the hands of shareholders.

### **(C) 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.

## **Notes**

1. All the above benefits are as per the current tax laws. Accordingly, any change or amendment in the laws/regulation, including provision of proposed direct Taxes Code, would impact the same.
2. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investments in the shares of the company.
3. The above Statement of Possible 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 shares.
4. The stated benefits will be available only to the sole/first named holder in case the shares are held by joint holders.

**For Chandiok & Guliani**  
**Chartered Accountants**  
**FRN:-001199N**

**V. K. Lalla**  
**Partner**  
**M No.80847**

Place: New Delhi  
Date: 28.03.2012

## INDUSTRY OVERVIEW

*The information presented in this section has been obtained from publicly available documents from various sources, including officially prepared materials from the Government bodies and industry websites/publications. Industry websites/publications generally state that the information contained therein has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe industry, market and government data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified. Similarly, internal Company estimates, while believed by us to be reliable, have not been verified by any independent agencies. The information / data in this has been sourced from the following:*

Ministry of Finance – [www.finmin.nic.in](http://www.finmin.nic.in)

Website of Central Statistical Organization – [www.mospi.gov.in](http://www.mospi.gov.in)

Website of Department of Industrial Policy & Promotion – [www.dipp.nic.in](http://www.dipp.nic.in)

Website of Competition Commission of India - [www.cci.gov.in](http://www.cci.gov.in)

Website of Ministry of Health and Family Welfare – [www.mohfw.nic.in](http://www.mohfw.nic.in)

Website of FICCI – [www.ficci.com](http://www.ficci.com)

Website of WHO – [www.who.int](http://www.who.int)

Website of Insurance Regulatory And Development Authority – [www.irda.gov.in](http://www.irda.gov.in)

## INDIAN ECONOMY OVERVIEW

The overall growth in gross domestic product at factor cost at constant prices is estimated at 6.9 per cent in 2011-12 as compared to the revised growth of 8.4 per cent during 2010-11. The growth in real GDP is placed at 6.1 per cent in the third quarter of 2011-12. As per the latest estimates available on the Index of Industrial Production (IIP), The General Index for the month of February 2012 stands at 174.9, which is 4.1% higher as compared to the level in the month of February 2011. The cumulative growth for the period April – February 2011-12 stands at 3.5% over the corresponding period of the previous year. The indices of industrial production for mining, manufacturing and electricity, registered growth rates of 2.1%, 4.0% and 8.0%, respectively for the month of February 2012 as compared to February 2011. The cumulative growth during April - February 2011-12 over the corresponding period of 2010-11 in the three sectors have been (-) 2.1%, 3.7% and 8.7% respectively. In terms of industries, eighteen out of twenty two industries groups (as per 2-digit NIC-2004) in the manufacturing sector have shown positive growth during the month of February 2012 as compared to the corresponding month of the previous year.

The Foreign Direct Investment (FDI) investment has gone up from USD 32.90 Billion in 2010-11 to USD 38.35 Billion in 2011-12 (April – January 2012) as per provisional figures by RBI. The cumulative amount of FDI inflows from April 2000 - January 2012 amounts to USD 243.06 Billion. The FDI equity inflows for the period April 2011 to January 2012 was USD 26.19 Billion and the cumulative FDI equity inflows for the period April 2000 to January 2012 was USD 159.97 Billion.

## INDUSTRY OVERVIEW

India is perched to witness additional growth in its economy as a result of positive trends within the healthcare sector. The health industry has emerged as one of the most challenging sectors as well as one of the largest service sector industries in India with an estimated revenue of USD35 billion; it constitutes 5.2% of India's GDP and employs 4 million people. The Indian health industry is expected to grow at 15% per annum to USD78.6 billion, reaching 6.1% of GDP by 2012 and employing 9 million people by 2012.

Recognizing the significant potential and challenges in the health sector, the government has prioritized it in the Eleventh Five Year Plan. The private sector plays a significant role by contributing 4.3% of GDP and 80% share of healthcare provision. However, deficiencies persist with respect to access, affordability, efficiency, quality and effectiveness, despite the high level of overall private and public expenditure on health.

In order to be comparable with the healthcare parameters of other developing countries, India's healthcare sector faces many challenges. For example, to reach a ratio of two beds per 1000 population by 2025, an

additional 177 million beds will be required which will need a total investment of US\$86 billion. There is an acute shortage of doctors, nurses, technicians and healthcare administrators and an additional 0.7 million doctors are needed to reach a doctor population ratio of 1:1000 by 2025. Although the health insurance sector is projected to grow to US\$3.8 billion in collected premiums by 2012 from the annual collected premium of US\$711 million in 2006, there is a dismal health insurance penetration rate; at present only 2% of the total population is insured.

According to the WHO, total expenditure on healthcare in India constituted 4.2% of the Gross Domestic Product (GDP) in 2009 and was lower than in 2000, when it constituted 4.6%. This is lower than healthcare spending in other developing countries such as Brazil (9.0%), China (4.6%), Russia (5.4%) and South Africa (8.5%). In 2009, government spending on healthcare amounted to 4.1% of total government expenditure and 32.8% of total expenditure on health in India, as compared to 6.1% & 45.7% in Brazil, 10.3% & 50.3% in China, 8.5% & 64.4% in Russia and 9.3% & 40.1% in South Africa. Similarly, per capita total expenditure on healthcare was US\$ 45 in India as compared to US\$ 734 in Brazil, US\$ 169 in China, US\$ 475 in Russia and US\$ 485 in South Africa during 2009.

Country	Total Expenditure on Health as % of GDP	Government Expenditure on Health as % of total government expenditure	Government Expenditure on Health as % of total expenditure on health	Per Capita Total Expenditure on Health at average exchange rate (US \$)	Per Capita Govt. Expenditure on Health at average exchange rate (US \$)
	2009	2009	2009	2009	2009
India	4.2	4.1	32.8	45	15
Brazil	9.0	6.1	45.7	734	335
China	4.6	10.3	50.3	169	85
Russia	5.4	8.5	64.4	475	306
Japan	8.3	17.9	80.0	3,321	2,657
Malaysia	4.8	7.1	44.8	337	151
South Africa	8.5	9.3	40.1	485	195
United Kingdom	9.4	15.1	83.6	3,285	2,747
United States	16.2	18.7	48.6	7,410	3,602

Source: World Health Organization ([www.who.int](http://www.who.int))

According to the WHO, despite increasing expenditure on healthcare, India lags behind other developing nations in many health categories, including life expectancy and infant mortality. Indian healthcare infrastructure and the number of healthcare professionals also compare poorly to other developing countries. India had only 9 hospital beds per ten thousand population in 2009, while countries such as Brazil, China, Russia and South Africa had an average of 24, 41, 97, 28 beds per ten thousand population respectively. However as per a study by an industry body and Ernst & Young, India would require another 1.75 million beds by the end of 2025.

Country	Life Expectancy at Birth Years	Infant Mortality Rate (Per 1,000 live births)	Number of Physicians Nos.	Physicians Density (Per 10,000 population)	Number of Nurses Nos.	Nurses Density (Per 10,000 population)	Number of Dentist Nos.	Dentist Density (Per 10,000 population)	Hospital Beds (Per 10,000 population)
	2009	2010	2010	2010	2010	2010	2010	2010	2009
India	65	48	6,60,801	6	14,30,555	13	78,096	0.7	9
Brazil	73	17	3,29,041	17.2	12,43,804	65.0	2,19,827	11.5	24
China	74	16	19,05,436	14.2	18,54,818	13.8	51,012	0.4	41
Russia	68	9	6,14,183	43.1	12,14,292	85.2	45,628	3.2	97
Japan	83	2	2,64,515	20.6	5,31,210	41.4	94,882	7.4	138
Malaysia	73	5	25,102	9.4	72,847	27.3	3,640	1.4	18
South Africa	54	41	34,829	7.7	1,84,459	40.8	5,995	1.3	28

Country	Life Expectancy at Birth Years	Infant Mortality Rate (Per 1,000 live births)	Number of Physicians Nos.	Physicians Density (Per 10,000 population)	Number of Nurses Nos.	Nurses Density (Per 10,000 population)	Number of Dentist Nos.	Dentist Density (Per 10,000 population)	Hospital Beds (Per 10,000 population)
	2009	2010	2010	2010	2010	2010	2010	2010	2009
United Kingdom	80	5	1,65,317	27.4	6,21,755	103	31,145	5.2	34
United States	79	7	7,93,648	26.7	29,27,000	98.2	4,63,663	16.3	31

Source: World Health Organization ([www.who.int](http://www.who.int))

### The Indian Healthcare Industry

The Healthcare Sector in India comprises of hospitals and allied sectors such as diagnostics and pathology, medical equipments and supplies, medical tourism and private medical insurance. During the period 2000-09, the sector has registered a growth of 9.3%. The share of private expenditure as to the total expenditure on health has grown from about 60% to almost 80% over the last decade. The current share of public expenditure on health is 20%. With a view to raise government expenditure on health as a proportion of GDP to 2-3 % by 2012, the government launched the National Rural Health Mission [NRHM] in 2005. There are an increasing number of private players changing the nations' health delivery landscape. New hospitals are mushrooming even in Tier II and Tier III Cities and leading healthcare entrepreneurs with deep pockets are expanding. At the root is the new age patient who is ready to undertake the best possible treatment that money can buy. State of art technology, wonder drugs and five star facilities are now the hospital mantra. It is booming industry both in terms of revenue and employment. Currently the industry employs over 4 million people making one of the largest service industries in the economy.

The key issues driving growth in the healthcare industry have been identified as follows:

- 1) Population Growth
- 2) Expanding Middle Class-
- 3) Health Consciousness
- 4) Rise of Diseases
- 5) Medical Tourism

### The Public Healthcare in India

The public health infrastructure of India has grown since independence, but it is yet to match the basic healthcare facilities in many other countries. While in 1947 the number of hospital beds was 3.2 per 10,000, the present number of 9 per 10,000 is commendable but still far behind those of other developing countries. The healthcare system consists of primary, secondary and tertiary healthcare centres, and the focus of public healthcare has been on Primary healthcare [NRHM] as well as centres providing healthcare services and education. Government health care services are organised at different levels. Primary health care is provided through a network of over 147,068 health sub-centres, 23,673 PHCs and 4,535 CHCs. At the district level on an average there is a 150-bedded civil/district hospital in the main district town and a few smaller hospitals and dispensaries spread over other towns and larger villages.

### Private Healthcare in India

At the time of independence only about 8 per cent of all qualified modern medical care was provided by the private sector. But over the years the share of the private sector in the provision of healthcare has at about 80 per cent of all outpatient care and about 60 per cent of all in-patient care.

The private sector in India has a dominant presence in all the submarkets—medical education and training, medical technology and diagnostics, pharmaceutical manufacture and sale, hospital construction and ancillary services and, finally, the provisioning of medical care. Over 75 per cent of the human resources and advanced medical technology, 68 per cent of an estimated 15,097 hospitals and 37 per cent of 623,819 total beds in the country are in the private sector. Of these most are located in urban areas. The private sector's predominance in the health sector has led to inequities in access to healthcare. Hospitalisation rates among the well-off are six times higher than those among the poor.

### **Structure of the Healthcare Delivery Industry**

On the basis of infrastructural requirements and the types of services offered hospitals can be broadly classified into the following categories:

- **Primary Healthcare (PHC)** These institutions are generally clinics with one or more general practitioners. Though these are not equipped for ICUs and surgeries they are the most important contact point for healthcare in rural India and has limited private players.
- **Nursing Homes** can have one or more doctors and at least 20 beds. There are various types of nursing homes such as ophthalmic, orthopaedic, cardiac, dental clinics, Ear Nose Throat (ENT) clinics and maternity homes.
- **Secondary Care Hospitals** are bigger hospitals with typically 100-300 beds with surgical wards and ICU facilities. They can be further classified as general hospitals and specialty hospitals. While general hospitals offer inpatient facilities along with radiology, emergency care, general surgery and a few departments such as obstetrics, paediatrics, gynaecology etc. and dedicate 10% of their beds to ICU use. On the other hand specialty care hospitals, apart from general hospital departments also offer at least one specialty care such as cardiology, neurology, dermatology etc. Moreover these hospitals dedicate 25% of their beds to ICU usage.
- **Tertiary Care Hospitals** have around 300 beds and doctors offering top of the line facilities in specific specialties. Examples include Sankara Nethralaya (Chennai), Escorts Heart Institute and Research Centre (New Delhi), National Institute of Mental Health and Neuro Sciences (NIMHANS) etc. While these are single specialty hospitals there are multi specialty tertiary hospitals as well which offer a number of specialty services under one roof. Some prominent examples are the Indraprastha Apollo Hospital, New Delhi, Manipal Hospital, Bangalore and Max Hospital, Noida etc.
- **Quaternary Care Hospitals** are tertiary care hospitals offering super specialty surgical procedures including advanced cardiac, joint replacement, neurological etc. Osmania General Hospital (Hyderabad) and Apollo Children's Hospital (Chennai) are examples.

### **Public Private Partnership (PPP)**

Recognizing the increasing demand for better quality of healthcare, the government has devised a strategy for health development through public private partnerships. With the objective to improve the health of the population PPPs are seen in the context of viewing the medical sector as a national asset with health promotion as a goal of health providers public as well as private.

The utilization of hospital services in public and private sectors varies greatly from one state to another. The private sector has provided useful contribution in improving the healthcare provision besides the role of the public sector in of the states of Kerala and Tamil Nadu .The private sector too is keen to enter into PPP since it's the easiest route for them to enter into the market as well as to expand in lesser time. Since private players are faced with infrastructural constraints thus entering into PPP serves their purpose through leveraging public assets.

### **Ownership and Operating Models**

There are five basic operating models for hospitals in India:

- Facilities owned and operated by the government and local bodies;
- Facilities owned and operated by charitable trusts;
- Facilities owned and operated by for-profit corporations;
- Institutions and facilities owned by charitable trusts, the government, local bodies or for-profit institutions but operated by separate for-profit institutions; and
- Collaborations between government bodies and for-profit corporations (i.e., joint ventures and public-private partnerships).

Certain privately owned hospitals have become integrated healthcare providers by expanding into a wide variety of healthcare services including pharmacy, health insurance and telemedicine. Other for-profit hospital operators have chosen to focus primarily on healthcare delivery, adding tertiary and quaternary care facilities that serve as hubs for, and admit patients from, smaller primary and secondary care facilities in local communities.

Important factors for success for a private sector healthcare services provider are location, brand equity, quality of care provided, choice of specialty and specialty level, project cost and ability to control operating costs. While the first four factors are important to attract patients and improve occupancy rates and profitability, the other two, that is, project cost and operating margins, are important to ensure the financial viability of the hospital.

#### **Major Private Players in Healthcare Sector**

- Apollo Hospitals
- Max Healthcare
- Wockhardt
- Fortis Healthcare
- Manipal Group

Further large corporations such as the Reliance ADA Group and Aditya Birla Group have entered the industry to capitalize on the attractive growth that corporate hospital chains have been experiencing. The Kokilaben Dhirubhai Ambani Hospital and Medical Research Institute at Mumbai, a tertiary multispecialty hospital has been set up by the Reliance ADA Group. Lately, health cities aimed at catering to larger populations and the medical tourism industry by offering multiple specialties, alternative therapies, research and development centres, educational institutions and residential facilities; have been setup by corporate hospital groups. Dr. Naresh Trehan's Medicity, a large area catering to the medical and recuperative aspects for patients, is an example of health cities in India.

Besides competing with each other, the major private healthcare providers also compete with healthcare delivery facilities that are owned by individuals or non-profit entities supported by endowments, government agencies and charitable contributions in certain locations. These include major hospitals such as the All India Institute of Medical Sciences, New Delhi, Ganga Ram Hospital in New Delhi.

The large private healthcare providers are actively seeking growth by enhancing their reach across the country through the building of new hospitals, acquisition of existing hospitals and arrangements with small healthcare providers, widening their presence across primary, secondary and tertiary healthcare, upgrading their existing facilities and reaching out to prospective patients through initiatives such as a community outreach programs, free health check-ups and arrangements with employers to provide healthcare services to their employees.

#### **Emerging Trends and Industry Outlook**

According to the Budget Speech 2012-13, the National Rural Health Mission (NRHM) is being implemented through 'Accredited Social Health Activist' – 'ASHA'. The scope of ASHA's activities is being enlarged to include prevention of Iodine Deficiency Disorders, ensure 100 per cent immunization and better spacing of children. At the community level, a more active role is envisaged for ASHA as the convenor of the Village Health and Sanitation Committee, as also to support the initiative on malnutrition. Since ASHAs receive activity-wise, performance-based payments, this will also enhance their remuneration.

National Urban Health Mission is being launched to encompass the primary healthcare needs of people in the urban areas. The Pradhan Mantri Swasthya Suraksha Tojna (PMSSY) aimed at setting up of AIIMS-like institutions and upgradation of existing Government medical colleges is being expanded to cover upgradation of 7 more Government medical colleges. It will enhance the availability of affordable tertiary health care.

The rural healthcare sector is also on an upsurge. The Rural Health Statistics in India 2011, released by the Ministry of Health and Family Welfare, stated that the number of Sub Centres existing as on March 2011 increased from 146,026 in 2005 to 148,124 in 2011. The report further stated that there is an increase of 651 primary health centres (PHCs) in 2011. Moreover, Number of nurses at PHCs and community health centres (CHCs) have increased from 28,930 in 2005 to 65,344 in 2011.

There have been a number of noteworthy initiatives taken up by the Indian government to boost the healthcare sector in the country. These initiatives focus on investment that are closely linked to providing better medical infrastructure, rural health facilities etc.

100 per cent foreign direct investment (FDI) is permitted for health and medical services under the automatic route. The National Rural Health Mission (NRHM) has proposed the allocation to be increased from ₹ 18,115 crore in 2011-12 to ₹ 20,822 crore in 2012-13.

A growing economy, lifestyle related health issues, improving healthcare insurance penetration, government initiatives and increasing disposable income are the key drivers that will create a robust future for this industry. The industry has witnessed the establishment of world class pharmaceutical manufacturing and emergence of a vibrant biotechnology industry. Medical tourism too has been rising in recent years. To conclude, the Indian healthcare sector is on a fast growth track.

### **Health Insurance**

Health Insurance continues to be one of the most rapidly growing sectors in the Indian insurance industry with premium to the tune of ₹ 11,480 crore underwritten in 2010-11, reporting growth of 38.22 per cent over the premium written in 2009-10 (₹ 8,305 crore).

A number of private insurance companies are establishing arrangements with hospitals to provide treatment to their subscribers without upfront cash payments. Competition among insurers is likely to lead to increased marketing efforts which in turn could lead to an increase in the number of Indians with voluntary health insurance which in turn is likely to lead to higher affordability of healthcare services. In addition, employers are also increasingly subsidizing their employees' health costs through direct arrangements with medical providers. Although the insurance companies and employers will negotiate for lower rates to be charged by healthcare providers, the potential increase in the penetration rate of medical insurance and employer plans could result in higher demand for premium healthcare services in the country.

### **Medical Tourism**

Medical tourism (also called medical travel, health tourism or global health care) is a term used to describe the rapidly-growing practice of travelling across international borders to obtain health care. Services typically sought by travelers include elective procedures as well as complex specialized surgeries such as joint replacement (knee/hip), cardiac surgery, dental surgery, and cosmetic surgeries.

The Indian medical tourism industry has an enormous potential for future growth and development on the back of low cost range of treatments provided by the country. The growth in India's medical tourism market will be a boon for several associated industries, including hospital industry, medical equipments industry and pharmaceutical industry. As per the study conducted by the India's commerce chamber, medical tourism industry in India is competitive in nature and has been able to attract a large number of foreign visitors surpassing the figures for other South East Asian countries, thereby contributing significantly to the country's economy. The key reasons for India emerging as Medical Tourism Destination:

- State-of-Art Medical facilities
- Reputed health care professionals
- Quality Nursing facilities
- No waiting time for availing the medical services

India's traditional health care therapies like Ayurveda and Yoga combined with allopathic treatment provides a holistic wellness which is comparative advantage. It is rightly said in India "To cure with care is a tradition".

India is well poised to take advantage of the medical tourism boom. The doctors and hospitals provide first world treatment at third world costs. The Medical tourism activity is mainly driven by the private sector. In the recent years, government support, low cost, improved healthcare infrastructure, and rich cultural

heritage, have taken the Indian medical tourism to new heights. India has emerged as one of the most cost-efficient medical tourism destinations, and thus, attained a position among global leaders.

In a report by ASSOCHAM it was stated that an estimated 3.2 million medical tourists would arrive in India by 2015. The report stated that the states of Andhra Pradesh, Karnataka, Tamil Nadu, Maharashtra, West Bengal and New Delhi have been identified as the major destinations for medical tourists in the country. These states have adequate medical infrastructure for medical operations, cosmetic surgeries such as facelifts, botox treatment, tummy tucks, eye and dental care have so far proven the most sought after treatments by foreign patients. Serving more than 850,000 foreign patients every year, India has been able to uphold a strategic advantage and with the existing 40 per cent CAGR.

Domestic medical tourism in the country has also seen growth in the recent years. As per the report 'Domestic Tourism in India, 2008-09' released by the National Sample Survey Office (NSSO), trips for 'health and medical' purposes formed 7 per cent of overnight trips in the rural population and about 3.5 per cent in the urban population. 'Health and medical' purposes accounted for 17 per cent of same-day trips in rural India and 8 per cent in urban India. Expenditure on medical trips accounted for 30 per cent of all overnight trip expenditure for rural India and 15 per cent for urban.

The adoption of the Public Private Partnership (PPP) Model by the Indian Government at both central and state levels to improve healthcare infrastructure in the country through expertise of private sector and better support of public sector provided the extra thrust to medical tourism.

#### **Reasons for the unequal distribution of Healthcare Services**

Healthcare resources in India though not adequate are ample. A definitive growth can be observed in the overall healthcare resources and health related man power in the last ten years. In spite of this universal access to healthcare is not achieved in India primarily because of the following reasons-

- Vast difference between the rural and urban India
- Economic inequality
- Inadequate and underfunded public health system



## OUR BUSINESS

### Overview

We are engaged in running a multi specialty hospital at Noida called Ojjus Medicare, with super specialty focus on core areas such as Neurology and Neuro surgery, Cardiology and Cardiac surgery and Orthopaedics with emphasis on Joint Replacements and Sports Injuries. We also provide healthcare services in area of Minimally Invasive surgeries, Mother & Child Care, Paediatrics, Diagnostic, Critical Care Medicine, Oncology, Gynaecology & Obstetrics, Nephrology, Dermatology, Gastroenterology, Dental and Eye care, etc. We are also in the process of setting up a multi specialty hospital (with super speciality for oncology and rehabilitation) at cost of ₹ 23,787 lakhs at Faridabad through our Wholly Owned Subsidiary, Ojjus Fidelity Healthcare Private Limited.

We are committed to delivering quality healthcare services to our patients in modern facilities using advanced technology with a team of qualified and experienced healthcare professionals. Our hospital is a state-of-art multi-specialty hospital providing a depth of expertise in complete spectrum of advanced medical and surgical interventions with a comprehensive mix of in-patient and out-patient services. We provide all facility under one roof like – 24 Hour Emergency, Out Patient Department, Complete Diagnostics, Modular OTs, Cathlab, Perfexion Gamma Knife, Dialysis Centre, Cardiac Ambulances for patient transportation, 24 Hour Pharmacy, Cashless facility for Insured patients, Specialized clinics, Preventive Health Checks etc. Our hospital has 220 beds, Surgical ICU and Medical ICU, four state-of-the-art Operation Theatres and state-of-the-art Imaging facility with automatic laboratory support. A special feature of our hospital is the availability of state-of-the-art equipments and trained medical personnel required for managing critically ill patients.

We have installed “Perfexion” Gamma Knife Machine for non invasive treatment of brain tumors, vascular malformations and functional diseases like parkinson’s disease, trigeminal neuralgia and psychiatric disorders using highly précised focused gamma rays. We are amongst few private centres in South and South East Asia to install Perfexion Gamma Knife. Leksell Perfexion Gamma Knife machine is the 5th generation machine, which uses robotic technology to deliver precise radiation to intracranial and cervical spine lesions and to treat functional disorders.

We were incorporated on June 26, 2000 under the Companies Act, 1956 with the Registrar of Companies NCT Delhi & Haryana and received the Certificate of Commencement of Business on July 14, 2000. The construction of the hospital was commenced in the year 2002 and we started free medical checkup at the site to promote the business of upcoming hospital. Later on, medical consultancy services on small scale were provided to patients. The hospital started the in-patient department in financial year 2004-05. In December 2007, our management was taken over by Ojjus Medicare Private Limited, the present promoter and our operations were reorganized to create a multi specialty hospital. Our hospital is on the panel of various government and large organizations for treatment of their employees.

In order to expand reach of our super specialty services and network, we are proposing to set up eight polyclinics in tier II cities within a radius of 200 km of Noida. These polyclinics are proposed to provide comprehensive general healthcare services to patients in their cities and refer patients for advance care and critical treatment to our hospital. We also plan to set up a Cosmetology and Wellness Centre at Gurgaon offering all solutions for wellness and aesthetics under one roof. The proposed centre shall have a fully developed department of plastic surgery, bariatric surgery, hair transplant, liposuction, liposuction with vaser technology, dental and ophthalmology. For details of our proposed projects to be financed from the proceeds of this Issue, please refer to the section titled “Objects to the Issue” on page 50 of this Draft Red Herring Prospectus.

In the financial year 2010-11, we performed 435 Gamma Knife procedures, Neurosurgeries and Neuro interventions, 335 Cardiac Surgeries and Cardiac Interventions, and 979 Orthopedic, General Surgeries and Gynae procedures. For the ten months period ended January 31, 2012, we performed 384 Gamma Knife procedures, Neurosurgeries and Neuro interventions, 411 Cardiac Surgeries and Cardiac interventions and 811 Orthopedic, General Surgeries and Gynae procedures. The average occupancy rate for our hospital was

approximately 54% in the year 2010-11 and in the current year 2011-12, for the ten months period ended January 31, 2012 the average occupancy rate is 61%. We had total revenue of ₹ 5,358.30 lakhs in the financial year 2010-11 with a profit after tax of ₹ 1,592.59 lakhs as per standalone restated accounts. For the ten months period ended January 31, 2012 we had total revenue of ₹ 5,161.37 lakhs with a net profit of ₹ 1,154.81 lakhs.

#### **Speciality Services by our Hospital**

Our hospital, Ojjas Medicare, is located on plot number D - 141 A&B, Sector 40 at Noida owned by us and measuring 1,999 square meters with constructed area of approximately 50,000 sq ft. The area is fully developed and well connected with surface transport and is near metro station. The hospital building consists of five floors and basement housing various facilities for rendering health care services to the indoor and outdoor patients. The hospital is managed by a team of medical professionals under the supervision of Mrs. Namrata Chawla, our Managing Director. We also engage prominent medical specialist as consultants to provide their services.

The following are brief descriptions of some of the specialty procedures performed at our hospital:

- **Neurology and Neuro Surgeries**

We at our neurology department treat disorders of the brain, spinal cord, nerves and muscles. We have state-of-the-art equipments, neuroradiology including MRI 1.5 Tesla (Magnetic Resonance Imaging), CT Multislice (64Slice) (Computed Tomography), DSA (Digital Subtraction Angiography) and Interventional Neuroradiology and as well as Perfexion Gamma Knife. We also have a complete range of spinal instrumentation for stabilizing the spine using metal implants. These are used in case of spinal instability from spinal injuries and tumors. Our Critical Care Units are equipped to deal rapidly with any neurological emergency round the clock.

At our hospital we deploy the modern technology and equipment to cover the entire range of neurological diseases. Major Neurosurgical operations are being carried out by us regularly. Major procedures include excision of large spinal tumors and brain tumors, correction of blood vessel supply network system anomalies, decompression and reconstruction brain surgeries, carotid stenting for improving the blood supply to the brain and other minimally invasive surgeries of the brain (including removal of brain tumors through nasal cavity) and spinal cord.

**Gamma Knife Radiosurgery** is a non-invasive treatment for treating brain diseases. It is surgery without opening of the skull and uses gamma rays to destroy lesions in the brain. The gamma rays are precisely aimed in such a way that maximum concentration of radiation is directed at the diseased part of the brain while surrounding tissues remain unharmed. Gamma Knife radio surgery is the most recent and the only single fraction non-invasive neurosurgical treatment for trigeminal neuralgia. Of all the surgical procedures, it is least likely to cause complications and surgery related risks. The major conditions being treated by Gamma Knife at our centre are:

- Trigeminal Neuralgia
- Arteriovenous Malformations (AVM's)
- Essential Tremors
- Benign Tumors
- Malignant Tumors
- Parkinson's disease
- Other functional disorders

Gamma Knife Perfexion machine uses cobalt 60 isotopes which emit Gamma rays. The 192 cobalt sources are arranged in a special design inside machine with robotics in such a way that all beams are focused at a point. Using MRI guidance and advance workstation, we position the patient in such a way, that some part of tumor comes at the focus of beam and gets high energy radiation. These Gamma radiation beams damage the DNA in the tumor cell, which is required for cell reproduction or chromosome replication and thereby the tumor growth or vascular malformation proliferation. Once the DNA is damaged, the process of

cell reproduction fails and leads to the death of cell of the tumor by a process called apoptosis, however the tumor does not disappear immediately but first stops growing and then slowly reduces in size over a period of few months.

- **Cardiac Care**

We offer comprehensive cardiac care services to our patients at our hospital. In non-invasive cardiology we provide services of Echoes, TMT, PFT (Pulmonary Function Test) on a regular basis. Open heart surgery includes any surgery where the chest is opened and surgery is performed on the heart, including on the heart muscle, valves, arteries and other cardiac structures. Coronary artery bypass graft (“CABG”) surgery, which is open heart surgery, involves using a healthy blood vessel from one part of the body to construct a detour around the blocked coronary artery. The selection of kind of surgery is the expertise and decision of the Surgeon and his team.

**Coronary Angiography:** In a coronary angiography (“CAG”) procedure, a thin plastic tube (a catheter) is guided through an artery in the arm or leg to the coronary arteries. A liquid dye is injected through the catheter, and is visible in X-rays that record the course of the dye as it flows through the arteries. This identifies the blocked areas in the coronary arteries and aids decisions about the best course of action. The procedure is conducted in a cardiac catheterization laboratory rather than an operating theater.

**Coronary Angioplasty:** Percutaneous Transluminal Coronary Angioplasty (“PTCA”) involves guiding a catheter with a small balloon on its tip to the blocked areas of arteries through another catheter and then inflating the balloon, which compresses the plaque build-up, widening the artery for blood flow.

There are various other procedures like valvoplasty, pace maker implant and more to treat various cardiac disorders.

- **Orthopaedics & Joint Replacement Centre**

Our hospital provides following services

- Joint Replacement & Arthroscopy
- Knee & Hip Clinic
- Sports Medicine
- Shoulder & Hand
- Pediatric Orthopedic
- Orthopedic Trauma

Knee replacement surgery replaces the cartilage on the ends of the bones of the knee. Implants include a metal alloy on the bottom of the thighbone and polyethylene on the top of the tibia and underneath the kneecap. This is designed to create a new, smoothly functioning joint that prevents painful bone-on-bone contact. Hip replacement surgery removes the arthritic ball of the upper femur (thigh bone) as well as the damaged cartilage from the hip socket, and replaces it with a metal or ceramic ball that is solidly fixed to a stem inserted into the femur. The socket is replaced with a metal cup, which is fixed to the acetabulum, or socket. Similar surgeries are also performed for the Hip which is replaced owing to age related wear and tear and also at times due to accidental injuries. The joint replacement surgeries are a great boon to the old age people and patients who have become immobile due to injury. The surgeries are performed using both Minimal Incision and otherwise depending upon the patient, the implant & also affordability of the patient.

- **Nephrology**

Our department of nephrology is a professionally managed unit, equipped with a team of skilled and dedicated doctors and paramedical staff. It is equipped with the latest computerized dialysis machines, reverse osmosis water plant to provide pure and trace element free water supply. Our Nephrology team also provides round the clock service for the critically ill in the intensive care units. We perform hemodialysis, where the human body is cleaned through the blood. Other procedures include insertion of catheters into blood vessels in and around the kidney, kidney biopsies and permanent urinary catheter insertion and removal.

- **Minimally Invasive Surgery/Micro-Surgical Techniques**

Surgeries performed using minimally invasive techniques are characterized by faster recoveries for patients, minimal blood loss, fewer post-surgical complications and minimal surgical trauma and risk of infection. The patient's hospital stay and recovery time is typically significantly shorter than a conventional surgery for the same condition. The use of minimally invasive surgical techniques frees up hospital beds for other patients and reduces the average length of stay at our hospital. Minimally invasive surgeries require advanced facilities, high technology equipment and a high level of surgical skills.

- **Mother and Child Care**

We have an exclusive mother and child care department. Gynecology procedures include hysterectomy, which is surgical removal of the uterus, abdominal cervicopexy, which corrects prolapse of the uterus and ovarian cystectomy, which corrects cyst formation in the ovaries. Obstetrics procedures include antenatal care, normal deliveries, Caesarian section deliveries, painless labor and management of high-risk pregnancies. Neonatology procedures and services include incubation of newborn premature babies, phototherapy for newborns suffering from jaundice and intensive care for critically ill newborns.

- **Critical Care**

Critical care at our hospital exists to provide acute care for those patients who are generally unstable, critically ill and those in urgent need of advanced monitoring and intensive treatments of an Intensive Care Units (ICU). These tasks are carried out with precision, synchronization and coordination of a multidisciplinary team in ICU. Our Critical care team provides a full spectrum of Medical, Cardiac, Surgery and trauma critical care services to the sickest of the patients. The Intensivists are highly skilled and specialized in diverse specialties of Medicine and Anesthesia. The nursing care is focused to meet the clinical, psychological, physical and emotional needs of the patient. The ICU's unique design enables the nursing and Physician staff to have a full view of virtually all patients at all times. The Critical Care facility has the latest and most modern monitoring and life support equipments supplied by the renowned names in the industry. Equal or higher ratio of Nurse is to Patient offers constant monitoring and personalized care.

- **Diagnostics**

The Diagnostics department is fully complete with High End Imaging facilities for Computerised Tomography (CT-64 Slice), Magnetic Resonance Imaging (MRI – 1.5 Tesla) and Mixed Lab to carry out Interventions for cardiac, Neuro and others. All routine X-rays and ultrasound investigations are carried out and digital imaging is available for quick and precise reporting. The Pathology lab offers Blood, Urine, Stool etc testing carried out on Fully and Semi Automatic calibrated machines and rechecked by highly dedicated and qualified pathologists to rule out errors in reporting.

- **Emergency and Trauma Centre**

Our hospital has state-of-the art accident and emergency unit with facilities of International Standards. Accident and emergency wing is open 24 hours, 365 days a year. This department has facilities for providing ambulances which are well equipped with advanced life support systems like high end transport monitors and ventilators to transport critically ill or injured patients to the centre. The treatment of acutely ill or injured patients is done by trained doctors and emergency nurse practitioners. All ambulances have mobile phone communication system with the Emergency Department of the hospital and the details of patient's condition are passed on the qualified team waiting in Emergency. We also provide basic life support training to nurses and paramedical staff and advance life support and advance training in trauma management to Doctors and ambulance staff.

- **Preventive Healthcare**

Growing health consciousness among middle and high-income families in India is heralding a new business opportunity - preventive healthcare. The addressable population for preventive healthcare check-ups in India is increasing day by day. We provide preventive healthcare services at reasonable cost in order to build long term relationship as patients who come for health checkups generally come back to the same hospital if they require any treatment.

### **Our Competitive Strengths**

We believe our competitive strengths are in providing complete Neuro and Cardiac care under one roof backed up by the most advanced in house Diagnostic centre. The critical care facility comprising of state of the art life support equipment with highly experienced medical and non medical team is a strong support and confidence to the treating Consultants and to the patient and their attendants. Such set up enables us to treat patients of any critical illness related to the brain and heart in the best possible manner and pull out most of the critically ill patients.

- **Experienced Team of Skilled doctors**

As of April 30, 2012, we had a team of 42 full time doctors complemented by 82 nurses and 36 other medical personnel. We adhere to international clinical protocols in patient handling, operating theaters, intensive care unit management and emergency care set by leading international hospitals and accreditation bodies. In addition we also engage prominent specialist in various field of medical sciences as consultants who provide their services regularly and are also in demand amongst patients. In addition, medical professionals at our rolls and / or engaged by us as consultants are dedicated to clinical research and have published studies on topics including neurology and neuro-surgery cardiology, cardiac surgery etc. Our Doctors are having experience in patient treatment by using innovative and latest techniques such as multiple metastasis in single sitting through perfexion gamma knife machine, minimally invasive cardiac and orthopedic surgeries. Most of the doctors engaged by us have received advanced training at leading hospitals in India and overseas.

- **Quality patient care**

Our hospital has been designed to ensure that we are able to offer quality care to our patients. The layouts at our facilities minimize inpatient movement, with outpatient facilities located within the hospital. Other characteristics of many of our facilities, such as attractive architectural and design features, the use of special lighting and color and the reduction of “hospital odors”, also enhance the patient experience. Our hospital staff is trained to care for patients with techniques utilized in the hospitality industry, which, together with the design of our facilities, helps relieve patient anxiety and provide a more comfortable experience for patients. In addition, we focus on obtaining current technologies for providing healthcare services.

We have upgraded our hospital as per the standards prescribed by NABH and NABL and applied for NABL and NABH accreditation. The said applications are under process. National Accreditation Board for Hospitals & Healthcare Providers (NABH) is the accrediting agency in India that prescribes “Standards for Hospitals” operating in India. NABH is a constituent board of ‘Quality Council of India’ which is set up to establish and operate accreditation Program for Healthcare Organizations. NABH is an institutional member of ‘International Society for Quality in Healthcare Inc.’ (ISQua), an international body which grants approval to Accreditation Bodies in the area of healthcare as mark of equivalence of accreditation program of member countries. The approval of ISQua authenticates that NABH Standards are in consonance with the global benchmarks set by ISQua (Source: [www.qcin.org](http://www.qcin.org)). The manual containing the policies, process details, quality system details, etc. has been submitted to the quality council for observations of respective authorities. The Quality Council of India is likely to conduct a pre-assessment of the hospital in May 2012.

Further our Hospital is also empanelled with CGHS with effect from May 04, 2011.

- **Specialty focus**

We focus on neurology along with other clinical areas such as cardiology and cardiac surgery, orthopedics, urology and nephrology and critical care. We have installed “Perfexion” Gamma Knife Machine for the treatments of brain tumor. We are amongst the few hospitals in South and South East Asia to have this facility. We are investing significantly in the technology, equipment and infrastructure required to perform the most advanced procedures and to strengthen our specialty focus.

## **Our Growth Strategies**

- **Strengthen position in NCR cities and establish presence in selected Tier II cities**

We intend to grow by setting up specialty hospitals in NCR cities and by establishing polyclinics in selected tier II cities. We through our wholly owned subsidiary Ojjus Fidelity Healthcare Private Limited are setting up a 700 bed hospital at Faridabad with super speciality for oncology and rehabilitation. Our business development team is constantly evaluating potential opportunities in both our existing and new regions. Our evaluation criteria for new opportunities include the demographics and revenue potential of the local population, the competitive landscape, location and cost and for existing facilities, the skill, specialty and reputation of doctors and other medical and non-medical staff, the work culture of the institution and the quality of the infrastructure.

- **Focus on high-value end of the healthcare services market**

Due to our focus on tertiary care in areas such as neurology and neuro surgery, cardiology and cardiac surgery, orthopedics and with our super-specialty hospital, skilled doctors and high-end equipment, we believe we are well-positioned to serve the increasing demand for sophisticated clinical care in the Indian healthcare market. In the financial year 2010-11, we performed 435 Gamma Knife procedures, Neurosurgeries and Neuro interventions, 335 Cardiac Surgeries and Cardiac Interventions, and 979 Orthopedic, General Surgeries and Gynae procedures. For the ten month period ended January 31, 2012, we performed 384 Gamma Knife procedures, Neurosurgeries and Neuro interventions, 411 Cardiac Surgeries and Cardiac interventions and 811 Orthopedic, General Surgeries and Gynae procedures. In addition, we believe that by further developing our expertise in these high-growth tertiary care areas, we will be able to meet the demand for even more sophisticated procedures. We are concentrating on our surgical admissions and continually developing our expertise especially in high-yielding procedures such as complex trauma work and brain and spine surgeries, cardiac surgery, orthopedic procedures.

- **Setting up a Cosmetology and Wellness Centre**

We plan to set up a wellness and cosmetology centre at Gurgaon offering all solutions for wellness and aesthetics under one roof. The proposed centre shall have a fully developed department of plastic surgery, bariatric surgery, hair transplant, liposuction, liposuction with vaser technology, dental and ophthalmology. The centre shall emphasis more on day care treatments but shall also provide for IPD services as patients undergoing bariatric, liposuction and other intense surgeries of cosmetic correction shall require admission. We have finalized the premises for the Centre which is likely to become operational by March 2013.

- **Improve profitability and increase occupancy rates**

We intend to improve profitability by increasing average income per bed and decreasing average length of stay. We have increased the emphasis on neuro / spine surgeries and interventional cardiac / neuro procedures, which yield higher income per bed vis-à-vis general surgeries. Thus by increasing the number of critical neuro surgeries & procedures, we propose to increase our income per bed and in turn our profitability. We plan to focus on our case mix and increase the ratio of surgical to medical procedures and also improve our utilization rates in order to increase average income per bed. In addition, we intend to expand our practice with minimally invasive surgical techniques, which eliminate the need to make large incisions into the human body, thereby reducing surgical trauma, pain and blood loss. We have been using minimally invasive surgical techniques in most of our specialties (approximately 35% to 40% of our operations) and we intend to expand its use to a wider range of procedures. Patient recovery time is shorter in minimally invasive surgeries, freeing up beds for other patients and reducing the average length of stay at our hospitals. For the year 2010-11 and ten months period ended January 31, 2012, the average length of stay at our hospitals was 2-3 days.

- **Increase outpatient income by focusing on our ongoing day care products and introducing new day care surgeries and other outpatient offerings**

Over the years, we have established a diverse portfolio of outpatient offerings, including health check up programs, various forms of laboratory testing, diagnostics (e.g., high end imaging work), physiotherapy and rehabilitation. Such offerings lead to an increase in outpatient admissions (both referrals and walk-in patients) at our hospital. We have also recognized the opportunities in day care surgeries. Due to technological developments, certain surgeries, which previously required patients to stay at a hospital for a

number of days, can now be carried out as day care surgeries. In such day care surgeries, the patient gets admitted to the hospital in the morning, undergoes the surgery and gets discharged in the evening. Such surgeries reduce the average length of stay for patients and free up beds for tertiary care cases. Going forward, we intend to focus on such procedures at our hospital and we expect this initiative to be a significant contributor to our outpatient income. Due to lifestyle changes and increased awareness for healthcare in India, we also intend to focus on preventative measures for lifestyle diseases and rehabilitative care at our hospital in Noida.

- **Grow international patient base, particularly in developed countries**

Especially over a decade, India has become a preferred destination for international patients who seek access to healthcare services at international standards with substantial cost savings. We aim to capitalize on this opportunity and grow our brand and reputation globally. We are focused on providing patients from developed countries with tertiary care services such as neuro and spine surgery. Medical tourism market in India is growing substantially. We believe our association with various medical tourism companies and Individual Agents help us to attract international patients. We have established an interactive website and a patient services centre that can quickly respond to queries from international patients. We intend to increase our marketing efforts to attract more international patients

- **Attract and retain prominent, skilled doctors**

The skill level of a hospital's doctors is key to its success. We believe that hiring surgeons and other physicians who have established reputations for clinical excellence in their communities is the key to the successful implementation of our strategy to acquire, develop and operate hospitals. At present, approximately 70% of the doctors at our hospital had advanced medical degrees. We shall continue to engage prominent specialist as consultant to provide their expertise to our patients. We employ a "staff" model at our hospital under which most of our doctors, including all of the doctors practicing within core specialty areas at our hospital are compensated on a salary plus incentives or retainerhip basis and practice exclusively at hospital. We believe that the guaranteed income, the predictable working hours and in the case of senior doctors, the autonomy of heading a department, which characterize the "staff model", will continue to help us attract and retain skilled doctors at our hospitals.

### **Our Hospital**

The following table sets forth certain key operating details of Goodwill Hospital and Research Centre for the ten months period ended January 31, 2012 and fiscal year ended March 31, 2011 and 2010

Particulars	10 months period ended January 31, 2012	Fiscal Year ended March 31, 2011	Fiscal Year ended March 31, 2010
Number of Beds	220	220	140
Average Inpatient Admissions per day	29	26	16
Outpatient Registrations (nos.)	71,697	88,457	57,000
Average Occupancy Rate (%)	61	54	55
Average Length of Stay (days)	2-3	2-3	4
Average Income per Bed in use per day (₹ lakhs)	0.14	0.13	0.07
Number of Major Procedures:			
- Gamma Knife procedures, Neurosurgeries & Neuro Interventions	384	435	86
- Cardiac Surgeries and Cardiac Interventions	411	335	101
- Orthopedics, General Surgeries and Gynae procedures	811	979	161

Since the number of persons falling ill in future cannot be determined and the nature of industry in which we operate, the capacity utilization for our infrastructure facilities (i.e. number of beds) cannot be estimated. However we propose to maintain an average occupancy ratio of approximately 70% in the next three financial years for our hospital "Ojjus Medicare".

**Break up of Operating Income:**

(₹ in lakhs)

Particulars	Ten months period ended January 31, 2012	Fiscal Year ended March 31, 2011	Fiscal Year ended March 31, 2010
Operation Theatre Charges	948.18	972.12	416.50
Pharmacy sales	162.14	137.08	90.15
Room Rents	852.25	942.93	337.26
Consultancy Receipts	795.35	801.56	340.42
Lab receipts	781.25	842.36	347.67
Other Receipts including Gamma Knife procedures	1,617.12	1,657.34	757.67
<b>Total Sales</b>	<b>5,156.29</b>	<b>5,353.39</b>	<b>2,289.67</b>

**Payment for Services**

Payment for services consists primarily of payment for inpatient and outpatient services. Although the Indian economy is one of the fastest-growing economies in the world measured by percentage growth in gross domestic product, with an increasing number of high and middle-income households, there is still relatively low penetration by the insurance industry in the healthcare sector. We have arrangements with a number of employers including KRIBHICO (Krishak Bharati Cooperative Limited), DTC (Delhi Transport Corporation), Noida Authority, ECHS (Ex Servicemen Contributory Health Scheme) etc. We believe that the strategic relationships help increase our occupancy rates and provide a source of patients. Further we are also empanelled with TPAs (Third Party Administrators) working for public sector and private sector insurance companies and get payment from them for treating the patients under cashless facilities. Some of the TPAs from whom we are getting payments under cashless facilities are Paramount Health Services, Medi Assist, Vipul MedCorp, Raksha, Genins India, MDIndia Healthcare Services, Alankit Healthcare, Park Mediclaim etc.

For details of location, medical equipments required and quotations received by us for the proposed Objects to be financed from the proceeds of the Issue, refer to the section titled "Objects of the Issue" on page 50 of the Draft Red Herring Prospectus.

**Infrastructure Facilities**

The utilities required are power and water. We have a sanctioned load of 667 KVA from Electricity Urban Distribution Division II, Noida. Besides we have installed generator sets for power back up. The requirement of water is met from the own borewell.

**Supplies and Sourcing**

Most of the advanced medical equipments are imported from original equipment manufacturers with international reputations or reputed Indian Manufacturers such as Wipro GE, Philips, Drager, Fuji, Siemens etc. We generally obtain one to three year warranty for this equipment. We aim to replace our more sophisticated medical equipment in our hospitals every four to five years. Regular consumables, operating instruments and furniture are purchased locally. As an upcoming large hospital, we believe we are able to negotiate favorable terms with these suppliers and third-party service providers.

**Competition**

We compete with other hospitals and healthcare services providers for, among other things, patients, doctors, nurses and strategic expansion opportunities. We primarily compete with other for-profit hospitals present in National Capital Region, such as those forming part of the nationwide Apollo chain of hospitals, Fortis Healthcare, Max Healthcare and local hospitals like Vimhans and Kailash Hospital etc. We also compete with All India Institute of Medical Sciences (AIIMS), Vidyasagar Institute of Mental Health and Neurosciences and Hinduja Hospital and Medical Research Centre as these hospitals have installed Leksell Gamma Knife Machine. However we believe that in neurology and neuro surgery we have established ourselves in NCR region as we have installed the 5th generation Perfexion Gamma Knife Machine. We



also compete with hospitals that are owned by government agencies or non-profit entities supported by endowments and charitable contributions.

### **Intellectual Property**

Our intellectual property consists mainly of our rights to use “Ojjus Medicare” name and logo. One of our Directors, Mr. Harvansh Chawla has filed applications for registration of aforesaid name and logo in his name. Our Company has been licensed by Mr. Harvansh Chawla to use the trademark “Ojjus Medicare” in connection with our healthcare business.

### **Information Technology**

Our IT infrastructure system allows us to maintain electronic patient records and imaging that can be quickly transmitted throughout hospital for quick diagnoses and treatment and also assists us with monitoring and coordinating procurement, stocking, billing, housekeeping, staffing and patient treatments. The system simplifies scheduling and billing for our patients and doctors, improves our inventory management and results in efficiencies across our operations. Our integrated hospital information system was set up in 2010 in cooperation with Protech Systems.

### **Technology**

We have consistently invested in medical technology and equipment so as to offer a high quality of healthcare services to our patients. Sophisticated medical equipment at our facility is used to ensure that we are able to provide advanced healthcare procedures to our patients.

Some of the key equipment used at our hospital is listed below:

- **Neuro-sciences:** Perfexion Gamma Knife, operating microscope, operating tables, OT Lights and C-Arms, 3D cathlab with large display for neurological interventions like DSA, coiling
- **Radiology and Imaging:** 64 Slice high end CT (Computed Tomography) scanners, magnetic resonance imaging (MRI) equipment, Digital X-ray machines
- **Cardiac Care:** 3D Cathlab for interventional procedures, Intra aortic balloon pump, pulmonary function test machines, Echo/4 D Color doppler, stress test machines, Holter system, heart lung machine for cardiac surgery back up.
- **Orthopedics:** Instrumentation and operation tables and Physiotherapy set up for rehabilitation
- **Pathology Laboratory** Fully automated meters, analysers, ABG, ovens, centrifugals
- **Diabetology:** foot pressure measurement systems, body analyzer systems and blood glucose analysis systems
- **Mother and Child Care:** equipment for labor, delivery and recovery in beds
- **Critical Care:** dialysis machines,, modular patient monitors, ventilators Invasive and non-invasive, defibrillators, DVT pumps, Patient warming system for cardiac surgery patients, Alpha beds, syringe and infusion pumps supported by a facility for central monitoring and control
- **Emergency** Advanced life support ambulances with emergency equipment such as transport monitors, ventilators and defibrillators

### **Community Projects**

We are committed to being active in the area in which we operate and have initiated several regular outreach programs. We organize free Health checks camps to nearby semi urban areas and create awareness by conducting small programs in the Resident Welfare Associations. We have also conducted various camps for the School Children, Police force, Journalists and Old age people of our area.

### **Governance and Ethics**

The operational and procedural protocols we have implemented at our hospital were designed taking into account international standards and the particular needs of our local communities. The department heads at hospital are responsible for ensuring compliance with these protocols across their departments. In addition, although our facilities is run by a profit center head (which can either be a non-practising doctor or a manager with an administrative background), the clinical department heads have autonomy to make all medical decisions in their fields, which we believe further improves our governance.

### **Insurance**

Our operations are subject to risk inherent in the hospital such as work accidents, fire or explosion, including hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment and environmental damage. We maintain insurance for a variety of risk through “Standard Fire and Special Perils Policy” and “Burglary Policy” which covers insurance of building including stocks, machinery and equipments used in our hospital.

### **Personnel**

We believe that our success depends significantly on our ability to attract, develop and retain highly-skilled doctors, nurses and other personnel at our hospitals. We believe that our relationship with our employees and other personnel is good and we have not experienced any work stoppages as a result of labor disagreements at any of our facilities since we began operations. We offer competitive compensation to our employees and a comprehensive package of other benefits. We believe that in order to maintain the quality of care we offer to our patients, our doctors and other medical staff must pursue a rigorous program of continuing education. We offer a wide range of health education sessions and seminars on-site at our hospital to our medical staff.

The table below summarizes the number of personnel of our hospital as at April 30, 2012.

<b>Personnel</b>	<b>Number of Employees</b>
Doctors	42
Nurses	82
Technical Staff	36
Non-Technical Staff	89
Others	64
<b>Total</b>	<b>313</b>

The majority of the important doctors in Cardiology, neurosciences, Critical Care and Emergency on staff are compensated on a salary or retainer basis. In addition to a fixed salary, doctors who are not our employees have a revenue sharing or a referral system. The variable component is based on a formula that we believe provides incentives to doctors to maximize the quality of care they deliver to our patients. We also engage prominent specialists in various fields as consultants.

Further a number of people who work at our hospital, such as housekeeping attendants, groundskeepers and security personnel, are employees of third-party outsourcing firms for whom we provide training. Although we are not directly involved in the hiring of such individuals, our outsourcing partners are required to comply with hiring criteria we specify to them. We pay a set fee to our outsourcing partners who are responsible for compensating their employees and paying their other expenses, including insurance.

### **Retention**

As of April 30, 2012, our doctor retention rate at our owned hospital was approximately 85%, with the attrition concentrated at the resident and senior resident levels. We believe that we have been able to control attrition rates by developing and implementing programs, policies and practices like diversified training and career planning for executives, recognition in various forms and mentoring programs. In addition, although our attrition rate for nurses as of April 30, 2012, was approximately 25% - 30% and is much higher than that for our doctors primarily due to nurses leaving to pursue more lucrative overseas or government positions, we have not experienced a shortage of nurses. We believe that the nursing shortage is not acute in India and that even in the face of a nursing shortage, we are well-positioned in the market to retain our nurses due to our strong reputation and competitive compensation packages.

### Properties

The following table sets forth the significant properties owned by us as of April 30, 2012:

Address of Property	Name of the seller	Date of Deed	Consideration (₹ in lakhs)	Nature of Property Rights	Use of property	Status
141 A, Block D, Sector - 40, Noida, Distt. Gautam Budh Nagar, UP	New Okhla Industrial Development Authority	Lease Deed dated March 28, 2001 Valid for 90 years	65.84	Commercial	Hospital	Equitable mortgage with Bank of India
141 B, Block D, Sector - 40, Noida, Distt. Gautam Budh Nagar, UP	Sudarshan Healthcare Private Limited	Sale agreement dated January 16, 2001 and transfer deed dated July 11, 2001	74.21	Commercial	Hospital	Equitable mortgage with Bank of India

In addition to above properties, as on February 29, 2012 we have taken two residential properties in Noida on lease which are used as residence / hostels for our staff and nurses. The owner / lessor of these properties are not related to our Company, Promoter, Directors, Promoter Group entities and Key Managerial Personnel.

Our registered office is situated at 705, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi - 110 001, licensed to us by one of our directors, Mr. Harvansh Chawla. We have also entered into a License agreement with KR Chawla Consulting Private Limited, a Promoter Group Company for taking premises on license for setting up Cosmetology and Wellness centre at Gurgaon. For details of the agreement executed between our Company and Mr. Harvansh Chawla and KR Chawla Consulting Private Limited for use of the premises, please refer to section titled “History and Certain Corporate Matters” on page 94 of this Draft Red Herring Prospectus.

The following are the details of the property owned by our Wholly Owned Subsidiary, Ojjus Fidelity.

Address of Property	Name of the seller	Date of Allotment / Deed	Consideration (₹ in lakhs)	Nature of Property Rights	Use of property	Status
Sector 8, Urban Estate, Faridabad	Haryana Urban Development Authority (HUDA)	Allotment dated October 06, 2008 Conveyance deed dated June 09, 2011	702.80	Commercial	Hospital	Equitable mortgage with Punjab National Bank, Corporation Bank, Union Bank of India and Central Bank of India

## **KEY INDUSTRY REGULATIONS**

### **The Atomic Energy Act, 1962 (“AEA”)**

In order to ensure safe disposal of radioactive wastes and secure public safety and safety of persons handling radioactive substances, the AEA mandates that no minerals, concentrates and other materials which contain prescribed substances be disposed of without the previous permission in writing of the Central Government. AEA provides that the Central Government may require a person to make periodical and other returns or such statements accompanied by plans, drawings and other documents as regards any prescribed substance in the AEA that can be a source of atomic energy and further states that the Central Government may prohibit among other things the acquisition, production, possession, use, disposal, export or import of any prescribed equipment, or substance, excepting under a license granted by it to that effect.

### **Atomic Energy (Radiation Protection) Rules, 2004**

These rules have been framed by the Central Government in correspondence to Section 30 read with Section 3 and clause (i) and sub-clauses (c) and (d) of clause (ii) of Sub-Section (1), Sub-Section (4) of Section 14, and Sections 16, 17 and other relevant Sections of the Atomic Energy Act (33 of 1962). These Rules apply to practices adopted and interventions applied with respect to radiation sources. These rules prescribe guidelines such as license for carrying out activities relating to radiation, specifies procedure for obtaining a license, fees for license, exemption and exclusions from obtaining license, conditions precedent the issuance of a license, issuance of license, its validity period along with suspension, modification or withdrawal. Amongst other things the rules talk about all other aspects of radiation related activities such as provisions relating to modification of radiation installation, restriction on certain practices, radiation symbol, regulatory constraints, Safety Standards and codes, employment rules, responsibilities of an employee, licensee, safety officer and the workers as well. It also prescribes requirements for Radiation surveillance, health surveillance, inspection provisions etc.

### **Radiation Surveillance Procedures for Medical Applications Of Radiation GSR – 388, 1989**

The Radiation Surveillance Procedures for Medical Applications of Radiation have been enacted in pursuance of rule 15 of the Radiation Protection Rules, 1971. These prescribed procedures outline the objective of a radiation surveillance program, Licence for handling of radiation equipment, safety requirements for the construction of radiation equipments, Planning and Commissioning of radiation installations. It also prescribes working conditions in a medical radiation installation, Disposal procedures for radioactive effluents, Protection and Medical Surveillance requirements, requirements for maintenance of record along with other codes and guides.

### **Radiation Protection Rules, 1971 (“RPR”)**

The RPR provides that all persons handling radioactive material need to obtain a license from a competent authority. It stipulates that no person is to use any radioactive material for any purpose, in any location and in any quantity, other than in a manner otherwise specified in the license and that every employer must designate a “Radiological Safety Officer” and maintain records with respect to every such radiation worker in the manner prescribed under the RPR.

### **Radiation Surveillance Protection Rules 1971 (“RSPR”)**

The RSPR provides that every employer required to handle radiation equipment or radioactive material must obtain the prior permission of the competent authority. The RSPR mandates an employer to appoint a “Radiological Safety Officer” with the approval of the competent authority for the implementation of the radiation protection program including all in-house radiation surveillance measures and procedures and to discharge the functions as specified under it. Further, the employer is also required to obtain prior permission from the competent authority for undertaking any decommissioning operation.

### **Code No. AERB/SC/MED-2 (REV-1) Dated October 5, 2001 (“CODE”)**

The Code stipulates that all medical X-ray machines are required to be operated in accordance with the requirements outlined therein and that it is the responsibility of the owner/user of medical X-ray installation equipment to ensure compliance with the statutory provisions. The Code mandates that only those medical X-ray machines which are of the type approved by Atomic Energy Regulatory Board (“AERB”) be to be

installed for use. It further provides among other things, that the owners of medical X-ray installations in India be registered with AERB, and further to carry out quality assurance performance test of the X-ray unit and to employ qualified staff. Non-compliance with the regulatory requirements set forth in the Code could result in closure of the defaulting X-ray installations.

#### **Pharmacy Act, 1948**

The Act provides that all pharmacists require a registration under the Act, which registration process includes providing: (a) the full name and residential address of the pharmacist; (b) the date of his first admission to the register; (c) his qualifications for registration; (d) his professional address, and if he is employed by any person, the name of such person; and (e) such further particulars as may be prescribed.

#### **Drugs and Cosmetics Act, 1940 (“DCA”)**

In order to maintain high standards of medical treatment, the DCA regulates the import, manufacture, distribution and sale of drugs for the proper protection of drugs and medicines and prohibits the manufacture and sale of certain drugs and cosmetics which are misbranded, adulterated, spurious or harmful. The DCA specifies the requirement of a license for the manufacture, sale or distribution of any drug or cosmetic. It further mandates that every person holding a license must keep and maintain such records, registers and other documents as may be prescribed which may be subject to inspection by the relevant authorities.

#### **Pre-Natal Diagnostic Techniques (Regulation and Prevention of Misuse) Act, 1994**

The PDT regulates the use of pre-natal diagnostic techniques for the purposes of detecting genetic or metabolic disorders or chromosomal abnormalities or certain congenital malformations or sex-linked disorders and for the prevention of the misuse of such techniques for the purposes of pre-natal sex determination leading to female feticide, and, for matters connected therewith or incidental thereto. The PDT makes it mandatory for all genetic counseling centers, genetic clinics, laboratories and all bodies utilizing ultrasound machines to register with their respective appropriate authorities failing which penal actions could be taken against them.

#### **Medical Termination of Pregnancy Acts, 1971**

The MTP regulates the termination of pregnancies by registered medical practitioners and permits termination of pregnancy only on specific grounds and for matters connected therewith. It stipulates that abortion can be carried out only in certain stipulated circumstances by a registered medical practitioner who has the necessary qualification, training and experience in performing medical termination of pregnancy and only at a place which has facilities that meet the standards specified in the rules and regulations issued under the MTP. Under the MTP, private hospitals and clinics need government approval and authorization (certification) to provide medical termination of pregnancy services. Under the rules framed pursuant to the MTP, private clinics can receive their certification only if the government is satisfied that termination of pregnancies will be done under safe and hygienic conditions, and the clinic has the requisite infrastructure and instruments in place.

Notwithstanding anything contained in the Indian Penal Code, a registered medical practitioner shall not be guilty of any offence under that Code or under any other law for the time being in force, if any pregnancy is terminated by him in accordance with the provisions of this Act

#### **National Accreditation Board for Hospitals & Healthcare Providers (“NABH”)**

NABH is a constituent board of Quality Council of India (QCI), set up to establish and operate accreditation programme for healthcare organizations. NABH accreditation system is one of the methods for commitment to quality enhancement throughout the whole of the health care system in India. It involves all professional and service groups to ensure that high quality in health care is achieved, while minimizing the inherent risks associated with modern health care delivery. The main purpose of NABH accreditation is to help planners to promote, implement, monitor and evaluate robust practice in order to ensure that occupies a central place in the development of the health care system. The objective of NABH accreditation is on continuous improvement in the organizational and clinical performance of health services, not just the achievement of a certificate or award or merely assuring compliance with minimum acceptable standards. The NABH accreditation seeks to develop an enabling environment in which high quality of health care

can flourish throughout the country. This would be done through providing guidance to hospital and health care providers, rather than through control and prescriptive measures. Moreover, the NABH Standards can be co-related to: (i) Management of quality of hospital health care services (ISO 9001), (ii) Management of hospital activities and processes having adverse impact on the environment (ISO 14001), (iii) Management of occupational health and safety risks (OHSAS 18001), (iv) Management of safety of food served to patients and other visitors (HACCP/ISO 22000) and Management of hospital internal laboratory (ISO 15189).

The hospitals applying under super specialty category must be accredited by National Accreditation Board for Hospitals and Health Care providers (NABH). However, for the other hospitals like our hospital which falls under Speciality (Selective) Hospitals, applying for empanelment under CGHS must be accredited by National Accreditation Board for Hospitals and Health Care providers (NABH) or must have applied for NABH accreditation. Therefore, the mere application for NABH accreditation is sufficient for the Hospital to get empanelled with CGHS. Our Hospital is empanelled with CGHS with effect from May 04, 2011.

#### **National Accreditation Board Laboratories (“NABL”)**

NABL is an accreditation for laboratories which provides formal recognition of competent laboratories, thus providing a ready means for customers to find reliable testing and calibration services in order to meet their demands. Laboratory Accreditation enhances customer confidence in accepting testing/calibration reports issued by accredited laboratories. NABL provides formal recognition of competence of laboratory by an Accreditation body in accordance with international criteria.

As per the Continuous Empanelment Scheme in the cities of Faridabad, Gaziabad Gurgaon and Noida, under CGHS, Delhi, the in house diagnostic laboratory of the hospital must be preferably accredited by National Accreditation Board for Testing & Calibration Laboratories (NABL) or must have applied for NABL accreditation. The application Form has to be supported by either a copy of NABL Accreditation or proof of applying for NABL Accreditation.

#### **Bio-Medical Waste (Management and Handling) Rules, 1998 (“BMW RULES”)**

The BMW Rules apply to all persons who generate, transport, treat, dispose or handle bio-medical waste in any form and regulate the mode of treatment and disposal of bio-medical waste. The BMW Rules mandate every occupier of an institution generating, collecting, transporting, treating, disposing and/or handling bio-medical waste to take steps to ensure that such waste is handled without any adverse effect to human health and environment and to apply to the prescribed authority for grant of authorization. The BMW Rules further require such person to submit an annual report to the prescribed authority and also to maintain records related to the generation, collection, storage, transportation, treatment, disposal, and/or any form of handling of bio-medical waste in accordance With rules and guidelines issued.

#### **The Environmental Protection Act, 1986**

The Environmental Protection Act, 1986 is an “umbrella” legislation designed to provide a framework for co-ordination of the activities of various central and state authorities established under various laws. The potential scope of the Act is broad, with “environment” defined to include water, air and land and the inter-relationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property.

#### **The Air (Prevention & Control of Pollution) Act, 1981**

According to Section 21 of the of the Air (Prevention & Control of Pollution) Act, 1981, no person shall, without the previous consent of the State Pollution Control Board, establish or operate any industrial plant in an air pollution control area. Further as per the provisions of Section 22 of the said act, no person operating any industrial plant, in any air pollution control area shall discharge or cause or permit to be discharged the emission of any air pollution in excess of the standards laid down by the State Board under Clause 17(1)(g).

#### **The Water (Prevention & Control of Pollution) Act, 1974**

According to Section 25(1) of the Water (Prevention & Control of Pollution) Act, 1974, no person shall without the previous consent of the State Pollution Control Board, establish or take any steps to establish

any industry, operation or process or any treatment and disposal system for any extension or addition thereto, which is likely to discharge sewage or trade effluent into a stream or well or sewer or on land ("discharge of sewage") or bring into use any new or altered outlet for the discharge of sewage or begin to make any new discharge of sewage. Under Section 25(4), the State Pollution Control Board may grant its consent subject to certain conditions relating to the point, nature, composition, temperature, volume, rate, etc. of discharge of sewage, or refuse and for a specified period.

**The Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008**

The Hazardous Waste (Management, Handling and Transboundary movement) Rules, 2008 applies to handling of hazardous waste as specified in the Schedules. These rules supersede Hazardous Waste (Management and Handling) Rules 2003. The Rules specifies the procedure for handling hazardous waste, under which it mentions the responsibilities of the occupier, granting of authorization, power to suspend or cancel such authorization, rules regarding storage of such waste. The Rules also mention the procedure for recycling, processing and reuse of hazardous waste, import and export of hazardous waste, treatment, storage and disposal facility for hazardous waste, its packaging labeling and transport along with other miscellaneous provisions like records and returns, responsibilities of authorities, accident reporting and follow ups, liability of a transporter, occupier and importer etc.

**Employees' Provident Funds and Miscellaneous Provisions Act, 1952**

Employees' Provident Funds and Miscellaneous Provisions Act, 1952 was introduced with the object to institute provident fund for the benefit of employees in factories and other establishments. It empowers the Central Government to frame the "Employee's Provident Fund Scheme", "Employee's Deposit linked Insurance Scheme" and the "Employees' Family Pension Scheme" for the establishment of provident funds under the EPFA for the employees. It also prescribes that contributions to the provident fund are to be made by the employer and the employee.

**Payment of Gratuity Act, 1972**

The Payment of Gratuity Act, 1972 was enacted with the objective to regulate the payment of gratuity, to an employee who has rendered his long and meritorious service, at the time of termination of his services.

## HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated on June 26, 2000 under the Companies Act, 1956 with the Registrar of Companies NCT Delhi & Haryana. We received the Certificate of Commencement of Business on July 14, 2000. The Corporate Identification Number of our Company is U74899DL2000PLC106486.

Our Company was originally promoted by Dr. Alok Bhatia, Dr. Sudhir Sharma, Dr. Manoj Kumar Johar, Dr. Sanjay Garg, Dr. Girish Chandra Vaishnava, Dr. Neerja Johar, Dr. Vandana Garg, Dr. Ajay Bhalla, Dr. Harmeet Malhotra and Dr. Jatinder Singh. Our Company and its management was taken over by Ojjus Medicare Private Limited by acquiring 100% ownership on December 03, 2007. The shares of our Company were acquired by Ojjus Medicare Private Limited for a consideration of ₹ 10/- per equity share. For details of acquisition of shares by our present Promoter, refer to note no. 3 in the chapter “Capital Structure” on page 42 of the Draft Red Herring Prospectus.

At the time of incorporation, registered office of our Company was situated at Shop No. 42, Nehru Plaza, Patparganj, Main Road, New Delhi - 110 092. The registered office was shifted to C - 61, Greater Kailash 1, First Floor, New Delhi - 110 048 w.e.f. July 11, 2005. Subsequently, w.e.f. May 16, 2008, the registered office was shifted to 705, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi - 110 001.

Our Company is not operating under any injunction or restraining order and is not a sick company.

Our Company has 7 shareholders as on the date of filing of the Draft Red Herring Prospectus with SEBI.

### Key Events and Mile Stones

Year	Key Events / Milestone / Achievements
2000	Incorporated and commencement of business
2002	- Commencement of construction of the hospital - Free medical checkup at the site of the hospital to promote the business of the upcoming hospital
2004	Medical Consultancy services on small scale were provided to the patients
2005	Hospital started inpatient department
2007	Company taken over by Ojjus Medicare Private Limited - present Promoter
2008	- Obtained approval for installation Leksell - Gamma Knife Machine from Atomic Energy Regulatory Board - Revamping of hospital operations and adding super speciality services in Neuro and Cardiac. Installation of 1.5 tesla MRI for advanced imaging capabilities
2009	- Purchase and commission of Leksell - Perfexion Gamma Knife unit used in treatment of Brain Tumor on Non-invasive basis - New OTs - modular with laminar flow commissioned - New ICU started with life support ventilators and monitoring systems - Installation of cathlab FD-20 Mixed lab
2010	Increase in the scale of operation by adding more beds for inpatient
2011	Starting of construction of ₹ 23,787 lakhs Super Speciality Hospital Project by our Wholly Owned Subsidiary at Faridabad

We had earlier filed a Red Herring Prospectus (RHP) dated December 15, 2011 with Registrar of Companies, NCT Delhi and Haryana for Initial Public Offering (IPO) of equity shares aggregating to ₹ 6,200 lakhs along with one detachable warrant. The Issue was opened for subscription on December 30, 2011 but was withdrawn on January 09, 2012 due to then uncertainty in the capital markets and weak response from the investors. The application money was refunded by us in time in compliance with SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 (as amended from time to time) and in accordance with the RHP dated December 15, 2011.



### Our Main Objects

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

1. To establish, promote, own, run, take on lease, manage, maintain, Hospitals, Nursing Homes, Clinics, Polyclinics, Health Clinics, Dispensaries and Medical Centres in India and elsewhere with a view to provide Nursing Care and facilities to people in the field of

Andrology, Anaesthesiology, Biochemistry, Burns, Cardiology, Cardiothoracic Surgery, Chest Diseases, Clinical Pathology, Cosmetic Surgery, Cytology, Dental Surgery, Dermatology, Diabetology, Drug De-addiction, ENT, Endocrinology, Gastroenterology, Geriatrics, Surgical Gastroenterology, General Surgery, Gynaecology, Haematology, Histopathology, Immunology, Industrial Medicine, IVF., Internal Medicine, Interventional Radiology, Mammography, Micro Surgery, Microbiology, Neonatology, Neurology, Neuroradiology, Neurosurgery, Nuclear Medicine, Nephrology, Obstetrics, Oncology, Surgical Oncology, Ophthalmology, Orthopaedics, Paediatrics, Paediatric Surgery, Physiotherapy, Psychiatry, Radiology, Sex Medicine, Sleep Disorder Laboratory, Rheumatology, Serology, Transfusion Medicine, Trauma and Emergency, Urology and Vascular Surgery.

2. To undertake research work and carry on tests, investigations and treatment of every nature and description such as pathological, bacteriological, radiological, nuclear, ultrasonic and physical or such other tests and investigations through latest modern methods, devices such as CT scanning, MRI, nuclear scan, lithotripsy and Medical and Surgical Lasers.
3. To act as consultants and advisors providing technical know-how, technical services and allied services for the establishment, operation and improvement of nursing homes, hospitals, clinics, medical institutions, medical centres and laboratories in India and abroad.
4. To establish, maintain, run, manage teaching and training centres in any of the fields specified in sub clauses no. 1 to 3 above.

The Objects under the Memorandum of Association of our Company enable us to undertake activities for which the funds are being raised in this Issue. The existing activities of our Company are in accordance with the Object Clause of our Memorandum of Association.

### Changes in the Memorandum of Association since incorporation are as under:

Date of General Meeting	Amendments
August 01, 2001	Authorised Share Capital increased from ₹ 10,00,000 to ₹ 2,50,00,000
December 07, 2005	Authorised Share Capital increased from ₹ 2,50,00,000 to ₹ 5,00,00,000
June 22, 2010	Authorised Share Capital increased from ₹ 5,00,00,000 to ₹ 8,00,00,000
August 03, 2010	Authorised Share Capital increased from ₹ 8,00,00,000 to ₹ 9,00,00,000
December 23, 2010	Authorised Share Capital increased from ₹ 8,00,00,000 to ₹ 25,00,00,000

### Changes in the activities of our Company during the preceding five years

There have been no changes in the activities of our Company during the preceding five years preceding the date of this Draft Red Herring Prospectus, which may have a material adverse effect on our profits or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

### Holding Company

#### Ojjus Medicare Private Limited ("OMPL")

For details, refer to Section "Our Promoter" on page 113 of this Draft Red Herring Prospectus.

**Subsidiary Company****Ojjus Fidelity Healthcare Private Limited (“Ojjus Fidelity”)**

Ojjus Fidelity Healthcare Private Limited is wholly owned subsidiary of our Company. It was originally incorporated under the Companies Act, 1956 on January 13, 2006 under the name and style of ‘Fidelity Buildcon Private Limited’. The name of the company was changed to ‘Ojjus Fidelity Healthcare Private Limited’ and received the fresh certificate of incorporation on November 05, 2008. The corporate identification number of the Company is U45201DL2006PTC144801. The registered office of the Company is situated at 707, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi - 110 001.

The main object of Ojjus Fidelity is to own, buy, sell, construct, improve, take over, manage, operate and maintain hospitals, clinics, dispensaries, maternity homes, medical, family planning centers, diagnostic centers, critical care centers, rehabilitation centers, research centre, pediatric centers, recovery rooms, health resorts, health clinics, polyclinics, medical centers, Clinical and Pathological laboratories, Computerized Tomography (CT) Scanning Centers, Cancer centers, etc., to carry on the business to manufacture, produce, sell, formulate or otherwise deal in all sort of medicines, pharmaceuticals, chemicals. Drugs, apparatus and other allied goods and articles, to undertake research work such and treatment of every nature such as pathological, radiological, nuclear, investigations and to act as consultants / advisors for establishment, operation of hospitals, nursing homes and medical institutions.

The present authorized share capital of Ojjus Fidelity is ₹ 5,000 lakhs.

**Shareholding Pattern as on March 31, 2012**

<b>Name of the Shareholders</b>	<b>No. of Equity Shares</b>	<b>% of shareholding</b>
Goodwill Hospital and Research Centre Limited	23,47,499	100.00
Mr. Harvansh Chawla <sup>1</sup>	1	0.00 <sup>3</sup>
<b>Total</b>	<b>23,47,500</b>	<b>100.00</b>

<sup>1</sup> Our Company is the beneficial owner of 1 equity share held by Mr. Harvansh Chawla. Pursuant to section 187C of the Companies Act, 1956, Ojjus Fidelity had filed Form 22B with the Registrar of Companies, NCT Delhi & Haryana declaring the beneficial ownership of our Company in the aforesaid 1 share. The beneficial interest of this 1 equity share vests with our Company.

<sup>3</sup> Negligible

The equity shares of Ojjus Fidelity Healthcare Private Limited were purchased by our Company from Ojjus Medicare Private Limited on March 26, 2010 at the value of ₹ 10/- per share. Further, all the assets and liabilities of Ojjus Medicare Private Limited in Ojjus Fidelity Healthcare Private Limited were also taken over by our Company, the details of which are as under:

(₹ in lakhs)

<b>Particulars</b>	<b>Amount</b>	<b>Manner of payment of consideration</b>
<b>Assets</b>		
- Investment in equity share capital of Ojjus Fidelity Healthcare Private Limited	1.00	Paid in cash to Ojjus Medicare Private Limited
- Share application money paid in advance by Ojjus Medicare Private Limited to Ojjus Fidelity for allotment of its shares	612.53	The said amount was transferred to the books of our Company and treated as unsecured loan from Ojjus Medicare Private Limited
<b>Liabilities</b>	Nil	

Our Company has not paid any consideration to Ojjus Medicare Private Limited in cash except for acquisition of equity shares of Ojjus Fidelity. The total amount payable by our Company towards ‘share application money’ was accounted for as unsecured loan from Ojjus Medicare Private Limited.

The share application money outstanding in the books of Ojjus Fidelity Healthcare Private Limited as on March 31, 2010 was as follows:

(₹ In lakhs)	
Name	Amount
Goodwill Hospital & Research Centre Limited	612.53
Ojjus Medicare Private Limited	3,208.14
K R Chawla & Company	1,214.01
<b>Total</b>	<b>5,034.68</b>

After the acquisition of shareholding and control of Ojjus Fidelity by our Company, we proposed to re-classify the share application money received from Ojjus Medicare Private Limited and K R Chawla & Company as Unsecured Loan. Ojjus Medicare Private Limited and K R Chawla & Company, both, gave their consent dated June 10, 2010 for the same and hence the share application money aggregating ₹ 4,422.14 lakhs outstanding from them (i.e. Ojjus Medicare Private Limited and K R Chawla & Company) as on March 31, 2010 was re-classified as unsecured loan in the financial year 2010-11. The said unsecured loans are repayable on demand and no interest will be provided during the tenure of the above unsecured loans. For the purpose of restated financial statements, the same is considered as unsecured loan in the financial years prior to financial year 2010-11. As per the certificate dated May 04, 2012 received from Mr. C Mohan Jain (Membership No. 512312), Proprietor, C Mohan Jain & Co., Statutory Auditor of Ojjus Fidelity, the retrospective re-classification of share application money into unsecured loans is not in non-conformity of any Accounting Standard.

The equity shares of Ojjus Fidelity are not listed on any stock exchange.

#### Board of Directors as on March 31, 2012

The board of directors of Ojjus Fidelity currently comprises of

Mr. Harvansh Chawla	Director
Mr. Sandeep Singhania	Director
Mr. Amanveer Singh	Director

#### Summary of the Restated Financial Statements for the ten months period ended January 31, 2012 and last three fiscal years ended March 31, 2011, 2010 and 2009 are as under:

(₹ in lakhs)				
Particulars	January 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
Total Income	-	-	-	-
Net Profit / (Loss)	(45.93)	(20.82)	(11.93)	(154.07)
Equity Share Capital	234.75	1.00	1.00	1.00
Reserves (net of miscellaneous expenditure)	438.12	(187.30)	(166.52)	(154.60)
Net Worth	672.87	(186.30)	(165.52)	(153.60)
Share Application Money	176.38	994.38	612.53	-
EPS (in ₹)	(1.96)	(208.23)	(119.28)	(1,540.69)
NAV (in ₹)	28.66	(1,862.99)	(1,655.03)	(1,536.02)

Ojjus Fidelity is in the process of setting up a hospital at Faridabad on an area of land measuring 16,935 sq. mtrs. in sector 8 Urban Estate Faridabad at an estimated cost of ₹ 23,787 lakhs. The cost which was earlier estimated at ₹ 22,700 lakhs has been revised due to increase in cost of medical equipment and interest during implementation period. The hospital is also proposed to be a super specialty for oncology & rehabilitation with 700 beds with other modern infrastructure and facilities. The hospital is proposed to be completed in three phases, the first phase of OPD, day care facilities and the Diagnostic Centre is expected to be operational in January 2013, the second phase of Rehabilitation centre in April, 2013 and the third phase for Oncology in December, 2013. The hospital is being set up on a land measuring 16,935 sq mtrs in sector 8, Urban Estate, Faridabad allotted by HUDA (Haryana Urban Development Authority). The civil work has started and the excavation work of the land has been completed.

The project is to be financed by term loans for ₹ 15,000 lakhs, unsecured loans aggregating ₹ 2,287 lakhs from our promoter group and equity contribution of ₹ 6,500 lakhs. In respect of the equity investment by

our Company in Ojjus Fidelity, it is proposed that Ojjus Fidelity will issue equity shares to our Company. Ojjus Fidelity has achieved financial closure for the project and has received sanction of term loans aggregating 15,000 lakhs from the four Banks. For details of terms of sanction of loans sanctioned by Banks to Ojjus Fidelity please refer to section titled "Objects of the Issue" beginning on page 50 of this Draft Red Herring Prospectus. For details of the terms of unsecured loans, refer to the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 174 of the Draft Red Herring Prospectus.

Ojjus Fidelity has incurred an amount of ₹ 5,587 lakhs till March 26, 2012 towards the Hospital project at Faridabad as certified by Mr. C Mohan Jain (Membership No. 512312), Proprietor, C Mohan Jain & Co., Statutory Auditor of Ojjus Fidelity vide their certificate dated May 04, 2012. The same has been financed from our contribution of ₹ 1,112 lakhs towards equity (including share application money), unsecured loans from promoter group of ₹ 2,075 lakhs and ₹ 2,400 lakhs from loan disbursed by banks.

**Debt equity ratio:** The total debt equity ratio of our Company on consolidated basis is 1.44 as on January 31, 2012. For details refer to the section titled "Consolidated Financial Statements - Capitalisation Statement" on page 171 of the Draft Red Herring Prospectus.

Ojjus Fidelity is authorized through its main objects to engage in same business as that of our Company. As on date, there will not be any conflict of interest as it is wholly owned subsidiary of our Company. However as and when any conflicts or competition may arise, in the event Ojjus Fidelity ceases to be our wholly owned subsidiary or if we cease to have control over it for any reason, our Board shall determine appropriate conflict management policies in accordance with applicable law.

#### **Shareholders Agreement**

We have not entered into any shareholders agreement.

#### **Non Compete Agreement**

A Non Compete Agreement has been executed on November 10, 2010 between our Company and Karina Healthcare Private Limited, a Promoter Group Company with similar objects, wherein Karina Healthcare Private Limited has agreed not to offer services being offered by us and our Company will have the first right of refusal for any business opportunity stated in our Memorandum of Association. The said Agreement is valid for a period of five years from the date of execution.

A Non Compete Agreement has been executed on April 20, 2012 between our Company and M and D Hospitals Private Limited, a Promoter Group Company with similar objects, wherein M and D Hospitals Private Limited has agreed not to offer services being offered by us and our Company will have the first right of refusal for any business opportunity stated in our Memorandum of Association. The said Agreement is valid for a period of five years from the date of execution.

Our Holding Company and Subsidiary Company have entered into a common Non Compete Agreement dated October 14, 2011 with our Company. Our Promoter is presently not engaged in any commercial activity and has agreed not to offer services currently being offered by us. Further, in terms of the aforesaid Non Compete Agreement, our Company, followed by our Subsidiary will have the first right of refusal for any new business opportunity. The said Agreement is valid for a period of five years.

#### **Agreement for premises of registered office**

We are using the premises licensed to us by one of our Directors, Mr. Harvansh Chawla. Mr. Harvansh Chawla is the lessee of the premises and authorized to use the premises for the purpose of a firm or professional company where he is a proprietor or director or shareholder as per lease agreement with owners of the premises. The lease of Mr. Harvansh Chawla with owners is valid upto December 2013. As per agreement dated November 01, 2011 executed between us and Mr. Harvansh Chawla, our Company is authorized to occupy and use part of the premises as our registered office on a monthly charge of ₹ 25,000 for a period of eleven months. All the basic infrastructure facilities like electricity, telephone, fax etc. is provided by the licensee of the premises to us and we are responsible for payment of charges for these facilities. We share the said premises with one of our Promoter Group Company, H N Reacon Private

Limited. Neither there is any rent sharing agreement between our Company and H N Reacon Private Limited nor there is a demarcation of the premises and facilities installed therein for use by the said parties.

Further, our Subsidiary, Ojjus Fidelity, do not own the premises where its registered office is situated. Ojjus Fidelity is using the premises licensed to it by one of our Directors, Mr. Harvansh Chawla vide an agreement dated December 01, 2011. The said agreement is valid for eleven (11) months. In consideration of the use of office space by Ojjus Fidelity, it will pay ₹ 25,000 as monthly rent to Mr. Harvansh Chawla during the term of the lease. Mr. Harvansh Chawla is the lessee of the premises and authorized to use the premises for the purpose of a firm or professional company where he is a proprietor or director or shareholder as per lease agreement with owners of the premises. Ojjus Fidelity shares the premises of its registered office with six Promoter Group Entities, namely HP IT Solutions Private Limited, Karina Healthcare Private Limited, HPC Finsec Consultancy Private Limited, Karina Fincap Limited, Ojjus Skills Institutes Private Limited and K R Chawla & Company. Neither there is any rent sharing agreement between Ojjus Fidelity and aforesaid Promoter Group Entities nor there is a demarcation of the premises and facilities installed therein for use by the said parties.

**License Agreement with KR Chawla Consulting Private Limited for premises for Cosmetology Centre at Gurgaon**

We have on April 05, 2012 entered into an agreement with KR Chawla Consulting Private Limited, a Promoter Group Company (the licensor) and owner of premises at Plot no. 33, Sector – 44, Gurgaon, in respect of licensing us 25,000 sq ft of constructed space with basic infrastructure. The salient features of the agreement are as under:

- ❖ The licensee to occupy, run, operates and manage the Cosmetology Centre at the demised premises.
- ❖ The agreement shall come in force on October 01, 2012 (Effective Date) and is valid for a period of seven years which may be renewed with the mutual consent of the parties to the agreement.
- ❖ The electricity, water supply, telephone charges and other infrastructure charges shall be borne by the licensee.
- ❖ The licensee to pay an amount of ₹ 50 lakhs per month as the license fee. The licensee shall pay the licence fee on the 5<sup>th</sup> day of the succeeding month which is subject to an increase at the rate of 10% every third year of the term. The period of 3 months from the Effective Date shall be license fee free period for the licensee to carry out fit outs at the demised premise.
- ❖ The licensee to pay ₹ 300 lakhs as six months interest free security deposit before the Effective date.
- ❖ The licensee may, with the prior written consent of the licensor, assign any of the rights under this agreement to any other third party for the purpose of running, operating, managing the Cosmetology Centre. In such an event the licensee shall remain liable for payment of the licensee fee and for the performance of all terms, covenants and conditions undertaken by the licensee under this agreement.

**Other Agreements**

Except as disclosed in this Draft Red Herring Prospectus, there is no material agreement, apart from those entered into in the ordinary course of business carried on or intended to be carried on by us and entered into more than two years before the date of filing of this Draft Red Herring Prospectus.

**Joint Venture**

As on the date of filing of this Draft Red Herring Prospectus, we do not have any Joint Ventures.

**Strategic Partners**

As on the date of filing of this Red Herring Prospectus, we do not have any Strategic Partners.

**Financial Partners**

As on the date of filing this Draft Red Herring Prospectus, we do not have any other financial partners.

### OUR MANAGEMENT

Our Company functions under the control of Board of Directors. Presently we have 11 Directors including six Independent Director. The Chairman of our Board of Directors is Mr. Vinod Kumar who is an Independent Director. The constitution of our Board is as under:

Sr. No.	Name, Designation, Father's Name, Address, occupation	Nationality	Age (Years)	Date of appointment	Directorships / Partnership in other entities
1.	Mr. Vinod Kumar Grover Chairman Non Executive Independent Director S/o Sh. A.N. Grover A-104 Som Vihar, R.K. Puram, New Delhi – 110 022 DIN: 03398588 Occupation: Ex Indian Foreign Officer	Indian	73	18/01/2011  Appointed as Chairman on 21/03/2012	<ul style="list-style-type: none"> <li>• Nil</li> </ul>
2.	Mr. Kuldeep Rai Chawla Non Executive Director S/o Late Sh. Hans Raj Chawla C – 17, Nizamudin East, New Delhi – 110 013 DIN: 01892143 Occupation; Advocate	Indian	73	10/01/2011	<ul style="list-style-type: none"> <li>• Karina Airlines International Limited</li> <li>• Ojjus Medicare Private Limited</li> <li>• Karina Healthcare Private Limited</li> <li>• Karina Fincap Limited</li> </ul>
3.	Mrs. Namrata Chawla Managing Director W/o Mr. Harvansh Chawla C – 17, Nizamudin East, New Delhi – 110 013 DIN: 02699060 Occupation: Business	Indian	36	01/10/2010  Re-appointed as Managing Director w.e.f. 01/10/2011 till 30/09/2012	<ul style="list-style-type: none"> <li>• Karina Airlines International Limited</li> <li>• HN Properties Private Limited</li> <li>• HPC Finsec Consultancy Private Limited</li> <li>• Karina Fincap Limited</li> </ul>
4.	Mr. Harvansh Chawla Non Executive Director S/o Sh. Kuldeep Rai Chawla C – 17, Nizamudin East, New Delhi – 110 013 DIN: 00005271 Occupation: Advocate	Indian	42	14/04/2008	<ul style="list-style-type: none"> <li>• KR Chawla Consulting Private Limited</li> <li>• HN Reacon Private Limited</li> <li>• Ojjus Medicare Private Limited</li> <li>• Ojjus Fidelity Healthcare Private Limited</li> <li>• Karina Airlines International Limited</li> <li>• HP IT Solutions Private Limited</li> <li>• HN Properties Private Limited</li> <li>• Karina Healthcare Private Limited</li> <li>• HPC Finsec Consultancy Private Limited</li> <li>• Karina Fincap Limited</li> <li>• Ojjus Skills Insitutes Private Limited</li> <li>• M and D Hospitals Private Limited</li> </ul>
5.	Mr. Amanveer Singh Whole Time Director (Executive Director) S/o Sh. Jagmohan Singh H.No. 66, Pocket – 52, Chitranjan Park, New Delhi – 110 019 DIN: 02159393 Occupation: Service	Indian	40	31/03/2010  Re-appointed as Whole Time Director w.e.f. 01/10/2011 till 30/09/2012	<ul style="list-style-type: none"> <li>• HN Reacon Private Limited</li> <li>• Karina Fincap Limited</li> <li>• Karina Airlines International Limited</li> <li>• Ojjus Skills Institutes Private Limited</li> <li>• M and D Hospitals Private Limited</li> <li>• Ojjus Fidelity Healthcare Private Limited</li> </ul>

Sr. No.	Name, Designation, Father's Name, Address, occupation	Nationality	Age (Years)	Date of appointment	Directorships / Partnership in other entities
6.	Mr. Sandeep Singhania Whole Time Director (Executive Director) S/o Sh. Vishwanath Singhania Flat No. 10, Plot No. 1, Sukhdham Apartments, Sector – 9, Rohini, New Delhi – 110 085 DIN: 01456864 Occupation: Service	Indian	47	01/12/2006  Re-appointed as Whole Time Director w.e.f. 01/10/2011 till 30/09/2012	<ul style="list-style-type: none"> <li>• KR Chawla Consulting Private Limited</li> <li>• Ojjus Fidelity Healthcare Private Limited</li> <li>• Karina Airlines International Limited</li> <li>• Karina Healthcare Private Limited</li> <li>• HP IT Solutions Private Limited</li> <li>• Ojjus Skills Institutes Private Limited</li> <li>• HN Reacon Private Limited</li> </ul>
7.	Mr. Ram Avtar Poddar Non Executive Independent Director S/o Sh. Brij Mohan Poddar C – 171, Greater Kailash - 1, New Delhi - 110 048 DIN: 00029313 Occupation: Professional	Indian	72	18/01/2011	<ul style="list-style-type: none"> <li>• The Tobacco Institute of India</li> <li>• Chase Investment Limited</li> <li>• Modi Entertainment Limited</li> <li>• Rajputana Developers Limited</li> <li>• Success Principles India Limited</li> <li>• Indo Euro Investment Company Private Limited</li> <li>• IPM India Wholesale Trading Private Limited</li> <li>• Marketing &amp; Brand Solutions (India) Private Limited</li> <li>• ME Fashions India Private Limited</li> <li>• Modi ATI Education Private Limited</li> <li>• Modicare Limited</li> <li>• Ermenegildo Zegna India Holding Private Limited</li> <li>• Nirvana Biosys Private Limited</li> <li>• PHD Chamber of Commerce and Industry</li> </ul>
8.	Dr. Vineet Arora Non Executive Independent Director S/o Sh. Dharam Dev Arora Flat no. 43, 1 <sup>st</sup> Floor, Milan Apartments, Pitampura, Delhi – 110034 DIN: 05256026 Occupation: Professional	Indian	42	16/04/2012	<ul style="list-style-type: none"> <li>• Nil</li> </ul>
9.	Mr. Rajeev Anand Non Executive Independent Director S/o Sh. Satya Pal Anand M-177, II <sup>nd</sup> Floor, Greater Kailash - II, New Delhi - 110 048 DIN:01159216 Occupation: Service	Indian	43	22/07/2011	<ul style="list-style-type: none"> <li>• TSI Displays Private Limited</li> <li>• AV Softech Private Limited</li> <li>• TSI Exhibits Private Limited</li> <li>• Bigdot Advertising and Communications Private Limited</li> </ul>
10.	Fr. Jose Alarico Carvalho Non Executive Independent Director S/o Mr. Jose Inacio Carvalho Fr. AL Sch, Father Agnel School, Gautam Nagar, New Delhi – 110 049 DIN: 03398696 Occupation: Priest	Indian	63	18/01/2011	<ul style="list-style-type: none"> <li>• Nil</li> </ul>

Sr. No.	Name, Designation, Father's Name, Address, occupation	Nationality	Age (Years)	Date of appointment	Directorships / Partnership in other entities
11.	Mr. Mahendra Singh Kochar Non Executive Independent Director S/o Sh. Harbans Singh Giani C-43, Green Park Main, New Delhi – 110 016 DIN:03486577 Occupation: Professional	Indian	62	01/02/2012	<ul style="list-style-type: none"> <li>• MKAS Media Transformation &amp; Consulting Private Limited</li> </ul>

In terms of Article no. 145 of our Articles of Association, Mr. Harvansh Chawla and Mrs. Namrata Chawla shall be the permanent Directors of our Company. All other Directors of our Company shall be liable to retire by rotation, of which one third shall retire by rotation at every annual general meeting of our Company.

#### Brief Profile of Directors

**Mr. Vinod Kumar Grover**, 73 years, Chairman, holds a Bachelor Degree of Economics Hons from Delhi University and Masters Degree of Economics & History from Cambridge University, U.K. He is an ex Indian Foreign Officer with an overall experience of 49 years. He has been Indian Ambassador to various countries and Secretary (West), Ministry of External Affairs from August 1993 to December 1996. He has also served as a member of National Security Advisory Board of the Prime Minister for two years, member advisory committee of Foreign Minister and Oil Diplomacy Committee of the Minister of Petroleum and Natural Gas. At present he is Honorary Advisor to Indo-German Chamber of Commerce.

**Mr. Kuldeep Rai Chawla**, 73 years, Non Executive Director, holds a Bachelor of Science Degree from Punjab University and is a Law Graduate from Agra University. In 1965 he became the member of Bar Council of India. He has experience of 40 years in civil, labor and corporate law, arbitration and general litigation. He has been legal advisor to various institutions and corporate in his career. He gives his valuable guidance on legal matters and improving the services of our hospital.

**Mrs. Namrata Chawla**, 36 years, Managing Director, is a graduate from Delhi University and Masters in Business Administration from Apeejay School of Management affiliated to Thames Valley University. She has more than 10 years of experience in running ventures and advising on business development to Corporates. She was the Chairperson and on the Board of Exchange 4 Media Private Limited during the period 1999 to 2005. Exchange 4 Media Private Limited is involved in publishing of 'Pitch', 'Realty Plus' and 'Franchising Plus' magazines. She also launched the brand "Irrespective" in women wear segment under the trade name and style of "M/s Irrespective" in the year 2002 and remained associated with the same till 2007. Since 2008 she has been instrumental in strategic planning and business development of our hospital. She is responsible for overall management and supervision of the business of our Company.

**Mr. Harvansh Chawla**, 42 years, is a law graduate from Delhi University and Master's in International Law from Georgetown University (Law Centre), USA. In 1994 he was admitted to the Bar Council of India and since then he has been actively pursuing his career in the profession of law. He has over 16 years of experience and is a member of International Bar Association, Inter Pacific Bar Association and Indo-US Business Council. As a lawyer he has handled legal work of various multinational clients including Northrop Grumman, Fluor Daniel, Singapore Airlines, Alcatel, Flag Telecom. He was amongst the lawyers who were selected by Ministry of Finance, Government of India, to prepare the counter guarantees for the fast track infrastructure projects in India in the year 1996. He gives his valuable guidance to our Company for development of strategies for future growth.

**Mr. Amanveer Singh**, 40 years, Whole Time Director, holds a Bachelor Degree in Commerce from Delhi University and a Diploma in Polymer Technology from Polyolefins India Limited affiliated to LPRI, London. He has over 12 years of experience in business development and implementation of projects including in Healthcare Industry, Automotive Industry and hospitality industry. Prior to joining our Company as Director, he was advising our Company for two years on various matters related to our Hospital "Ojjus Medicare". Prior to joining our Company, he was associated for two years with M and D



Hospitals Private Limited, which was running a diagnostic centre. He is Chief Executive Officer responsible for operations and day to day management of our hospital.

**Mr. Sandeep Singhania**, 47 years, Whole Time Director, holds Masters Degree in Commerce from Kanpur University and a diploma in Executive Master in International Trade from Indian Institute of Foreign Trade. He has over 27 years of experience in Finance and Operations. He has worked with LML Limited, Tirupati Texknit Limited and Edutech Informatics India Limited. He looks after corporate affairs and finance of our Company.

**Mr. Ram Avtar Poddar**, 72 years, Independent Director, a Chartered Accountant and has completed Advanced Management Program from Harvard Business School and University of Southern California. He has more than 45 years of experience in Tobacco, Automobile and Textile Sector. He has held various top managerial positions in past including Chief Executive of Godfrey Phillips India Limited, Chairman of The Tobacco Institute of India, Vice President of Indian Chamber of Commerce & Industry. He has also been a Member of various committees of FICCI, CII and Assocham.

**Dr. Vineet Arora**, 42 years, Independent Director, graduated with a MBBS degree from Indra Gandhi Medical College (IGMC), Shimla and MD (Medicine) from Guru Nanak Dev University, Amritsar. He has over 13 years of experience as a Senior Practicing, Consultant Physician and Cardio-Diabetologist. Presently he is Consultant Physician with Bhagwaan Mahavir Hospital and Jaipur Golden Hospital, Delhi.

**Mr. Rajeev Anand**, 43 years, Independent Director, is a graduate from Delhi University and has done Exhibition Designing Course from Skyline University, Minnesota, USA. He has over 21 years of experience in the field of Marketing, Public Relations and Advertising. He is engaged in Designing & Setting up of Exhibitions both in India & Abroad as Executive Director in TSI Displays (P) Ltd. He has been awarded services recognition certificate for excellent Presentation and Decoration work in "Festival of India" event held in Caracas, Venezuela. He has also been awarded appreciation certificate for setting up of Air Force President of India Fleet Review held at Chandigarh.

**Fr. Jose Alarico Carvalho**, 63 years, Independent Director, holds a Master's Degree in Sociology from Meerut University and B.Ed Degree from Annamalai University. In 1973 he was ordained as Priest. He has helped in establishment of Fr. Agnel School in Gautam Nagar, Delhi of which he is the founder principal. He also helped in establishing Fr. Agnel School, Noida and Fr. Agnel Balbhawan in Greater Noida. He has to his credit several articles including the NCERT Monograph on Technology and other writings on Sustainable Development.

**Mr. Mahendra Singh Kochar**, 62 years, Independent Director, holds a degree in Masters in Commerce (M.Com) from Delhi University. He has over 40 years of experience in the field of Corporate Finance and Banking. He has worked for 26 years in various capacities in Punjab National Bank and thereafter for more than 12 years as Vice President with Kohinoor Foods Limited. Presently he is working as a Financial Consultant.

#### Relationship between the Directors

Following Directors of our Company are related to each other:

Sr. No.	Name of the Director	Related to	Nature of Relationship
1.	Mr. Kuldeep Rai Chawla	Mr. Harvansh Chawla Mrs. Namrata Chawla	Father Father-in-law
2.	Mr. Harvansh Chawla	Mr. Kuldeep Rai Chawla Mrs. Namrata Chawla	Son Husband
3.	Mrs. Namrata Chawla	Mr. Kuldeep Rai Chawla Mr. Harvansh Chawla	Daughter-in-law Wife

None of our Directors, have held or are holding directorships in any listed companies whose shares have been or were suspended from being traded on the BSE and / or the NSE or whose shares have been or were delisted from the stock exchange(s). We also confirm that:

- we have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which our Director were selected as Director or member of Senior Management.
- the service contracts entered into with our Managing Director / Whole Time Director does not provide for any benefit upon termination of employment except the retirement benefits payable to them as Provident Fund, Superannuation and Gratuity as per the policies of our Company.

#### **Borrowing powers**

Our Company has passed the resolution in the extra ordinary general meeting of the members held on December 23, 2010 authorizing the Directors of our Company to borrow from time to time all such money as they may deem necessary for the purpose of business of our Company notwithstanding that money borrowed by our Company together with the monies already borrowed by our Company may exceed the aggregate of the paid up share capital and free reserves provided that the total amount borrowed by the Board of Directors shall not exceed the sum of ₹ 25,000 Lakhs.

#### **Remuneration of our Director**

##### **Mrs. Namrata Chawla**

Mrs. Namrata Chawla was appointed as Managing Director of our Company by the members in their Extra Ordinary General Meeting held on December 23, 2010 w.e.f. the same date. The terms of her appointment was later modified in the Annual General Meeting of our Company held on September 30, 2011. Her term of appointment was modified from October 01, 2011 to September 30, 2012 at a salary of ₹ 24,00,000 per annum. The details of her salary are as under:

❖ Basic Salary	: ₹ 80,000 per month
❖ Dearness Allowance	: ₹ 40,000 per month
❖ Taxable Allowance	: ₹ 70,000 per month
❖ Tax free perquisites	: ₹ 10,000 per month

##### **Mr. Amanveer Singh**

Mr. Amanveer Singh was appointed as Whole Time Director of our Company by the members in their Extra Ordinary General Meeting held on December 01, 2010 w.e.f. the same date. The terms of his appointment was later modified in the Annual General Meeting of our Company held on September 30, 2011. Her term of appointment was modified from October 01, 2011 to September 30, 2012 at a salary of ₹ 24,00,000 per annum. The details of his salary are as under:

❖ Basic Salary	: ₹ 80,000 per month
❖ Dearness Allowance	: ₹ 40,000 per month
❖ Taxable Allowance	: ₹ 70,000 per month
❖ Tax free perquisites	: ₹ 10,000 per month

##### **Mr. Sandeep Singhania**

Mr. Sandeep Singhania was appointed as Whole Time Director of our Company by the members in their Extra Ordinary General Meeting held on December 01, 2010 w.e.f. the same date. The terms of his appointment was later modified in the Annual General Meeting of our Company held on September 30, 2011. Her term of appointment was modified from October 01, 2011 to September 30, 2012 at a salary of ₹ 24,00,000 per annum. The details of his salary are as under:

❖ Basic Salary	: ₹ 80,000 per month
❖ Dearness Allowance	: ₹ 40,000 per month
❖ Taxable Allowance	: ₹ 70,000 per month
❖ Tax free perquisites	: ₹ 10,000 per month

**Sitting Fee**

The Board of Directors has accorded their approval for payment of sitting fee to Directors of our Company for attending the Meeting of the Board. The Directors, other than Executive Directors, are entitled for payment of sitting fee of ₹ 20,000 w.e.f. February 05, 2011 for attending every meeting of Board of its Committee thereof and reimbursement of actual expenditure incurred on travelling, lodging and boarding. Mr. Kuldeep Rai Chawla and Mr. Harvansh Chawla, Non Executive Directors of the Company, who form part of the Promoter Group, have consented not to take any sitting fees from our Company in respect of the meetings attended by them.

**Corporate Governance**

The provisions of the Listing Agreement to be entered into with BSE and NSE with respect to corporate governance will be applicable to us immediately upon the listing of our Company's Equity Shares on the Stock Exchanges.

Our Company has complied with the corporate governance requirements as per Clause 49 of the Listing Agreement. In terms of the Clause 49 of the Listing Agreement, our Company has already appointed Independent Directors and constituted the following committees of the Board:

**1. Audit Committee**

The Audit Committee was re-constituted by our Board in their meeting held on January 18, 2011 in accordance with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The Audit Committee presently comprises of:

Sr. No.	Name of Member	Designation	Remarks
1.	Mr. Ram Avtar Poddar	Chairman	Independent Director
2.	Mr. Sandeep Singhanian	Member	Executive Director
3.	Fr. Jose Alarico Carvalho	Member	Independent Director

Our Company Secretary is the Secretary to the Committee.

The purpose of the Audit Committee is to ensure the objectivity, credibility and correctness of the company's financial reporting and disclosure processes, internal controls, tax policies, compliances and legal requirements and associated matters.

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- 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.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of any related party transactions
  - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval
- Reviewing, with the management, 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/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.

7. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
8. 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.
9. Discussion with internal auditors any significant findings and follow up there on.
10. 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.
11. 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.
12. 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.
13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
14. Review of management discussion and analysis of financial condition and results of operations, statements of significant related party transactions submitted by management, management letters/letters of internal control weaknesses issued by the statutory auditors, internal audit reports relating to internal control weaknesses, and the appointment, removal and terms of remuneration of the chief internal auditor.
15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or entrusted upon by the Board.

The powers of the Audit Committee shall include power to:

1. To investigate activity within its terms of reference.
2. To seek information from any employees.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

## 2. Remuneration Committee

The Remuneration Committee was constituted by our Board in their meeting held on January 18, 2011 in accordance with the requirements of Clause 49 of the Listing Agreement. The Remuneration Committee presently comprises of:

Sr. No.	Name of Member	Designation	Remarks
1.	Fr. Jose Alarico Carvalho	Chairman	Independent Director
2.	Mr. Vinod Kumar Grover	Member	Independent Director
3.	Mr. Ram Avtar Poddar	Member	Independent Director

Our Company Secretary is the Secretary to the Committee.

The role of the Remuneration Committee includes:

1. To review the remuneration of whole time / managing director, including annual increment and commissions, after reviewing their performance;
2. Review the remuneration policy followed by the Company, taking into consideration the performance of senior executives on certain parameters;
3. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the Remuneration Committee.

## 3. Shareholders Grievances Redressal Committee

The Shareholders Grievances Redressal Committee was constituted by our Board in their meeting held on January 18, 2011 and re-constituted on July 22, 2011 in accordance with the requirements of Clause 49 of the Listing Agreement. The Shareholders Grievances Redressal Committee presently comprises of:

Sr. No.	Name of Member	Designation	Remarks
1.	Fr. Jose Alarico Carvalho	Chairman	Independent Director
2.	Mr. Harvansh Chawla	Member	Promoter Director
3.	Mr. Rajeev Anand	Member	Independent Director

Our Company Secretary is the Secretary to the Committee.

The role of the Shareholders Grievances Redressal Committee includes:

1. To approve share transfers and transmissions.
2. To approve splitting of share certificates, consolidation of share certificates and related matters including issue of fresh share certificates in lieu of the split / consolidated certificates.
3. Issue of duplicate share certificates in lieu of lost, mutilated and destroyed certificates.
4. Matters relating to dematerialization of shares and securities.
5. Investor relations and redressal of shareholders grievances in general and relating to non receipt of dividends, interests, non receipt of balance sheet etc in particular.

#### Interests of Directors

All of our directors may be deemed to be interested to the extent of fees, if any, payable to them, for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and / or reimbursement of expenses and / or commission, if any, payable to them and to the extent of remuneration, if any, paid to them for services rendered as an officer or employee of our company.

Mr. Harvansh Chawla, one of our Directors is interested to the extent of occupancy charges of ₹ 25,000 per month on account of utilization of office space by us for our Registered Office and ₹ 25,000 per month on account of utilization of office space by our Subsidiary. Mr. Harvansh Chawla has also applied for registration of trademark and logo ("Ojjus Medicare") being used by our Company.

The non promoter directors of our company can apply in the Issue and as such, may be regarded as interested in our Company to the extent of equity shares that may be subscribed by or allotted to them pursuant to the Issue. All the Directors may also be regarded as interested to the extent of Equity Shares already held by them or by the companies / firms / ventures promoted by them, if any, or equity shares that may be subscribed by or allotted to them pursuant to the Issue and dividend or other distributions payable to them in respect of the said Equity Shares. All directors may be deemed to be interested in the agreement / arrangements entered into or to be entered into by our company with any company in which they hold directorships or any partnership firms in which they are partners.

Except as stated above and in the section titled "Standalone Financial Statements - Related Party Transactions" on page 136 of this Draft Red Herring Prospectus, and to the extent of shareholding in our Company, our Directors do not have any other interest in our business or promotion of our Company or in any property acquired by us within two years from the date of the Draft Red Herring Prospectus or proposed to be acquired by them.

#### Shareholding of our Directors

None of our Directors hold shares in our company as on the date of filing this Draft Red Herring Prospectus except the following (for which our Holding Company, Ojjus Medicare Private Limited is the beneficial owner):

S. No.	Name of the Shareholders	No. of Equity Shares	% of total Shareholding	Date of acquisition of shares	Date of acquisition of beneficial ownership by Ojjus Medicare Private Limited	Date of filing Form 22B with ROC
1.	Mr. Kuldeep Rai Chawla	1	0.00	December 03, 2007	December 03, 2007	January 17, 2011
2.	Mr. Harvansh Chawla	1	0.00	October 04, 2010	October 04, 2010	January 17, 2011
3.	Ms. Namrata Chawla	1	0.00	October 04, 2010	October 04, 2010	January 17, 2011

As per the Companies Act, 1956, there should be atleast 7 members in a public limited company. The

shares of our Company were acquired by Ojjus Medicare Private Limited, making it our holding company. To comply with the requirements of minimum number of members, Ojjus Medicare Private Limited has nominated 6 persons to hold one share each on its behalf. Out of the said members, 3 persons as mentioned above are Directors on the Board of our Company, holding one share each on behalf of Ojjus Medicare Private Limited. The beneficial interest of these shares vests with Ojjus Medicare Private Limited.

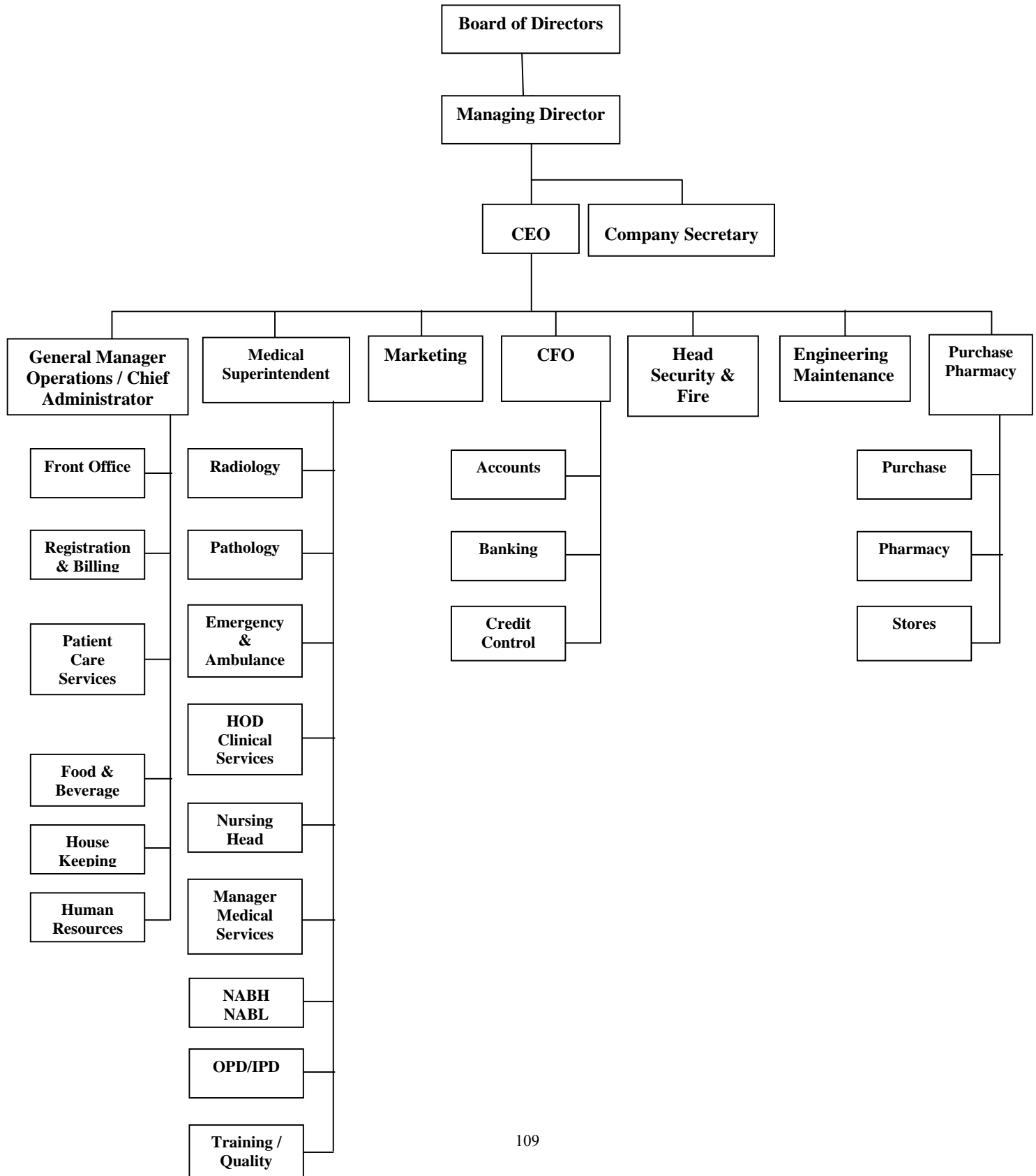
**Changes in the Board of Directors in the last 3 years**

Except the following, there has been no change in the Board of Directors of our Company during the last three years:

Name of Director	Date of Appointment	Date of cessation	Reason for Change
Mrs. Namrata Chawla	October 01, 2010	-	To broadbase the Board
Mr. Amanveer Singh	March 31, 2010	-	To broadbase the Board
Mr. Ashwani Bansal	July 11, 2005	March 31, 2010	Due to Resignation
Ms. Vandana Bansal	July 11, 2005	March 31, 2010	Due to Resignation
Mr. Kuldeep Rai Chawla	January 10, 2011	-	To broadbase the Board
Mr. Ram Avtar Poddar	January 18, 2011	-	To broadbase the Board in compliance with Clause 49 of the Listing Agreement
Mr. Vinod Kumar Grover	January 18, 2011	-	Appointed as Chairman of the Board
Fr. Jose Alarico Carvalho	January 18, 2011	-	To broadbase the Board in compliance with Clause 49 of the Listing Agreement
Justice Vijender Jain (Retd.)	January 18, 2011	February 01, 2012	Due to Resignation
Mr. Lalit Kumar Joshi	January 18, 2011	July 22, 2011	Due to Resignation
Mr. Rajeev Anand	July 22, 2011	-	To broadbase the Board in compliance with Clause 49 of the Listing Agreement
Mr. Mahendra Singh Kochar	February 01, 2012	-	To broadbase the Board in compliance with Clause 49 of the Listing Agreement
Dr. Vineet Arora	April 16, 2012	-	To broadbase the Board in compliance with Clause 49 of the Listing Agreement

### Management Organization Structure

The Organization structure of the senior management is presented below:



**Key Managerial Personnel**

In addition to Mrs. Namrata Chawla, Mr. Sandeep Singhanian and Mr. Amanveer Singh, the following are Key Managerial Personnel of our Company. For details relating to the profiles of Mrs. Namrata Chawla, Mr. Sandeep Singhanian and Mr. Amanveer Singh see the section titled “Our Management - Brief Profiles of the Directors” on page 102 of this Draft Red Herring Prospectus. All our Key Managerial Personnel are permanent employees of our Company.

Name	Designation	Age (Years)	Qualification	Total Exp. (years)	Date of Joining	Previous Employment
Dr. Subrata Dutta	HOD – Anaesthesia & Critical Care	53	MD – Anaesthesia	25	01/11/2009	Visiting Consultant
Dr. Praveen Singh	Head of Interventional Cardiology	39	DM - Cardiology	11	31/05/2010	G.B. Pant Hospital
Mr. Charanjeet Bareja	Chief Financial Officer	57	B.Com	27	01/04/2008	Orchids
Mr. Ashok Kumar Gupta	Sr. Vice President (Finance)	52	Chartered Accountant	27	01/10/2011	Continental Carriers Private Limited
Ms. Jessymol Joseph	Clinical Manager	37	Bachelor of Business Administration, Diploma in Secretarial & Modern Management	14	01/11/2010	Indraprastha Apollo Hospital
Ms. Omana Thomas	Deputy Nursing Superintendent	52	Diploma in Nursing & Midwifery	29	12/01/2012	Metro Multi Speciality Hospital
Ms. Sunayana Tewari	Company Secretary	26	ACS	1.3	16/07/2011	PAN India Corporation Limited

**Brief profile of the Key Managerial Personnel of our Company is as follows:**

**Dr. Subrata Dutta** graduated with a MBBS degree from University of Jabalpur and an MD (Anaesthesiology) from Medical College, Jabalpur. He has over 25 years of experience in Anaesthesia & Critical Care. He has also conducted lectures on Basic Underwater Medicine, Hyperbaric Therapy, Preventive Health, First-Aid to Para medical personnel on ships and hospitals. Prior to joining our Company in November 2009, he has worked as a visiting consultant and associate consultant in Medical Intensive care unit at Apollo Hospital. He currently Heads Anaesthesia and Critical Care Division of the Hospital. His cost to company is ₹ 18 lakhs per annum.

**Dr. Praveen Singh** graduated with a MBBS degree and an MD (Internal Medicine) from S.P. Medical College, Bikaner and DM (Cardiology) from G.B. Pant Hospital, New Delhi. He has over 11 years of experience in Coronary & Peripheral Interventions. Post DM he has experience of one year working exclusively in Cath Lab at G.B. Pant Hospital, New Delhi. He joined our Company in May 2010 and has been promoted as Head – Interventional Cardiology and Medical Advisor w.e.f from February, 2012. His cost to company is ₹ 30 lakhs per annum.

**Mr. Charanjeet Bareja**, our Chief Financial Officer, holds a bachelor’s degree in Commerce from Agra University. He has over 27 years of experience in the field of Finance and Accounts. Prior to joining our Company in April 2008, he has worked with Orchids, DE Development Engineers Private Limited, Technofab Engineering Limited, Kuhzad NBM Limited, Baharain. He looks after all matters related to finance, accounts and tax of our Company. His cost to company is ₹ 6.60 lakhs per annum.



**Mr. Ashok Kumar Gupta**, is the Senior Vice President - Finance, and his areas of responsibility and supervision include finance, costing, taxation, imports and banking. He joined with our Company on October 01, 2011. He is a qualified Chartered Accountant from the Institute of Chartered Accountants of India. He has more than 27 years of experience in the field of finance, direct & indirect taxation, joint ventures, budgeting, MIS and ERP System set up. Prior to joining our Organisation, he was working with Continental Carriers Private Limited. His cost to company is ₹ 18 lakhs per annum.

**Mrs. Jessymol Joseph**, holds a Degree of Bachelor of Business Administration from Annamalai University and a Diploma in Secretarial and Modern Management. She has an overall 14 years and prior to joining our Company in November 2010, she has worked with Indraprastha Apollo Hospital. She is working with our Company as Manager – Medical Service. Her cost to company is ₹ 4.20 lakhs per annum.

**Ms. Omana Thomas**, holds General Nursing & Midwifery Diploma from D.R.H. School of Nursing, Gulburga. She has over 29 years of experience in the healthcare industry and prior to joining our Company in January 2012, she was working with Metro Multi Speciality Hospital, Noida, Prayag Hospital. She currently holds the position of Deputy Nursing Superintendent in our hospital. Her Cost to Company is ₹ 4.80 lakhs per annum.

**Ms. Sunayana Tewari**, is our Company Secretary. She completed her company secretaryship from the Institute of Company Secretaries of India, New Delhi. Prior to joining our Company in July 2011, she was associated with PAN India Corporation Limited for 1.3 years. Her current responsibilities in our Company include corporate compliance and secretarial matter. Her cost to company is ₹ 3.36 lakhs per annum.

We confirm that the service contracts entered into with our Key Management Personnel does not provide for any benefit upon termination of employment except the retirement benefits payable to them as Provident Fund, Superannuation and Gratuity as per the policies of our Company. Except the normal incentive scheme of our Company, there is no specific incentive sharing plan for the Key Managerial Personnel. “Normal Incentive Scheme” is the performance based incentive Scheme of our Company, wherein we may pay incentive to our employees based on their performance and achievement of targets. Our Management shall exercise its discretion in payment of such incentive to the employees.

We also confirm that we have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which any of the key management personnel was appointed as a member of Senior Management.

None of the Key Managerial Personnel of our Company is related to each other.

#### Changes in Key Management Personnel during the last three years

Name	Designation	Date of Appointment	Date of Cessation
Ms. Omana Thomas	Deputy Nursing Superintendent	January 12, 2012	-
Mr. Ashok Kumar Gupta	Sr. Vice President (Finance)	October 01, 2011	-
Dr. Sudhakar Manav	President	August 01, 2011	January 11, 2012
Ms. Sunayana Tewari	Company Secretary	July 16, 2011	-
Mr. R P Nautiyal	Chief Administrator	July 01, 2011	January 14, 2012
Dr. Arvind Sharma	Head - Medical Services Division	May 25, 2011	January 15, 2012
Lt. Gargi Lahiri	Nursing Superintendent	January 12, 2011	January 10, 2012
Dr. Mohd Akber Wani	Chief Executive Officer	December 01, 2010	May 31, 2011
Ms. Aarti Sachdeva	Company Secretary	November 30, 2010	July 15, 2011
Ms. Jessymol Joseph	Clinical Manager	November 01, 2010	-
Mrs. Anmary Noble	Nursing Superintendent	October 21, 2010	February 25, 2011
Dr. Prashant Agarwal	Head Medical Services	September 22, 2010	April 21, 2011

Name	Designation	Date of Appointment	Date of Cessation
Dr. Subrata Dutta	HOD – Anesthesia & Critical Care	November 01, 2009	-
Dr. Pallavi Waman Nanaware	Consultant & Incharge – Emergency & Critical Care	October 15, 2009	January 12, 2012
Ms. Poonam	Chief Administrator	August 24, 2009	May 10, 2011
Mrs. M Mathai	Nursing Superintendent	July 15, 2009	January 31, 2010
Mr. Arvind Agarwal	Vice President Finance	July 02, 2009	October 31, 2009
Dr. Shree Nath Caprihan	Head – Casualty & Nursing	October 15, 2008	February 28, 2011
Ms. Nancy Sharma	Company Secretary	April 15, 2010	November 29, 2010
Dr. Arun Kumar Jain	Chief Medical Superintendent	-	September 30, 2010
Dr. Praveen Singh	Head – Interventional Cardiology	May 31, 2010	-
Dr. Pradeep Bhardwaj	Chief Operating Officer	-	July 31, 2009
Major General S B Akali (Retd)	Chief Administrator	-	June 29, 2009

**Shareholding of Key Managerial Personnel**

Except Mrs. Namrata Chawla holding one share, details of which have been disclosed under section titled “Our Management - Shareholding of our Directors” on page 107 of the Draft Red Herring Prospectus, none of the Key Managerial Personnel is holding any shares in our Company.

**Interest of Key Managerial Personnel**

No key Managerial Personnel have 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 and reimbursement of expenses incurred by them during the ordinary course of business.

**Employee Stock Option Scheme / Employees Stock Purchase Scheme**

Presently, we do not have any Employee Stock Option Scheme / Employees Stock Purchase Scheme

**Payment or benefit to officers of our Company**

Except the payment of salaries and perquisites, our Company does not make any payments to its officers.

**OUR PROMOTER****Ojjus Medicare Private Limited (“OMPL”)**

We are wholly owned subsidiary of Ojjus Medicare Private Limited. OMPL was originally incorporated as ‘HN Estate Developers Private Limited’ on March 11, 2004 under the Companies Act, 1956 with the Registrar of Companies NCT Delhi & Haryana. The name of the company was subsequently changed to ‘HN Healthcare Private Limited’ pursuant to a fresh certificate of incorporation dated July 28, 2004. The name of the company was further changed to ‘Ojjus Medicare Private Limited’ pursuant to a fresh certificate of incorporation dated September 02, 2008. The registered office of OMPL is situated at 7th Floor, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi - 110 001. The Promoter of OMPL is Mr. Harvansh Chawla.

Ojjus Medicare Private Limited is authorized to carry on the business of setting up of Hospital, Nursing Homes, Dispensary, Medical Clinic, Maternity and Family Planning Units or Pathological Laboratories and to provide treatment in Allopathic / Homeopathic / Ayurvedic or in any other pathy. Ojjus Medicare Private Limited is presently not engaged in any commercial activity and does not have any staff on its roll. Since there were no employees on the rolls of our Promoter, the e-mail id of Mr. Sandeep Singhanian, our Whole time Director, was used by our Promoter for the purpose of correspondence with the Office of the Registrar of Companies NCT Delhi and Haryana. However the same has been discontinued.

CIN : U45201DL2004PTC125125  
 PAN : AABCH6207Q  
 Bank a/c No. : 65012347662 with State Bank of Patiala, Shastri Bhawan, Rajendra Prasad Road, New Delhi

The equity shares of OMPL are not listed on any stock exchange.

**Shareholding Pattern as on March 31, 2012**

<b>Name</b>	<b>No. of equity shares</b>	<b>% of shareholding</b>
Mr. Harvansh Chawla	9,999	99.99
Mr. Kuldeep Rai Chawla	1	0.01
<b>Total</b>	<b>10,000</b>	<b>100.00</b>

**Board of Directors**

Mr. Harvansh Chawla and Mr. Kuldeep Rai Chawla are the Directors of OMPL as on March 31, 2012.

**Financial performance**

The audited standalone financial results of Ojjus Medicare Private Limited for the financial years ended March 31, 2011, 2010 and 2009 are set forth below.

	(₹ in lakhs)		
<b>Particulars</b>	<b>March 31, 2011</b>	<b>March 31, 2010</b>	<b>March 31, 2009</b>
Total Income	-	-	0.13
Profit after Tax	(0.08)	(0.07)	0.02
Equity share capital (including share forfeiture)	7.22	7.22	1.00
Reserves & Surplus (net of miscellaneous expenditure)	408.79	408.88	(14.83)
Net Worth	416.01	416.10	(13.83)
Share Application Money	2,708.08	5,908.08	1031.72
Book Value per share of face value ₹ 10/- each (in ₹)	4,160.14	4,160.98	(138.33)
Earnings per share of face value ₹ 10/- each (in ₹)	(0.85)	(0.74)	0.18

OMPL has not been a declared a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 (the “SICA”) and is not under winding up.

Our Company was originally promoted by Dr. Alok Bhatia, Dr. Sudhir Sharma, Dr. Manoj Kumar Johar, Dr. Sanjay Garg, Dr. Girish Chandra Vaishnava, Dr. Neerja Johar, Dr. Vandana Garg, Dr. Ajay Bhalla, Dr. Harmeet Malhotra and Dr. Jatinder Singh. Our Company and its Management was taken over by Ojjus Medicare Private Limited by acquiring 100% ownership on December 03, 2007. 37,18,668 equity shares of our Company were acquired by Ojjus Medicare Private Limited for an aggregate consideration of ₹ 371.87 lakhs (i.e. ₹ 10/- per equity share). Being an unlisted Company, the provisions of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2009 and Listing Agreement were not applicable at the time of acquisition of such control.

For details of shareholding of our Promoter in our Company, its capital built up and beneficial interest of our Promoter in six shares held by six individuals (one equity share each), refer to note no. 3 in the section titled “Capital Structure” on page 42 of the Draft Red Herring Prospectus.

Our Company tookover the controlling interest in Ojjus Fidelity Healthcare Private Limited from Ojjus Medicare Private Limited on March 26, 2010. For details of the same including re-classification of outstanding share application money in the books of Ojjus Fidelity as unsecured loan, refer to the section titled “History & Certain Corporate Matters - Subsidiary Company” on page 96 of the Draft Red Herring Prospectus.

#### **Other confirmation**

Our Company confirms that the PAN, bank account number and company registration details of OMPL along with the address of the Registrar of Companies where our Promoter is registered have been submitted to the Stock Exchanges, at the time of filing the Draft Red Herring Prospectus with SEBI.

There has been no change in the control or management of our corporate Promoter during the three years immediately preceding the date of filing of this Draft Red Herring Prospectus.

#### **Common Pursuits**

There are common pursuits between our Company and two Promoter group companies, Karina Healthcare Private Limited and M and D Hospitals Private Limited, as they are engaged in the same line of activity in which company is engaged. Our Company has entered into Non Compete Agreement dated November 10, 2010 with Karina Healthcare Private Limited. Karina Healthcare Private Limited has agreed not to offer services currently being offered by us and our Company will have the first right of refusal for any new business opportunity. The said Agreement is valid for a period of five years from the date of execution. Our Company has also entered into Non Compete Agreement dated April 20, 2012 with M and D Hospitals Private Limited. M and D Hospitals Private Limited has agreed not to offer services currently being offered by us and our Company will have the first right of refusal for any new business opportunity and the Agreement is valid for a period of five years from the date of execution.

There is common pursuit between our Company and our Promoter, Ojjus Medicare Private Limited, and Subsidiary, Ojjus Fidelity Healthcare Private Limited as the main objects of our Company, our Promoter and our Subsidiary are similar in nature. Our Holding Company and Subsidiary Company have entered into a common Non Compete Agreement dated October 14, 2011 with our Company. Our Promoter is presently not engaged in any commercial activity and has agreed not to offer services currently being offered by us. Further, in terms of the aforesaid Non Compete Agreement, our Company, followed by our Subsidiary will have the first right of refusal for any new business opportunity. The said Agreement is valid for a period of five years.

We shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise.

**Interest of Promoters**

The Promoter shall be deemed as interested to the extent of Equity Shares held by it or by the companies / firms / ventures promoted by it, if any, and dividend or other distributions payable to it in respect of the said Equity Shares. Except as stated above and in the section titled “Standalone Financial Information - Related Party Transactions” on page 136 of this Draft Red Herring Prospectus, and to the extent of shareholding in our Company, our Promoter does not have any other interest in our business.

**Payment of benefits to our Promoter during the last two years**

Except purchase of shares (including share application money) of Ojjus Fidelity by us from our Promoter as stated in the section titled “Standalone Financial Statements - Related Party Transactions” and “Consolidated Financial Statements - Related Party Transactions” on page 136 and 160 respectively of this Draft Red Herring Prospectus, there has been no payment of benefits to our Promoter during the last two years from the date of filing of this Draft Red Herring Prospectus.

**Related party transactions**

For details of related party transactions on standalone and consolidated basis, refer to “Standalone Financial Statements - Related Party Transactions” and “Consolidated Financial Statements - Related Party Transactions” on page 136 & 160 of this Draft Red Herring Prospectus respectively.

**Litigation**

For details regarding litigation involving Promoter, see the chapter titled “Outstanding Litigation and Material Developments”, on page 185 of this Draft Red Herring Prospectus.

### OUR PROMOTER GROUP

Given below is the list of entities which forms part of our Promoter Group. All the Promoter Group Companies are unlisted and have not made any public issue in the preceding three years. None of the Promoter Group Company has become a sick company under the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and is not under winding up or liquidation. For details on litigations and disputes pending against the Promoter Group Entities please refer to the section titled “Outstanding Litigations and Material Developments” on page 185 of this Draft Red Herring Prospectus.

1. K R Chawla Consulting Private Limited
2. HN Reacon Private Limited
3. HN Properties Private Limited
4. Karina Airlines International Limited
5. HP IT Solutions Private Limited
6. Karina Healthcare Private Limited
7. HPC Finsec Consultancy Private Limited
8. Karina Fincap Limited
9. K R Chawla & Company
10. M and D Hospitals Private Limited
11. Ojjus Skills Institutes Private Limited

In addition to the entities named above, the following persons are part of our Promoter Group:

Name of Person	Relationship (with Mr. Harvansh Chawla)	Number of shares at the time of filing Draft Red Herring Prospectus
Mr. Harvansh Chawla	Self (Promoter of OMPL)	1
Mr. Kuldeep Rai Chawla	Father	1
Mrs. Kumud Chawla	Mother	1
Mrs. Namrata Chawla	Spouse	1
Mr. Ojjus Chawla	Son	Nil
Ms. Karina Chawla	Daughter	Nil

### Promoter Group Entities

#### 1. K R Chawla Consulting Private Limited

K R Chawla Consulting Private Limited was incorporated on February 11, 2003 under the Companies Act, 1956. Corporate Identification Number of the Company is U74140DL2003PTC118916. The Registered Office of the company is situated at 7th Floor, Kailash Building, 26 Kasturba Gandhi Marg, New Delhi - 110 001. The main object of the company is to carry on business and provide consultancy services in the field of legal, accounts, corporate in Indian and abroad and to assist any company, institution or other enterprises in its dealing with government, local, statutory or other authority in India or abroad in the legitimate pursuit of these activities or in the field of information technology.

#### Board of Directors as on March 31, 2012

Mr. Harvansh Chawla	Director
Mr. Sandeep Singhania	Director
Mrs. Sunita Mowdgal	Director

#### Shareholding Pattern

Name	No. of equity shares	% of shareholding
Harvansh Chawla	49,065	62.06
HN Properties Private Limited	30,000	37.94
<b>Total</b>	<b>79,065</b>	<b>100.00</b>

**Financial performance**

The audited financial results of K R Chawla Consulting Private Limited for the financial years ended March 31, 2011, 2010 and 2009 are set forth below.

(₹ in lakhs)			
Particulars	March 31, 2011	March 31, 2010	March 31, 2009
Total Income	2,290.04	2,290.04	794.93
Profit after Tax	790.44	992.41	132.81
Equity share capital	7.91	7.91	7.91
Reserves & Surplus (net of miscellaneous expenditure)	2,363.74	1,571.10	578.69
Net Worth	2,371.65	1,579.01	586.60
Share Application Money	910.64	910.64	910.64
Book Value per share of face value ₹ 10/- each (in ₹)	2999.61	1,997.10	741.92
Earnings per share of face value ₹ 10/- each (in ₹)	999.73	1,255.18	167.98

**2. HN Reacon Private Limited**

HN Reacon Private Limited was incorporated on February 13, 2004 under the Companies Act, 1956. Corporate Identification Number of the Company is U70101DL2004PTC124645. The Registered Office of the company is situated at 7th Floor, 705-706 Kailash Building, 26 K G Marg, New Delhi - 110 001. The main object of the company is to carry on business and to make sale, purchase, acquire and deal in all kind of real estate agent, dealer, representative and colonizer; and to design and to develop colony/ies, farm houses, land and building and other properties; and to deal in all matters relating to real estate.

**Board of Directors as on March 31, 2012**

Mr. Harvansh Chawla	Director
Mr. Amanveer Singh	Director
Mr. Sandeep Singhania	Director

**Shareholding Pattern**

Name	No. of equity shares	% of shareholding
Harvansh Chawla	10,999	50.93
Kuldeep Rai Chawla	1	0.00
Asgan Marketing Services Private Limited	1000	4.63
New Era Creations Private Limited	1000	4.63
Fastcon Infrastructure Private Limited	1000	4.63
Utkrishta Exports Private Limited	1000	4.63
Vishnu Exim Overseas Private Limited	1000	4.63
Archit Hotels & Resorts Private Limited	800	3.70
Kaizen Fabrics Private Limited	800	3.70
Rattan Polymers Private Limited	1000	4.63
KDK Food Grains Private Limited	1000	4.63
Manumay Food & Beverages Private Limited	1000	4.63
Mansa Garments Private Limited	1000	4.63
<b>Total</b>	<b>21,600</b>	<b>100.00</b>

**Financial performance**

The audited financial results of HN Reacon Private Limited for the financial years ended March 31, 2011, 2010 and 2009 are set forth below.

(₹ in lakhs)			
Particulars	March 31, 2011	March 31, 2010	March 31, 2009
Total Income	1,872.00	720.42	308.78
Profit after Tax	942.45	406.84	85.14
Equity share capital (including share forfeiture)	19.92	7.33	1.10

Particulars	March 31, 2011	March 31, 2010	March 31, 2009
Reserves & Surplus (net of miscellaneous expenditure)	1,937.06	658.45	86.78
Net Worth	1,956.98	665.78	87.88
Share Application Money	0.51	347.72	265.77
Book Value per share of face value ₹ 10/- each (in ₹)	17,790.71	6,052.51	798.84
Earnings per share of face value ₹ 10/- each (in ₹)	8,567.71	3,698.58	773.98

### 3. HN Properties Private Limited

HN Properties Private Limited was originally incorporated as Thames Estate Private Limited on September 24, 2002 under the Companies Act, 1956. The name of the company was changed to HN Properties Private Limited pursuant to a fresh certificate of incorporation dated April 15, 2004. Corporate Identification Number of the Company is U70101DL2002PTC117107. The Registered Office of the company is situated at 707, Kailash Building, 26 K G Marg, New Delhi - 110 001. The main object of the company is to purchase, sell, own, develop, improve, let, take on lease, exchange, mortgage, assign, hire or otherwise acquire and/or dispose off or let or give on rent lands of any tenure or interest therein and to develop, erect, construct and furnish Industrial, Residential, Agricultural, Commercial, Social, Rural and/or Urban Townships or Estates and to rebuild, enlarge, alter and improve existing structures and works thereon and to act as town planners and civil contractors and to carry on the business of Real Estate Developers and colonizers and for such purpose to prepare estimates, designs, plans and specifications.

#### Board of Directors as on March 31, 2012

Mr. Harvansh Chawla	Director
Ms. Namrata Chawla	Director

#### Shareholding Pattern

Name	No. of equity shares	% of shareholding
Mr. Harvansh Chawla	9,999	99.99
Mr. Kuldeep Rai Chawla	1	0.01
<b>Total</b>	<b>10,000</b>	<b>100.00</b>

#### Financial performance

The audited financial results of HN Properties Private Limited for the financial years ended March 31, 2011, 2010 and 2009 are set forth below.

(₹ in lakhs)

Particulars	March 31, 2011	March 31, 2010	March 31, 2009
Total Income	-	0.13	1.25
Profit after Tax	(0.46)	0.00	0.79
Equity share capital	1.00	1.00	1.00
Reserves & Surplus (net of miscellaneous expenditure)	(0.47)	(0.02)	(0.04)
Net Worth	0.53	0.98	0.96
Share Application Money	450.48	275.18	275.18
Book Value per share of face value ₹ 10/- each (in ₹)	5.32	9.77	9.56
Earnings per share of face value ₹ 10/- each (in ₹)	(4.60)	0.03	7.95

### 4. Karina Airlines International Limited

Karina Airlines International Limited was originally incorporated as JGD Infrastructures Private Limited on August 06, 2007 under the Companies Act, 1956. The name of the company was subsequently changed to K R Chawla Infra & Aviation Academy Private Limited pursuant to a fresh certificate of incorporation dated October 18, 2007. The name of the company was further changed to Karina Airlines International Private Limited pursuant to fresh certificate of incorporation dated November 22, 2010. Subsequently the company was converted into public limited company and received fresh certificate of incorporation dated December 29, 2010 in the name of Karina Airlines International Limited. Corporate Identification Number of the Company is U62200DL2007PLC166678. The Registered Office of the company is situated at 705,



Kailash Building, 26, Kasturba Gandhi Marg, New Delhi - 110 001. The main object of the company is to provide air-taxi services for transport of passengers, mail, cargo and / or freight and to cater to domestic and international tourist traffic. Presently the company owns 3 helicopters and is carrying on business by giving the same on hire on charter party basis.

Karina Airlines International Limited has received renewal of permit (no. 02/2009 valid till March 04, 2013) from the Office of Director General of Civil Aviation (DGCA) to operate Non Scheduled Air Transport Services. Further, Karina Airlines International Limited has received initial NOC on November 08, 2011 from Ministry of Civil Aviation, Government of India, to operate Scheduled Air Transport (Regional) Services in Northern Region in India. The company is in the process of identification of aircrafts.

#### Board of Directors as on March 31, 2012

Mr. Harvansh Chawla	Director
Mr. Kuldeep Rai Chawla	Director
Mrs. Kumud Chawla	Director
Mrs. Namrata Chawla	Director
Mr. Sandeep Singhania	Director
Mr. Amanveer Singh	Director

#### Shareholding Pattern

Name	No. of equity shares	% of shareholding
Mr. Harvansh Chawla	2,59,99,993	99.99
Mr Kuldeep Rai Chawla	1	0.00
Mrs Kumud Chawla	1	0.00
Mrs Namrata Chawla	1	0.00
Miss Karina Chawla u/g Mr Harvansh Chawla	1	0.00
Master Ojjus Chawla u/g Ms Namrata Chawla	1	0.00
Mrs. Sunita Mowdgal	1	0.00
Mr. Amanveer Singh	1	0.00
<b>Total</b>	<b>2,60,00,000</b>	<b>100.00</b>

#### Financial performance

The audited financial results of Karina Airlines International Limited for the financial years ended March 31, 2011, 2010 and 2009 are set forth below.

Particulars	(₹ in lakhs)		
	March 31, 2011	March 31, 2010	March 31, 2009
Total Income	330.03	338.43	6.83
Profit after Tax	28.19	3.36	-
Equity share capital	2,600.00	500.00	1.00
Reserves & Surplus (including pre operative expenditure)	(286.46)	(314.64)	(318.00)
Net Worth	2,313.54	185.36	(317.00)
Share Application Money	285.97	2600.00	-
Book Value per share of face value ₹ 10/- each (in ₹)	8.90	3.71	(3,170.03)
Earnings per share of face value ₹ 10/- each (in ₹)	0.11	0.07	-

#### 5. HP IT Solutions Private Limited

HP IT Solutions Private Limited was incorporated on June 24, 2006 under the Companies Act, 1956. Corporate Identification Number of the Company is U72200DL2006PTC150060. The Registered Office of the company is situated at 707, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi - 110 001. The main object of the company is to carry out complete Information Technology (IT) enabled products and services including setting up of back-offices operations, call centers, data processing centers, BPO (Business Process Outsourcing) works, Medical transcription, e-mail centers, bill paying centers, secretarial services centers, accounting centers including pay rolls accounting and other back office operations.

**Board of Directors as on March 31, 2012**

Mr. Harvansh Chawla	Director
Mr. Sandeep Singhania	Director

**Shareholding Pattern**

Name	No. of equity shares	% of shareholding
Mr. Harvansh Chawla	9,999	99.99
Mrs. Namrata Chawla	1	0.01
<b>Total</b>	<b>10,000</b>	<b>100.00</b>

**Financial performance**

The audited financial results of HP IT Solutions Private Limited for the financial years ended March 31, 2011, 2010 and 2009 are set forth below.

(₹ in lakhs)

Particulars	March 31, 2011	March 31, 2010	March 31, 2009
Total Income	5.60	-	-
Profit after Tax	(0.17)	-	-
Equity share capital (including share forfeiture)	1.00	3.30	1.00
Reserves & Surplus (including pre operative expenditure)	(24.28)	(26.40)	(67.25)
Net Worth	(23.28)	(23.10)	(66.25)
Share Application Money	32.00	44.95	43.33
Book Value per share of face value ₹ 10/- each (in ₹)	(232.78)	(70.06)	(662.47)
Earnings per share of face value ₹ 10/- each (in ₹)	(1.74)	-	-

**6. Karina Healthcare Private Limited**

Karina Healthcare Private Limited was originally incorporated as Karina Healthcare (Jharkhand) Private Limited on February 19, 2008 under the Companies Act, 1956. Subsequently the name of the company was changed to Karina Healthcare Private Limited pursuant to a fresh certificate of incorporation dated August 11, 2008. Corporate Identification Number of the Company is U85110DL2008PTC174229. The Registered Office of the company is situated at 707, Kailash Building, 26, K G Marg, New Delhi - 110 001. The main object of the company is establish, own, buy, sell, construct, improve, take over, manage, operate and maintain hospitals, clinics, dispensaries, maternity homes, medical family planning centers, diagnostic centers, critical care centers, rehabilitation centers, pediatric centers, recovery rooms, health resorts, health clinics, polyclinics, medical centers, Clinical and Pathological Laboratories, Computerized Tomography (CT) Scanning Centers, Cancer Centers, Hospitals, Nursing Homes, Clinics, Polyclinics, Operation Theatres, Chemist Shop, Blood banks, Eye banks, kidney bank, Physiotherapy centers, Investisation centers, dispensaries, Research centers, X-Ray centers. Medical and / or Para medical testing center, Pathology centers, various advanced Electro-medical testing centers for the general public for commercialize and charitable relief to the poor, sick, physically handicapped in India and abroad.

**Board of Directors as on March 31, 2012**

Mr. Kuldeep Rai Chawla	Director
Mr. Harvansh Chawla	Director
Mr. Sandeep Singhania	Director

**Shareholding Pattern**

Name	No. of equity shares	% of shareholding
Mr. Harvansh Chawla	9,999	99.99
Mr. Kuldeep Rai Chawla	1	0.01
<b>Total</b>	<b>10,000</b>	<b>100.00</b>

**Financial performance**

The audited financial results of Karina Healthcare Private Limited for the financial years ended March 31, 2011, 2010 and 2009 are set forth below.

	(₹ in lakhs)		
Particulars	March 31, 2011	March 31, 2010	March 31, 2009
Total Income	-	-	-
Profit after Tax	(80.10)	(44.11)	(36.02)
Equity share capital	1.00	1.00	1.00
Reserves & Surplus (net of miscellaneous expenditure)	(160.36)	(80.26)	(36.15)
Net Worth	(159.36)	(79.26)	(35.15)
Share Application Money	364.09	300.10	209.10
Book Value per share of face value ₹ 10/- each (in ₹)	(1,593.62)	(792.65)	(351.51)
Earnings per share of face value ₹ 10/- each (in ₹)	(800.98)	(441.14)	(360.21)

**7. HPC Finsec Consultancy Private Limited**

HPC Finsec Consultancy Private Limited was originally incorporated as HP Technologies Private Limited on June 22, 2006 under the Companies Act, 1956. The name of the company was changed to HPC Finsec Consultancy Private Limited pursuant to a fresh certificate of incorporation dated January 02, 2008. Corporate Identification Number of the company is U72200DL2006PTC149990. The Registered Office of the company is situated at 707, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi - 110 001. The main object of the company is to act as consultant and to provide services like financial restructuring / reorganization, investment counseling, portfolio management and all activities and facilities of every description portfolio managers, trustees, agents, advisors, consultants, providing other financial or related services.

**Board of Directors as on March 31, 2012**

Mr. Harvansh Chawla	Director
Ms. Namrata Chawla	Director

**Shareholding Pattern**

Name	No. of equity shares	% of shareholding
Mr. Harvansh Chawla*	12,499	99.99
Ms. Namrata Chawla	1	0.01
<b>Total</b>	<b>12,500</b>	<b>100.00</b>

\* On March 10, 2012, HPC Finsec Consultancy Private Limited has further allotted 2,500 equity shares of face value of ₹ 10 each.

**Financial performance**

The audited financial results of HPC Finsec Consultancy Private Limited for the financial years ended March 31, 2011, 2010 and 2009 are set forth below.

	(₹ in lakhs)		
Particulars	March 31, 2011	March 31, 2010	March 31, 2009
Total Income	-	-	0.75
Profit after Tax	(5.15)	(0.23)	0.25
Equity share capital	1.00	1.00	1.00
Reserves & Surplus (net of miscellaneous expenditure)	(5.40)	(0.28)	(0.07)
Net Worth	(4.40)	0.72	0.93
Share Application Money	-	-	-
Book Value per share of face value ₹ 10/- each (in ₹)	(44.03)	7.24	9.34
Earnings per share of face value ₹ 10/- each (in ₹)	(51.52)	(2.34)	2.48

**8. Karina Fincap Limited**

Karina Fincap Limited was originally incorporated as Karina Golf & Amusement Parks (Madhya Pradesh) Private Limited on February 12, 2008 under the Companies Act, 1956. The name of the company was changed to Karina Fincap Private Limited pursuant to a fresh certificate of incorporation dated February 03, 2011. Subsequently the company was converted into public limited company and received fresh certificate of incorporation dated February 15, 2011 in the name of Karina Fincap Limited. Corporate Identification Number of the company is U74120DL2008PLC173934. The Registered Office of the company is situated at 707, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi - 110 001. The main object of the company is to carry on and undertake the business as Non Banking Financial Company i.e. finance, investment, loan and Guarantee and to invest in, acquire, subscribe, purchase, hold, sell, divest or otherwise deal in securities.

Karina Fincap Limited is registered with the Reserve Bank of India as Non Banking Finance Company without accepting public deposits. The registration number of Karina Fincap Limited is N-14.03250 dated May 03, 2012.

**Board of Directors as on March 31, 2012**

Mr. Harvansh Chawla	Director
Mr. Kuldeep Rai Chawla	Director
Ms. Namrata Chawla	Director
Mr. Amanveer Singh	Director
Mr. Devesh Sinha	Director

**Shareholding Pattern**

Name	No. of equity shares	% of shareholding
HPC Finsec Consultancy Private Limited*	21,90,000	97.77
Mr. Harvansh Chawla	49,993	2.23
Ms. Namrata Chawla	1	0.00
Mr. Kuldeep Rai Chawla	2	0.00
Ms. Kumud Chawla	1	0.00
Ms. Meena Rani Chawla	1	0.00
Mr. Vijay Chawla	1	0.00
Mr. Dilbagh Chawla	1	0.00
<b>Total</b>	<b>22,40,000</b>	<b>100.00</b>

\* On April 11, 2011, Karina Fincap Limited allotted 21,90,000 equity shares to HPC Finsec Consultancy Private Limited at the face value of ₹ 10 per equity share.

**Financial performance**

The audited financial results of Karina Fincap Limited for the financial years ended March 31, 2011, 2010 and 2009 are set forth below.

Particulars	(₹ in lakhs)		
	March 31, 2011	March 31, 2010	March 31, 2009
Total Income	-	-	-
Profit after Tax	(2.79)	(0.18)	-
Equity share capital	5.00	1.00	1.00
Reserves & Surplus (including pre operative expenditure)	(2.84)	(0.26)	(0.20)
Net Worth	2.16	0.74	0.80
Share Application Money	-	-	-
Book Value per share of face value ₹ 10/- each (in ₹)	4.32	7.38	8.04
Earnings per share of face value ₹ 10/- each (in ₹)	(5.58)	(1.84)	-

**9. K R Chawla & Company**

K R Chawla & Company is a law firm promoted by Mr. Harvansh Chawla. The proprietor of the firm is Mr. Harvansh Chawla. The address of the firm is 707, Kailash Building, 26 K G Marg, New Delhi-110 001

(₹ in lakhs)

Particulars	March 31, 2011	March 31, 2010	March 31, 2009
Profit after Tax	267.22	36.41	90.29
Capital	417.68	469.40	429.35

**10. M and D Hospitals Private Limited**

M and D Hospitals Private Limited was incorporated on November 08, 2002 under the Companies Act, 1956. Corporate Identification Number of the Company is U85110DL2002PTC117618. The Registered Office of the company is situated at 127, Doctors Apartments., Vasundhra Enclave, New Delhi - 110 096. The main object of the company is to establish, own, buy, sell, construct, improve, manage, operate and maintain Diagnostic Centres, Clinical and Pathological Laboratories, Computerised Tomography (CT) Scanning Centres, Cancer Centres, Hospitals, Nursing Homes, Clinics, Polyclinics, Operation Theaters, Chemist Shop, Blood Banks, Eye Banks, Kidney Bank, PhysiotherapyCentres, Investigation Centre etc. for the general public for commercial and charitable relief to the poor, sick, physically handicapped in India and Abroad.

This company became a part of our Promoter Group as a result of acquisition of shares by our Promoter Ojjus Medicare Private Limited on January 27, 2012

**Board of Directors as on March 31, 2012**

Harvansh Chawla	Director
Amanveer Singh	Director

**Shareholding Pattern**

Name	No. of equity shares	% of shareholding
Ojjus Medicare Private Limited	16,730	99.99
Mr. Harvansh Chawla	1	0.01
<b>Total</b>	<b>16,731</b>	<b>100.00</b>

**Financial performance**

The audited financial results of M and D Hospitals Private Limited for the financial years ended March 31, 2011, 2010 and 2009 are set forth below.

(₹ in lakhs)

Particulars	March 31, 2011	March 31, 2010	March 31, 2009
Total Income	-	-	-
Profit after Tax	(47.83)	(59.59)	(68.79)
Equity share capital	1.67	1.67	1.67
Reserves & Surplus	(198.56)	(150.73)	(91.14)
Net Worth	(196.89)	(149.06)	(89.47)
Share Application Money	-	-	-
Book Value per share of face value ₹ 10/- each (in ₹)	(1176.77)	(890.90)	(534.76)
Earnings per share of face value ₹ 10/- each (in ₹)	(285.87)	(356.14)	(411.17)

**11. Ojjus Skills Institutes Private Limited**

Ojjus Skills Institutes Private Limited was originally incorporated as HP Metals Private Limited on July 08, 2006 under the Companies Act, 1956. The name of the company was changed to Ojjus Skills Institutes Private Limited pursuant to a fresh certificate of incorporation dated February 15, 2012. Corporate Identification Number of the company is U27101DL2006PTC150698. The Registered Office of the company is situated at 705, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi - 110 001. The main object of the company is to provide training programs, human resources services, executive coaching, workforce consulting to various industries.

**Board of Directors as on March 31, 2012**

Harvansh Chawla	Director
Sandeep Singhania	Director
Amanveer Singh	Director

**Shareholding Pattern**

Name	No. of equity shares	% of shareholding
Ojjus Medicare Private Limited	9,999	99.99
Harvansh Chawla	1	0.01
<b>Total</b>	<b>10,000</b>	<b>100.00</b>

This company became a part of our Promoter Group as a result of acquisition of shares by our Promoter Ojjus Medicare Private Limited on February 16, 2012

**Financial performance**

The audited financial results of Ojjus Skills Institutes Private Limited for the financial years ended March 31, 2011, 2010 and 2009 are set forth below.

(₹ in lakhs)

Particulars	March 31, 2011	March 31, 2010	March 31, 2009
Total Income	0.14	0.12	0.47
Profit after Tax	0.01	0.003	0.23
Equity share capital	1.00	1.00	1.00
Reserves & Surplus (net of miscellaneous expenses)	0.02	(0.01)	(0.03)
Net Worth	1.02	0.99	0.97
Share Application Money	-	-	-
Book Value per share of face value ₹ 10/- each (in ₹)	10.18	9.91	9.72
Earnings per share of face value ₹ 10/- each (in ₹)	0.09	0.03	2.25

**Companies / Ventures with which our Promoter has disassociated during the last three years**

Our Promoter has not disassociated with any Company during the last three years. However some of our Promoter Group entities have disassociated from certain companies in the last three years preceding the date of the Draft Red Herring Prospectus, details of which are as under:

Sr. No.	Name of the Company	Details of Disassociation		
		Name	Date of disassociation as Director	Date of disassociation as Promoter
1	Karina Airlines Private Limited	Mr. Harvansh Chawla	31/12/2009	31/12/2009
2	Karina Golf and Amusement Parks Private Limited	Mr. Harvansh Chawla	31/12/2009	31/12/2009
3	Karina Hotels Private Limited	Mr. Harvansh Chawla	31/12/2009	31/12/2009
4	Karina Human Resource Private Limited	Mr. Harvansh Chawla	31/12/2009	31/12/2009
5	Karina Infotech Private Limited	Mr. Harvansh Chawla	31/12/2009	31/12/2009
6	Karina Realty Private Limited	Mr. Harvansh Chawla	NA	01/12/2010
7	Karina Developers Limited	Mr. Harvansh Chawla	NA	22/03/2011 <sup>1</sup>
8	Karina Security Private Limited	Mr. Harvansh Chawla	NA	30/04/2009
9	Ojjus Airlines Limited	Mr. Harvansh Chawla	31/12/2009	26/03/2011 <sup>2</sup>
		Ms. Kumud Chawla	04/05/2011 <sup>3</sup>	NA
		Mr. Kuldeep Rai Chawla	31/12/2009	NA
10	Ojjus Pharmacy Limited	Ms. Kumud Chawla	04/05/2011 <sup>4</sup>	NA
		Mr. Harvansh Chawla	NA	07/04/2011 <sup>5</sup>
11	HC Power Projects Private Limited	Mr. Harvansh Chawla	10/08/2011 <sup>6</sup>	03/10/2010
		Mr. Kuldeep Rai Chawla	10/08/2011 <sup>6</sup>	03/10/2010

Sr. No.	Name of the Company	Details of Disassociation		
		Name	Date of disassociation as Director	Date of disassociation as Promoter
12	Conquer Power Projects Private Limited	Mr. Harvansh Chawla	10/08/2011 <sup>7</sup>	03/10/2010
		Mr. Kuldeep Rai Chawla	10/08/2011 <sup>7</sup>	03/10/2010
13	High Ways Transport Private Limited	Mr. Harvansh Chawla	31/12/2008	01/10/2010
14	Hi End Hospitality Private Limited	Mr. Harvansh Chawla	31/12/2009	31/12/2009
15	Eden Biotechnology Private Limited	Mr. Harvansh Chawla	31/01/2010	31/01/2010
16	Salescry Software Private Limited	Mr. Harvansh Chawla	03/10/2010	01/10/2010

<sup>1</sup> Mr. Harvansh Chawla earlier disassociated with this Company on December 01, 2010 and again associated on February 01, 2011.

<sup>2</sup> Mr. Harvansh Chawla earlier disassociated with this Company as shareholder on October 15, 2010 and again associated as shareholder on March 20, 2011.

<sup>3</sup> Ms. Kumud Chawla earlier disassociated with this Company on December 30, 2010 and again associated on March 23, 2011.

<sup>4</sup> Ms. Kumud Chawla earlier disassociated with this Company on December 30, 2010 and again associated on March 30, 2011.

<sup>5</sup> Mr. Harvansh Chawla earlier disassociated with this Company as shareholder on October 15, 2010 and again associated as shareholder on March 26, 2011.

<sup>6</sup> Mr. Harvansh Chawla and Mr. Kuldeep Rai Chawla earlier disassociated with this Company as Director and shareholder on October 03, 2010 and again associated in the capacity of Directors on July 01, 2011.

<sup>7</sup> Mr. Harvansh Chawla and Mr. Kuldeep Rai Chawla earlier disassociated with this Company as Director and shareholder on October 03, 2010 and again associated in the capacity of Directors on July 01, 2011.

In addition to aforesaid, Mr. Harvansh Chawla has also disassociated as Director from the Board of following companies in the last three years preceding the date of the Draft Red Herring Prospectus:

Sr. No.	Name of Company	Date of disassociation
1	ATS Services Private Limited	12/04/2010
2	Deutsche Motoren Private Limited	01/10/2010
3	BAS Engineering Private Limited	01/10/2010
4	Mirkana Engineering Private Limited	01/10/2010
5	Tipco Industries Limited	31/05/2010
6	Forest Friendly Camps Private Limited	10/02/2010

#### **Payment of benefits to our Promoter during the last two years**

Except as stated under Related Party Transactions appearing under the Section “Standalone Financial Statements - Related Party Transactions” and “Consolidated Financial Statements - Related Party Transactions” on page 136 and 160 respectively of the Draft Red Herring Prospectus, there has been no payment of benefits to our Promoter during the last two years from the date of filing of this Draft Red Herring Prospectus.

#### **Related party transactions**

For details of related party transactions, refer to “Standalone Financial Statements - Related Party Transactions” and “Consolidated Financial Statements - Related Party Transactions” on page 136 and 160 respectively of the Draft Red Herring Prospectus.

### **DIVIDEND POLICY**

The declaration and payment of dividends, if any will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition. The Board may also from time to time pay interim dividends. All dividend payments will be made in cash to the shareholders of our Company. No dividend has been declared by our Company since inception.

The amounts not paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future.



## FINANCIAL STATEMENTS

### PART A

#### STANDALONE FINANCIAL STATEMENTS

To,  
The Board of Directors,  
Goodwill Hospital and Research Centre Limited,  
705, Kailash Building, 26, Kasturba Gandhi Marg,  
New Delhi – 110 001

Dear Sirs,

1. We have examined the attached standalone restated financial information of **Goodwill Hospital and Research Centre Limited**, as approved by the Board of Directors of the Company for the ten months period ended on January 31, 2012 and the financial years ended March 31, 2011, 2010, 2009, 2008 and 2007 proposed to be included in the Offer Document issued by the Company in connection with its proposed Public Issue of equity shares and prepared in accordance with:
  - (a) Terms of the Paragraph B(1), Part II of schedule II of the Companies Act, 1956;
  - (b) Securities Exchange Board of India (Issue Of Capital and Disclosure Requirements) Regulations, 2009 as amended to the date and issued by Securities and Exchange Board of India (“SEBI”) in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992 and
  - (c) The terms of engagement agreed upon with you in accordance with our engagement letter dated 30<sup>th</sup> March, 2012, requesting us to carry out work, proposed to be included in the Offer Document issued by the Company in connection with its proposed Public Issue of equity shares.
2. These informations have been extracted by the Management from the restated standalone financial statements for the ten months period ended January 31, 2012 and the financial years ended March 31, 2011, 2010, 2009, 2008 and 2007 and have been adopted by Members / Board of Directors of the Company. We are of the opinion that the standalone restated financial information has been made after incorporating:
  - a) Adjustments for the change in accounting policies retrospectively in respective financial years to reflect the same Accounting treatment as per changed accounting policy for all the reporting periods.
  - b) Adjustments for the material amounts in the respective financial years to which they relate.
  - c) And there are no extra-ordinary items that need to be disclosed separately in the accounts and qualification requiring adjustments.
3. We did not audit the standalone financial statement of the company for financial years ending on March 31, 2008 and 2007. These financial statements have been audited by other auditor, namely Garg B Mohan & Co, Chartered Accountants, whose auditor’s report has been furnished to us. Our opinion in so far as it relates to the amount included in these restated standalone statements are based on the auditor’s report of the respective auditors.
4. In accordance with the requirements of Paragraph of Part II of Schedule II of the Act, the SEBI Regulations and terms of our engagement agreed with you, we further report that:
  - a) Annexure-I contains the summary of standalone Restated Assets and Liabilities of the company as at January 31, 2012 and the financial years ended March 31, 2011, 2010, 2009, 2008 and 2007.

- b) Annexure-II contains the summary of standalone Restated Profit & Loss Account for the ten months period ended on January 31, 2012 and the financial years ended March 31, 2011, 2010, 2009, 2008 and 2007.
- c) Annexure-III contains the summary of standalone Restated Cash Flow Statement for the ten months period ended January 31, 2012 and the financial years ended March 31, 2011, 2010, 2009, 2008 and 2007.
- d) Annexure-IV contains the summary of Significant Accounting Policies and Notes on Accounts for Restated Financial Information.
- e) Based on above, we are of the opinion that the restated financial information have been made after incorporating:

Sr. No.	Annexure	Annexure No.
1.	Related Party Disclosures	Annexure V
2.	Statement of Investments	Annexure VI
3.	Sundry Debtors	Annexure VII
4.	Loans & Advances	Annexure VIII
5.	Secured Loan	Annexure IX
6.	Unsecured Loan	Annexure X
7.	Contingent Liabilities	Annexure XI
8.	Statement showing details of other Income	Annexure XII
9.	Summary of Accounting Ratios	Annexure XIII
10.	Capitalization Statements	Annexure XIV
11.	Computation of Deferred Tax Asset / Liability	Annexure XV
12.	Statement of Tax Shelter	Annexure XVI

- 5. In our opinion the standalone financial information contained in Annexure-I to Annexure-XVI of this report read along with the Significant Accounting Policies, Change in Significant Accounting Policies and Notes (as Referred to in Annexure IV) prepared after making adjustments and regrouping as considered appropriate have been prepared in accordance with Part IIB of Schedule II of the Companies Act, 1956 and SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009.
- 6. This report should not in any way be construed as a re-issuance or redrafting of any of the previous audit reports issued by us nor should this report be construed as a new opinion on any of the financial information referred to herein.
- 7. Our report is intended solely for use of the management and for inclusion in the offer document in connection with the proposed public offer. Our report should not be used for any other purpose except with our consent in writing.

**For Chandiok & Guliani**  
**Chartered Accountants**  
**Firm Reg. No.: 001199N**  
**(Peer review cert. issued on January 04, 2011)**

**V. K. Lalla**  
**Partner**  
**M No.80847**

Place: New Delhi  
 Date: April 17, 2012

## Annexure I

## Standalone summary statement of Assets and Liabilities (restated)

(Rs. in lakhs)

	Particulars	As at 31.01.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008	As at 31.03.2007
<b>(A)</b>	<b>Fixed Assets</b>						
	Gross Block	13,143.40	12,946.36	6,146.19	2,974.92	802.25	768.54
	Less Depreciation	3,317.73	2,147.22	1,071.51	296.68	186.63	132.63
	Net Block	<b>9,825.67</b>	<b>10,799.14</b>	<b>5,074.68</b>	<b>2,678.24</b>	<b>615.62</b>	<b>635.91</b>
	Less: Revaluation Reserve	-	-	-	-	-	-
	<b>Net Block after adjustment for Revaluation Reserve</b>	<b>9,825.67</b>	<b>10,799.14</b>	<b>5,074.68</b>	<b>2,678.24</b>	<b>615.62</b>	<b>635.91</b>
	Capital work-in-progress (including Capital Advances)	413.79	351.73	2,209.67	3,749.32	2.49	-
	<b>Total</b>	<b>10,239.46</b>	<b>11,150.87</b>	<b>7,284.35</b>	<b>6,427.56</b>	<b>618.11</b>	<b>635.91</b>
<b>(B)</b>	<b>Investments</b>	<b>1,112.38</b>	<b>995.38</b>	<b>613.53</b>	-	-	-
<b>(C)</b>	<b>Deferred tax assets</b>	-	-	-	-	<b>9.24</b>	<b>38.3</b>
<b>(D)</b>	<b>Current Assets, Loans and Advances</b>						
	Inventories	65.90	56.56	44.82	19.27	28.99	24.13
	Sundry Debtors	1,280.56	416.97	54.55	41.93	49.62	34.18
	Cash and Bank Balances	127.90	125.06	16.30	8.50	5.03	22.77
	Loans and Advances & Other Current Assets	1,614.70	688.96	651.37	400.59	233.50	14.54
	<b>Total</b>	<b>3,089.06</b>	<b>1,287.55</b>	<b>767.04</b>	<b>470.29</b>	<b>317.14</b>	<b>95.62</b>
<b>(E)</b>	<b>Liabilities and Provisions:</b>						
	Secured Loans	5,645.44	6,352.78	4,150.49	4,516.42	287.73	314.41
	Unsecured Loans	-	2,379.02	1,901.06	963.43	-	-
	Deferred Tax Liabilities	566.37	543.04	395.76	114.16	-	-
	Current Liabilities	479.21	329.91	245.63	114.42	53.40	25.51
	Provisions	1,137.28	544.90	153.92	46.70	6.29	0.33
	Share Application Money		-	494.00	94.00	316.62	159.38
	<b>Total</b>	<b>7,828.30</b>	<b>10,149.66</b>	<b>7,340.86</b>	<b>5,849.13</b>	<b>664.04</b>	<b>499.63</b>
	<b>Net worth(A+B+C+D-E)</b>	<b>6,612.60</b>	<b>3,284.15</b>	<b>1,324.06</b>	<b>1,048.72</b>	<b>280.45</b>	<b>270.20</b>
	<b>Represented by</b>						
<b>(F)</b>	Share Capital	1,050.00	900.00	500.00	500.00	371.87	371.87
<b>(G)</b>	Reserves & Surplus	5,706.04	2,416.62	824.06	549.07	6.22	6.22
<b>(H)</b>	Debit Balance of Profit & Loss Account	-	-	-	-	(96.43)	(105.84)
<b>(I)</b>	Miscellaneous Expenditure (To the extent not written off or adjusted)	(143.44)	(32.47)	-	(0.35)	(1.21)	(2.05)
	<b>Net worth(F+G+H+I)</b>	<b>6,612.60</b>	<b>3,284.15</b>	<b>1,324.06</b>	<b>1,048.72</b>	<b>280.45</b>	<b>270.20</b>

## Annexure II

## Standalone summary statement of Profit &amp; Loss account (restated)

(Rs. in lakhs)

Particulars	For ten months period ended on 31.01.2012	For the financial year ended				
		31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
<b>Income</b>						
Operating Income	5,156.29	5,353.39	2289.67	1046.05	548.95	360.05
Other income	5.08	4.91	1.33	0.58	0.49	2.56
<b>Total Income</b>	<b>5,161.37</b>	<b>5358.30</b>	<b>2291.00</b>	<b>1046.63</b>	<b>549.44</b>	<b>362.61</b>
<b>Expenditure</b>						
Cost of materials consumed	360.58	279.62	96.58	110.62	91.24	53.51
Personnel Expenses	369.96	299.76	160.23	112.43	90.77	34.32
Operating Expenses	663.32	566.73	257.53	238.29	203.21	135.47
Selling, General & Administrative Expenses	183.85	362.93	64.1	39.69	31.27	41.17
Preliminary Expenses written off		-	0.35	0.85	0.85	0.85
<b>Total Expenditure</b>	<b>1,577.71</b>	<b>1,509.04</b>	<b>578.79</b>	<b>501.88</b>	<b>417.34</b>	<b>265.32</b>
<b>Net Profit before Interest, Depreciation, Taxation and extraordinary items</b>	<b>3,583.66</b>	<b>3,849.26</b>	<b>1712.21</b>	<b>544.75</b>	<b>132.10</b>	<b>97.29</b>
Financial Expenses	580.37	451.74	374.63	51.85	37.13	38.73
Depreciation & Amortisation	1,173.63	1,082.89	781.00	110.05	54.00	56.19
<b>Net Profit before Taxation &amp; extraordinary items</b>	<b>1,829.66</b>	<b>2,314.63</b>	<b>556.58</b>	<b>382.85</b>	<b>40.97</b>	<b>2.37</b>
Extraordinary items (net of tax)		-	-	-	-	-
<b>Net profit before Taxation</b>	<b>1,829.66</b>	<b>2,314.63</b>	<b>556.58</b>	<b>382.85</b>	<b>40.97</b>	<b>2.37</b>
<b>Provision for:-</b>						
Current Tax	591.83	529.25	105.20	40.80	1.96	-
Fringe Benefit Tax		-	-	0.79	0.54	0.41
Deferred Tax	23.33	147.28	281.60	123.41	29.06	1.04
(Mat Credit)/Setoff	59.69	45.51	(105.20)	-	-	-
<b>Total</b>	<b>674.85</b>	<b>722.04</b>	<b>281.60</b>	<b>165.00</b>	<b>31.56</b>	<b>1.45</b>
<b>Net profit after taxation</b>	<b>1,154.81</b>	<b>1,592.59</b>	<b>274.98</b>	<b>217.85</b>	<b>9.41</b>	<b>0.92</b>
<b>Add: Balance Brought Forward</b>	<b>1,988.99</b>	<b>396.40</b>	<b>121.42</b>	<b>(96.43)</b>	<b>(105.84)</b>	<b>(106.76)</b>
<b>Balance Carried to Balance Sheet</b>	<b>3,143.80</b>	<b>1988.99</b>	<b>396.40</b>	<b>121.42</b>	<b>(96.43)</b>	<b>(105.84)</b>

## Annexure III

## Statement of cash flows

(Rs. in lakhs)

Particulars	For ten months period ended on 31.01.2012	For the financial year ended				
		31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
<b>CASH FLOW FROM OPERATING ACTIVITIES (A)</b>						
Net profit before tax , prior period items & extra-ordinary items	1,829.66	2,314.63	556.58	382.85	40.97	2.37
Adjustment for						
Depreciation	1,173.63	1,082.89	781.00	110.05	54.00	56.19
Provisions			-	1.38	-	-
Loss on Sale of Fixed Assets	0.49	-	6.19	-	-	-
Financial Expenses	580.37	451.74	374.62	51.85	35.50	37.87
Misc. expenditure written off			0.35	0.85	0.85	1.09
<b>Total Operating profit before working capital changes</b>	<b>3,584.15</b>	<b>3,849.26</b>	<b>1,718.74</b>	<b>546.98</b>	<b>131.32</b>	<b>97.52</b>
<b>Working Capital Changes</b>						
(Increase)/decrease in Receivables	(863.58)	(362.43)	(12.61)	7.69	(15.44)	(27.06)
(Increase)/decrease in Inventories	(9.34)	(11.74)	(25.55)	9.72	(4.87)	(17.84)
(Increase)/decrease in Loans & Advances	(925.74)	(37.59)	(250.77)	(167.09)	(218.96)	5.30
(Increase)/decrease in Payables	149.30	84.27	131.20	61.03	27.89	(8.61)
(Increase)/decrease in Provisions	0.54	(138.27)	107.22	-	3.78	-
<b>Net (increase)/decrease in working capital</b>	<b>(1,648.82)</b>	<b>(465.76)</b>	<b>(50.51)</b>	<b>(88.65)</b>	<b>(207.60)</b>	<b>(48.21)</b>
<b>Cash generated from operations</b>	<b>1935.33</b>	<b>3,383.50</b>	<b>1,668.23</b>	<b>458.33</b>	<b>(76.28)</b>	<b>49.31</b>
Taxes paid	59.69	45.51	-	2.55	0.33	0.15
<b>Net cash from operating activities</b>	<b>1,875.64</b>	<b>3,337.99</b>	<b>1,668.23</b>	<b>455.78</b>	<b>(76.61)</b>	<b>49.16</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES (B)</b>						
Purchase of assets / addition to CWIP / construction stores & advances	(262.71)	(4949.41)	(1,643.98)	(5,919.50)	(36.20)	(45.76)
Investment in Subsidiary	(117.00)	(381.85)	(613.53)	-	-	-
<b>Net cash used in investing activities</b>	<b>(379.71)</b>	<b>(5,331.26)</b>	<b>(2,257.51)</b>	<b>(5,919.50)</b>	<b>(36.20)</b>	<b>(45.76)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES (C)</b>						
Issue of Equity capital	2,284.60*	400.00	-	549.56	-	-
Proceeds from borrowings (net)	(3,086.36)	2,680.25	571.71	5,192.12	-	-
Repayment of loans			-	-	(26.68)	(75.81)
Proceeds of/(Repayment of)/(Allotment against) share application money	-	(494.00)	400.00	(222.63)	157.25	105.38
Financial Expenses	(580.37)	(451.74)	(374.63)	(51.85)	(35.50)	(37.87)
IPO Expenses	(110.97)	(32.47)	-	-	-	-
<b>Net cash from financing activities</b>	<b>(1,493.10)</b>	<b>2,102.03</b>	<b>597.08</b>	<b>5,467.20</b>	<b>95.07</b>	<b>(8.30)</b>
<b>Net increase / decrease in cash and cash equivalents (A+B+C)</b>	<b>2.83</b>	<b>108.76</b>	<b>7.80</b>	<b>3.47</b>	<b>(17.74)</b>	<b>(4.90)</b>
Cash and cash equivalents at the beginning of the year	<b>125.06</b>	<b>16.30</b>	<b>8.50</b>	<b>5.03</b>	<b>22.77</b>	<b>27.68</b>
Cash and cash equivalents at the end of the year	<b>127.90</b>	<b>125.06</b>	<b>16.30</b>	<b>8.50</b>	<b>5.03</b>	<b>22.77</b>

\* The outstanding balance of unsecured loan aggregating to Rs.2,284.60 lacs from Ojjus Medicare Pvt Ltd was adjusted against share subscription amount.

**Annexure IV**

**Notes to Restated Summary Statement of Assets & Liabilities, Profit & Loss Account as restated, for Goodwill Hospital & Research Center Limited**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**a. Basis of preparation**

The financial statements have been prepared to comply in all material respects in accordance with the Notified Accounting Standards by Companies (Accounting standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis (except in case of assets for which impairment is made and revaluation is carried out, if any). The accounting policies have been consistently applied by the company and are consistent with those used in previous years.

**b. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles required management to make estimates and assumptions the effect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**c. Fixed Assets**

Fixed Assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost comprises of the purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

**d. Depreciation and Amortisation**

- i) Leasehold land is amortised over the initial period of lease or useful life of asset whichever is shorter.
- ii) Depreciation on all other fixed assets is provided using Written Down value method as per rates specified in Schedule XIV to the Companies Act, 1956 on prorata basis.
- iii) Individual Assets not exceeding Rs. 5000 are depreciated fully in the year of purchase.

**e. Investments**

The investments are classified as Long-Term Investments and Current Investments. Investments, which are intended to be held for one year or more, are classified as Long Term Investments and investments, which are intended to be held for less than one year, are classified as Current Investments. Long-term investments are accounted at cost and any decline in the carrying value other than temporary in nature is provided for. Current Investments are valued at cost or market price whichever is lower. The company has invested in the shares of other companies, being in the nature of Long Term Investments and has accordingly have been valued at Cost price. The reduction in prices, if of permanent in nature is appropriately adjusted in terms of the Accounting Standard.

**f. Impairment**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

**g. Inventories**

Medical Consumables, Pharmacy Items, Stores and Spares are valued at lower of cost and net realizable value. Cost is determined on First in First out (FIFO) basis.

**h. Revenue recognition**

**Operating income**

Operating Income is recognized as and when the services are rendered /pharmacy items are sold.

**i. Miscellaneous Expenditure**

Deferred revenue expenditure on account of Sign Board Expenses and staff recruitment expenses have been written off over a period of three years and two years respectively from the year of start of business.

Preliminary Expenditure and Share issue expenses have been written off in equal annual installments over a period of five years.

**j. Foreign Currency Transactions**

**a.) Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**b.) Exchange Differences**

Exchange differences arising on the long term Foreign currency items are reported as per option given in Notification given by Ministry of Company affairs dt. 31.03.09 wherein exchange difference in so far as they relate to the acquisition of a depreciable asset have been adjusted with the cost of asset and would be depreciated over the balance useful life of asset .

**k. Employee benefits (Disclosure under AS-15(Revised))**

**a.) Contribution to Provident Fund**

The Company makes contributions to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952.Provident fund is a defined contribution scheme and the contributions are charged to the Profit and Loss account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the fund.

**b.) Gratuity**

Gratuity liability is defined obligation and is provided for on the basis of an actuarial valuation made at the end of the year using the projected unit credit method.

**l. Income Taxes**

Current tax is the amount of tax payable on the estimated taxable income for the current year as per the provisions of the Income Tax Act, 1961. Deferred Tax Assets are recognised on the basis of reasonable/virtual certainty that sufficient future taxable income will be available against which the same can be realised.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by the way of a credit to the profit and loss account and shown as MAT Credit Entitlement.

**m. Earnings per Share**

Basic earnings per share is calculated by dividing the net consolidated profit or loss for the year attributable to equity shareholders (after deducting attributable taxes, if any) by weighted average number of equity shares outstanding during the year.

**n. Provisions**

A provision is recognized when an enterprise has a present obligation as a result of past event 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. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

## 2. Notes on Adjustments for Restated Financial Statements

### a) Summary

The reconciliation of Profit after Tax as per Audited Results and the Profit after Tax as per Restated Accounts is presented below in Table - 1. This summarizes the results of restatements made in the audited accounts for the respective years and its impact on the profit and loss:

**Table-1**

(Rupees in Lakhs)

Particulars	For ten months Period Ended on 31.01.2012	For the Financial Year ended on				
		31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
<b>Profit after Tax as per Audited Accounts</b>	<b>1,153.81</b>	<b>1,593.59</b>	<b>274.77</b>	<b>201.36</b>	<b>15.04</b>	<b>2.76</b>
<b>Adjustments for :</b>						
Change in Accounting Policies	-	-	-	-	-	-
<b>Prior Period Adjustments :</b>						
Provision for Income Tax	-	-	-	-	-	0.01
Amortization of Leasehold Land	-	-	-	12.92	(1.85)	(1.85)
Provision for Gratuity	-	-	-	2.58	(2.58)	-
Provision for Leave Encashment	-	-	-	1.20	(1.20)	-
Operating Expenses	1.00	(1.00)	0.21	(0.21)	-	-
<b>Profit after Tax as restated</b>	<b>1,154.81</b>	<b>1,592.59</b>	<b>274.98</b>	<b>217.85</b>	<b>9.41</b>	<b>0.92</b>

### b) Current Tax and Deferred Tax impact on restatement

The profit and loss account of some years include amounts paid/ provided for or refunded back/written back, in respect of excess or shortfall income tax arising out of self assessments which has now been adjusted in the respective years' tax liability/ (asset).

### c) Prior Period Adjustments

The profit and loss account of all the financial years included some Prior Period Adjustments relating to the earlier years. The said adjustments have been adjusted in the respective years as is apparent from Table - 1.

### d) Material Regroupings

Appropriate adjustments, wherever material, have been made in the Restated Summary Statements of Assets and Liabilities, Profits and losses, wherever required, by a reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the groupings as per the Audited Financials of the Company for the period ended on 31<sup>st</sup> January, 2012 and the requirements of the guidelines issued by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time. The expenses have been regrouped as Cost of Materials Consumed, Personnel Expenses, Operating Expenses, Selling General & Administrative Expenses, Preliminary Expenses Written off, Financial expenses & Depreciation & Amortization Expenses.

### e) Segment Reporting:

No separate segments have, however, been reported as the company does not have more than one Business or Geographical Segments, within the meaning of Accounting Standard – 17, which differ from each other in risk and reward.

### f) Dividend

The Company has not declared any Dividend during the periods reported in the Restated Accounts



**3. Auditors' Qualifications**

There are no Audit qualification on Accounts restated and covered in this report and hence do not require any corrective adjustment in the financial information, except the stated below regarding payment of arrears of Income Tax for the Financial year 2010-11 but the same doesn't require any adjustment in the restated account.

a.) An amount of Rs 100.00Lakhs has been paid on 2<sup>nd</sup> February 2012 and Rs 50.00Lakhs has been paid on 10<sup>th</sup> April 2012 out of total tax payable of Rs 461.34 lakhs for the FY ending 31<sup>st</sup> March 2011 and it was informed that Management is in process of paying the balance tax arrears.

**4. Changes in accounting policies**

There has been no change in the accounting policies of the Company in the last three years.

## Annexure V

**Related Party Relationships pursuant to Accounting Standard-18 for the Financial Year 2006-07 are as follows:**

<b>Name of the Party</b>	<b>Relationship</b>
Jyoti Hospital Private Limited	Holding Company
Dr Ashwani Kumar Bansal	Key Personnel
Dr Vandana Bansal	Key Personnel
Sandeep Singhanian	Key Personnel
Dr Vanadana Garg	Key Personnel

**Transaction with Related Parties pursuant to Accounting Standard-18 for the Financial Year 2006-07**

(Rs. in lakhs)

<b>Particulars</b>	<b>Relationship</b>	<b>Transaction</b>	<b>Amount</b>
Dr Vandana Bansal	Key Personnel	Professional Fees	0.72

**Related Party Relationships pursuant to Accounting Standard-18 for the Financial Year 2007-08 are as follows:**

<b>Name of the Party</b>	<b>Relationship</b>
Ojjus Medicare Private Limited (Formerly H N Healthcare Private Limited)	Holding Company
Dr Ashwani Kumar Bansal	Key Personnel
Dr Vandana Bansal	Key Personnel
Sandeep Singhanian	Key Personnel

**Transaction with Related Parties pursuant to Accounting Standard-18 for the Financial Year 2007-08**

(Rs. in lakhs)

<b>Particulars</b>	<b>Relationship</b>	<b>Transaction</b>	<b>Amount</b>
Dr Vandana Bansal	Key Personnel	Professional Fees	0.003

**Related Party Relationships pursuant to Accounting Standard-18 for the Financial Year 2008-09 are as follows:**

<b>Name of the Party</b>	<b>Relationship</b>
Ojjus Medicare Private Limited (Formerly H N Healthcare Private Limited)	Holding Company
Dr Vandana Bansal	Key Personnel
Dr Ashwani Kumar Bansal	Key Personnel
Sandeep Singhanian	Key Personnel
Karina Healthcare Private Limited <sup>1</sup>	Enterprise Owned or Significantly influenced by Key Management Personnel or their relatives.
Mr Harvansh Chawla	Key Personnel

**Transaction with Related Parties pursuant to Accounting Standard-18 for the Financial Year 2008-09**

(Rs. in lakhs)

<b>Particulars</b>	<b>Relationship</b>	<b>Transaction</b>	<b>Amount</b>
Dr Vandana Bansal	Key Personnel	Professional Fees	0.003
Karina Healthcare Private Limited	Enterprise Owned or Significantly influenced by Key Management Personnel or their relatives.	a) Interest b) Loan Given	11.84 9.88

Particulars	Relationship	Transaction	Amount
Ojjus Medicare Private Limited	Holding Company	a) Shares Allotment Money b) Unsecured Loan taken	549.56 963.43

**Related Party Relationships pursuant to Accounting Standard-18 for the Financial Year 2009-10 are as follows:**

Name of the Party	Relationship
Ojjus Medicare Private Limited (Formerly H N Healthcare Private Limited)	Holding Company
Ojjus Fidelity Healthcare Private limited	Subsidiary Company
Dr Vandana Bansal	Key Personnel
Dr Ashwani Kumar Bansal	Key Personnel
Sandeep Singhania	Key Personnel
Karina Healthcare Private Limited <sup>1</sup>	Enterprise Owned or Significantly influenced by Key Management Personnel or their relatives.
Mr Harvansh Chawla	Key Personnel
K R Chawla & Co.	Enterprise Owned or Significantly influenced by Key Management Personnel or their relatives.

**Transaction with Related Parties pursuant to Accounting Standard-18 for the Financial Year 2009-10**

(Rs. in lakhs)

Particulars	Relationship	Transaction	Amount
Ojjus Fidelity Healthcare Private Limited	Subsidiary Company	Investment	613.53
Karina Healthcare Private Limited	Enterprise Owned or Significantly influenced by Key Management Personnel or their relatives.	a) Interest paid b) Loan Given	27.06 57.19
Ojjus Medicare Private Limited	Holding Company	a) Unsecured loan taken b) Share Application Money received  In respect of acquisition of Ojjus Fidelity Healthcare Private Limited by the Company c) Purchase of equity shares in Ojjus Fidelity Healthcare Private Limited d) Acquisition of share application money paid by Ojjus Medicare Private Limited to Ojjus Fidelity Healthcare Private Limited and the same was accounted for as unsecured loan in the books of the Company	160.70 400.00  1.00 612.53
K R Chawla & Co.	Enterprise Owned or Significantly influenced by Key Management Personnel or their relatives.	Unsecured Loan taken	164.40

**Related Party Relationships pursuant to Accounting Standard-18 for the Financial Year 2010-11 are as follows:**

Name of the Party	Relationship
Ojjus Medicare Private Limited (Formerly H N Healthcare Private Limited)	Holding Company
Ojjus Fidelity Healthcare Private limited	Subsidiary Company

Name of the Party	Relationship
Sandeep Singhanian	Key Personnel
Karina Healthcare Private Limited <sup>1</sup>	Enterprise Owned or Significantly influenced by Key Management Personnel or their relatives.
Mr Harvansh Chawla	Key Personnel
K R Chawla & Co.	Enterprise Owned or Significantly influenced by Key Management Personnel or their relatives.
Mr. Aman Veer Singh	Key Personnel
Mrs. Namrata Chawla	Key Personnel

**Transaction with Related Parties pursuant to Accounting Standard-18 for the Financial Year 2010-11**

(Rs. in lakhs)

Particulars	Relationship	Transaction	Amount
Ojjus Fidelity Healthcare Private limited	Subsidiary Company	Investment	381.85
Ojjus Medicare Private Limited	Holding Company	a) Unsecured Loan taken b) Share Application Money converted into Share Capital	380.36 400.00
Karina Healthcare Private Limited	Enterprise Owned or Significantly influenced by Key Management Personnel or their relatives.	a) Interest paid b) Loan Given	18.00 86.76
K R Chawla & Co.	Enterprise Owned or Significantly influenced by Key Management Personnel or their relatives.	Unsecured Loan taken	97.60
Mrs. Namrata Chawla	Key Personnel	a) Unsecured Loan taken b) Salary paid	21.07 3.29
Mr. Aman Veer Singh	Key Personnel	a) Professional charges paid b) Salary paid	10.00 4.00
Mr Sandeep Singhanian	Key Personnel	Salary paid	4.00
Mr Harvansh Chawla	Key Personnel	Rent Paid	1.00

**Related Party Relationships pursuant to Accounting Standard-18 for the ten months period ended January 31, 2012 are as follows:**

Name of the Party	Relationship
Ojjus Medicare Private Limited (Formerly H N Healthcare Private Limited)	Holding Company
Ojjus Fidelity Healthcare Private limited	Subsidiary Company
K R Chawla & Co.	Enterprise Owned or Significantly influenced by Key Management Personnel or their relatives.
Karina Healthcare Private Limited <sup>1</sup>	Enterprise Owned or Significantly influenced by Key Management Personnel or their relatives.
K R Chawla Consulting Private Limited	Enterprise Owned or Significantly influenced by Key Management Personnel or their relatives.
H N Reacon Private Limited	Enterprise Owned or Significantly influenced by Key Management Personnel or their relatives.
Mr Harvansh Chawla	Key Personnel
Mr. Aman Veer Singh	Key Personnel
Mrs. Namrata Chawla	Key Personnel
Mr. Sandeep Singhanian	Key Personnel

**Transaction with Related Parties pursuant to Accounting Standard-18 for the ten months period ended January 31, 2012.**

(Rs. in lakhs)

Particulars	Relationship	Transaction	Amount
Ojjus Fidelity Healthcare Private Limited	Subsidiary Company	Loan given	967.81
Ojjus Medicare Private Limited	Holding Company	Unsecured Loan taken(Net) Unsecured loan converted in Share Capital	167.58 2284.60
Karina Healthcare Private Limited	Enterprise Owned or Significantly influenced by Key Management Personnel or their relatives.	Interest Loan Given	5.98 28.73
K R Chawla Consulting Private Limited	Enterprise Owned or Significantly influenced by Key Management Personnel or their relatives.	Unsecured Loan taken & Repaid	23.00
K R Chawla & Co.	Enterprise Owned or Significantly influenced by Key Management Personnel or their relatives.	Unsecured Loan Repaid	262.00
H N Reacon Private Limited	Enterprise Owned or Significantly influenced by Key Management Personnel or their relatives.	Services Taken	0.24
Mrs. Namrata Chawla	Key Personnel	Salary paid	14.00
Mr. Aman Veer Singh	Key Personnel	Salary paid	14.00
Mr Sandeep Singhania	Key Personnel	Salary paid	14.00
Mr Harvansh Chawla	Key Personnel	Rent Paid	2.50

<sup>1</sup> The Issuer has entered into an agreement dated January 15, 2009 with Karina Healthcare Private Limited (a promoter group company - referred to as "Karina") for taking on lease - MRI Equipment for its hospital. The said equipment was purchased by Karina in January 2009 with financing of Rs. 208.50 lakhs from GE Capital, Gurgaon and the loan is repayable in 36 monthly installments till February 10, 2012.

In terms of the agreement between with the Issuer and Karina, no lease rental is payable by Issuer to Karina. The Issuer has to pay the installment consisting of principal and interest on behalf of Karina during the period of lease of equipment. While the Issuer has to bear the interest paid to GE Capital, the principal amount paid by the Issuer to GE Capital is to be treated as loan given by the Issuer to Karina and is to be repaid by Karina on completion of the tenure of the said loan. After completion of the tenure of the said loan, both the parties will re-negotiate the terms of business for use of said machine. The principal amount repaid by Issuer on behalf of GE Capital is shown as loan given to Karina.

## Annexure VI

## Details of Investment, as restated

(Rs. in lakhs)

Particulars	For the ten months period ended 31.01.2012	For the financial years ended				
		31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
<b>Long Term Investments</b>						
Unquoted						
- Equity Shares	936.00	1.00	1.00	-	-	-
- Share Application money given to Ojjus Fidelity Healthcare Private Limited (Pending for Allotment)	176.38	994.38	612.53	-	-	-
<b>Total</b>	<b>1,112.38</b>	<b>995.38</b>	<b>613.53</b>			

## Annexure VII

## Details of Sundry Debtors, as restated

(Rs. in lakhs)

Particulars	For the ten months period ended 31.01.2012	For the financial years ended				
		31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
<b>Unsecured Considered Good</b>						
<b>-Less than Six Months*</b>	1,205.89	372.85	37.93	33.96	47.86	14.85
<b>-More than Six Months*</b>	74.67	44.12	16.62	7.97	1.76	19.33
<b>Total</b>	<b>1,280.56</b>	<b>416.97</b>	<b>54.55</b>	<b>41.93</b>	<b>49.62</b>	<b>34.18</b>

(\*) None of the debtors are related to the Directors or Promoter or Directors of the Promoter of the Company.

## Annexure VIII

## Details of Loans &amp; Advances, as restated

(Rs. in lakhs)

Particulars	For the ten months period ended 31.01.2012	For the financial years ended				
		31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
Advances recoverable in cash or kind or for value to be received						
- Promoter Group *	182.56	153.83	67.07	9.88		
- Subsidiary Company	967.81	-	-	-	-	-
- Others	307.14	430.26	446.15	380.91	225.83	12.22
Security Deposit	76.70	13.03	12.97	6.26	4.06	0.97
Mat Credit Entitlement	-	59.69	105.20	-	-	-
Advance Tax & TDS	80.49	32.15	9.98	3.54	3.61	1.35
<b>Total</b>	<b>1,614.70</b>	<b>688.96</b>	<b>651.37</b>	<b>400.59</b>	<b>233.50</b>	<b>14.54</b>

\* Except above (i.e. due from Karina Healthcare Private Limited), there are no loans or advances which are related to the Directors or Promoter or Directors of the Promoter of the Company. The transaction entered into with Karina Healthcare Private Limited is detailed in "Annexure V - Related Party Transactions" in this report.



## Annexure IX

## Details of Secured Loan, as restated

(Rs. in lakhs)

Particulars	For the ten months period ended 31.01.2012	For the financial years ended				
		31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
Bank of India (Term Loan)	3,377.92	3,606.44	1,943.47	2,191.69	243.45	314.41
HSH Nord Bank, Denmark (ECB Loan)	1607.01	1,901.86	2,103.88	2,324.73	-	-
Bank of India (Working Capital Loan)	660.51	844.48	103.14	-	44.28	-
<b>Total</b>	<b>5,645.44</b>	<b>6,352.78</b>	<b>4,150.49</b>	<b>4,516.42</b>	<b>287.73</b>	<b>314.41</b>

## Outstanding as on January 31, 2012

(Rs. in lakhs)

Name of the Bank (Nature of Loan)	Amount Sanctioned	Outstanding as on 31.01.2012	Rate of Interest	Securities Offered	Repayment Terms
Bank of India (Term Loan)	Term Loan I -2,000 Lakhs Term Loan II- 240 Lakhs Term Loan III- 1875 Lakhs Term Loan IV- 625 Lakhs	1,090.59 16.00 1,710.00 561.34	<b>Term Loan I, II, III &amp; IV</b> -Base Rate+4.0% i.e. presently 14.75% p.a. with monthly rests. (Concession of .75%)	(i) Hypothecation of Hospital Equipments (present & Future except Gamma Knife) (ii) Equitable Mortgage of Hospital Land & Building situated at D-141(A & B ), Sector-40, Noida-201301, U.P in the name of the company (iii) Personal Guarantee of Mr. Harvansh Chawla and corporate guarantee of Ojjus Medicare Private Limited	<b>Term Loan-I</b> Repayable in 22 Quarterly Installments of Rs 90.91 lakhs commencing from 01.10.2009 <b>Term Loan-II</b> Repayable in 15 Quarterly Installments of Rs 16.00 lakhs commencing from 01.07.2008 <b>Term Loan-III</b> Repayable in 24 Quarterly Installments, first 12 installments of Rs 55.00 lakhs each commencing from 01.07.2011, next 11 installments of Rs 100.00 lakhs and last installments of Rs 115.00 lakhs <b>Term Loan-IV</b> Repayable in 24 Quarterly Installments, first 12 installments of Rs 20.00 lakhs each commencing from 01.07.2011, next 11 installments of Rs 30.00 lakhs and last installments of Rs 55.00 lakhs
HSH Nord Bank, Denmark (ECB Loan)	2184.50	1,607.00	3 months Euribor + 2.75 p.a	Hypothecation of Gamma Knife Equipment	17 equal quarterly installments of Euro 0.17 million commencing from 22.08.2011 and last instalment of Euro 77,945.35.
Bank of India (Working Capital Loan)	800.00	660.51	Base Rate + 3.75 % i.e. presently 14.50% p.a. with monthly rests. (concession of 0.50%)	Hypothecation of Stock of Medicines, consumables & Book Debts/ Receivables	Not Applicable

**Annexure X****Details of Unsecured Loan, as restated**

(Rs. in lakhs)

Particulars	For the ten months period ended 31.01.2012	For the financial years ended				
		31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
<b>From Promoter/ Promoter Group Entities</b>						
K R Chawla & Co.	-	262.00	164.40	-	-	-
K R Chawla Consulting Pvt. Ltd	-	-	-	-	-	-
Ojjus Medicare Pvt. Ltd.	-	2,117.02	1,736.66	963.43	-	-
<b>Others</b>	-	-	-	-	-	-
<b>Total</b>	-	<b>2,379.02</b>	<b>1,901.06</b>	<b>963.43</b>	-	-

**Annexure XI****Details of Contingent Liabilities, as restated**

(Rs. in lakhs)

Particulars	For the ten months period ended 31.01.2012	For the financial years ended				
		31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
Corporate Guarantee given to Bankers by Goodwill Hospital And research Centre limited for Term Loan granted to Ojjus Fidelity Healthcare Pvt Ltd	2,400.00	Nil	Nil	Nil	Nil	Nil

## Annexure XII

## Details of Other Income, as restated

(Rs. in lakhs)

Particulars	Nature of Transaction	For the ten months period ended 31.01.2012	For the financial years ended				
			31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
Misc Receipts	Recurring Nature & Out of business Activities	5.08	2.93	1.23	0.42	0.41	2.56
Interest Income	Non Recurring Nature & Out of business Activities	-	-	0.10	0.16	0.08	-
Profit on Sale of Fixed Assets	Non Recurring Nature & Out of business Activities	-	1.98	-	-	-	-
<b>Total</b>		<b>5.08</b>	<b>4.91</b>	<b>1.33</b>	<b>0.58</b>	<b>0.49</b>	<b>2.56</b>

## Annexure XIII

## Statement of Accounting Ratios

Particulars	For ten Months Period Ended on 31.01.2012	For the financial years ended				
		31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
<b>Net Worth (Rs. In Lakhs)</b>	<b>6,612.60</b>	<b>3,284.15</b>	<b>1,324.06</b>	<b>1,048.72</b>	<b>280.45</b>	<b>270.20</b>
Restated Earnings Attributable to Equity Share Holders (Rs. in Lakhs)	1,154.82	1592.59	274.98	217.85	9.41	0.92
No. of Equity Shares outstanding at the end of Specified Period	1,05,00,000	90,00,000	50,00,000	50,00,000	37,18,674	37,18,674
Weighted No. Of Equity Shares outstanding during the Specified Period	90,09,804	79,97,260	50,00,000	45,47,148	37,18,674	37,18,674
<b>Earning Per Share (EPS) (Face value of Rs. 10/- Each) - Basic And Diluted Earnings Per Share (Rs.)</b>	<b>12.82</b>	<b>19.92</b>	<b>5.50</b>	<b>4.79</b>	<b>0.25</b>	<b>0.02</b>
Return on Net Worth (%)	17.47	48.49	20.77	20.77	3.36	0.34
Net Assets Value per share of Rs. 10/- each (Rs.)	62.98	36.49	26.48	20.97	7.54	7.27

**Formula:**

Earning Per Share (Rs.) = Restated Earnings Attributable to Equity Share Holders / Weighted No. of Equity Shares

Net Asset Value (Rs.) = Net Worth / No. of Equity Shares

Return on Net Worth (%) = Restated Earnings Attributable to Equity Share Holders / Net Worth

## Annexure XIV

## Capitalisation Statement

(Rs. in lakhs)

Particulars	Pre Issue as at 31.01.2012	Post Issue*
<b>Borrowings</b>		
Secured Loans	5,645.44	
Unsecured Loans	-	
<b>Total Borrowings</b>	<b>5,645.44</b>	
Less :Short term Debts	660.51	
<b>Total Long Term Borrowings</b>	<b>4,984.93</b>	
<b>Shareholders' Funds</b>		
Equity Share Capital	1,050.00	
<b>Reserve &amp; Surplus</b>		
Profit & Loss Account	3,143.80	
Securities Premium	2,562.25	
Miscellaneous Expenditure	(143.44)	
<b>Total Shareholders' Funds</b>	<b>6,612.60</b>	
<b>Long Term Debt / Equity Ratio</b>	<b>0.75</b>	
<b>Total Debt / Equity Ratio</b>	<b>0.85</b>	

**Note:** Short Term Debts are debts maturing within next one year.

(\*) Figures will be updated at the time of filling of prospectus with ROC.

## Annexure XV

## Computation of Deferred Tax Asset / Liability

(Rs. in lakhs)

Particulars	For Ten Months Period Ended on 31.01.2012	For the financial years ended				
		31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
<b>Timing Differences</b>						
WDV as per Companies Act, 1956	9,564.27	10,534.77	5074.68	2678.24	615.62	635.91
WDV as per Income Tax Act, 1961	7,818.65	8,861.06	3910.33	2342.37	582.78	606.96
Brought Forward Losses	-	-	-	-	(60.03)	(141.64)
Total Timing difference(Net)	1,745.62	1,673.71	1164.35	335.87	(27.19)	(112.69)
Effective Tax Rates (%)	32.445%	32.445%	33.99%	33.99%	33.99%	33.99%
Tax on Timing Differences	566.37	543.04	395.76	114.16	(9.24)	(38.30)
<b>Deferred Tax Liability / (Asset)</b>	<b>566.37</b>	<b>543.04</b>	<b>395.76</b>	<b>114.16</b>	<b>(9.24)</b>	<b>(38.30)</b>

## Annexure XVI

## Statement of Tax Shelters

(Rs. in lakhs)

Particulars	For Ten Months Period Ended 31.01.2012	For the financial years ended				
		31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
<b>Profit before Tax as per Audited P&amp;L account</b>	<b>1,829.66</b>	<b>2,314.63</b>	<b>556.37</b>	<b>366.36</b>	<b>46.60</b>	<b>4.22</b>
Less: Income considered separately			-	-	-	1.00
Less : Depreciation allowable U/s 32 of the Income Tax Act, 1961	1,243.99	1,514.60	1,740.95	426.00	56.05	56.42
Less : Profit on Sale of Fixed Assets	-	1.98	-	-	-	-
<b>Add:</b>						
Depreciation Charged to Profit & Loss account	1,173.63	1,082.89	781.00	110.05	52.16	54.34
Loss on Sale of Fixed Asset	0.49	-	6.19	-	-	-
Gratuity provided in books of accounts	-	2.92	1.19	0.80	-	-
Prior Period item disallowed	-	-	0.21	16.70	-	-
Disallowance U/s 43B	-	2.76	0.83	0.58	-	-
Other Disallowances	21.11	33.10	1.00	1.63	0.34	9.51
Expenses disallowed in previous year						
U/s 40 now allowed	-	-	-	-	9.24	-
Income from House Property	-	-	-	-	-	0.70
<b>Gross Total Income</b>	<b>1,780.90</b>	<b>1,919.72</b>	<b>(394.16)</b>	<b>70.12</b>	<b>33.81</b>	<b>11.35</b>
Unabsorbed Depreciation Setoff	-	406.54	-	59.33	-	-
Deduction under Chapter VI	-	-	-	-	-	-
<b>Taxable Income</b>	<b>1,780.90</b>	<b>1513.18</b>	<b>(394.16)</b>	<b>10.79</b>	<b>33.81</b>	<b>11.35</b>
Normal Rate of Tax (%)	32.445%	33.22%	33.99%	33.99%	33.99%	33.99%
Provision for Tax (including Surcharge & Cess)	577.81	502.68	94.58	38.07	1.96	-
Interest U/s 234 A/B/C	18.88	26.57	10.62	12.20	-	-
<b>Total Tax including Interest Payable</b>	<b>596.69</b>	<b>529.25</b>	<b>105.20</b>	<b>50.27</b>	<b>1.96</b>	<b>-</b>
Taxes paid in relevant Financial Year	47.06	22.40	6.43	3.26	2.25	-
Taxes paid in subsequent Financial Year			98.77	49.57	-	-
MAT Credit Setoff	59.69	45.51	-	-	-	-
<b>Total Taxes paid</b>	<b>106.75</b>	<b>67.91</b>	<b>105.20</b>	<b>52.83</b>	<b>2.25</b>	<b>-</b>
<b>(Tax Payable) / Refund Due</b>	<b>(489.94)</b>	<b>(461.34)</b>	<b>-</b>	<b>2.56</b>	<b>0.29</b>	<b>-</b>



**PART B**

**CONSOLIDATED FINANCIAL STATEMENTS**

To,  
The Board of Directors,  
Goodwill Hospital and Research Centre Limited,  
705, Kailash Building, 26, Kasturba Gandhi Marg,  
New Delhi – 110 001

Dear Sirs,

We have examined the attached consolidated financial information of **Goodwill Hospital and Research Centre Limited**, as approved by the Board of Directors of the Company for the ten months period ended on January 31, 2012 and the financial year ended March 31, 2011 and 2010 proposed to be included in the Offer Document issued by the Company in connection with its proposed Public Issue of equity shares and prepared in accordance with:

- (a) Terms of the Paragraph B(1), Part II of schedule II of the Companies Act, 1956;
- (b) Securities Exchange Board of India (Issue Of Capital and Disclosure Requirements) Regulations, 2009 as amended to the date and issued by Securities and Exchange Board of India (“SEBI”) in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992 and
- (c) The terms of engagement agreed upon with you in accordance with our engagement letter dated 30<sup>th</sup> March 2012, requesting us to carry out work, proposed to be included in the Offer Document issued by the Company in connection with its proposed Public Issue of equity shares.

**Financial Information as per restated financial statements:**

- (1) We have examined the attached ‘Consolidated Restated Summary Statement of Assets and Liabilities’ of the Company for the ten months period ended on January 31, 2012 and the financial year ended March 31, 2011 and 2010 (**Annexure I**) and the attached ‘Consolidated Restated Summary Statement of Profit & Losses’ for the period ended on those dates (**Annexure II**) together, referred to as ‘Summary Statements’. The summary statements have been extracted from the financial statements of the ten months period ended on January 31, 2012 and the financial year ended March 31, 2011 and 2010 have been adopted by the Board of Directors/Members and audited by us.
- (2) Based on our examination of these summary statements, we state that:
  - The Restated Profits have been arrived at after charging all expenses including depreciation and after making such adjustments and re-grouping as in our opinion are appropriate in the financial year to which they relate.
  - The Summary Statements have to be read in conjunction with the notes given in Annexure to this report.
  - There are no qualifications in the auditor’s report that require adjustments to the Summary Statements.
  - The extra ordinary items that need to be disclosed separately in the summary statements have been appropriately disclosed.
- (3) The summary of significant accounting policies adopted by the Company pertaining to the financial statements as at January 31, 2012 are disclosed in **Annexure IV**.
  - Adjustments for the changes in accounting policies retrospectively in respective financial years, if any, to reflect the same accounting treatment as per changed accounting policy for all the reporting periods.
  - Adjustments for the material amounts in the respective financial years to which they relate.

**Other Financial Information:**

- (1) We have also examined the following other consolidated financial information annexed to in this report, prepared by the management and approved by the Board of Directors, relating to the company the ten months period ended on January 31, 2012 and the financial year ended March 31, 2011 and 2010 these information have been included.

<b>Sr. No.</b>	<b>Annexure</b>	<b>Annexure No.</b>
1.	Cash Flow Statements	Annexure III
2.	Related Party Disclosures	Annexure V
3.	Sundry Debtors	Annexure VI
4.	Loans & Advances	Annexure VII
5.	Secured Loan	Annexure VIII
6.	Unsecured Loan	Annexure IX
7.	Contingent Liabilities	Annexure X
8.	Statement showing details of other Income	Annexure XI
9.	Summary of Accounting Ratios	Annexure XII
10.	Capitalization Statements	Annexure XIII
11.	Computation of Deferred Tax Asset / Liability	Annexure XIV

- (2) In our opinion the ‘consolidated financial information as per audited financial statements’ and ‘other financial information’ as mentioned above read along the Significant Accounting policies and Notes to Accounts prepared, after making adjustments and regrouping as considered appropriate, have been prepared in accordance with Part II of Schedule II of the Companies Act, 1956 and Securities And Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009.
- (3) This report should not in any way be construed as a re-issuance or redrafting of any of the previous audit reports issued by us nor should this report be construed as a new opinion on any of the financial information referred to herein.
- (4) Our report is intended solely for use of the management and for inclusion in the offer document in connection with the proposed public offer. Our report should not be used for any other purpose except with our consent in writing.

**For Chandiok & Guliani**  
**Chartered Accountants**  
**Firm Reg. No.: 001199N**  
**(Peer review cert. issued on January 04, 2011)**

**V. K. Lalla**  
**Partner**  
**M No.80847**

Place: New Delhi  
 Date: April 17, 2012

## Annexure I

## Consolidated summary statement of Assets and Liabilities (restated)

(Rs. in lakhs)

	Particulars	As at 31.01.2012	As at 31.03.2011	As at 31.03.2010
<b>(A)</b>	<b>Fixed Assets</b>			
	Gross Block	14,120.40	13,923.35	6742.33
	Less Depreciation	3,317.73	2,147.22	1071.51
	Net Block	<b>10,802.67</b>	<b>11,776.13</b>	<b>5670.82</b>
	Less: Revaluation Reserve	-	-	-
	<b>Net Block after adjustment for Revaluation Reserve</b>	<b>10,802.67</b>	<b>11,776.13</b>	<b>5670.82</b>
	Capital work-in-progress (including Capital Advances)	4,878.66	855.12	2702.88
	<b>Total</b>	<b>15,681.33</b>	<b>12,631.25</b>	<b>8373.70</b>
<b>(B)</b>	<b>Goodwill</b>	<b>166.50</b>	<b>166.50</b>	<b>166.50</b>
<b>(C)</b>	<b>Current Assets, Loans and Advances</b>			
	Inventories	65.90	56.55	44.82
	Sundry Debtors	1,280.56	416.97	54.55
	Cash and Bank Balances	184.52	142.66	27.64
	Loans and Advances & Other Current Assets	709.76	2,364.64	4586.37
	<b>Total</b>	<b>2,240.74</b>	<b>2,980.82</b>	<b>4713.38</b>
<b>(D)</b>	<b>Liabilities and Provisions:</b>			
	Secured Loans	8,045.44	6,352.78	4150.49
	Unsecured Loans	1319.17	4,738.09	6489.21
	Deferred Tax Liabilities	566.37	543.04	395.76
	Current Liabilities	504.34	336.42	246.15
	Provisions	1,137.28	544.91	153.92
	Share Application Money	-	-	494.00
	<b>Total</b>	<b>11,572.60</b>	<b>12,515.24</b>	<b>11929.53</b>
	<b>Net worth(A+B+C-D)</b>	<b>6,515.97</b>	<b>3,263.33</b>	<b>1324.05</b>
	<b>Represented by</b>			
<b>(E)</b>	Share Capital	1,050.00	900.00	500.00
<b>(F)</b>	Reserves & Surplus (Net of Revaluation Reserve)	5,639.30	2,395.80	824.05
<b>(G)</b>	Miscellaneous Expenditure	(173.33)	(32.47)	-
	(To the extent not written off or adjusted)			
	<b>Net worth(E+F+G)</b>	<b>6,515.97</b>	<b>3,263.33</b>	<b>1324.05</b>

## Annexure II

## Consolidated summary statement of Profit &amp; Loss (restated)

(Rs. in lakhs)

Particulars	For ten Months Period Ended on 31.01.2012	For the Financial Year ended on 31.03.2011	For the Financial Year ended on 31.03.2010
<b>Income</b>			
Operating Income	5,156.29	5,353.39	2289.67
Other income	5.08	4.91	1.33
<b>Total Income</b>	<b>5,161.37</b>	<b>5358.30</b>	<b>2291.00</b>
<b>Expenditure</b>			
Cost of materials consumed	360.58	279.62	96.58
Personnel Expenses	369.96	299.76	160.23
Operating Expenses	681.81	583.23	257.53
Selling, General & Administrative Expenses	184.12	367.22	64.1
Preliminary Expenses written off	-	0.03	0.35
<b>Total Expenditure</b>	<b>1,596.47</b>	<b>1,529.86</b>	<b>578.79</b>
<b>Net Profit before Interest, Depreciation, Taxation and extraordinary items</b>	<b>3,564.90</b>	<b>3,828.44</b>	<b>1712.21</b>
Financial Expenses	607.53	451.75	374.63
Depreciation & Amortization	1,173.63	1,082.89	781.00
<b>Net Profit before Taxation &amp; extra ordinary items</b>	<b>1,783.74</b>	<b>2,293.80</b>	<b>556.58</b>
Extraordinary items (net of tax)	-	-	-
<b>Net profit before Taxation</b>	<b>1,783.74</b>	<b>2,293.80</b>	<b>556.58</b>
<b>Provision for:-</b>			
Current Tax	591.83	529.25	105.20
Deferred Tax	23.33	147.28	281.60
(Mat Credit)/ Set off	59.69	45.51	(105.20)
<b>Total</b>	<b>674.85</b>	<b>722.04</b>	<b>281.60</b>
<b>Net profit after taxation</b>	<b>1,108.89</b>	<b>1,571.76</b>	<b>274.98</b>
<b>Add: Balance Brought Forward</b>	<b>1,968.16</b>	<b>396.40</b>	<b>121.42</b>
<b>Balance Carried to Balance Sheet</b>	<b>3,077.05</b>	<b>1968.16</b>	<b>396.40</b>

## Annexure III

## Statement of Cash Flows (restated)

(Rs. in lakhs)

	Particulars	For ten Months Period Ended on 31.01.2012	For the Financial Year ended on 31.03.2011	For the Financial Year ended on 31.03.2010
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
	Net profit before tax, prior period items and extra-ordinary items	1,783.73	2,293.80	544.65
	Adjustment for			
	Depreciation	1,173.63	1,082.89	781.00
	Loss on Sale of Fixed Assets	0.49		6.19
	Financial Expenses	607.53	451.75	374.63
	Misc. expenditure written off	-	0.03	0.38
	<b>Total Operating profit before working capital changes</b>	<b>3,565.38</b>	<b>3,828.47</b>	<b>1706.85</b>
	<b>Working Capital Changes</b>			
	(Increase)/decrease in Receivables	(863.58)	(362.43)	(12.61)
	(Increase)/decrease in Inventories	(9.34)	(11.74)	(25.55)
	(Increase)/decrease in Loans and Advances	1,654.88	2,221.72	(271.99)
	(Increase)/decrease in Payables	167.92	90.27	129.49
	(Increase)/decrease in Provisions	0.54	(138.27)	107.22
	<b>Net (increase)/decrease in working capital</b>	<b>950.42</b>	<b>1,799.55</b>	<b>(73.44)</b>
	<b>Cash generated from operations</b>	<b>4,515.80</b>	<b>5,628.02</b>	<b>1633.41</b>
	Taxes paid	59.69	45.50	-
	<b>Net cash from operating activities - A</b>	<b>4,456.11</b>	<b>5,582.52</b>	<b>1633.41</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
	Purchase of assets / addition to CWIP/ construction stores & advances	(4,224.18)	(5340.45)	(2137.19)
	<b>Net cash used in Investing activities - B</b>	<b>(4,224.18)</b>	<b>(5340.45)</b>	<b>(2137.19)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
	Issue of Equity capital	2,284.60*	400.00	-
	Proceeds from borrowings(net)	(1,726.27)	451.17	456.05
	Proceeds of / (Repayment of) / (Allotment against) share application money		(494.00)	1012.53
	Financial Expenses	(607.53)	(451.75)	(374.63)
	IPO Expenses	(110.97)	(32.47)	-
	Filing Fee for Increase in Authorised Capital	(29.90)		
	<b>Net cash from financing activities - C</b>	<b>(190.07)</b>	<b>(127.05)</b>	<b>1093.95</b>
	<b>Net increase / decrease in cash and cash equivalents (A+B+C)</b>	<b>41.86</b>	<b>115.02</b>	<b>(23.36)</b>
	Cash and cash equivalents at the beginning of the year	<b>142.66</b>	<b>27.64</b>	<b>51.00</b>
	Cash and cash equivalents at the end of the year	<b>184.52</b>	<b>142.66</b>	<b>27.64</b>

\* The outstanding balance of unsecured loan aggregating to Rs.2,284.60 lacs from Ojjus Medicare Pvt Ltd was adjusted against share subscription amount.

**Notes to Restated Summary Statement of Assets & Liabilities, Profit & Loss Account as restated, for Goodwill Hospital & Research Center Limited****1. SIGNIFICANT ACCOUNTING POLICIES****a. Basis of preparation**

The financial statements have been prepared to comply in all material respects in accordance with the Notified Accounting Standards by Companies (Accounting standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis (except in case of assets for which impairment is made and revaluation is carried out, if any). The accounting policies have been consistently applied by the company and are consistent with those used in previous years.

**b. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles required management to make estimates and assumptions the effect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**c. Fixed Assets**

Fixed Assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost comprises of the purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

**d. Depreciation and Amortisation**

- iv) Leasehold hold land is amortised over the initial period of lease or useful life of asset whichever is shorter.
- v) Depreciation on all other fixed assets is provided using Written Down value method as per rates specified in Schedule XIV to the Companies Act, 1956 on prorata basis.
- vi) Individual Assets not exceeding Rs. 5000 are depreciated fully in the year of purchase.

**e. Investments**

The investments are classified as Long-Term Investments and Current Investments. Investments, which are intended to be held for one year or more, are classified as Long Term Investments and investments, which are intended to be held for less than one year, are classified as Current Investments. Long-term investments are accounted at cost and any decline in the carrying value other than temporary in nature is provided for. Current Investments are valued at cost or market price whichever is lower. The company has invested in the shares of other companies, being in the nature of Long Term Investments and has accordingly have been valued at Cost price. The reduction in prices, if of permanent in nature is appropriately adjusted in terms of the Accounting Standard.

**f. Impairment**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use .In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

**g. Inventories**

Medical Consumables, Pharmacy Items, Stores and Spares are valued at lower of cost and net realizable value. Cost is determined on First in First out (FIFO) basis.

**h. Revenue recognition**

**Operating income**

Operating Income is recognized as and when the services are rendered /pharmacy items are sold.

**i. Miscellaneous Expenditure**

Deferred revenue expenditure on account of Sign Board Expenses and staff recruitment expenses have been written off over a period of three years and two years respectively from the year of start of business.

Preliminary Expenditure and Share issue expenses have been written off in equal annual installments over a period of five years.

**j. Foreign Currency Transactions**

**c.) Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**d.) Exchange Differences**

Exchange differences arising on the long term Foreign currency items are reported as per option given in Notification given by Ministry of Company affairs dt. 31.03.09 wherein exchange difference in so far as they relate to the acquisition of a depreciable asset have been adjusted with the cost of asset and would be depreciated over the balance useful life of asset .

**k. Employee benefits (Disclosure under AS-15(Revised))**

**a.) Contribution to Provident Fund**

The Company makes contributions to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952.Provident fund is a defined contribution scheme and the contributions are charged to the Profit and Loss account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the fund.

**b.) Gratuity**

Gratuity liability is defined obligation and is provided for on the basis of an actuarial valuation made at the end of the year using the projected unit credit method.

**l. Income Taxes**

Current tax is the amount of tax payable on the estimated taxable income for the current year as per the provisions of the Income Tax Act, 1961. Deferred Tax Assets are recognised on the basis of reasonable/virtual certainty that sufficient future taxable income will be available against which the same can be realised.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by the way of a credit to the profit and loss account and shown as MAT Credit Entitlement.

**m. Earnings per Share**

Basic earnings per share is calculated by dividing the net consolidated profit or loss for the year attributable to equity shareholders (after deducting attributable taxes, if any) by weighted average number of equity shares outstanding during the year.

**n. Provisions**

A provision is recognized when an enterprise has a present obligation as a result of past event 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. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

**o. Principles of Consolidation**

- (i) The consolidated financial statement relate to Goodwill Hospital & Research Center Limited (the Company) and its subsidiary together referred to in these financial statements as "The Group". The consolidated financial statements have been prepared on the following basis:
  - a. The financial statements of the company and its subsidiary have been combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transaction resulting in unrealized profit or losses.
  - b. The consolidated financial statements have been prepared using uniform accounting policies for like transaction and other event in similar circumstances and are presented to the extent possible in the same manner as in the company separate financial statements.
- (ii) The subsidiary considered in the consolidated financial Statement is:

Name of Company	Country of Incorporation	%age of voting power held as at		
		31.01.2012	31.03.2011	31.03.2010
Ojjus Fidelity Healthcare Private Limited	India	100.00	100.00	100.00

**2. Notes on Adjustments for Restated Financial Statements**

**a) Summary**

The reconciliation of Profit after Tax as per Audited Results and the Profit after Tax as per Restated Accounts is presented below in Table – 1. This summarizes the results of restatements made in the audited accounts for the respective years and its impact on the profit and loss:

**Table-1**

**(Rupees in Lakhs)**

Particulars	Ten months period ended on 31.01.2012	For the Financial Year ended on 31.03.2011	For the Financial Year ended on 31.03.2010
<b>Profit after Tax as per Audited Accounts</b>	<b>1,107.14</b>	<b>1,573.51</b>	<b>274.77</b>
<b>Adjustments for :</b>			
Change in Accounting Policies	-	-	-
<b>Prior Period Adjustments :</b>			
Operating Expenses	1.75	(1.75)	0.21
<b>Profit after Tax as restated</b>	<b>1108.89</b>	<b>1,571.76</b>	<b>274.98</b>

**b) Current Tax and Deferred Tax impact on restatement**

The profit and loss account of some years include amounts paid/ provided for or refunded back/written back, in respect of excess or shortfall income tax arising out of self assessments which has now been adjusted in the respective years' tax liability / (asset).

**c) Prior Period Adjustments**

The profit and loss account of all the financial years included some Prior Period Adjustments relating to the earlier years. The said adjustments have been adjusted in the respective years as is apparent from Table – 1.

**d) Material Regroupings**

Appropriate adjustments, wherever material, have been made in the Restated Summary Statements of Assets and Liabilities, Profits and losses, wherever required, by a reclassification of the corresponding



items of income, expenses, assets and liabilities in order to bring them in line with the groupings as per the Audited Financials of the Company for the period ended on 31<sup>st</sup> January, 2012 and the requirements of the guidelines issued by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time. The expenses have been regrouped as Cost of Materials Consumed, Personnel Expenses, Operating Expenses, Selling General & Administrative Expenses, Preliminary Expenses Written off, Financial expenses & Depreciation & Amortization Expenses.

**e) Segment Reporting:**

No separate segments have, however, been reported as the company does not have more than one Business or Geographical Segments, within the meaning of Accounting Standard – 17, which differ from each other in risk and reward.

**f) Dividend**

The Company has not declared any Dividend during the periods reported in the Restated Accounts

**3. Auditors' Qualifications**

There are no Audit qualification on Accounts restated and covered in this report and hence do not require any corrective adjustment in the financial information except the stated below regarding payment of arrears of Income Tax for the Financial year 2010-11 but the same doesn't require any adjustment in the restated account.

a.) An amount of Rs 100.00 Lakhs has been paid on 2<sup>nd</sup> February 2012 and Rs 50.00 Lakhs has been paid on 10<sup>th</sup> April 2012 out of total tax payable of Rs 461.34 lakhs for the FY ending 31<sup>st</sup> March 2011 and it was informed that Management is in process of paying the balance tax arrears.

**4. Changes in accounting policies**

There has been no change in the accounting policies of the Company in the last three years.

## Annexure V

**Related Party Relationships pursuant to Accounting Standard-18 for the Financial Year 2009-10 are as follows:**

<b>Name of the Party</b>	<b>Relationship</b>
Ojjus Medicare Private Limited	Holding Company of Goodwill Hospital & Research Center Limited
Dr Vandana Bansal	Key Personnel
Dr Ashwani Kumar Bansal	Key Personnel
Mr Harvansh Chawla, Director Mr Sandeep Singhanian, Director	Key Personnel
Karina Healthcare Private Limited <sup>1</sup>	Enterprise Owned or Significantly influenced by Key Management Personnel or their relatives.
K R Chawla & Co.	Enterprise Owned or Significantly influenced by Key Management Personnel or their relatives.

**Transaction with Related Parties pursuant to Accounting Standard-18 for the Financial Year 2009-10**

(Rs. in lakhs)

<b>Particulars</b>	<b>Relationship</b>	<b>Transaction</b>	<b>Amount</b>
Karina Healthcare Private Limited	Enterprise Owned or Significantly influenced by Key Management Personnel or their relatives.	a) Interest paid b) Loan Given	27.06 57.19
Ojjus Medicare Private Limited	Holding Company of Goodwill Hospital & Research Center Limited	a) Unsecured Loan taken b) Share Application Money Received  In respect of acquisition of Ojjus Fidelity Healthcare Private Limited by the Company c) Purchase of equity shares in Ojjus Fidelity Healthcare Private Limited d) Acquisition of share application money paid by Ojjus Medicare Private Limited to Ojjus Fidelity Healthcare Private Limited and the same was accounted for as unsecured loan in the books of the Company	160.70 400.00  1.00 612.53
K R Chawla & Co.	Enterprise Owned or Significantly influenced by Key Management Personnel or their relatives.	Unsecured Loan taken	395.43

**Related Party Relationships pursuant to Accounting Standard-18 for the Financial Year 2010-11 are as follows:**

<b>Name of the Party</b>	<b>Relationship</b>
Ojjus Medicare Private Limited (Formerly H N Healthcare Private Limited)	Holding Company of Goodwill Hospital & Research Center Limited
Sandeep Singhanian	Key Personnel
Karina Healthcare Private Limited <sup>1</sup>	Enterprise Owned or Significantly influenced by Key Management Personnel or their relatives.
Mr Harvansh Chawla	Key Personnel
K R Chawla & Co.	Enterprise Owned or Significantly influenced by Key Management Personnel or their relatives.

Name of the Party	Relationship
Mr. Aman Veer Singh	Key Personnel
Mrs. Namrata Chawla	Key Personnel

**Transaction with Related Parties pursuant to Accounting Standard-18 for the Financial Year 2010-11**

(Rs. in lakhs)			
Particulars	Relationship	Transaction	Amount
Ojjus Medicare Private Limited	Holding Company	a) Repayment of Unsecured Loan * b) Share Application Money converted into Share Capital	2,819.64 400.00
Karina Healthcare Private Limited	Enterprise Owned or Significantly influenced by Key Management Personnel or their relatives.	a) Interest paid b) Loan Given	18.00 86.76
K R Chawla & Co.	Enterprise Owned or Significantly influenced by Key Management Personnel or their relatives.	Unsecured Loan taken	1,068.53
Mrs. Namrata Chawla	Key Personnel	a) Unsecured Loan taken & repaid b) Salary paid	21.07 3.29
Mr. Aman Veer Singh	Key Personnel	a) Professional charges paid b) Salary paid	10.00 4.00
Mr Sandeep Singhania	Key Personnel	Salary paid	4.00
Mr Harvansh Chawla	Key Personnel	Rent Paid	1.75

\*Figure is net after adjustment of Unsecured Loan of Rs.380.36 lakhs taken from Holding Company

**Related Party Relationships pursuant to Accounting Standard-18 for the ten months period ended January 31, 2012 are as follows:**

Name of the Party	Relationship
Ojjus Medicare Private Limited (Formerly H N Healthcare Private Limited)	Holding Company
K R Chawla & Co.	Enterprise Owned or Significantly influenced by Key Management Personnel or their relatives.
Karina Healthcare Private Limited <sup>1</sup>	Enterprise Owned or Significantly influenced by Key Management Personnel or their relatives.
K R Chawla Consulting Private Limited	Enterprise Owned or Significantly influenced by Key Management Personnel or their relatives.
H N Reacon Private Limited	Enterprise Owned or Significantly influenced by Key Management Personnel or their relatives.
Mr Harvansh Chawla	Key Personnel
Mr. Aman Veer Singh	Key Personnel
Mrs. Namrata Chawla	Key Personnel
Mr. Sandeep Singhania	Key Personnel

**Transaction with Related Parties pursuant to Accounting Standard-18 for the ten months period ended January 31, 2012.**

(Rs. in lakhs)			
Particulars	Relationship	Transaction	Amount
Ojjus Medicare Private Limited	Holding Company	Unsecured Loan taken (Net) Unsecured loan converted in Share Capital	1,478.61 2,284.60
Karina Healthcare Private Limited	Enterprise Owned or Significantly influenced by Key Management Personnel or their relatives.	Interest Loan Given	5.98 28.73

Particulars	Relationship	Transaction	Amount
K R Chawla & Co.	Enterprise Owned or Significantly influenced by Key Management Personnel or their relatives.	Unsecured Loan Repaid	2,446.93
K R Chawla Consulting Private Limited	Enterprise Owned or Significantly influenced by Key Management Personnel or their relatives.	Unsecured Loan taken & repaid	23.00
H N Reacon Private Limited	Enterprise Owned or Significantly influenced by Key Management Personnel or their relatives.	Services Taken	0.24
Mrs. Namrata Chawla	Key Personnel	Salary paid	14.00
Mr. Aman Veer Singh	Key Personnel	Salary paid	14.00
Mr Sandeep Singhania	Key Personnel	Salary paid	14.00
Mr Harvansh Chawla	Key Personnel	Rent Paid	5.00

<sup>1</sup> The Issuer has entered into an agreement dated January 15, 2009 with Karina Healthcare Private Limited (a promoter group company - referred to as "Karina") for taking on lease - MRI Equipment for its hospital. The said equipment was purchased by Karina in January 2009 with financing of Rs. 208.50 lakhs from GE Capital, Gurgaon and the loan is repayable in 36 monthly installments till February 10, 2012.

In terms of the agreement between with the Issuer and Karina, no lease rental is payable by Issuer to Karina. The Issuer has to pay the installment consisting of principal and interest on behalf of Karina during the period of lease of equipment. While the Issuer has to bear the interest paid to GE Capital, the principal amount paid by the Issuer to GE Capital is to be treated as loan given by the Issuer to Karina and is to be repaid by Karina on completion of the tenure of the said loan. After completion of the tenure of the said loan, both the parties will re-negotiate the terms of business for use of said machine. The principal amount repaid by Issuer on behalf of GE Capital is shown as loan given to Karina.

## Annexure VI

## Details of Sundry Debtors, as restated

(Rupees in Lakhs)

Particulars	For ten months Period Ended on 31.01.2012	For the Financial Year ended on 31.03.2011	For the Financial Year ended on 31.03.2010
<b>Unsecured Considered Good</b>			
<b>-Less than Six Months*</b>	1,205.89	372.85	37.93
<b>-More than Six Months*</b>	74.67	44.12	16.62
<b>Total</b>	<b>1,280.56</b>	<b>416.97</b>	<b>54.55</b>

(\*) None of the debtors are related to the Directors or Promoter or Directors of the Promoter of the Company

**Annexure VII****Details of Loans & Advances, as restated**

(Rupees in Lakhs)

<b>Particulars</b>	<b>For ten months Period Ended on 31.01.2012</b>	<b>For the Financial Year ended on 31.03.2011</b>	<b>For the Financial Year ended on 31.03.2010</b>
<b>Advances recoverable in cash or kind or for value to be received</b>	551.64*	2,259.78**	4,458.22***
<b>Security Deposit</b>	77.64	13.02	12.97
<b>Mat Credit Entitlement</b>	-	59.69	105.20
<b>Advance Tax &amp; TDS</b>	80.48	32.16	9.98
<b>Total</b>	<b>709.76</b>	<b>2,364.64</b>	<b>4,586.37</b>

(\*) Includes an amount of Rs 182.56 lakhs receivable from Karina Healthcare Private Limited.

(\*\*) Includes an amount of Rs 153.83 lakhs receivable from Karina Healthcare Private Limited.

.(\*\*\*) Includes an amount of Rs. 67.07 lakhs receivable from Karina Healthcare Private Limited.

Except above (i.e. due from Karina Healthcare Private Limited), there are no loans or advances which are related to the Directors or Promoter or Directors of the Promoter of the Company. The transaction entered into with Karina Healthcare Private Limited is detailed in “Annexure V - Related Party Transactions” in this report.

## Annexure VIII

## Details of Secured Loan, as restated

(Rupees in Lakhs)

Particulars	For ten months Period Ended on 31.01.2012	For the Financial Year ended on 31.03.2011	For the Financial Year ended on 31.03.2010
Bank of India (Term Loan)	3,377.92	3,606.44	1,943.47
Punjab National Bank (Term Loan)	960.00	-	-
Corporation Bank (Term Loan)	640.00	-	-
Union Bank Of India (Term Loan)	560.00	-	-
Central Bank of India (Term Loan)	240.00	-	-
HSH Nord Bank, Denmark (ECB Loan)	1,607.01	1,901.86	2,103.88
Bank of India (Working Capital Loan)	660.51	844.48	103.14
<b>Total</b>	<b>8,045.44</b>	<b>6,352.78</b>	<b>4,150.49</b>

## Outstanding as on January 31, 2012

## Goodwill Hospital and Research Center Limited

(Rupees in Lakhs)

Name of the Bank (Nature of Loan)	Amount Sanctioned	Outstanding as on 31.01.2012	Rate of Interest	Securities Offered	Repayment Terms
Bank of India (Term Loan)	Term Loan I -2,000 Lakhs	1,090.59	<b>Term Loan I, II, III &amp; IV-</b> Base Rate+4.0% i.e. presently 14.75% p.a. with monthly rests. (Concession of .75%)	(i) Hypothecation of Hospital Equipments (present & Future except Gamma Knife) (ii) Equitable Mortgage of Hospital Land & Building situated at D-141(A & B ), Sector-40, Noida-201301, U.P in the name of the company (iii) Personal Guarantee of Mr. Harvansh Chawla and corporate guarantee of Ojjus Medicare Private Limited	<b>Term Loan-I</b> Repayable in 22 Quarterly Installments of Rs 90.91 lakhs commencing from 01.10.2009
	Term Loan II- 240 Lakhs	16.00			<b>Term Loan-II</b> Repayable in 15 Quarterly Installments of Rs 16.00 lakhs commencing from 01.07.2008
	Term Loan III- 1875 Lakhs	1,710.00			<b>Term Loan-III</b> Repayable in 24 Quarterly Installments, first 12 installments of Rs 55.00 lakhs each commencing from 01.07.2011, next 11 installments of Rs 100.00 lakhs and last installments of Rs 115.00 lakhs
	Term Loan IV- 625 Lakhs	561.34			<b>Term Loan-IV</b> Repayable in 24 Quarterly Installments, first 12 installments of Rs 20.00 lakhs each commencing from 01.07.2011, next 11 installments of Rs 30.00 lakhs and last installments of Rs 55.00 lakhs

Name of the Bank (Nature of Loan)	Amount Sanctioned	Outstand- ing as on 31.01.2012	Rate of Interest	Securities Offered	Repayment Terms										
Punjab National Bank (Term Loan)	Term Loan I -6,000 Lakhs	960.00	<b>Term Loan I-</b> Base Rate+ TP+2.50%p.a. i.e. presently 13.00% p.a.	<b>For Term Loan I, II, III &amp; IV-</b> Pari Passu first Charge on the project assets both immovable and moveable including equitable mortgage of project land at Sector 8, HUDA Urban Estate, Faridabad, Haryana and building standing thereupon.  Further, the loan has been secured by personal Guarantee of Mr. Harvansh Chawla, Director and Corporate Guarantee of Ojjus Medicare Private Limited and Goodwill Hospital and Research Centre Limited.	<b>Term Loan I*</b> <table><tr><th>Year</th><th>Quarterly Installment</th></tr><tr><td>Year 1</td><td>70.00</td></tr><tr><td>Year 2</td><td>110.00</td></tr><tr><td>Year 3</td><td>150.00</td></tr><tr><td>Year 4 to 8</td><td>234.00</td></tr></table>	Year	Quarterly Installment	Year 1	70.00	Year 2	110.00	Year 3	150.00	Year 4 to 8	234.00
Year	Quarterly Installment														
Year 1	70.00														
Year 2	110.00														
Year 3	150.00														
Year 4 to 8	234.00														
Corporation Bank (Term Loan)	Term Loan II- 4,000 Lakhs	640.00	<b>Term Loan II-</b> Base Rate+ 2.60% p.a. i.e. presently 13.25% p.a.	<b>Term Loan II*</b> <table><tr><th>Year</th><th>Quarterly Installment</th></tr><tr><td>Year 1</td><td>47.00</td></tr><tr><td>Year 2</td><td>73.00</td></tr><tr><td>Year 3</td><td>100.00</td></tr><tr><td>Year 4 to 8</td><td>156.00</td></tr></table>	Year	Quarterly Installment	Year 1	47.00	Year 2	73.00	Year 3	100.00	Year 4 to 8	156.00	
Year	Quarterly Installment														
Year 1	47.00														
Year 2	73.00														
Year 3	100.00														
Year 4 to 8	156.00														
Union Bank Of India (Term Loan)	Term Loan III-3,500 Lakhs	560.00	<b>Term Loan III-</b> Base Rate+ 7.00% p.a. i.e. presently 17.75% p.a.	<b>Term Loan III*</b> <table><tr><th>Year</th><th>Quarterly Installment</th></tr><tr><td>Year 1</td><td>40.83</td></tr><tr><td>Year 2</td><td>64.17</td></tr><tr><td>Year 3</td><td>87.50</td></tr><tr><td>Year 4 to 8</td><td>136.50</td></tr></table>	Year	Quarterly Installment	Year 1	40.83	Year 2	64.17	Year 3	87.50	Year 4 to 8	136.50	
Year	Quarterly Installment														
Year 1	40.83														
Year 2	64.17														
Year 3	87.50														
Year 4 to 8	136.50														
Central Bank of India (Term Loan)	Term Loan IV- 1,500 Lakhs	240.00	<b>Term Loan IV-</b> Base Rate+ 3.50%+1.00% p.a.	<b>Term Loan IV*</b> <table><tr><th>Year</th><th>Quarterly Installment</th></tr><tr><td>Year 1</td><td>17.50</td></tr><tr><td>Year 2</td><td>27.50</td></tr><tr><td>Year 3</td><td>37.50</td></tr><tr><td>Year 4 to 8</td><td>58.50</td></tr></table>	Year	Quarterly Installment	Year 1	17.50	Year 2	27.50	Year 3	37.50	Year 4 to 8	58.50	
Year	Quarterly Installment														
Year 1	17.50														
Year 2	27.50														
Year 3	37.50														
Year 4 to 8	58.50														
HSH Nord Bank, Denmark (ECB Loan)	2184.50	1,607.00	3 months Euribor + 2.75 p.a	Hypothecation of Gamma Knife Equipment	17 equal quarterly installments of Euro 0.17 million commencing from 22.08.2011 and last instalment of Euro 77,945.35.										
Bank of India (Working Capital Loan)	800.00	660.51	Presently Base Rate+ 3.75 % i.e. presently 14.50% p.a. with monthly rests. (concession of 0.50%)	Hypothecation of Stock of Medicines, consumables & Book Debts/ Receivables	Not Applicable										

\* The entire loan of Rs 15,000 Lakhs would be repaid in 32 stepped up Quarterly instalments after a moratorium period of 2 Years from the date of commercial operations of the hospital.



## Annexure IX

## Details of Unsecured Loan, as restated

(Rs. in Lakhs)

Particulars	For ten months Period Ended on 31.01.2012	For the Financial Year ended on 31.03.2011	For the Financial Year ended on 31.03.2010
<b>From Promoter/ Promoter Group Entities</b>			
K R Chawla & Co.	-	2,446.93	1,378.41
Ojjus Medicare Pvt. Ltd.* (Formerly H N Healthcare Private Limited)	1,319.17	2,125.16	4,944.80
<b>From Others</b>			
H T Reacon Constructions Private Limited	-	166.00	166.00
<b>Total</b>	<b>1,319.17</b>	<b>4,738.09</b>	<b>6,489.21</b>

(\*) Terms of Unsecured Loan: - Unsecured Loan will be repayable on demand and no interest will be provided during the tenure of above unsecured loan.

**Annexure X**

**Details of Contingent Liabilities, as restated**

(Rs. in Lakhs)

<b>Particulars</b>	<b>For ten months Period Ended on 31.01.2012</b>	<b>For the Financial Year ended on 31.03.2011</b>	<b>For the Financial Year ended on 31.03.2010</b>
	Nil	Nil	Nil

**Annexure XI**

**Details of Other Income, as restated**

(Rs. in Lakhs)

<b>Particulars</b>	<b>For ten months Period Ended on 31.01.2012</b>	<b>For the Financial Year ended on 31.03.2011</b>	<b>For the Financial Year ended on 31.03.2010</b>
Misc. Receipts	5.08	2.93	1.23
Interest Income	-	-	0.10
Profit on Sale of Fixed Assets	-	1.98	-
<b>Total</b>	<b>5.08</b>	<b>4.91</b>	<b>1.33</b>

## Annexure XII

## Statement of Accounting Ratios

Particulars	For ten months Period Ended on 31.01.2012	For the Financial Year ended on 31.03.2011	For the Financial Year ended on 31.03.2010
Net Worth (Rs. in Lakhs)	6,515.97	3,263.33	1,324.05
Restated Earnings Attributable to Equity Share Holders (Rs. in Lakhs)	1,108.89	1,571.76	274.98
No. of Equity Shares outstanding at the end of Specified Period	1,05,00,000	90,00,000	50,00,000
Weighted No. Of Equity Shares outstanding during the Specified Period	90,09,804	79,97,260	50,00,000
<b>Earning Per Share (EPS) (Face value of Rs. 10/- Each)</b>			
Basic And Diluted Earnings Per Share (Rs.)	12.31	19.65	5.50
Return on Net Worth (%)	17.02	48.16	20.77
Net Assets Value per share of Rs. 10/- each (Rs.)	62.06	36.26	26.48

**Formula:**

Earning Per Share (Rs.) = Restated Earnings Attributable to Equity Share Holders / Weighted No. of Equity Shares

Net Asset Value (Rs.) = Net Worth / No. of Equity Shares

Return on Net Worth (%) = Restated Earnings Attributable to Equity Share Holders / Net Worth

## Annexure XIII

## Capitalisation Statement

(Rs. in lakhs)

Particulars	Pre Issue as at 31.01.2012	Post Issue*
<b>Borrowings</b>		
Secured Loans	8,045.44	
Unsecured Loans	1,319.17	
<b>Total Borrowings</b>	<b>9,364.61</b>	
Less :Short term Debts	660.51	
<b>Total Long Term Borrowings</b>	<b>8,704.10</b>	
<b>Shareholders' Funds</b>		
Equity Share Capital	1,050.00	
<b>Reserve &amp; Surplus</b>		
Profit & Loss Account	3,077.04	
Securities Premium	2,562.25	
Miscellaneous Expenditure	(173.34)	
<b>Total Shareholders' Funds</b>	<b>6,515.95</b>	
<b>Long Term Debt / Equity Ratio</b>	<b>1.34</b>	
<b>Total Debt / Equity Ratio</b>	<b>1.44</b>	

**Note:** Short Term Debts are debts maturing within next one year.

(\*) Figures will be updated at the time of filling of prospectus with ROC.

## Annexure XIV

## Computation of Deferred Tax Asset / Liability

(Rs. in lakhs)			
Particulars	For ten months Period Ended on 31.01.2012	For the Financial Year ended on 31.03.2011	For the Financial Year ended on 31.03.2010
<b>Timing Differences</b>			
WDV as per Companies Act, 1956	9,564.27	11,776.14	5,670.82
WDV as per Income Tax Act, 1961	7,818.65	10,102.68	4,506.48
Other differences	-	-	-
Total Timing difference	1745.62	1,673.46	1,164.34
Effective Tax Rates (%)	32.445%	32.45%	33.99%
Tax on Timing Differences	566.37	543.04	395.76
<b>Deferred Tax Liability/(Asset)</b>	<b>566.37</b>	<b>543.04</b>	<b>395.76</b>

## FINANCIAL INDEBTEDNESS

The principal terms of loans and assets charged as security as on April 30, 2012 is as under:

(₹ in lakhs)					
Name of the Bank (Nature of Loan)	Amount Sanctioned	Outstanding as on 30.04.2012	Rate of Interest	Securities Offered	Repayment Terms
Bank of India (Term Loan)	Term Loan I -2000 Lakhs	999.67	<b>Term Loan I, II, III &amp; IV</b> 4% over base rate presently 14.75% p.a. with monthly rests	(i) Hypothecation of Hospital Equipments (present & Future except Gamma Knife) (ii) Equitable Mortgage of Hospital Land & Building situated at D-141(A & B), Sector-40, Noida-201301, U.P in the name of the company (iii) Personal Guarantee of Mr. Harvansh Chawla and corporate guarantee of Ojjus Medicare Private Limited	<b>Term Loan-I</b> Repayable in 22 Quarterly Installments of ₹ 90.91 Lakhs commencing from 01.10.2009
	Term Loan II- 240 Lakhs	Nil			<b>Term Loan-II</b> Repayable in 15 Quarterly Installments of ₹ 16.00 Lakhs commencing from 01.08.2008
	Term Loan III- 1875 Lakhs	1,655.00			<b>Term Loan-III</b> Repayable in 24 Quarterly Installments, first 12 installments of ₹ 55.00 Lakhs each commencing from 01.07.2011, next 11 installments of ₹ 100.00 Lakhs and last installment of ₹ 115.00 Lakhs
	Term Loan IV- 625 Lakhs	541.33			<b>Term Loan-IV</b> Repayable in 24 Quarterly Installments, first 12 installments of ₹ 20.00 Lakhs each commencing from 01.07.2011, next 11 installments of ₹ 30.00 Lakhs and last installment of ₹ 55.00 Lakhs
HSH Nordbank AG, Luxembourg (ECB Loan) *	2184.50	1,607.00	3 months Euribor +2.75% p.a	Hypothecation of Gamma Knife Equipment	17 equal quarterly installments of Euro 0.17 million commencing from 20.08.2011 and last installment of Euro 77,945.35
Bank of India (Working Capital Loan)	800.00	726.46	3.75% over base rate presently 14.50% p.a. with monthly rests.	Hypothecation of Stock of Medicines, consumables & Book Debts/ Receivables	Not Applicable

The terms of repayment of ECB loan have been modified by HSH Nordbank AG vide their letter dated March 21, 2012 (amendment effective w.e.f. August 22, 2011) as under:

- The loan will be repaid now in quarterly installments of Euro 0.17 million against previous half yearly installments of Euro 0.34 million each.
- The rate of interest is being revised from “6 months EURIBOR + 1.50% p.a.” to “3 months EURIBOR + 2.75% p.a.”
- The last date of repayment of the loan will be November 20, 2015

We have been generally regular in re-payment of the aforesaid loans and no penalty has been levied on us.

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

*You should read the following discussion of our financial condition and results of operations together with our audited restated financial statements under Indian GAAP including the schedules, annexure and notes thereto and the reports thereon, which appear under "Financial Statements" in this Draft Red Herring Prospectus on page 127. You are also advised to read the Section titled "Risk Factors" on page 10 of this Draft Red Herring Prospectus, which discusses a number of factors and contingencies that could impact our financial condition, results of operations and cash flows. Unless otherwise stated, the financial information used in this Section is derived from our audited standalone financial statements under Indian GAAP, as restated. Our financial year ends on March 31 of each year, so all references to a particular financial year are to the 12-month period ended March 31 of that year.*

### Overview

We are engaged in running a multi specialty hospital at Noida called Ojjus Medicare, with a super specialty focus on core areas such as Neurology and Neuro surgery, Cardiology and Cardiac surgery and Orthopaedics with emphasis on Joint Replacements and Sports Injuries. We also provide healthcare services in area of Minimally Invasive surgeries, Mother & Child Care, Paediatrics, Diagnostic, Critical Care Medicine, Oncology, Gynaecology & Obstetrics, Nephrology, Dermatology, Gastroenterology, Dental and Eye care, etc. We are also in the process of setting up a multi specialty hospital (with super speciality for oncology and rehabilitation) at cost of ₹ 23,787 lakhs at Faridabad through our Wholly Owned Subsidiary, Ojjus Fidelity Healthcare Private Limited.

We are committed to delivering quality healthcare services to our patients in modern facilities using advanced technology with a team of qualified and experienced healthcare professionals. Our hospital is a state-of-art multi-specialty hospital providing a depth of expertise in complete spectrum of advanced medical and surgical interventions with a comprehensive mix of in-patient and out-patient services. We provide all facility under one roof like – 24 Hour Emergency, Out Patient Department, Complete Diagnostics, Modular OTs, Cathlab, Perfexion Gamma Knife, Dialysis Centre, Cardiac Ambulances for patient transportation, 24 Hour Pharmacy, Cashless facility for Insured patients, Specialized clinics, Preventive Health Checks etc. Our hospital has 220 beds, Surgical ICU and Medical ICU, four state-of-the-art Operation Theatres and state-of-the-art Imaging facility with automatic laboratory support. A special feature of our hospital is the availability of state-of-the-art equipments and trained medical personnel required for managing critically ill patients.

We have installed "Perfexion" Gamma Knife Machine for non invasive treatment of brain tumors, vascular malformations and functional diseases like parkinson's disease, trigeminal neuralgia and psychiatric disorders using highly précised focused gamma rays. We are amongst few private centres in South and South East Asia to install Perfexion Gamma Knife. Leksell Perfexion Gamma Knife machine is the 5th generation machine, which uses robotic technology to deliver precise radiation to intracranial and cervical spine lesions and to treat functional disorders.

In the financial year 2010-11, we performed 435 Gamma Knife procedures, Neurosurgeries and Neuro interventions, 335 Cardiac Surgeries and Cardiac Interventions, and 979 Orthopedic, General Surgeries and Gynae procedures. For the ten months period ended January 31, 2012, we performed 384 Gamma Knife procedures, Neurosurgeries and Neuro interventions, 411 Cardiac Surgeries and Cardiac interventions and 811 Orthopedic, General Surgeries and Gynae procedures. The average occupancy rate for our hospital was approximately 54% in the year 2010-11 and in the current year 2011-12, for the ten months period ended January 31, 2012 the average occupancy rate is 61%. We had total revenue of ₹ 5,358.30 lakhs in the financial year 2010-11 with a profit after tax of ₹ 1,592.59 lakhs as per standalone restated accounts. For the ten months period ended January 31, 2012 we had total revenue of ₹ 5,161.37 lakhs with a net profit of ₹ 1,154.81 lakhs.



### **Speciality Services by our Hospital**

Our hospital, Ojjus Medicare is located on plot number D - 141 A&B, Sector 40 at Noida owned by us and measuring 1,999 square meters with constructed area of approximately 50,000 sq ft. The area is fully developed and well connected with surface transport and is near metro station. The hospital building consists of five floors and basement housing various facilities for rendering health care services to the indoor and outdoor patients. The hospital is managed by a team of medical professionals under the supervision of Mrs. Namrata Chawla, our Managing Director. We also engage prominent medical specialist as consultants to provide their services.

The following are some of the specialty procedures performed at our hospital:

- Neurology and Neuro Surgeries
- Cardiac Care
- Orthopaedics & Joint Replacement Centre
- Nephrology
- Minimally Invasive Surgery/Micro-Surgical Techniques
- Mother and Child Care
- Critical Care
- Diagnostics
- Emergency and Trauma Centre
- Preventive Healthcare

### **Our Competitive Strengths**

We believe our competitive strengths are in providing complete Neuro and Cardiac care under one roof backed up by the most advanced in house Diagnostic centre. The critical care facility comprising of state of the art life support equipment with highly experienced medical and non medical team is a strong support and confidence to the treating Consultants and to the patient and their attendants. Such set up enables us to treat patients of any critical illness related to the brain and heart in the best possible manner and pull out most of the critically ill patients.

#### **• Experienced Team of Skilled doctors**

As of February 29, 2012, we had a team of 42 full time doctors complemented by 82 nurses and 36 other medical personnel. We adhere to international clinical protocols in patient handling, operating theaters, intensive care unit management and emergency care set by leading international hospitals and accreditation bodies. In addition we also engage prominent specialist in various field of medical sciences as consultants who provide their services regularly and are also in demand amongst patients. In addition, medical professionals at our rolls and / or engaged by us as consultants are dedicated to clinical research and have published studies on topics including neurology and neuro-surgery cardiology, cardiac surgery etc. Our Doctors are having experience in patient treatment by using innovative and latest techniques such as multiple metastasis in single sitting through perfexion gamma knife machine, minimally invasive cardiac and orthopedic surgeries. Most of the doctors engaged by us have received advanced training at leading hospitals in India and overseas.

#### **• Quality patient care**

Our hospital has been designed to ensure that we are able to offer quality care to our patients. The layouts at our facilities minimize inpatient movement, with outpatient facilities located within the hospital. Other characteristics of many of our facilities, such as attractive architectural & design features, the use of special lighting and color and the reduction of “hospital odors”, also enhance the patient experience. Our hospital staff is trained to care for patients with techniques utilized in the hospitality industry, which, together with the design of our facilities, helps relieve patient anxiety and provide a more comfortable experience for patients. In addition, we focus on obtaining current technologies for providing healthcare services.

We have upgraded our hospital as per the standards prescribed by NABH and NABL and applied for NABL and NABH accreditation. The said applications are under process. National Accreditation Board for Hospitals & Healthcare Providers (NABH) is the accrediting agency in India that prescribes “Standards for Hospitals” operating in India. NABH is a constituent board of ‘Quality Council of India’ which is set up to

establish and operate accreditation Program for Healthcare Organizations. NABH is an institutional member of 'International Society for Quality in Healthcare Inc.' (ISQua), an international body which grants approval to Accreditation Bodies in the area of healthcare as mark of equivalence of accreditation program of member countries. The approval of ISQua authenticates that NABH Standards are in consonance with the global benchmarks set by ISQua (Source: [www.qcin.org](http://www.qcin.org)). The manual containing the policies, process details, quality system details, etc. has been submitted to the quality council for observations of respective authorities. The Quality Council of India is likely to conduct a pre-assessment of the hospital in May 2012. Further our Hospital is also empanelled with CGHS with effect from May 04, 2011.

#### • Specialty focus

We focus on neurology along with other clinical areas such as cardiology and cardiac surgery, orthopedics, urology and nephrology and critical care. We have installed "Perfexion" Gamma Knife Machine for the treatments of brain tumor. We are amongst the few hospitals in South and South East Asia to have this facility. We are investing significantly in the technology, equipment and infrastructure required to perform the most advanced procedures and to strengthen our specialty focus.

#### Our Hospital

The following table sets forth certain key operating details of Goodwill Hospital and Research Centre for the ten months period ended January 31, 2012 and fiscal year ended March 31, 2011 and 2010

Particulars	10 months period ended January 31, 2012	Fiscal Year ended March 31, 2011	Fiscal year ended March 31, 2010
Number of Beds	220	220	140
Average Inpatient Admissions per day	29	26	16
Outpatient Registrations (nos)	71,697	88,457	57,000
Average Occupancy Rate (%)	61	54	55
Average Length of Stay (days)	2-3	2-3	4
Average Income per Bed in use per day (₹ lakhs)	0.14	0.13	0.07
Number of Major Procedures:			
- Gamma Knife procedures, Neurosurgeries & Neuro Interventions	384	435	86
- Cardiac Surgeries and Cardiac Interventions	411	335	101
- Orthopedics, General Surgeries and Gynae procedures	811	979	161

#### Break up of Operating Income:

(₹ in lakhs)

Particulars	10 months period ended January 31, 2012	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2010
Operation Theatre Charges	948.18	972.12	416.50
Pharmacy sale	162.144	137.08	90.15
Room Rents	852.25	942.93	337.26
Consultancy Receipts	795.35	801.56	340.42
Lab receipts	781.25	842.36	347.67
Other Receipts including Gamma Knife procedures	1,617.12	1,657.34	757.67
<b>Total Sales</b>	<b>5,156.29</b>	<b>5,353.39</b>	<b>2,289.67</b>

#### Technology

We have consistently invested in medical technology and equipment so as to offer a high quality of healthcare services to our patients. Sophisticated medical equipment at our facility is used to ensure that we are able to provide advanced healthcare procedures to our patients.

Some of the key equipment used at our hospital is listed below:

- **Neuro-sciences:** Perfexion Gamma Knife, operating microscope, operating tables, OT Lights and C-Arms, 3D cathlab with large display for neurological interventions like DSA, coiling
- **Radiology and Imaging:** 64 Slice high end CT (Computed Tomography) scanners, magnetic resonance imaging (MRI) equipment, Digital X-ray machines
- **Cardiac Care:** 3D Cathlab for interventional procedures, Intra aortic balloon pump, pulmonary function test machines, Echo/4 D Color doppler, stress test machines, Holter system, heart lung machine for cardiac surgery back up.
- **Orthopedics:** Instrumentation and operation tables and Physiotherapy set up for rehabilitation
- **Pathology Laboratory** Fully automated meters, analysers, ABG, ovens, centrifugals
- **Diabetology:** foot pressure measurement systems, body analyzer systems and blood glucose analysis systems
- **Mother and Child Care:** equipment for labor, delivery and recovery in beds
- **Critical Care:** dialysis machines,, modular patient monitors, ventilators Invasive and non-invasive, defibrillators, DVT pumps, Patient warming system for cardiac surgery patients, Alpha beds, syringe and infusion pumps supported by a facility for central monitoring and control
- **Emergency** Advanced life support ambulances with emergency equipment such as transport monitors, ventilators and defibrillators

## Discussions on Result of Operations

(₹ in lakhs)

Particulars	For ten months period ended on 31.01.2012	For the financial years ended							
		31.03.2011		31.03.2010		31.03.2009		31.03.2008	
	Amount	Amount	%age	Amount	%age	Amount	%age	Amount	%age
<b>Income</b>									
Operating Income	5,156.29	5,353.39	99.91	2,289.67	99.94	1,046.05	99.94	548.95	99.91
Other income	5.08	4.91	0.09	1.33	0.06	0.58	0.06	0.49	0.09
<b>Total Income</b>	<b>5,161.37</b>	<b>5358.30</b>	<b>100.00</b>	<b>2,291.00</b>	<b>100.00</b>	<b>1,046.63</b>	<b>100.00</b>	<b>549.44</b>	<b>100.00</b>
<b>Expenditure</b>									
Cost of materials consumed	360.58	279.62	5.22	96.58	4.22	110.62	10.57	91.24	16.61
Personnel Expenses	369.96	299.76	5.59	160.23	6.99	112.43	10.74	90.77	16.52
Operating Expenses	663.32	566.73	10.58	257.53	11.24	238.29	22.77	203.21	36.98
Selling, General & Administrative Expenses	183.85	362.93	6.77	64.10	2.80	39.69	3.79	31.27	5.69
Preliminary Expenses written off	-	-	0.00	0.35	0.02	0.85	0.08	0.85	0.15
<b>Total Expenditure</b>	<b>1,577.71</b>	<b>1,509.04</b>	<b>28.16</b>	<b>578.79</b>	<b>25.26</b>	<b>501.88</b>	<b>47.95</b>	<b>417.34</b>	<b>75.96</b>
<b>Net Profit before Interest, Depreciation, Taxation and extraordinary items</b>	<b>3,583.66</b>	<b>3,849.26</b>	<b>71.84</b>	<b>1,712.21</b>	<b>74.74</b>	<b>544.75</b>	<b>52.05</b>	<b>132.10</b>	<b>24.04</b>
Financial Expenses	580.37	451.74	8.43	374.63	16.35	51.85	4.95	37.13	6.76
Depreciation & Amortisation	1,173.63	1,082.89	20.21	781.00	34.09	110.05	10.51	54.00	9.83
<b>Net Profit before Taxation &amp; extraordinary items</b>	<b>1,829.66</b>	<b>2,314.63</b>	<b>43.20</b>	<b>556.58</b>	<b>24.29</b>	<b>382.85</b>	<b>36.58</b>	<b>40.97</b>	<b>7.46</b>
Extraordinary items (net of tax)	-	-	0.00	-	0.00	-	0.00	-	0.00
<b>Net profit before Taxation</b>	<b>1,829.66</b>	<b>2,314.63</b>	<b>43.20</b>	<b>556.58</b>	<b>24.29</b>	<b>382.85</b>	<b>36.58</b>	<b>40.97</b>	<b>7.46</b>
<b>Provision for:-</b>									
Current Tax	591.83	529.25	9.88	105.20	4.59	40.80	3.90	1.96	0.36
Fringe Benefit Tax	-	-	0.00	-	0.00	0.79	0.08	0.54	0.10
Deferred Tax	23.33	147.28	2.75	281.60	12.29	123.41	11.79	29.06	5.29
Mat Credit	59.69	45.51	0.85	-105.20	-4.59	-	0.00	-	0.00
<b>Total</b>	<b>674.85</b>	<b>722.04</b>	<b>13.48</b>	<b>281.60</b>	<b>12.29</b>	<b>165.00</b>	<b>15.76</b>	<b>31.56</b>	<b>5.74</b>
<b>Net profit after taxation</b>	<b>1,154.81</b>	<b>1,592.59</b>	<b>29.72</b>	<b>274.98</b>	<b>12.00</b>	<b>217.85</b>	<b>20.81</b>	<b>9.41</b>	<b>1.71</b>

**Results of Operations for ten month period ended January 31, 2012**

- Our operating income comprises of pharmacy sale, room rents, consultancy receipts, operation theatre charges, lab receipts and other receipts including gamma knife procedures. Our operating income for the ten month period ending January 31, 2012 was ₹ 5,156.29 lakhs. During the said period of ten months, the average occupancy rate increased from 54% in financial year 2010-11 to 61% approximately.
- During the above mentioned period our total expenditure as a percentage of total income stood at 30.57% (₹ 1,577.71 lakhs).
- Profit after tax during the ten month period ended January 31, 2012 was ₹ 1,154.81 lakhs representing 22.37% of the total income.

**Comparison of Financial Year 2010-11 with Financial Year 2009-10.**

**Income**

Our operating income increased from ₹ 2,289.67 lakhs for the financial year 2009-10 to ₹ 5,353.39 lakhs for the financial year 2010-11, registering a growth of 133.81%. This substantial increase in business was due to increased bed capacity, increased inpatient admissions in our hospital and commencement of higher number of treatments using Perfexion Gamma Knife machine for non invasive treatment of brain tumors, vascular malformations and functional diseases like parkinson's disease, trigeminal neuralgia and psychiatric disorders using highly précised focused gamma rays.

**Other income**

Other income of business increased from ₹ 1.33 lakhs during the financial year 2009-10 to ₹ 4.91 lakhs during the financial year 2010-11 as a result of higher miscellaneous income and profit on sale of fixed asset(s).

**Cost of Material Consumed**

Cost of material consumed increased from 4.22% of the total income in financial year 2009-10 to 5.22% of the total income in the financial year 2010-11. In absolute terms, the same increased from ₹ 96.58 lakhs in financial year 2009-10 to ₹ 279.62 lakhs in the financial year 2010-11. The same has increased since the Issuer has been carrying out more neuro / spine surgeries and interventional cardiac / neuro procedures. These surgeries involve higher input cost which has directly resulted in increase in cost of materials consumed.

**Personnel Expenses**

Personnel Expenses has decreased from 6.99% of the total income in financial year 2009-10 to 5.59% of the total income in the financial year 2010-11. In absolute terms it increased from ₹ 160.23 lakhs in the financial year 2009-10 to ₹ 299.76 lakhs in the financial year 2010-11. The personnel expenses decreased as a percentage to total income as a result of higher level of business operations.

**Operating Expenses**

Operating Expenses has decreased from 11.24% of the total income in financial year 2009-10 to 10.58% in the financial year 2010-11 as a result of growth of inpatients during the year. In absolute terms it increased from ₹ 257.53 lakhs in the financial year 2009-10 to ₹ 566.73 lakhs in the financial year 2010-11.

**Selling, General & Administrative Expenses**

Selling, General & Administrative Expenses has increased from 2.80% of the total income in financial year 2009-10 to 6.77% of the total income in the financial year 2010-11. With the increased bed capacity and use of high end medical equipments, the expenditure on marketing and advertisement has increased, which has resulted in increase in the selling, general and administrative expenses. In absolute terms it increased from ₹ 64.10 lakhs in financial year 2009-10 to ₹ 362.93 lakhs in the financial year 2010-11.

**Financial Expenses**

Financial Expenses reduced from 16.35% of the total income in financial year 2009-10 to 8.43% in the financial year 2010-11 as a result of higher scale of business operations. In absolute terms it increased from

₹ 374.63 lakhs in financial year 2009-10 to ₹ 451.74 lakhs in financial year 2010-11. The Company has availed loans for purchase of advanced medical equipments.

#### **Depreciation and Amortisation**

Depreciation and Amortisation reduced from 34.09% of the total income in financial year 2009-10 to 20.21% of the total income in the financial year 2010-11. In absolute terms it increased from ₹ 781.00 lakhs in financial year 2009-10 to ₹ 1,082.89 lakhs as a result of full year depreciation on medical equipments purchased by the Company in the financial year 2009-10 and new equipment purchased in the financial year 2010-11.

#### **Tax**

Total tax liability increased from 12.29% of the total income in financial year 2009-10 to 13.48% of the total income in the financial year 2010-11. In absolute terms it increased from ₹ 281.60 lakhs in financial year 2009-10 to ₹ 722.04 lakhs in the financial year 2010-11. The tax liability increased to actual increase in the liability for payment of Income Tax in the absence of any MAT credit.

#### **Profit after Tax**

Profit after tax has increased from 12.00% of the total income in financial year 2009-10 to 29.72% in the financial year 2010-11 mainly due to higher level of business operations and lower depreciation and financial charge. In absolute terms it increased from ₹ 274.98 lakhs in financial year 2009-10 to ₹ 1,592.59 lakhs in the financial year 2010-11.

#### **Comparison of Financial Year 2009-10 with Financial Year 2008-09.**

##### **Income**

Our operating income increased from ₹ 1046.05 lakhs during the financial year 2008-09 to ₹ 2289.67 lakhs for the financial year 2009-10, registering a growth of 118.89%. This substantial increase in business was due to increased bed capacity, increased inpatient admissions in our hospital and commencement of treatment using Perfexion Gamma Knife machine for non invasive treatment of brain tumors, vascular malformations and functional diseases like parkinson's disease, trigeminal neuralgia and psychiatric disorders using highly précised focused gamma rays.

##### **Other income**

Other income of business increased marginally from ₹ 0.58 lakhs during the financial year 2008-09 to ₹ 1.33 lakhs during the financial year 2009-10.

##### **Cost of Material Consumed**

Cost of material consumed decreased from 10.57% of the total income in financial year 2008-09 to 4.22% of the total income in financial year 2009-10. In absolute terms, the same decreased from ₹ 110.62 lakhs in financial year 2008-09 to ₹ 96.58 lakhs in financial year 2009-10. The decrease was mainly due to decrease in use of consumables and increased use of high end machines.

##### **Personnel Expenses**

Personnel Expenses has decreased from 10.74% of the total income in financial year 2008-09 to 6.99% of the total income in financial year 2009-10. In absolute terms it increased from ₹ 112.43 lakhs in the financial year 2008-09 to ₹ 160.23 lakhs in the financial year 2009-10. The personnel expenses decreased as a percentage to total income as a result of higher level of business operations.

##### **Operating Expenses**

Operating Expenses has decreased from 22.77% of the total income in financial year 2008-09 to 11.24% of the total income in financial year 2009-10 as a result of growth of inpatients during the year. In absolute terms it increased from ₹ 238.29 lakhs in the financial year 2008-09 to ₹ 257.53 lakhs in the financial year 2009-10.

**Selling, General & Administrative Expenses**

Selling, General & Administrative Expenses has decreased from 3.79% of the total income in financial year 2008-09 to 2.80% of the total income in financial year 2009-10. The decrease was due to higher operating income of the Company. In absolute terms it increased from ₹ 39.69 lakhs in financial year 2008-09 to ₹ 64.10 lakhs in financial year 2009-10.

**Financial Expenses**

Financial Expenses increased from 4.95% of the total income in financial year 2008-09 to 16.35% of the total income in financial year 2009-10. In absolute terms it increased from ₹ 51.85 lakhs in financial year 2008-09 to ₹ 374.63 lakhs in financial year 2009-10 because of increase in bank borrowings by the Company. The Company has availed loans for purchase of advanced medical equipments.

**Depreciation and Amortisation**

Depreciation and Amortisation increased from 10.51% of the total income in financial year 2008-09 to 34.09% of the total income in financial year 2009-10. In absolute terms it increased from ₹ 110.05 lakhs in financial year 2008-09 to ₹ 781.00 lakhs in financial year 2009-10 as a result of depreciation on new medical equipments purchased by the Company, including Gamma Knife procedures which was put to use in the financial year 2008-09.

**Tax**

Total tax liability decreased from 15.76% of the total income in financial year 2008-09 to 12.29% of the total income in financial year 2009-10. In absolute terms it increased from ₹ 165.00 lakhs in financial year 2008-09 to ₹ 281.60 lakhs in financial year 2009-10. The tax liability decreased due MAT (Minimum Alternate Tax) credit available with the Company. Further the deferred tax amount increased from ₹ 123.41 lakhs in financial year 2008-09 to ₹ 281.60 lakhs in financial year 2009-10 as a result of higher depreciation.

**Profit after Tax**

Profit after tax has decreased from 20.81% of the total income in financial year 2008-09 to 12.00% of the total income in financial year 2009-10 due to higher financial expenses and depreciation. However, in absolute terms it increased from ₹ 217.85 lakhs in financial year 2008-09 to ₹ 274.98 lakhs in financial year 2009-10.

**Comparison of Financial Year 2008-09 with Financial Year 2007-08.****Income**

Our operating income increased from ₹ 548.95 lakhs in financial year 2007-08 to ₹ 1046.05 lakhs in financial year 2008-09, registering a growth of 90.55% as a result of increased bed capacity and increased volumes of inpatient admissions in our hospital. Further the control and management of the Company was taken over by the present promoters of our Company, who actively involved them towards business development of our Company.

**Other income**

Our other income increased marginally from ₹ 0.49 lakhs in financial year 2007-08 to ₹ 0.58 lakhs in financial year 2008-09.

**Cost of Material Consumed**

Cost of material consumed decreased from 16.61% of the total income in financial year 2007-08 to 10.57% of the total income in financial year 2008-09 due to decrease in use of consumables and we had started to use high end medical equipments & machines. In absolute terms, the same increased from ₹ 91.24 lakhs in financial year 2007-08 to ₹ 110.62 lakhs in financial year 2008-09.

**Personnel Expenses**

Personnel Expenses has decreased from 16.52% of the total income in financial year 2007-08 to 10.74% of the total income in financial year 2008-09 since we had started to expand our business operation. In absolute terms it increased from ₹ 90.77 lakhs in the financial year 2007-08 to ₹ 112.43 lakhs in the

financial year 2008-09 as a result of general increase in employee's salaries, recruitment of additional employees due to expansion of bed capacity at our hospital.

#### **Operating Expenses**

Operating expenses has decreased from 36.98% of the total income in financial year 2007-08 to 22.77% of the total income in financial year 2008-09 as a result of increase in inpatients admissions in our hospital. In absolute terms it increased from ₹ 203.21 lakhs in the financial year 2007-08 to ₹ 238.29 lakhs in the financial year 2008-09.

#### **Selling, General & Administrative Expenses**

Selling, general & administrative expenses reduced from 5.69% of the total income in financial year 2007-08 to 3.79% of the total income in financial year 2008-09 as a result of increase in inpatients admissions in our hospital. In absolute terms, it increased from ₹ 31.27 lakhs in financial year 2007-08 to ₹ 39.69 lakhs in financial year 2008-09.

#### **Financial Expenses**

Financial Expenses decreased from 6.76% of the total income in financial year 2007-08 to 4.95% of the total income in financial year 2008-09. In absolute terms it increased from ₹ 37.13 lakhs in financial year 2007-08 to ₹ 51.85 lakhs in financial year 2008-09 as a result of term loan and external commercial borrowings availed by the Company for purchase of advanced medical equipments and machines. However finance expenses have decreased as a percentage of total income as a result of higher operating income and utilization of term loans towards the end of the financial year.

#### **Depreciation and Amortisation**

Depreciation and Amortisation increased from 9.83% of the total income in financial year 2007-08 to 10.51% of the total income in financial year 2008-09. In absolute terms it increased from ₹ 54.00 lakhs in financial year 2007-08 to ₹ 110.05 lakhs in financial year 2008-09 as a result of purchased of medical equipments and machines and other fixed assets during the financial year.

#### **Tax**

Total tax increased from 5.74% of the total income in financial year 2007-08 to 15.76% of the total income in financial year 2008-09. In absolute terms it increased from ₹ 31.56 lakhs in financial year 2008-09 to ₹ 165.00 lakhs in financial year 2009-10 due to higher profit as a result of increase operation of the Company and increased deferred tax provision.

#### **Profit after Tax**

Profit after tax has increased from 1.71% of the total income in financial year 2007-08 to 20.81% of the total income in financial year 2008-09. In absolute terms it increased from ₹ 9.41 lakhs in financial year 2007-08 to ₹ 217.85 lakhs in financial year 2008-09.

#### **OTHER BALANCE SHEET ITEMS**

##### **Reason for increase / decrease in unsecured loan from April 01, 2009 to January 31, 2012**

(₹ in lakhs)

Particulars	Amount	Remarks
<b>Opening balance as at April 01, 2009</b>	<b>963.43</b>	
Loan availed during the year 2009-10	325.10	The amount was utilized for expansion of hospital building, medical facilities and purchase of new medical equipments. The said loan was availed from Ojjus Medicare Private Limited (₹ 160.70 lakhs) & K R Chawla & Company (₹ 164.40 lakhs).
	612.53	The said amount was accounted in the books of the Issuer as loan pursuant to the takeover of Ojjus Fidelity Healthcare Private Limited. (please also refer to para 21 of this clarification)

Particulars	Amount	Remarks
<b>Closing balance as on March 31, 2010</b>	<b>1,901.06</b>	
Loan availed during the year 2010-11	477.96	The amount was utilized for expansion of hospital building, medical facilities and purchase of new medical equipments. The said loan was availed from Ojjus Medicare Private Limited (₹ 380.36 lakhs) & K R Chawla & Company (₹ 97.60 lakhs).
<b>Closing balance as on March 31, 2011</b>	<b>2,379.02</b>	
Loan repaid during the year	(94.42)	Our Company repaid a loan of ₹ 262 lakhs to K R Chawla & Company and has taken unsecured loan of ₹ 167.58 lakhs from Ojjus Medicare Private Limited.
	(2,284.60)	Outstanding balance of unsecured loan aggregating ₹ 2,284.60 lakhs was adjusted against share subscription amount.
<b>Closing balance as on January 31, 2012</b>	<b>-</b>	

**Unsecured loans availed by our Company (including Subsidiary, Ojjus Fidelity)**

(₹ in lakhs)

Particulars	As at 31.01.2012	As at 31.03.2011
<b>From Holding Company</b>		
- Goodwill Hospital and Reserch Centre Limited	967.81	-
<b>From Promoter/ Promoter Group Entities</b>		
- K R Chawla & Co.	-	2,446.93
- Ojjus Medicare Private Limited	1,319.17	2,125.16
<b>From Other entities</b>		
- H T Reacon Construction Private Limited	-	166.00
<b>Total</b>	<b>2,286.98</b>	<b>4,738.09</b>

After the acquisition of shareholding and control of Ojjus Fidelity by our Company, we re-classified the share application money received from Ojjus Medicare Private Limited and K R Chawla & Company as Unsecured Loans. For details of the said re-classification, please refer to the heading "Subsidiary Company" under the Chapter "History and Certain Corporate Matters" on page 94 of this Draft Red Herring Prospectus.

**Terms of Unsecured Loan:** Unsecured loan availed by our Subsidiary will be repayable on demand and no interest will be provided during the tenure of above unsecured loans.

**Reason for increase in Sundry Debtors from ₹ 54.55 lakhs as on March 31, 2010 to ₹ 416.97 lakhs as on March 31, 2011 and further to ₹ 1,280.56 lakhs as on January 31, 2012 (as per restated standalone financial statements)**

The Sundry Debtors have increased from ₹ 54.55 lakhs as on March 31, 2010 to ₹ 416.97 lakhs as on March 31, 2011 and further to ₹ 1,280.56 lakhs as on January 31, 2012 as a result of over all increase in the operating income of the Issuer and increased number of patients under TPA (Third Party Administrators).

**Reason for increase in terms loans availed by our Company from ₹ 287.73 lakhs in financial year 2007-08 to ₹ 4,516.42 lakhs in financial year 2008-09 (as per restated standalone financial statements)**

Our Company availed increased term loan from Bank of India and an ECB (External Commercial Borrowing) during the financial year 2008-09. The aggregate increase in term loan during the financial year 2008-09 was ₹ 4,228.69 lakhs. The term loan was for the purpose of expansion of medical facilities and purchase of new medical equipments. The ECB was availed to part finance purchase of "Perfexion" Gamma Knife Machine by our Company.



### **Increase in Loans and advances pursuant to the transactions entered into with Promoter Group Company**

Our Company has entered into an agreement dated January 15, 2009 with Karina Healthcare Private Limited, a promoter group company, for taking on lease - MRI Equipment for our Hospital at Noida. The said equipment was purchased by Karina Healthcare Private Limited in January 2009 with financing of ₹ 208.50 lakhs from GE Capital, Gurgaon and the loan was repayable in 36 monthly installments till February 10, 2012.

In terms of the agreement between with our Company and Karina Healthcare Private Limited, no lease rental is payable by our Company to Karina Healthcare Private Limited. Our Company has to pay the installment consisting of principal and interest on behalf of Karina Healthcare Private Limited during the period of lease of equipment. While our Company has to bear the interest paid to GE Capital, the principal amount paid by our Company to GE Capital is to be treated as loan given by our Company to Karina Healthcare Private Limited and is to be repaid by Karina Healthcare Private Limited on completion of the tenure of the said loan. The principal amount repaid by Company on behalf of GE Capital is shown as loan given to Karina Healthcare Private Limited. After completion of the tenure of the said loan, both the parties will re-negotiate the terms of business for use of said machine. Karina Healthcare Private Limited vide their letter dated February 11, 2012 agreed to provide the MRI Equipement for use by our Hospital at Hoida for a period of 24 months without payment of any rent / fees for the same.

The details of loan given to Karina Healthcare Private Limited in terms of the aforesaid agreement and the total loans and advances outstanding during the respective financial year are as under (as per restated standalone financial statements):

(₹ in lakhs)

Particulars	For 10 months period ended 31.01.2012	For the financial years ended				
		31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
Advances recoverable in cash or kind or for value to be received	1,457.51	584.09	523.22	390.79	225.83	12.22
Security Deposit	76.70	13.03	12.97	6.26	4.06	0.97
Mat Credit Entitlement	-	59.69	105.20	-	-	-
Advance Tax & TDS	80.49	32.15	9.98	3.54	3.61	1.35
<b>Total</b>	<b>1,614.70</b>	<b>688.96</b>	<b>651.37</b>	<b>400.59</b>	<b>233.50</b>	<b>14.54</b>
Outstanding balance of Karina Healthcare Private Limited (included in Advances recoverable in cash or kind or for value to be received above)	182.56	153.83	67.07	9.88	-	-

### **Details of Share application money (restated standalone financial statements) received by our Company and application of the same towards allotment of equity shares / repayment of share application money**

Particulars	For 10 months period ended January 31, 2012	Financial year ended			
		March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Opening Balance	-	494.00	94.00	316.62	159.38
Share application money received during the year	-	-	400.00	326.93	157.25
Allotment of equity shares during the year	-	(400.00)	-	(549.56)	-
Re-payment of share application money during the year	-	(94.00)	-	-	-
<b>Closing Balance</b>	<b>-</b>	<b>-</b>	<b>494.00</b>	<b>94.00</b>	<b>316.62</b>

**MATERIAL DEVELOPMENTS SUBSEQUENT TO THE LAST PERIOD FOR WHICH FINANCIAL STATEMENTS HAVE BEEN AUDITED**

In the opinion of our Board, there have not arisen since the date of the last financial statements i.e. January 31, 2012, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of our assets or our ability to pay our material liabilities within the next 12 months.

**RELATED PARTY TRANSACTIONS**

For details please refer to “Standalone Financial Statements - Related Party Transactions” and “Consolidated Financial Statements - Related Party Transactions” on page 136 & 160 of this Draft Red Herring Prospectus respectively.

## OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*Except as described below, there are no outstanding litigations, suits or criminal or civil prosecutions, proceedings or tax liabilities against our Company (in the name of our Company and / or entities which were acquired by our Company), our Directors, our Promoter, Promoter group companies, Subsidiary and Directors of our Promoter and there are no defaults, non-payment or overdue of statutory dues, institutional/bank dues and dues payable to holders of any debentures, bonds and fixed deposits, other unclaimed liabilities against our Company or Directors or Promoter or Promoter group companies, Subsidiary and Directors of our Promoter and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Directors and our Promoter. Further, except as stated herein, there are no cases of litigations, defaults, etc. in respect of companies/firms/ventures with which the Promoter were associated in the past but are no longer associated, in respect of which the name(s) of the Promoter continues to be associated with those litigation(s).*

### 1. Compounding applications filed by our Company with the Registrar of Companies, NCT, Delhi and Haryana under Companies Act, 1956

Our Company was not in compliance with the provisions of sections 269 (non appointment of Managing Director), 295 (loan to Director / Companies controlled by Director) and 383A (non appointment of full time Company Secretary) of the Companies Act, 1956. Our Company and the officers in default have filed applications under Section 621A of the Companies Act for compounding of the said non compliance, the details of which are as under:

- (a) Our Company has entered into an agreement dated January 15, 2009 with Karina Healthcare Private Limited, a promoter group company, for taking on lease - MRI Equipment for the Hospital at Noida. The said equipment was purchased by Karina Healthcare Private Limited in January 2009 with financing of ₹ 208.50 lakhs from GE Capital, Gurgaon and the loan was repayable in 36 monthly installments till February 10, 2012. In terms of the agreement between with our Company and Karina Healthcare Private Limited, no lease rental is payable by our Company to Karina Healthcare Private Limited. Our Company has to pay the installment consisting of principal and interest on behalf of Karina Healthcare Private Limited during the period of lease of equipment. While our Company has to bear the interest paid to GE Capital, the principal amount paid by our Company to GE Capital is to be treated as loan given by our Company to Karina Healthcare Private Limited and is to be repaid by Karina Healthcare Private Limited on completion of the tenure of the said loan.

The principal amount repaid by Company on behalf of GE Capital is shown as loan given to Karina Healthcare Private Limited. Our Company was not in compliance with the provisions of Section 295 of the Companies Act, 1956.

Pursuant to the provisions of section 295 of the Companies Act, 1956, the person who is in default may be punishable with fine which may extend to fifty thousand rupees or imprisonment for a term which may extend to six months. Our Company and the officers in default have filed application(s) under section 621A with the ROC for compounding of contraventions of the provisions of the said section of the Companies Act, 1956.

- (b) In accordance with Section 269 of the Companies Act, 1956, every Company having paid up capital of ₹ 500 lakhs or more is required to appoint a Managing Director or Whole Time Director. The paid up share capital of our Company was ₹ 500 lakhs on August 07, 2008 subsequent to allotment of shares made on the referred date. The following table gives details of the period for which our Company has appointed Managing / Whole Time Director after the date the provision of Section 269 became applicable on the Issuer:

Name of Managing / Whole Time Director	Date of appointment	Date of Resignation
Mr. Sandeep Singhania	December 16, 2006	September 29, 2008
Ms. Namrata Chawla	December 23, 2010	Till date

Our Company was not in compliance with the provisions of Section 269 of the Companies Act, 1956 for the period from September 30, 2008 to December 22, 2010 and thus has filed an application under section 621A for compounding of the same with the Registrar of Companies.

- (c) In accordance with Section 383A of the Companies Act, 1956, every Company having paid up capital of ₹ 200 lakhs or more (w.e.f. June 11, 2002) is required to appoint a full time Company Secretary. The provisions of Section 383A were applicable to our Company w.e.f. June 11, 2002. The following table gives the details of the period for which our Company has appointed Company Secretary after the date the provisions of Section 383A became applicable to the Issuer:

Name of Company Secretary	Date of appointment	Date of Resignation
Mr. Basant Sahoo	September 01, 2005	October 01, 2005
Ms. Ruchi Dawar	August 20, 2009	March 30, 2010
Ms. Nancy Sharma	April 15, 2010	November 29, 2010
Ms. Aarti Sachdeva	November 30, 2010	July 15, 2011
Ms. Sunayana Tiwari	July 16, 2011	Till date

Our Company was not in compliance with the provisions of Section 383A(1) of the Companies Act, 1956 for the period from (i) June 11, 2002 to August 31, 2005, (ii) October 02, 2005 to August 19, 2009 and (iii) from March 31, 2010 to April 14, 2010 and thus has filed an application under section 621A for compounding of the same with the Registrar of Companies.

We have neither received any notice nor any action has been initiated against us by the Registrar of Companies / Ministry of Corporate Affairs for the violation of the provisions of the Companies Act, 1956 as indicated at paras (a) to (c) as aforesaid. The compounding applications filed by us are pending before the regulatory authority.

#### **Notices received by Mr. Harvansh Chawla, one of our Director from the Income Tax Department:**

##### **1. For the Assessment Year 2007-08**

The Assessing Officer vide Notice numbering ADDPC-25599 dated 30.01.2008 had intimated to Mr. Harvansh Chawla (Noticee) that a sum of ₹ 2,313.62 lakhs was payable as tax by him with respect to the assessment year 2007-2008.

It is further clarified that search and seizure action u/s 132 of the IT Act was undertaken against Mr. harvansh Chawla at his residence on February 28, 2007 during which a crossed and an account payee post dated cheque of ₹ 5,500 lakhs was seized. The Assessing Officer had added the sum of ₹ 5,500 lakhs as unexplained income, to the income of the Mr. Harvansh Chawla against which assessment an appeal dated 27.01.2009 has been filed before the Commissioner of Income Tax (Appeals) II by Mr. Harvansh Chawla (Appellant). It was contended by the Appellant that the Ld. Assessing Officer had erred in adding ad hoc disallowance of ₹ 1.26 lakhs out of car running and traveling expenses. The Appellant had also stated that the Assessing Officer had erred in adding ad hoc disallowance of ₹ 0.21 lakhs being 1/8<sup>th</sup> of the telephone expenses of ₹ 1.70 lakhs, which was stated as personal use by the proprietor. Further the Appellant also stated that the Ld. Assessing Officer had erred in adding a sum of ₹ 5,500 lakhs as unexplained income on the basis of the availability of a crossed and an account payee post dated cheque which had not even been cashed. Lastly, the Appellant contended that the Adjudicating Officer erred in not providing sufficient opportunity of being heard.

The Commissioner of Income Tax (CIT) vide its order dated February 15, 2011 has partly allowed the appeal. As regards the addition of ₹ 5,500 lakhs as unexplained income on the basis of availability of a crossed and an account payee post dated cheque, the CIT rejected the addition of the same on account of absence of any evidence found during search or absence of a case built up during post search enquiries or during remand proceedings. The CIT has therefore allowed the plea that discovery of a cheque can initiate an enquiry into an income but cannot itself constitute income when it is neither accrued nor been received

by the Appellant. Further The CIT allowed the addition of ad-hoc disallowance of ₹ 1,26,477/- out of car running and travelling expenses and ₹ 21,201/- out of telephone expenses.

The Department has filed an appeal with the Income Tax Appellate Tribunal against the order of CIT. The last date of hearing for the same was November 28, 2011, on which date the Appellate Bench crashed (due to the absence of quorum) and next date of hearing has been fixed for September 13, 2012.

## **2. For the Assessment Year 2008-09**

A Show Cause Notice dated 25.08.2010, was issued to Mr. Harvansh Chawla (Assessee) with relation to the Income Tax return filed by the latter for assessment year 2008-09. Subsequently, a Notice of Demand dated 30.11.2010 was issued to him by the Assessing Officer, Asstt. Commissioner of Income Tax, Central Circle, New Delhi raising a demand of ₹ 1,787.68 lakhs to be paid within 30 days from the service of the said notice, failing which the latter would be penalized. The Assessee had failed to comply with the aforesaid notices and hence the Asstt. Commissioner of Income Tax, Central Circle – 13, New Delhi further issued a notice dated 30.12.2010 to Mr. Harvansh Chawla under Section 274 read with Section 271 of the Income Tax Act, 1961 fixing a hearing on 18.01.2011.

On 18.01.2011, an appeal under Section 246A of the Income Tax Act, 1961 was filed by Mr. Harvansh Chawla against the order passed by the Assessing Officer. The Appellant has challenged the Order of the Assessing Officer on the grounds that adequate opportunity was not granted to him before passing of the Order and additional charge of ₹ 2,800 lakhs was wrongfully added to the amount payable by the Assessing Officer. Furthermore, the Appellant has stated that the sum of ₹ 1,091.68 lakhs was wrongfully added to unexplained Unsecured Loans.

The matter is pending before the Commissioner of Income Tax (Appeals) II (CIT). On October 07, 2011 the Ld. CIT had asked for the remand report from the Assessing Officer. On March 27, 2012, the last date of hearing, the parties appeared before CIT for arguments. The next date is yet to be fixed.

It is clarified that no search and seizure action was undertaken for the AY 2008-09 and it is only a case of scrutiny u/s Section 143(2) of the Income Tax Act, 1961.

## **3. For the Assessment Year 2009-10**

A Show Cause Notice dated 15.03.2010 under Section 143(2) of the Income Tax Act, 1961, was issued to Mr. Harvansh Chawla (Assessee) regarding the pending assessment proceedings with Ass. Commissioner of Income Tax (ACIT) with respect to the return of income filed by the Assessee for the assessment year 2009-2010, fixing a hearing on 24-03-2010. No specific demand was raised in the aforesaid notice. The Assessee had vide letter dated 24.03.2010 requested for adjournment of the matter. The last date of hearing was December 05, 2011. The assessment proceedings are in progress and the next day of hearing is yet to be notified.

It is clarified that no search and seizure action was undertaken for the AY 2009-2010 and it is only a case of scrutiny u/s Section 143(2) of the Income Tax Act, 1961.

**Except as stated herein below, there is no litigation filed against the Directors:**

### **Cases - against Mr. Amanveer Singh, our Whole Time Director**

#### **1. Mardan Industrial Corporation v. Commissioner of Central Excise**

One of the Directors of the Company, Mr. Amanveer Singh, is a partner in Mardan Industrial Corporation (MIC) which was in receipt of four show cause notices (SCNs) from the Office of Commissioner of Central Excise. Details of the SCNs are given herein below:

1. C.No. CE-20/Demand/Mardan Indl. Corp./R-35/04/2970 dated 26-03-2004 for the period March 1999 to January 2004 wherein the central excise duty of ₹ 49.06 lakhs was demanded,
2. C.No. CE-20/Demand/Mardan Indl. Corp./R-35/04/347 dated 01-03-2005 for the period February 2004 to December 2004 wherein central excise duty of ₹ 10.17 lakhs was demanded,

3. C.No. CE-20/ Demand/Mardan Indl. Corp./R-35/04/3154 dated 11-09-2006 for the period November 2005 to January 2006 wherein central excise duty of ₹ 4.74 lakhs inclusive of cess was demanded, and
4. C.No. CE-20/ Demand/Mardan Indl. Corp./R-35/04 dated 03-01-2007 for the period February 2006 to March 2006 wherein central excise duty of ₹ 2.52 lakhs was demanded.

In the aforesaid SCNs it was alleged that the trademark MARDAN / MARDAN NO.1 did not belong to MIC and therefore MIC was not entitled to avail exemption under small-scale exemption notification.

The SCN C.No.CE-20/Demand/Mardan Indl. Corp./R-35/04/2970 was adjudicated vide Order-in-Original No. 45/2005 issued vide C.No. V(90&87)15/CE/20/2004/3066 dated 27-09-2005 whereby the demand of ₹ 49.06 lakhs was confirmed and an equivalent amount of penalty was imposed under Section 11AC of the Central Excise Act, 1944. Subsequently, MIC preferred an appeal against the Order-in-Original No. 45/2005 before the Commissioner of Central Excise (Appeals). The matter was remanded for fresh adjudication vide Order-in-Appeal No.135-CE/DLH/2006 dated 24-01-2007.

The remanded matter along with the other SCNs were adjudicated vide Order-in-Original No. 35-38/2008 dated 10-12-2008 issued vide C.No. V(CE)-15/381/MIC/08/6948 dated 31-12-2008, whereby the demand of duty amounting to ₹ 66.61 lakhs was confirmed against MIC and an equivalent amount of penalty was imposed.

MIC preferred an appeal against the said order which was dismissed. MIC has filed on September 23, 2010, an fresh appeal numbering E/3045/2010 before the Customs, Excise and Service Tax Appellate Tribunal, R.K. Puram, New Delhi against the Order-in-Appeal No. No. 296/CE/D-II/10 dated 30-06-2010 passed by the Commissioner of Central Excise, Delhi-II Commissionerate, issued vide C.No. 63/CE/APPL/D-II/09 dated 12-07-2010.

The matter was last heard on January 04, 2011 wherein the Hon'ble Tribunal directed MIC to deposit an amount of ₹ 10.00 lakhs within eight weeks from the date of hearing and report compliance on April 11, 2011. The Hon'ble Tribunal has granted stay for the balance amount of duty, interest and penalty. MIC has deposited the amount of ₹ 10.00 lakhs vide cheque no. 172554 on March 03, 2011. The matter is pending for final hearing before tribunal and no next date has been fixed.

## **2. Civil Suit No. 211 of 2004 in Tis Hazari Court, Delhi (earlier Suit No. 246 of 2000 in the High Court of Delhi)**

One of the Directors of the Company, Mr. Amanveer Singh, is a partner in Mardan Industrial Corporation (MIC) and the captioned suit was filed by MIC against Late Sr. Upkar Singh (and his legal heirs) seeking to restrain him from the use of trademark 'MARDAN' which was registered in the name of Mardan Industries.

In the said suit, Plaintiff's evidence is complete and now the matter is at the stage for Defendant's evidence and cross examination of witnesses of the defendant. The matter was last fixed for April 11, 2012 and the next date of hearing is August 13, 2012.

It is clarified that the suit has been transferred to Tis Hazari Court, Delhi (and renumbered) from the High Court of Delhi due to change in the pecuniary jurisdiction of the High Court of Delhi.

## **3. W.P. (Civil) No. 7845 of 2009 in the High Court of Delhi**

The captioned writ petition has been filed on 17.03.2009 by MIC against Union of India & Ors. The petition has been filed under Article 227 of the Constitution of India for issuance of a writ in the nature of certiorari for quashing of the order dated 31.12.2008 passed by the Intellectual Property Appellate Board dismissing the Petitioner's Rectification Applications in ORA 56/2006/TM DEL & 55/2006/TM DEL under sec 57 read with Sec 11, 12, 18 of the Trademark Act.

Vide the rectification application, the Petitioners had sought removal of the trademarks 'MARDAN No. 1' under No. 1087559 dated 15.03.2002 in class 12 & 'MARDAN' under No. 1087560 dated 15.03.2002 in class 12 thereby seeking a rectification of the Register of Trademarks by a direction to the Registrar of

Trademarks to expunge or cancel the Respondents (being the late Mr. Upkar Singh, the brother of Mr. Jagmohan Singh who is father of Mr. Amanveer Singh) After the death of Respondent, his legal heirs were substituted as Legal Representatives of the Respondent.

The main plea of the Petitioner is that late Mr. Upkar Singh (brother of Mr. Jagmohan Singh who is the father of Mr. Amanveer Singh) had filed 2 applications for registration of trademarks in his individual capacity under the trade name of M/s Mardan Industries. The petition has been admitted by the Hon'ble High Court and the petition has been placed in the regular list. The next date of hearing is yet to be notified.

#### **MATERIAL DEVELOPMENT**

In the opinion of our Board, there have not arisen since the date of the last financial statements i.e. January 31, 2012, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of our assets or our ability to pay our material liabilities within the next 12 months.

#### **AMOUNT OWED TO SMALL SCALE INDUSTRIAL UNDERTAKINGS AND OTHER CREDITORS**

The outstanding dues payable to Small scale industries and other creditors, as on January 31, 2012, which are more than 30 days old are as under:

<b>Sr. No.</b>	<b>Name of Creditor</b>	<b>Amount (₹ lakhs)</b>
1	ACE Medical Services	1.04
2	Chetna Surgicals	1.50
3	Dev Health Care	5.09
4	Diagaid Mediwares Pvt Ltd	1.26
5	Discovery Chemicals Pvt Ltd	1.24
6	Dispo Surgicals	3.59
7	Dr Meditech Surgical & Diagnostics (I) Pvt.Ltd.	1.32
8	Flower Enterprises (Pharmacy)	5.07
9	Ganga Medicos	1.03
10	Grace MFG. & Trading Company	4.51
11	Indian Drug Distributors	1.45
12	J.P.Enterprises	2.83
13	Kalyani Surgical & Medical Store	2.35
14	Medicare Chemist	1.04
15	Meditech Surgicals	5.03
16	Olympic Pharmacare Pvt.Ltd	3.21
17	Radhe Enterprise	1.84
18	Rawat Enterprises	10.63
19	Reliance Surgical Emporium	12.17
20	Rinki Surgical	1.37
21	R.K.Viklang Kendra & Surgical House	1.60
22	Saimed India	2.77
23	Shiv Shakti Aushad Bhandar	1.47
24	Span Life Sciences	2.64
25	Team Drugs & Surgicals	3.81
26	Team Surgical Company	1.52
27	Zen Enterprises	3.16
28	Zonakem Pharma	2.46
<b>Total</b>		<b>87.00</b>

## GOVERNMENT AND OTHER APPROVALS

### A. Approvals required for the proposed polyclinics and Diagnostics Centre, for which funds are being raised through this Issue

**WE REQUIRE A NUMBER OF APPROVALS FOR SETTING UP OF POLY CLINICS AND COSMETOLOGY & WELLNESS CENTRE NAMELY, APPROVAL FROM CHIEF MEDICAL OFFICER (FOR SETTING UP OF POLYCLINICS, ATOMIC ENERGY REGULATORY BOARD FOR USE OF HIGH END MEDICAL EQUIPMENTS, POLLUTION CONTROL BOARD, FIRE AND SAFETY DEPARTMENT, DRUG LICENCING AUTHORITY AND DEPARTMENT OF COMMERCIAL TAXES. SINCE THE PREMISE(S) WHERE WE WILL SET UP POLYCLINICS HAVE NOT BEEN IDENTIFIED AND THE POSSESSION OF COSMETOLOGY & WELLNESS CENTRE HAS NOT BEEN RECEIVED BY US, WE HAVE NOT APPLIED FOR ANY REGULATORY APPROVAL REQUIRED FOR SETTING UP OF COSMETOLOGY & WELLNESS CENTRE AND POLYCLINICS FOR WHICH THE FUNDS ARE PROPOSED TO BE RAISED THROUGH THIS ISSUE. THE APPLICATIONS FOR REQUISITE APPROVALS WILL BE MADE ONLY AFTER TAKING POSSESSION OF THE PREMISES FROM WHERE THESE ACTIVITIES WILL BE CARRIED OUT AND / OR AFTER PLACING THE ORDERS FOR MEDICAL EQUIPMENTS & MACHINERIES.**

### B. Applications made for approvals / permissions for present business activities, registration / renewal for which is pending

We have applied for the following approvals / permissions, but the same have not been received by us. The applications for these approvals / permissions are under process with the concerned authority:

Authority Granting approval	Nature of approval / Statute	Status
National Accreditation Board for Hospital and Healthcare Providers, Quality Council of India	NABH Accreditation Certificate	Application dated July 06, 2010 submitting the policies required for NABH Accreditation as per the NABH Guidelines have been submitted with the office of Deputy Director, Quality Council of India. The reference no. allotted to our Company is H-2009-0300. The Quality Council of India is likely to conduct a pre-assessment of the hospital in May 2012
National Accreditation Board for testing and Calibration Laboratories, Department of Science and Technology, Government of India	NABL Accreditation Certificate	Application made for the NABL accreditation. The Accreditation Officer NABL had issued observations to us on the documents submitted. We have made the necessary changes as per the NABL requirement and replied vide our letter dated December 01, 2010. The Quality Council of India is likely to conduct a pre-assessment of the hospital in May 2012.
Chief Medical Officer, Gautam Budh Nagar	For running multi speciality hospital	Application dated March 16, 2012 made for renewal of the license no. 325/GBN/10-10. The application is still pending.

### C. Our Company has the following licenses, permits and registrations for conducting its business.

#### (a) Incorporation:

Sr. No.	Authority Granting Approval	Approval / Registration Number	Applicable law	Nature of Approval	Issue on
1	Registrar of Companies, NCT Delhi & Haryana	U74899DL2000PLC106486	Companies Act, 1956	Certificate of Incorporation	June 26, 2000
2	Registrar of Companies, NCT Delhi & Haryana	55-106486	Companies Act, 1956	Certificate of Commencement of Business	July 14, 2000



**(b) Tax:**

Sr. No.	Authority Granting Approval	Approval / Registration Number	Applicable law	Nature of Approval	Validity
1	Commissioner of Income Tax	AABCG4028Q	Income Tax Act, 1961	PAN	Valid till Cancelled / Surrendered
2	Income Tax Department	DELG05181B	Income Tax Act, 1961	Tax Deduction Account No.	Valid till Cancelled / Surrendered
3	Jt. Director General of Foreign Trade	0502046457	Foreign Trade (Development & Regulation) Act	Certificate of Importer-Exporter Code (IEC)	Valid from October 21, 2002 Valid till Cancelled/surrendered
4	Office of the Superintendent, Service Tax, Range-I, Div-II, Noida	AABCG4028QSD001	Chapter V of the Finance Act, 1994 read with the Service Tax Rules, 1994	Registration for Service Tax	Valid from July 23, 2010 Valid till Cancelled/surrendered
5	Assistant Commissioner, Sales Tax Department, Uttar Pradesh	ND5349346	Central Sales Tax (Registration and Turnover) Rules, 1957	Registration for Central Sales Tax	Valid from February 15, 2007 Valid till Cancelled/surrendered
6	Department of Commercial Taxes, Uttar Pradesh	09366003393	Uttar Pradesh Value Added Tax Act, 2007	Registration of VAT	Valid from June 05, 2006 Valid till Cancelled/surrendered
7	Chief Commissioner of Income Tax, New Delhi	F. No. CC/Delhi/Hospital /2010-11/10373	Income Tax Act, 1961	Approval under proviso (ii)(b) to Section 17(2)(vi) of the Income Tax Act, 1961	Valid from November 30, 2010 Valid till November 29, 2013

**(c) Other Approvals:**

Sr. No	Authority Granting Approval	Approval/Registration Number/Letter No.	Applicable law	Nature of Approval	Validity
1	New Okhla Industrial Development Area	NOIDA/B.C./B.P./2 862	-	Completion certificate for the hospital building at D-141 A & B	Approval received on May 24, 2003
2	New Okhla Industrial Development Area	NOIDA/B.C./ B. P.- V-226-74/09	-	Completion certificate for expansion of hospital building	Approval received on May 12, 2009
3	New Okhla Industrial Development Area	NOIDA/Sno./92	-	Amalgamation of the two plots i.e. Plot No. D - 141A & 141B	Approval received on December 11, 2001
4	Chairman, Atomic Energy Regulatory Board	201301.UP.001(A)	-	To operate the Computed Tomography installation	Valid till December 31, 2014
5	Chairman, Atomic Energy Regulatory Board	201301.UP.001(B)	-	To operate the Intervention Radiology (Cath. Lab) installation	Valid till December 31, 2014
6	Radiological Safety Division, Atomic Energy Regulatory Board	AERB/RSD/441/RS D/ UP505/2010/9258	-	Appointment of Shri Mohamed Musthafa Abdul Aieez as the Radiological Safety Officer, Level-III in the hospital & research centre	Valid from September 27, 2010 Valid till September 30, 2013

Sr. No	Authority Granting Approval	Approval/Registration Number/Letter No.	Applicable law	Nature of Approval	Validity
7	Chairman, Atomic Energy Regulatory Board	AERB/445/NOC/GK/RSD/RT/HN-902/2008/11147	-	For sale, installation and use of the Lekshell Gamma Knife unit Model Perfexion in India	Valid from November 11, 2008
8	Scientific Officer (F), Radiological Safety Division, Atomic Energy Regulatory Board	AERB/RSD/RT/UP5 05/2009/6657	-	To supervise source, transfer, operation of Lekshell Gamma Knife Perfexion Telecobalt Unit during source loading in presence of Shri N. Gopishanker, AIIMS, Delhi	Valid from June 26, 2009
9	Scientific Officer (F), Radiological Safety Division, Atomic Energy Regulatory Board	AERB/RSD/RT/UP5 05/2009/7722	-	Permission for commissioning of Lekshell Gamma Knife Model Perfexion Gamma Knife Unit for the treatment of patients in the hospital. The permission from Radiology Safety Division, Atomic Energy Regulatory Board for Perfexion Gamma Knife Machine is one time approval accorded to commence the operation of the said machine.	Approval received on July 24, 2009
10	Scientific Officer (F), Radiological Safety Division, Atomic Energy Regulatory Board	AERB/RSD/RT/UP5 05/2009/5075	-	Authorization in favour of Dr. Maheep Singh Gaur to procure the radioactive material, Co-60, for the Leksell Gamma Knife Model Perfexion	Valid from May 05, 2009 & valid till May 04, 2010. Since we had procured the radioactive material, the authorization is not required to be renewed
11	Drug Licencing Authority, Gautam Budh Nagar	50/20/GBN	Drugs & Cosmetic Rules, 1945	To sell, stock or exhibit or offer for sale or distribute by retail the drugs specified in the Schedules C and C(1) [excluding those specified in Sch. X] Drugs & Cosmetic Rules, 1945 and to operate a pharmacy in the premises of the hospital & research centre	Valid from May 05, 2009 and valid till May 04, 2014
12	Drug Licencing Authority, Gautam Budh Nagar	50/21/GBN	Drugs & Cosmetic Rules, 1945	To sell, stock or exhibit or offer for sale or distribute by retail the drugs specified in the Schedules C and C(1) [excluding those specified in Sch. X] of Drugs & Cosmetic Rules, 1945 and to operate a pharmacy in the premises of the hospital & research centre	Valid from May 05, 2009 and valid till May 04, 2014

Sr. No	Authority Granting Approval	Approval/Registration Number/Letter No.	Applicable law	Nature of Approval	Validity
13	Chief Medical Officer, Gautam Budh Nagar	Registration No. 144	Pre-Natal Diagnostic Techniques (Regulation and Prevention of Misuse) Act, 1994	Registration Certificate for its hospital & research center	Valid from February 2008 valid till March 2013
14	Regional Office, Uttar Pradesh Pollution Control Board.	4758/BMW/G-1/2011	Bio-Medical Waste (Management & Handling) Rules 1998	Authorization on trial basis	Valid till April 30, 2013
15	Uttar Pradesh Pollution Control Board	G-2/12/2012	Section 25/26 of Water (Prevention and Control of Pollution) Act, 1974 and Section 21 of Air (Prevention and Control of Pollution) Act, 1981		Valid from February 02, 2012 till December 13, 2013.

**(d) Labour Laws**

Sl No	Name of Department	Approval / Registration Number/Code	Applicable law	Nature of Approval	Validity
1	EPFO	UP34923	Employees Provident Funds and Miscellaneous Provisions Act 1952	Registration	Valid from December 26, 2004 valid till cancelled/surrendered

**(e) Industrial Approvals**

Sl No	Authority Granting Approval	Approval / Registration Number/Code	Applicable law	Nature of Approval	Validity
1	Fire and Safety Department, Gautam Budh Nagar	BH-39/CFO/NOC/2009/998	-	NOC form Fire and Safety Department	Valid from August 05, 2011 Valid till August 04, 2012

**(f) Electricity Act**

Sl No	Authority Granting Approval	Approval/Registration Number	Applicable law	Nature of Approval	Validity
1	Executive Engineer, Electricity Urban Distribution Division II	2149	Electricity Act, 2003	Sanctioned a load of 667 KVA (HV-1)	Valid from June 01, 2009

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

This Issue has been authorised by the Board of Directors and special resolution passed pursuant to section 81(1A) of the Companies Act, at the extra ordinary general meeting of the shareholders of our Company, in their meeting held on February 25, 2012 and March 21, 2012 respectively.

### Prohibition by SEBI

Our Company, our Promoter, our Directors, our subsidiary company and companies with which our directors are associated as directors or Promoter, has not been prohibited from accessing the capital market or restrained from buying, selling or dealing in securities under any order or directions passed by SEBI or any other authority. The listing of any securities of our Company has never been refused at anytime by any of the stock exchanges in India. Further, none of our Directors is associated with the securities market.

Further, our Company, our Promoter, their relatives, Group Companies and our Directors have not been declared as willful 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.

### Eligibility for the Issue

We are an unlisted Company incorporated under the Companies Act, 1956. We are eligible for this issue under Regulation 26(1) of the SEBI ICDR Regulations. The summary of our present distributable profits, net worth, net tangible assets and monetary assets based on the restated standalone financial statements are as under:

	(₹ in lakhs)				
Particulars	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
Net Tangible Assets	12,015.95	7,375.61	6,528.57	558.94	546.31
Monetary Assets	125.06	16.30	8.50	5.03	22.77
Monetary Assets as a % of Net Tangible Assets	1.04%	0.22%	0.13%	0.90%	4.17%
Distributable Profit	1,592.59	274.98	217.85	9.41	0.92
Net Worth	3,284.15	1,324.06	1,048.72	280.45	270.20

1. Net tangible assets is defined as the sum of fixed assets (including work in progress and capital advances and excluding revaluation reserves), investments, current assets (excluding deferred tax assets) less current liabilities.
2. Monetary Assets are defined as the sum of Cash in Hand, Liquid Investments, balance with Scheduled Bank in Current accounts and Fixed Deposits and non-trade investments.
3. Distributable profits have been defined in terms of section 205 of the Companies Act, 1956.
4. Net worth has been defined as the aggregate of equity share capital and reserves, excluding miscellaneous expenditures, if any.

Further in terms of SEBI (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2011, an Issuer who had subsidiary / subsidiaries for a period lesser than five years, shall have net profits on a consolidated basis in atleast one year for which consolidated accounts are prepared. We are also complying with the said condition. Our net profits on consolidated basis, for the period for which we have subsidiary company and the accounts have been consolidated, is as under:

	(₹ in lakhs)	
Particulars	March 31, 2011	March 31, 2010
Consolidated net profit	1,571.76	274.98

In accordance with the Regulation 26(4) of SEBI ICDR Regulations, we ensure that the number of allottees in the proposed Issue shall be atleast 1,000; otherwise, we shall forthwith refund the entire subscription

amount received. In case of delay, if any, in refund, we shall pay interest on the application money at the rate of 15% per annum for the period of delay.

#### **DISCLAIMER CLAUSE OF SEBI**

**AS REQUIRED, A COPY OF THIS OFFER DOCUMENT HAS BEEN SUBMITTED TO SEBI.**

**“IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO 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 ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER, SPA MERCHANT BANKERS LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH 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 ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT, WHILE THE ISSUER COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER SPA MERCHANT BANKERS LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED MAY 04, 2012 WHICH READS 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 Red Herring Prospectus (in case of a book built issue) pertaining to the said issue;**
- 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 issue, price justification and the contents of the documents and other papers furnished by the issuer, WE CONFIRM that:**
  - (a) the Draft Red Herring Prospectus filed with the Board is in conformity with the documents, materials and papers relevant to the issue;**
  - (b) all the legal requirements relating to the issue as also the regulations guidelines, instructions, etc. framed/issued by the Board, the Central Government and any other competent authority in this behalf have been duly complied with; and**
  - (c) the disclosures made in the Draft Red Herring Prospectus are true, fair and adequate to enable the investors to make a well informed decision as to the investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1956, the Securities and 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 intermediaries named in the Draft Red Herring Prospectus are registered with the Board and that till date such registration is valid.**
- 4. We have satisfied ourselves about the capability of the underwriters to fulfil their underwriting commitments. - Noted for compliance**
- 5. We certify that written consent from promoters has been obtained for inclusion of their specified securities as part of promoters' contribution subject to lock-in and the specified securities proposed to form part of promoters' 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 Red Herring Prospectus with the Board till the date of commencement of lock-in period as stated in the Draft Red Herring 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 specified securities ineligible for computation of promoters contribution, has been duly complied with and appropriate disclosures as to compliance with the said regulation have been made in the Draft Red Herring 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 atleast one day before the opening of the issue. We undertake that auditors' certificate to this effect shall be duly submitted to the Board. 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 issuer along with the proceeds of the public issue. - Not applicable
8. We certify that the proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter 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.
9. We confirm that necessary arrangements have been made to ensure that the moneys received pursuant to the issue are kept in a separate bank account as per the provisions of sub-section (3) of section 73 of the Companies Act, 1956 and that such moneys shall be released by the said bank only after permission is obtained from all the stock exchanges mentioned in the prospectus. We further confirm that the agreement entered into between the Bankers to the Issue and the Issuer specifically contains this condition. - Noted for compliance
10. We certify that a disclosure has been made in the Draft Red Herring Prospectus that the investors shall be given an option to get the shares in demat or physical mode. - Not applicable
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 Draft Red Herring Prospectus:
  - (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 the Board 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 issue.
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 Red Herring 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 us.

**THE FILING OF OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER SECTION 63 OR 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY 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 LEAD MERCHANT BANKER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT."**

**Disclosure of Price Information of Past Issues handled by Book Running Lead Manager**

Sr. No.	Issue Name	Issue Size ₹ (Cr.)	Issue Price (₹)	Listing date	Opening price on listing date (₹)	Closing price on listing date (₹)	% Change in Price on listing date (Closing) vs. Issue Price	Bench-mark index on listing date (Closing)	Closing Price as on 10th calendar days from listing day (₹)	Bench-mark index as on 10th calendar days from listing day (Closing)	Closing Price as on 20th calendar days from listing day (₹)	Bench-mark index as on 20th calendar days from listing day (Closing)	Closing Price as on 30th calendar days from listing day (₹)	Bench-mark index as on 30th calendar days from listing day (Closing)
Financial Year 2012-13														
	NIL	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial Year 2011-12														
1	SRS Limited	203.00	58.00	16/09/2011	55.00	33.65	(41.98)%	16,933.83	33.95	16,162.06	30.15	15,792.41	35.50	17,082.69
Financial Year 2010-11														
1	Cantabil Retail India Limited <sup>1</sup>	105.00	135.00	12/10/2010	133.80	104.75	(22.41)%	20,203.34	94.70	20,260.58	76.35	20,032.34	74.85	20,875.71
2	Parabolic Drugs Limited	200.00	75.00	01/07/2010	76.00	64.80	(13.60)%	17,509.33	60.05	17,833.54	60.10	17,878.14	54.50	17,868.29

<sup>1</sup> SPA Merchant Bankers Limited was responsible for finalization of Issue Price only in the Initial Public Offering by Cantabil Retail India Limited.

**Summary Statement of Disclosure**

Financial Year	Total no. of IPOs	Total Funds Raised (₹ Cr.)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30th calendar day from listing day			Nos. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2012-13	NIL	-	-	-	-	-	-	-	-	-	-	-	-	-
2011-12	1	203.00	-	1	-	-	-	-	-	1	-	-	-	-
2010-11	2	305.00	-	-	2	-	-	-	-	2	-	-	-	-

- Note:
- (a) In case the 10th, 20th or 30th calendar day from the date of listing is a holiday, the share price and benchmark index is taken for the day immediately before such trading day.
  - (b) The date of listing has been included for calculation of 10th, 20th or 30th calendar day from the date of listing.
  - (c) BSE SENSEX has been considered as the benchmark index.
  - (d) All share price data is taken from [www.bseindia.com](http://www.bseindia.com)

**Track record of past issues handled by BRLM**

The track record of past issues handled by SPA Merchant Bankers Limited is also available at <http://www.spacapital.com/TrackRecordofPublicIssues.aspx>.

**Disclaimer from Our Company & the BRLM**

Our Company, our Directors and the BRLM accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at instance of the above mentioned entities and that anyone placing reliance on any other source of information, including the website of our Company, [www.ojjus.org](http://www.ojjus.org) would be doing so at his or her own risk.

**Caution**

The BRLM accept no responsibility, save to the limited extent as provided in the Agreement dated [●], 2012 entered into between the BRLM and our Company and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by us, the BRLM and the Underwriters 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 house research or sales reports, at bidding centres or elsewhere.

**Disclaimer In Respect of Jurisdiction**

This issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised 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 if any), trust registered under the Societies Registration Act, 1860, as amended from time to time or any other trust law and who are authorised under their constitution to hold and invest in shares), permitted insurance companies, pension funds and to NRIs, FIIs, Venture Capital Funds and Foreign Venture Capital Investors registered with SEBI. The Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares issued hereby in any other jurisdiction to any person to whom it is unlawful to make an issue or invitation in such jurisdiction. Any person into whose possession the Draft Red Herring Prospectus comes is required to inform himself / herself about and to observe any such restrictions. Any disputes arising out of this issue will be subject to the jurisdiction of appropriate courts at Delhi, India 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 the Draft Red Herring Prospectus has been submitted to SEBI for its observations and SEBI has given its observation. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Red Herring 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 under the US Securities Act of 1933 (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 under 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 are only being offered and sold (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act in reliance on Rule 144A under 233 of the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

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 Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.



**Disclaimer Clause of BSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to the BSE. The disclaimer clause will be incorporated on receipt of in-principal listing approval from BSE.

**Disclaimer Clause of NSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to the NSE. The disclaimer clause will be incorporated on receipt of in-principal listing approval from NSE.

**Filing**

The Draft Red Herring Prospectus has been filed with SEBI, 5th Floor, Bank of Baroda Building, 16, Sansad Marg, New Delhi - 110 001. A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered to the RoC at the Office of the Registrar of Companies, NCT of Delhi & Haryana, 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi - 110 019. The Prospectus will be filed with SEBI and the RoC at their respective addresses upon the closure of this Issue and on finalization of the Issue Price.

**Listing**

Applications have been made to the BSE and NSE for permission to deal in and for an official quotation of our Equity Shares. Our existing Equity shares are not listed on any stock exchange in India. BSE shall be the Designated Stock Exchange with which the basis of allotment will be finalized for the QIB, Non-Institutional portion and Retail portion.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our company shall forthwith repay, without interest all monies received from the applicants in pursuance of this Draft Red Herring Prospectus. If such money is not repaid within 8 days after our company becomes liable to repay it (i.e. from the Date of Refusal or within 10 working days from the date of Bid/Issue closing date whichever is earlier), then our Company, and every director of our Company who is an officer in default shall, on and from expiry of 8 days, will be jointly and severally liable to repay such application money with interest @15% per annum on application money as prescribed under Section 73 of the Companies Act.

Our Company together with the assistance of the BRLM shall ensure that all steps for the completion of the necessary requirements for listing and commencement of trading at both the Stock Exchanges mentioned above are taken within twelve working days of the Bid / Issue Closing Date.

**Impersonation**

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

***“Any person who:***

- (a) Makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or***
- (b) Otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name***  
***shall be punishable with imprisonment for a term which may extend to five years.”***

**Consents**

Consents in writing of (a) our Promoter, Directors, Company Secretary and Compliance Officer, (b) the Auditors, (c) Legal Advisor, (d) Bankers to our Company, (e) Book Running Lead Manager, (f) Registrar to the Issue, (g) Bankers to the Issue, (h) Syndicate Members and (i) IPO Grading Agency to act in their respective capacities, have been obtained and would be filed along with a copy of the Red Herring Prospectus with the RoC, NCT of Delhi & Haryana as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn upto the time of delivery of the Red Herring Prospectus for registration with the RoC, NCT of Delhi & Haryana. Consents in writing of the underwriters will be obtained and filed along with the final prospectus and other relevant documents required to be filed under Section 60 of the Companies Act with RoC, NCT of Delhi & Haryana.

Chandiok & Guliani, our Statutory Auditors have also given their written consent for inclusion of their report in the form and context in which it appears on page 127 in this Draft Red Herring Prospectus and such consent and report have not been withdrawn upto the time of delivery of a copy of the Red Herring Prospectus for registration with the Registrar of Companies, NCT of Delhi & Haryana, New Delhi.

#### Expert Opinion

Except as stated (a) in the section titled “Financial Statements” on page 127, (b) the “Statement of Tax Benefits” appearing on page 66 and (c) the report provided by [●], IPO Grading Agency and given in Annexure on page [●] furnishing the rationale for its IPO Grading, we have not obtained any other expert opinion. Further such opinions / report have not been withdrawn till the date of filing of the Red Herring Prospectus with the Registrar of Companies.

#### Expenses of the Issue

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertising expenses and listing fees. The estimated Issue expenses are as follows:

Particulars	Amount ₹ lakhs*	% of Issue Size*	% of Issue Expenses*
BRLM / Syndicate member fee	[●]	[●]	[●]
Underwriting, Brokerage, Selling Commission & Processing fees to SCSBs	[●]	[●]	[●]
Advertising & Marketing expenses	[●]	[●]	[●]
Registrar to the Issue	[●]	[●]	[●]
Printing, Stationary, Dispatch	[●]	[●]	[●]
Other expenses (including listing fee, SEBI filing fee, IPO Grading Fees, Legal Counsel fee, Depository charges, Auditor's fee, etc.)	[●]	[●]	[●]
<b>Total</b>	[●]	[●]	[●]

\* Will be incorporated after finalisation of the issue price at the time of the Prospectus.

#### Fees Payable to the BRLM

The fees payable to the BRLM (including underwriting commission and selling commission) for the Issue will be as per the engagement letter from our Company to the BRLM and the Agreement dated [●], 2012 executed between us and BRLM, copy of which are available for inspection at our registered office.

#### Fees Payable to the Syndicate Members

The fees payable to the Syndicate Members (including underwriting commission and selling commission) for the Issue will be as per the engagement letter dated [●] from our Company to the Syndicate Members copy of which is available for inspection at our registered office.

#### Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue will be as per the Agreement between Registrar to the Issue and our company dated [●], 2012, a copy of which is available for inspection at our Registered Office.

Adequate funds will be provided to the Registrar to the Issue by our Company to enable them to send refund orders or Allotment advice by registered post / under certificate of posting.

#### Previous Public / Rights Issues

We had earlier filed a Red Herring Prospectus (RHP) dated December 15, 2011 with Registrar of Companies, NCT Delhi and Haryana for Initial Public Offering (IPO) of equity shares aggregating to ₹ 6,200 lakhs along with one detachable warrant. The Issue was opened for subscription on December 30, 2011 but we withdrew the same on January 09, 2012 due to then uncertainty in the capital markets and weak response from the investors. The application money was refunded by us in time in compliance with SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 (as amended from time to time) and in accordance with the RHP dated December 15, 2011. The registrar to the initial public offering of our

Company had confirmed to our Company that all refund orders in respect of such offering had been made by January 18, 2012.

Except as aforesaid, our Company has not made any public or rights issue of Equity Shares / Debentures since incorporation.

**Issue of Shares otherwise than for Cash**

Our Company has not issued any Equity Shares for consideration other than cash since incorporation.

**Commission and Brokerage on Previous Equity Issues**

Since this is the Initial Public Issue of our Equity Shares, no sum has been paid or is payable as commission and brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our incorporation.

**Promises v/s Performance**

Neither we, nor any of our Subsidiaries and Promoter Group Companies have made any public issue in past. Hence Promise v/s Performance is not applicable.

**Listed Ventures of Promoters**

Our promoter does not have any listed ventures.

**Outstanding Debenture or Bond Issues**

As on the date of filing of this Draft Red Herring Prospectus with SEBI, our Company does not have any outstanding Debentures or Bonds.

**Outstanding Preference Shares**

As on the date of filing of this Draft Red Herring Prospectus with SEBI, our Company does not have outstanding Preference Shares.

**Stock Market Data for Our Equity Shares**

This being an initial public offering of the equity shares our Company, the Equity Shares are not listed on any stock exchange and hence no stock market data is available.

**Mechanism for Redressal of Investor Grievances**

The Memorandum of Understanding between the Registrar to the Issue and our Company provides for retention of records with the Registrar to the Issue for a period of atleast one year from the date of closing of this Issue.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details including name, address of the applicant, application number, number of shares applied for, amount paid on application, depository participant, demat account number 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.

Our Company has constituted a Share Holders Grievances Redressal Committee to look into the redressal of shareholder/ investor complaints such as Issue of duplicate / split / consolidated share certificates, allotment and listing of shares and review of cases for refusal of transfer/transmission of shares and debentures, complaints for non receipt of dividends etc. For further details on this committee, please refer under the head 'Corporate Governance' on page 105 of this Draft Red Herring Prospectus.

**Disposal of Investor Grievances**

We estimate that the average time required by us or the Registrar to the Issue or the SCSBs in case of ASBA Bidders for the redressal of routine investor grievances shall be 10 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 appointed Mr. Charanjeet Bareja, Chief Financial Officer as the Compliance Officer and he may be contacted at the following address in case of any pre-Issue or post-Issue-related problems:

**Compliance Officer**

Mr. Charanjeet Bareja  
Chief Financial Officer  
Goodwill Hospital and Research Centre Limited  
705, Kailash Building,  
26, Kasturba Gandhi Marg,  
New Delhi - 110 001  
Tel.: +91 11 2371 1897  
Fax: +91 11 2331 9995  
Email: [ipo@ojjus.org](mailto:ipo@ojjus.org)  
Website: [www.ojjus.org](http://www.ojjus.org)

**Changes in Auditors during the last three years**

There has been no change in the Statutory Auditors of our Company during the last three years.

**Capitalisation of Reserves or Profits**

There has not been any capitalisation of reserves or profits since incorporation.

**Revaluation of Assets**

There has not been any revaluation of Assets since incorporation.

## TERMS OF THE ISSUE

The Equity Shares being offered through this Issue are subject to the provisions of the Companies Act, SEBI ICDR Regulations, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, Bid cum Application Form, the Revision Form, the Confirmation of Allocation Note 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 Issue. 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.

### Compliance with SEBI ICDR Regulations

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### Principal Terms and conditions of the Issue: Equity Shares

#### Face Value and Issue Price

The Equity Shares having a face value of ₹ 10/- each are being offered in terms of this Draft Red Herring Prospectus at the Price of ₹ [●] per Equity Share at the lower end of the Price Band and ₹ [●] per Equity Share at the upper end of the Price Band. The issue price will be determined by the Board of Directors of our Company in consultation with the BRLM on the basis of assessment of market demand for the equity shares offered by way of book building. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

#### Ranking of Equity Shares

The Equity Shares being offered under the Issue shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank pari passu in all respects with the existing Equity Shares including rights in respect to receive dividend. The allottees will be entitled to dividend, voting rights or any other corporate benefits, if any, declared by us after the date of Allotment.

#### Mode of Payment of Dividend

We shall pay dividend to our shareholders as per the provisions of the Companies Act, the SEBI ICDR Regulations and the provisions of the Listing Agreement.

#### Rights of the Equity Shareholders

Subject to applicable laws the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meeting and exercise voting rights unless prohibited by law;
- Right to vote on poll either personally or by proxy;
- Right to receive offer for rights shares and the allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Subject to applicable laws including RBI Rules and Regulations, right of free transferability of equity shares; and
- Such other rights, as may be available to a shareholder under the Act, terms of the listing agreements with the Stock Exchanges(s) and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to among other things, voting rights, dividend, forfeiture and lien and/or consolidation/splitting, etc., see the section entitled “Main provisions of the Articles of Association” on page 233 of the Draft Red Herring Prospectus.

**Market Lot and Trading Lot**

**In terms of Section 68B of the Companies Act, the Equity Shares of our Company shall be allotted only in dematerialized form. In terms of existing SEBI ICDR Regulations, the trading in the equity shares shall only be in dematerialized form for all investors.**

Since trading of the Equity Shares will be in dematerialised mode, the tradable lot is one Equity share. Allocation and allotment of Equity Shares through this issue will be done only in electronic form in multiple of one Equity Share subject to minimum of [●] equity shares to the successful bidders.

**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, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of 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, 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, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by our 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, our 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 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the equity shares, if any, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialised 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.

**Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with competent courts/ authorities in New Delhi, India.

**Minimum Subscription**

If we do not receive the minimum subscription of 90% of the Offer through Offer Document including devolvement of the Underwriters within 60 days from the closure of the Issue, we shall within 70 days of the Bid / Issue Closing Date, refund the entire subscription amount received. If there is a delay beyond 8 days after we become liable to pay the amount, we shall repay the money with interest prescribed under Section 73 of the Companies Act, 1956.

**Arrangements for Disposal of Odd Lots**

Since, our Equity Shares will be traded in dematerialised form only; the marketable lot is one (1) Equity Share. Therefore, there are no arrangements for disposal of odd lots.

**Restrictions, If Any on Transfer and Transmission of Equity Shares/ Debentures and on their Consolidation/ Splitting**

Except for the lock-in of the Equity Shares held by the Promoters as detailed in “Capital Structure” and as mentioned under the heading “Transfer of Securities” under section titled “Main Provisions of the Articles of Association” on page 42 and 233 respectively of this Draft Red Herring Prospectus, there are no restrictions on transfer / transmission on our Equity Shares.

**Investors should note that in terms of Section 68B of the Companies Act, the Equity Shares would be allotted to all successful Bidders only in the dematerialized form. Bidders 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.**

**Withdrawal of Issue**

Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue any time after the Bid Opening Date but before Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two Working Days of such withdrawal, providing reasons for not proceeding with the Issue. The BRLM, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the day of receipt of such notification. Our Company shall also inform the Stock Exchanges on which the Equity Shares are proposed to be listed.

In the event our Company, in consultation with the BRLMs, withdraw the Issue after the Bid Closing Date, a fresh offer document will be filed with the RoC / SEBI in the event we subsequently decide to proceed with a public offering.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for only after Allotment, and (ii) the final RoC approval of the Prospectus.

**Period of Subscription**

The subscription list for public issue shall remain open for atleast 3 working days and not more than 10 working days.

## OFFERING INFORMATION

*This section applies to all Bidders. All QIB Bidders and Non Institutional Bidders shall compulsorily apply through ASBA process. Retail Individual Bidders have the option to participate in this Issue through the ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to Bidders other than the ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Bidders have to pay the full Bid Amount or instruct the relevant SCSB to block the full Bid Amount along with the application.*

### Book Building Procedure

The Issue is being made through the Book Building Process wherein not more than 50% of the Issue shall be allocated to QIBs on a proportionate basis. Further, our Company may allocate upto 30% of the QIB Portion to Anchor Investors, out of which one-third will be available for allocation to Domestic Mutual Funds. In the event of under subscription in Anchor Investors Portion, the balance equity shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remaining Net QIB Portion shall be available for allotment on a proportionate basis to Qualified Institutional Buyers including Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue would be allocated to Non-Institutional Bidders and not less than 35% of the Issue would be allocated to Retail Individual Bidders on a proportionate basis, subject to valid bids being received from them at or above the Issue Price.

Under subscription, if any, in any category would be met with spill-over from other categories or a combination of categories in accordance with applicable laws, regulations and guidelines. Investors may note that in case of over-subscription in the Issue, allotment to QIB Bidders, Non-Institutional Bidders and Retail Individual Bidders shall be on a proportionate basis.

**All QIB Bidders and Non Institutional Bidders shall compulsorily apply through ASBA process. Retail Bidders have an option participate in this Issue through the ASBA process.** Any Bidder participating in this Issue through the ASBA process should provide the details of their respective bank accounts in which the corresponding Bid amounts will be blocked by SCSBs.

Bidders / Investors can bid under this Issue in the following manner:

Category of Bidder / Investor	Mode of application	
	ASBA process	Non ASBA process
QIB Bidder	✓	×
Non Institutional Bidders	✓	×
Retail Individual Bidders	✓	✓

All Bidders, other than ASBA Bidders are required to submit their Bids through the members of Syndicate or their sub-syndicate members. ASBA Bidders may submit their Bids through the members of Syndicate or their sub-syndicate members or directly to the SCSBs.

### Bidding of ASBA Forms by Syndicate / Sub syndicate members

SEBI has permitted Syndicate / Sub syndicate members to procure ASBA Bid cum application forms from the investors, upload the bid and other relevant details of such ASBA forms in the bidding platform of the Stock Exchange(s) and thereafter forward the ASBA Bid cum application form to the SCSBs. SCSBs shall carry out further action for the ASBA bid cum application forms such as signature verification, blocking of funds and forward the forms to the Registrar to the Issue. In specified cities, the ASBA Bidders can also submit their bids through the Syndicate / Sub syndicate members (hereinafter referred to as "Syndicate"). The SCSBs shall specify atleast one Branch in above cities where the Syndicate can submit the ASBA Bid cum application forms after Bidding. The list of such branch is available on the website of SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)).

**AT ALL OTHER PLACES (EXCEPT SPECIFIED CITIES), ASBA BID CUM APPLICATION**



## FORMS SHOULD BE SUBMITTED WITH THE DESIGNATED BRANCHES OF SCSBs ONLY.

In respect of ASBA Bid cum application forms accepted by Syndicate / Sub-syndicate members and submitted with the specified Branches of SCSBs, we will pay an amount of ₹ [●] per ASBA Bid cum application form to SCSBs as processing fees for such application.

**Investors should note that Allotment of Equity Shares to all successful Bidders will be only in the dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository accounts shall be treated as incomplete and rejected. Bidders will not have the option of being allotted Equity Shares in physical form. The Equity Shares on allotment shall be traded only on the dematerialised segment of the Stock Exchanges.**

### Bid cum Application Form

Bidders shall use only the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the Red Herring Prospectus. Before being issued to Bidders, the Bid cum Application Form (except in relation to ASBA Bidders) shall be serially numbered and the date and time shall be stamped at the Bidding centres and such form shall be signed by the Bidder and countersigned by the relevant member of the Syndicate. ASBA Bidders shall submit the ASBA Bid cum Application Form either in physical or electronic form (through the internet banking facility available with the SCSBs or such other electronically enabled mechanism for Bidding) to the members of Syndicate or their sub-syndicate members or the SCSB authorizing blocking of funds that are available in the bank account specified in the ASBA Bid cum Application Form used by ASBA Bidders.

The Bid cum Application Form shall contain information about the Bidder and the price and number of Equity Shares that the Bidder wishes to Bid for. Bidders shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered multiple Bids.

On the allocation of Equity Shares, dispatch of the CAN and filing of the Prospectus with the RoC, the Bid cum Application Form shall be treated as a valid application form. Upon completion and submission of the Bid cum Application Form to a member of the Syndicate or SCSB, as the case may be, the Bidder shall be deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form as would be required under the SEBI ICDR Regulations and other applicable laws, for filing the Prospectus with the RoC and as would be required by SEBI and/or the RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form
Resident Bidders including Eligible NRIs applying on a non-repatriation basis excluding Anchor Investors	White
Non-Resident Bidders including Eligible NRIs, FVCIs and FIIs applying on a repatriation basis excluding Anchor Investors	Blue
Anchor Investors*	[●]

\* The Bid cum Application Forms for Anchor Investors will be made available at our Registered Office and at the office of the BRLM and Syndicate Members.

### Who can Bid?

- Indian nationals resident in India who are not minors (except minors applying through Guardian) in single or joint names (not more than three);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised

- to invest in equity shares;
- Mutual Funds registered with SEBI;
- 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 this Issue;
- Indian financial institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, under the QIB Portion;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Bidders category.
- Venture capital funds registered with SEBI;
- Foreign Venture Capital Investors registered with SEBI;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Scientific and/or industrial research organisations authorised to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority;
- Provident Funds with a minimum corpus of ₹ 2,500 lakhs and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with a minimum corpus of ₹ 2,500 lakhs and who are authorised under their constitution to hold and invest in equity shares;
- National Investment Fund;
- Insurance funds set up and managed by army, navy or air force of the Union of India;
- Multilateral and Bilateral Development Financial Institutions; and
- Insurance funds set up and managed by the Department of Posts, India

*Note: As per existing regulations, OCBs cannot participate in the Issue.*

**Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.**

#### **Participation by associates of the BRLM and the Syndicate Members**

The BRLM and the Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLM and the Syndicate Members are entitled to subscribe for Equity Shares in the Issue, including in the QIB Portion and Non-Institutional Portion where the allocation is on a proportionate basis. Such Bidding and subscription may be on their own account or on behalf of their clients. However, the BRLM shall not be allowed to subscribe to the Anchor Investor Portion.

#### **Bids by Mutual Funds**

As per the SEBI ICDR Regulations, 5% of the Net QIB Portion has been specifically reserved for Mutual Funds on a proportionate basis. An eligible Bid by a Mutual Fund in the Mutual Fund Portion shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event demand in the Mutual Fund Portion is greater than 5% of the QIB Portion, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by Mutual Funds shall be available for allocation proportionately, after excluding the allocation in the Mutual Fund Portion, in the QIB Portion. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds subject to valid Bids being received at or above the price at which allocation is being done to Anchor Investors.

#### **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 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 over 10% of any company's paid-up share capital carrying voting rights.

The Bids made by asset management companies or custodians of Mutual Funds shall clearly indicate the name of the concerned scheme for which application is being made.

#### **Multiple applications**

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

#### **Bids by Non Residents including Eligible NRIs and FIIs on a repatriation basis**

There is no reservation for Eligible NRIs or FIIs or FVCIs registered with SEBI. Such Eligible NRIs, FIIs and FVCIs registered with SEBI will be treated on the same basis as other categories for the purpose of allocation.

#### **Bids by Eligible NRIs**

1. Bid cum Application Forms for Eligible NRIs (Blue in colour) will be available at our Registered Office (at 705, Kailash Building, 26 Kasturba Gandhi Marg, New Delhi - 110 001) and with the members of the Syndicate.
2. Only such applications as are accompanied by payment in freely convertible foreign exchange shall be considered for Allotment. Eligible NRIs who intend to make payment through Non Resident Ordinary ("NRO") accounts or by debits to their Non-Resident External ("NRE") or Foreign Currency Non-Resident ("FCNR") accounts should use the application form meant for Resident Indians (White in color).

Bids by Eligible NRIs for a Bid Amount of up to ₹ 2,00,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than ₹ 2,00,000 would be considered under Non-Institutional Portion for the purposes of allocation.

#### **Bids by FIIs**

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-Issue issued capital (i.e. 10% of [●] Equity Shares). 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. With the approval of the board and the shareholders by way of a special resolution, the aggregate FII holding in our Company can go up to 100%.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended (the "**SEBI FII Regulations**"), an FII, as defined in the SEBI FII Regulations, may issue, deal or hold, off shore derivative instruments (defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by a FII against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII is also required to ensure that no further issue or transfer of any Offshore Derivative Instrument issued by it is made to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI ICDR Regulations. Associates and affiliates of the Underwriters, including the BRLM and the Syndicate Members that are FIIs may issue offshore derivative instruments against Equity Shares allotted to them in the Issue. Any such offshore derivative instrument does not constitute any obligation of, claim on or an interest in, our Company.

**Bids by SEBI registered Venture Capital 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 Funds) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, each, as amended, prescribe investment restrictions on Venture Capital Funds and FVCIs respectively registered with the SEBI. Accordingly, the holding in any company by any individual venture capital fund or FVCI registered with the SEBI should not exceed 25% of the corpus of the Venture Capital Fund or FVCI. However, venture capital funds or FVCIs may invest not over 33.33% of their respective investible funds in various prescribed instruments, including in initial public offers.

**Bids by Anchor Investors**

Our Company may consider participation by Anchor Investors in the QIB Portion for up to 30% of the QIB Portion in accordance with the SEBI ICDR Regulations. Only QIBs as defined in Regulation 2(1) (zd) of the SEBI ICDR Regulations and not otherwise excluded pursuant to Schedule XI of the SEBI ICDR Regulations are eligible to invest. The QIB Portion shall be reduced in proportion to the allocation under the Anchor Investor Portion. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. In accordance with the SEBI ICDR Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- (a) Anchor Investors Bid cum Application Forms will be made available for the Anchor Investor Portion at our Registered Office and with the members of the Syndicate.
- (b) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount equals to or exceeds ₹ 1,000 lakhs. A Bid cannot be submitted for more than 30% of the QIB Portion. In case of a Mutual Fund registered with SEBI, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 1,000 lakhs.
- (c) One-third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds.
- (d) The Bidding for Anchor Investors shall open one Working Day before the Bid Opening Date and shall be completed on the same day.
- (e) Our Company, in consultation with the BRLM and, shall finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion shall not be less than:
  - two, where the allocation under Anchor Investor Portion is up to ₹ 25,000 lakhs; and
  - five, where the allocation under Anchor Investor Portion is over ₹ 25,000 lakhs.
- (f) Allocation to Anchor Investors shall be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, shall be made available in public domain by the BRLM before the Bid Opening Date.
- (g) Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date.
- (h) In the event the Issue Price is greater than the Anchor Investor Issue Price, the additional amount being the difference between the Issue Price and the Anchor Investor Issue Price shall be paid by the Anchor Investors by the Pay-in-Date. In the event the Issue Price is lower than the Anchor Investor Issue Price, the Allotment to Anchor Investors shall be at the higher price i.e. the Anchor Investor Issue Price.
- (i) The Equity Shares Allotted in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.
- (j) None of the BRLM shall participate in the Anchor Investor Portion. The parameters for selection of the Anchor Investors shall be clearly identified by the BRLM and shall be made available as part of the records of the BRLM for inspection by SEBI.
- (k) Bids made by QIBs under both the Anchor Investor Portion and the Net QIB Portion shall not be considered as multiple Bids.

Additional details, if any, regarding participation in the Issue under the Anchor Investor Portion shall be disclosed in the advertisement for the Price Band which shall be published by our Company in all editions of [●] in English language and [●] in Hindi language, atleast two Working Days prior to the Bid Opening Date.

### **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹ 2,500 lakhs (subject to applicable law), pension funds with a minimum corpus of ₹ 2,500 lakhs and insurance funds set up and managed by the Department of Posts, India and insurance funds set up and managed by the Department of Posts, India, 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 with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In addition to the above, additional documents are required to be submitted by the following entities:

- (a). With respect to Bids by FVCIs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- (b). With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Bid cum Application Form.
- (c). With respect to Bids made by provident funds with minimum corpus of ₹ 2,500 lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.

Our Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLM may deem fit.

**The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations. Bidders are advised to ensure that any single Bid 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 the Draft Red Herring Prospectus. Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated above.**

### **Maximum and Minimum Bid Size**

- (a) **For Retail Individual Bidders:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Share thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed ₹ 2,00,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed ₹ 2,00,000. If the Bid Amount is over ₹ 2,00,000 due to revision of the Bid or revision of the Price Band or on exercise of the option to be Bid at the Cut-Off Price, the Bid would be considered for allocation under the Non-Institutional Portion. The option to Bid at the Cut-Off Price is given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

- (b) **For Other Bidders (Non-Institutional Bidders and QIBs excluding Anchor Investors):** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws.

In case of revision in Bids, Non-Institutional Bidders who are individuals have to ensure that the Bid Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion. If the Bid Amount reduces to ₹ 2,00,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at the Cut-Off Price. **A QIB Bidder cannot withdraw its Bid after the Bid Closing Date.**

- (c) **For Bidders in the Anchor Investor Portion:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount is equal to or exceeds ₹ 1,000 lakhs and in multiples of [●] Equity Shares thereafter. Bids by Anchor Investors under the Anchor Investor Portion and the Net QIB Portion shall not be considered as multiple Bids. **Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date.**

**Information for the Bidders:**

- (a) The Red Herring Prospectus will be filed by our Company with the RoC atleast three days before the Bid Opening Date.
- (b) Copies of the Bid cum Application Form and the Red Herring Prospectus will be available with the Syndicate and our Registered Office. ASBA Bid cum Application Forms can be obtained by Bidders from the members of the Syndicate or SCSBs. Furthermore, the SCSBs shall ensure that the abridged prospectus is made available on their websites.
- (c) Copies of ASBA Bid cum Application Forms will also be available for downloading and printing, from website of the Stock Exchanges (which provide electronic interface for ASBA facility) ([www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com)). The BRLMs and the SCSBs will provide the hyperlink to BSE or NSE on their websites. A unique application number will be generated for every ASBA Bid cum Application Form downloaded and printed from the websites of the Stock Exchanges.
- (d) The Syndicate and the Designated Branches of the SCSBs shall accept Bids from the Bidder during the Bidding Period in accordance with the terms of the Syndicate Agreement provided that the BRLM shall accept the Bids from the Anchor Investors only on the Anchor Investor Bidding Date.
- (e) Eligible Bidders who are interested in subscribing for the Equity Shares should approach any of the BRLM or the Syndicate Members or their authorized agents to register their Bids. Eligible Bidders can approach the members of the Syndicate or Designated Branches of the SCSBs to register their Bids under the ASBA process.
- (f) The Bids should be submitted on the prescribed Bid cum Application Form only. Bids by ASBA Bidders shall be accepted by the members of the Syndicate or Designated Branches of the SCSBs in accordance with the SEBI ICDR Regulations and any other circulars issued by SEBI in this regard. Bid cum Application Forms (other than ASBA Bid cum Application Forms) should bear the stamp of the members of the Syndicate. Bid cum Application Forms (other than ASBA Bid cum Application Forms), which do not bear the stamp of a member of the Syndicate, will be rejected. ASBA Bid cum Application Form bidden by the Syndicate member or their sub-syndicate member, which do not bear the stamp of the member of the Syndicate, will be rejected.

**INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM**

**Bids and revisions of Bids must be:**

- a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable.
- b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained here, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected. Bidders should note that the Syndicate and/or the SCSBs (as appropriate) will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms or Revision Forms.
- c) Information provided by the Bidders will be uploaded in the online IPO system by the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make allocation/Allotment. Bidders are advised to ensure that the details are correct and legible.
- d) For Retail Individual Bidders (including Eligible NRIs), the Bid must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid Amount of ₹ 2,00,000. In case the Bid Amount is over ₹ 2,00,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allocation under the Non-Institutional Bidders portion. The option to Bid at Cut-off Price is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.
- e) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. Anchor Investors must ensure that their Bids must make a minimum Bid of such number of Equity Shares that the Bid Amount is atleast ₹ 1,000 lakhs. Bids cannot be made for over the Issue size.

- f) Bids by Eligible NRIs, FVCIs and FIIs on a repatriation basis shall be in the names of individuals, or in the names of such FIIs, respectively, but not in the names of minors (except minors applying through Guardian), OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.
- g) In a single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- h) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
- i) If the ASBA Account holder is different from the ASBA Bidder, the ASBA Bid cum Application Form should be signed by the account holder as provided in the ASBA Bid cum Application Form.

#### **Submission of Bid cum Application Form**

- All Bid cum Application Forms or Revision Forms (other than with respect to ASBA Bidders) duly completed and accompanied by account payee cheques or drafts shall be submitted to the Syndicate at the time of submission of the Bid.
- With respect to ASBA Bidders who have submitted their bids to the members of the Syndicate, the ASBA Bid cum Application Form or the ASBA Revision Form shall be submitted to the respective member of the Syndicate.
- With respect to ASBA Bidders who have submitted their bids to the Designated Branch of SCSBs, ASBA Bid cum application form or the ASBA Revision form shall be submitted to the respective Designated Branch of the SCSBs.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

#### **GENERAL INSTRUCTIONS**

##### ***Dos:***

- (a) Check if you are eligible to apply as per the terms of the Red Herring Prospectus under applicable laws, rules and regulations;
- (b) Ensure that you have Bid within the Price Band;
- (c) Read all the instructions carefully and complete the Resident Bid cum Application Form (White in colour) or the Non-Resident Bid cum Application Form (Blue in colour) or the Anchor Investor Bid cum Application Form (White in colour) as the case may be;
- (d) Ensure that the details about Depository Participant and Beneficiary Account are correct, and the Beneficiary Account is activated, as Allotment of Equity Shares will be in the dematerialized form only;
- (e) Ensure that the Bids are submitted at the Bidding centres only on forms bearing the stamp of a member of the Syndicate (other than with respect to ASBA Bidders);
- (f) With respect to ASBA Bidders ensure that (i) your Bid is submitted at a Designated Branch of the SCSB where the ASBA Bidder or the person whose bank account will be utilised by the ASBA Bidder for Bidding has a bank account, or (ii) your bid is submitted with the member of the syndicate who will upload the bid and submit the form with the ASBA Bank who in turn will block the bid amount in the account mentioned in the ASBA Bid cum application form. Further, ensure that the ASBA Bid cum Application Form is signed by the account holder if the Bidder is not the account holder;
- (g) Ensure that the full Bid Amount is paid for Bids submitted to the members of the Syndicate and funds equivalent to the Bid Amount are blocked by the SCSBs in case of Bids submitted through the ASBA process;
- (h) With respect to ASBA Bidders, ensure that you have funds equal to the Bid Amount in your bank account of the respective Designated Branch of the SCSB;
- (i) With respect to ASBA Bidders, instruct your respective banks to not release the funds blocked in the bank account under the ASBA process;
- (j) Ensure that you request for and receive a TRS for all your Bid options;
- (k) Submit revised Bids to the same member of the Syndicate or Designated Branch of the SCSB through whom the original Bid was placed and obtain a revised TRS;

- (l) Except for Bids (i) on behalf of the Central or State Government and the officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Bidders should mention their PAN allotted under the I.T. Act. Bid cum Application Forms in which the PAN is not mentioned are liable to be rejected;
- (m) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. If the Bid cum 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 Bid cum Application Form.
- (n) Ensure that the QIB Bidders and Non Institutional Bidders bid only through the ASBA process.

***Don'ts:***

- (a) Do not Bid for lower than the minimum Bid size;
- (b) Do not submit a Bid without payment of the entire Bid Amount;
- (c) Do not Bid/revise the Bid to less than the Floor Price or higher than the Cap Price;
- (d) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Syndicate or the Designated Branch of an SCSB;
- (e) Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest and in relation to ABSA Bidders in any other mode other than blocked amounts in the bank accounts maintained by SCSBs;
- (f) Do not send Bid cum Application Forms by post; instead submit the same to the Syndicate or a Designated Branch of an SCSB, as applicable;
- (g) Do not Bid at the Cut-off Price (for QIB Bidders and Non-Institutional Bidders);
- (h) Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceed the Issue size and / or investment limit or maximum number of Equity Shares that can be held under applicable laws or regulations or the maximum amount permissible under applicable regulations;
- (i) Do not submit more than five ASBA Bid cum Application Forms per bank account;
- (j) Do not Bid for amount exceeding ₹ 2,00,000 in case of a Bid by Retail Individual Bidders;
- (k) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

**Method and Process of Bidding**

- (a) Our Company and the BRLM shall declare the Bid Opening Date and Bid Closing Date at the time of filing the Red Herring Prospectus with the RoC and shall also publish it in all editions of Business Standard (English and Hindi language), atleast two Working Days prior to the Bid Opening Date.
- (b) The Price Band and the minimum Bid lot size for the Issue will be decided by our Company, in consultation with the BRLM, and advertised in all editions of Business Standard (English and Hindi language), atleast two Working Days prior to the Bid Opening Date.
- (c) The BRLM shall accept Bids from the Anchor Investors on the Anchor Investor Bidding Date, *i.e.* one Working Day prior to the Bid Opening Date. Bidders, except Anchor Investors, who are interested in subscribing to the Equity Shares should approach any of the members of the Syndicate, their authorized agents or SCSBs to register their Bids, during the Bidding Period. The members of the Syndicate shall accept Bids from the all Bidders and shall have the right to vet the Bids, during the Bidding Period in accordance with the terms of the Syndicate Agreement and the Red Herring Prospectus. Bidders who wish to use the ASBA process should approach the members of the syndicate or Designated Branches of the SCSBs to register their Bids.
- (d) The Bidding Period shall be for a minimum of three Working Days and not exceeding 10 Working Days (including the days for which the Issue is open in case of revision in Price Band). If the Price Band is revised, the revised Price Band and the Bidding Period will be published in all editions of Business Standard (English and Hindi language), together with an indication of such change on the websites of the BRLM and SCSBs and at the terminals of the Syndicate Members.
- (e) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details see “***Bids at Different Price Levels***” below, within the Price Band and specify the demand (*i.e.*, the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation / Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.



- (f) Except in relation to the Bids received from the Anchor Investors, the Syndicate or the SCSBs will enter each Bid option into the electronic Bidding system as a separate Bid and generate a Transaction Registration Slip (“**TRS**”), for each price and demand option and shall, on demand, give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.
- (g) With respect to ASBA Bidders, on receipt of the ASBA Bid cum Application Form, submitted whether in physical or electronic mode (whether through member of the syndicate or directly from the bidder), the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Bid cum Application Form. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid. Where the bidder has submitted the bid directly with the Designated Branch of SCSBs and if sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSBs shall reject such Bid and shall not upload such Bid with the Stock Exchanges. Where the bid has been uploaded by the member of the syndicate and ASBA Bid cum application form is submitted with the specified Branch of SCSBs in specified cities and if sufficient funds are not available in the ASBA Account, the bid will be treated as invalid and will not be considered for the purpose of allotment under the Issue.
- (h) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph titled “**Payment Instructions**” on page 217 of the Draft Red Herring Prospectus.

**Bids at Different Price Levels and Revision of Bids**

- (a) The Price Band and the minimum Bid lot size shall be decided by our Company in consultation with the BRLM and advertised atleast two Working Days prior to the Bid Opening Date, in all editions of Business Standard (English and Hindi language), atleast two Working Days prior to the Bid Opening Date.
- (b) Our Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI ICDR Regulations. The Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on either side *i.e.* the floor price can move upward or downward to the extent of 20% of the floor price disclosed atleast two Working Days prior to the Bid Opening Date and the Cap Price will be revised accordingly.
- (c) In case of revision in the Price Band, the Bidding Period will be extended for atleast three additional Working Days after revision of Price Band subject to a maximum of 10 Working Days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice in all editions of Business Standard (English and Hindi language) and also by indicating the change on the websites of the BRLM, the SCSBs and at the terminals of the Syndicate Members.
- (d) Our Company in consultation with the BRLM can finalize the Issue Price and Anchor Investor Issue Price within the Price Band in accordance with this section, without the prior approval of or intimation to the Bidders.
- (e) The Bidder can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at Cut-off Price. However, Bidding at Cut-off Price is prohibited for QIB or Non-Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected.
- (f) Retail Individual Bidders who Bid at the Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-off Price shall deposit the Bid Amount based on the Cap Price with the members of the Syndicate. In case of ASBA Bidders Bidding at Cut-off Price (other than QIBs and Non-Institutional Bidders), the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders, the Bidder shall receive the refund of the excess amounts from the Escrow Account(s) or the excess funds shall be unblocked from their ASBA Accounts, as the case may be.
- (g) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the revised Cap Price (such that the total amount *i.e.*, original Bid Amount plus additional payment does not exceed ₹ 2,00,000 for Retail Individual Bidders, if the Bidder wants to continue to Bid at Cut-off

Price), with the member of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 2,00,000 for Retail Individual Bidders Bidding at the Cut-off Price the Bid will be considered for allocation under the Non-Institutional Portion in terms of the Draft Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the Cap Price prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

- (h) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have Bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding would be refunded from the Escrow Account(s) or the excess funds shall be unblocked from their ASBA Accounts, as the case may be.

#### **Bidder's Depository Account and Bank Account Details**

Bidders should note that on the basis of Bidder's PAN, Depository Participant's name, DP ID number and beneficiary account number provided by them in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate and the SCSBs, as the case may be, the Registrar to the Issue will obtain from the Depository the demographic details including the Bidder's address, occupation and bank account details including the nine-digit Magnetic Ink Character Recognition ("MICKR") code as appearing on a cheque leaf ('Demographic Details'). These Demographic Details would be used for giving refunds (including through physical refund warrants, direct credit, NECS, NEFT and RTGS) to the Bidders, CANs and allocation advice. Hence, Bidders are advised to immediately update their bank account details and Demographic Details as appearing on the records of the Depository Participant and ensure that they are true and correct. Failure to do so could result in delays in dispatch/credit of refunds to Bidders at the Bidders sole risk and neither the Syndicate or the Registrar to the Issue or the Escrow Collection Banks or the SCSBs nor our Company shall have any responsibility and undertake any liability for the same.

**IT IS MANDATORY FOR ALL THE BIDDERS TO RECEIVE THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR PAN, DP ID NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE PAN GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS PROVIDED TO THE DEPOSITORY. IF THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.**

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the Depositories to provide, on request, to the Registrar to the Issue, the required Demographic Details as available on its records.

**Refund Orders (where refunds are not being made electronically) / Allocation Advice / CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that 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 Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Any such delay shall be at the Bidders sole risk and neither our Company nor Escrow Collection Banks nor the Syndicate shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in the Draft Red Herring Prospectus, Bidders may note that refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.**

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, Bidders PAN (in case of joint Bids, PAN of first applicant), the DP ID and the beneficiary's identity, such Bids are liable to be rejected.

## **PAYMENT INSTRUCTIONS**

### **Escrow Mechanism for Bidders other than ASBA Bidders**

Our Company and the Syndicate shall open Escrow Accounts with the Escrow Collection Bank(s) in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders in a certain category would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks for and on behalf of the Bidders shall maintain the monies in the Escrow Account(s) until the Designated Date. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Red Herring Prospectus.

Bidders should note that the escrow mechanism is not prescribed by the SEBI and has been established as an arrangement by and among our Company, the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

**Bids by QIB Bidders and Non Institutional Bidders will not be accepted through any mode other than ASBA.**

### **Payment into Escrow Account(s) for Bidders other than ASBA Bidders**

Each Bidder (other than ASBA Bidders) shall draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the entire Bid Amount as per the following terms:

- (a) The Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for the entire Bid Amount in favour of the Escrow Account(s) and submit the same to the member of the Syndicate. Bid cum Application Forms accompanied by cash, stockinvest, money order or postal order shall not be accepted.
- (b) The payment instruments for payment into the Escrow Account(s) should be drawn in favour of:
  - In case of Resident Retail Bidders: "Escrow Account - Goodwill Public Issue - R"
  - In case of Non-Resident Retail Bidders: "Escrow Account - Goodwill Public Issue - NR"
- (c) In case of Bids 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 NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of NRO Account of Non-Resident Bidder bidding 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.
- (d) Our Company, in consultation with the BRLM, in its absolute discretion, shall decide the list of Anchor Investors to whom the provisional CAN or CAN shall be sent, pursuant to which the details of the Equity Shares and Warrants allocated to them and the details of the amounts payable for Allotment of such Equity Shares and Warrants in their respective names shall be notified to such Anchor Investors. The payment instruments for payment into the Escrow Account(s) should be drawn in favour of:
  - In case of resident Anchor Investors: "Escrow Account - Goodwill Public Issue - Anchor Investor - R"
  - In case of non-resident Anchor Investors: "Escrow Account - Goodwill Public Issue - Anchor Investor - NR"
- (e) In case of Bids by NRIs applying on non-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 NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of an NRO Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.

- (f) In case of Bids by FIIs or FVCIs the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.
- (g) The monies deposited in the Escrow Account(s) will be held for the benefit of the Bidders until the Designated Date.
- (h) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account(s) as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.
- (i) On the Designated Date and no later than 10 Working Days from the Bid Closing Date, the Registrar to the Issue shall dispatch all refund amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation/Allotment to the Bidders.
- (j) Payments should be made by cheque, or a demand draft drawn on any bank (including a cooperative Bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum 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, stockinvest, money orders or postal orders will not be accepted.
- (k) In case clear funds are not available in the Escrow Accounts as per final certificates from the Escrow Collection Banks, such Bids are liable to be rejected.
- (l) Except in case of ASBA Bids, Bidders are advised to mention the number of the Bid cum Application Form on the reverse of the cheque/demand draft to avoid misuse of instruments submitted along with the Bid cum Application Form.

#### **Payment mechanism for ASBA Bidders**

All QIB Bidders and Non Institutional Bidders shall make application under this Issue only through the ASBA process. Retail Individual Bidders also have an option to place their bid in the Issue through the ASBA process.

The ASBA Bidders shall specify the bank account number in the ASBA Bid cum Application Form. The ASBA Bidder may submit the ASBA Bid cum application form either with the Syndicate in specified cities or Designated Branches of SCSBs for uploading of bid. Where the ASBA Bid cum application form is submitted with the Syndicate, it will upload the bid and submit the form with the specified branch of SCSBs in specified cities and the SCSBs shall block an amount equivalent to the Bid Amount in the bank account specified in the ASBA Bid cum Application Form. If the ASBA Bid cum application form is submitted with any Designated Branch of SCSBs, the Designated Branch shall block an amount equivalent to the Bid amount in the Bank account specified in the ASBA Bid cum application form. The SCSBs shall keep the Bid Amount in the relevant bank account blocked until withdrawal / rejection of the ASBA Bid or receipt of instructions from the Registrar to the Issue to unblock the Bid Amount. In the event of withdrawal or rejection of the ASBA Bid cum Application Form, failure of the Issue or for unsuccessful ASBA Bid cum Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the Bid Amount in the relevant bank account within eight Working Days from the Bid Closing Date and the SCSBs shall unblock the Bid Amount within one Working Day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal / failure of the Issue or until rejection of the ASBA Bid, as the case may be.

#### **Other Instructions**

##### **Joint Bids in case of Individuals**

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will

be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

#### **Multiple Bids**

A Bidder should submit only one Bid cum Application Form (and not more than one) for the total number of Equity Shares required. Two or more Bid cum Application Forms will be deemed to be multiple Bids if the sole or first Bidder is one and the same. It is clarified, however, that Bidders shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered multiple Bids.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. Bids by QIBs under the Anchor Investor Portion and Net QIB Portion will not be considered as multiple Bids.

After Bidding on an ASBA Bid cum Application Form either in physical or electronic mode, where such ASBA Bid has been submitted to the Syndicate or any Designated Branch of SCSBs and uploaded with the Stock Exchanges, an ASBA Bidder cannot Bid, either in physical or electronic mode, on another ASBA Bid cum Application Form or a non-ASBA Bid cum Application Form. Submission of a second Bid cum Application Form, whether an ASBA Bid cum Application Form, to either the same or to another Designated Branch of the SCSB, or a Non-ASBA Bid cum Application Form, will be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the ASBA Bidder can revise the Bid through the Revision Form, the procedure for which is detailed in “*Offering Information - Build up of the Book and Revision of Bids*” above.

More than one ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided that the SCSBs shall not accept a total of more than five ASBA Bid cum Application Forms from such ASBA Bidders with respect to any single ASBA Account.

Our Company reserves the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple Bids are provided below:

1. A check will be carried out for the same PAN. In cases where the PAN is same, such Bids will be treated as multiple Bids.
2. Further, in the case of Mutual Fund Bidders and FII sub-accounts, Bids which use the same PAN, the Bid cum Application Forms will be scrutinised for DP ID and Beneficiary Account Numbers. In case such Bid cum Application Forms bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.

#### **‘PAN’**

Except for Bids on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, the Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/her PAN allotted under the I.T. Act. In accordance with the SEBI ICDR Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction.

**Any Bid cum Application Form without the PAN is liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.**

#### **Right to Reject Bids**

In case of Non-Institutional Bidders and Retail Individual Bidders, our Company have a right to reject Bids based only on technical grounds and/or as specified in the Draft Red Herring Prospectus. In case of QIB

Bidders Bidding in the QIB Portion, our Company, in consultation with the members of the Syndicate, may reject Bids provided that such rejection shall be made at the time of acceptance of the Bid and the reasons for rejecting the same shall be provided to such Bidder in writing. However, our Company, in consultation with the BRLM, reserves the right to reject any Bid received from Anchor Investors without assigning any reasons. Consequent refunds shall be made through any of the modes described in the Draft Red Herring Prospectus and will be sent to the Bidder's address at the Bidder's risk.

With respect to ASBA Bids, where the ASBA Bid cum application form is submitted with any Designated Branch of SCSBs, such Designated Branch shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder's bank account, the respective Designated Branch of the SCSB ascertains that sufficient funds are not available in the Bidder's bank account maintained with the SCSB. With respect to ASBA Bids, where ASBA Bid cum application form is submitted by the Syndicate and submitted with specified branch of SCSBs in specified cities, and if sufficient funds are not available in the ASBA Account, the bid will be treated as invalid and will not be considered for the purpose of allotment under the Issue. Subsequent to the acceptance of the ASBA Bid / blocking of funds by the SCSBs, our Company would have a right to reject the ASBA Bids only on technical grounds as specified in the Draft Red Herring Prospectus.

The Bidders may note that in case the DP ID, Beneficiary Account Number and PAN mentioned in the Bid cum Application Form and entered into the electronic Bidding system of the Stock Exchanges by the Syndicate and the SCSBs, as the case may be, do not match with the DP ID, Beneficiary Account Number and PAN available in the depository database, the Bid is liable to be rejected.

#### **Grounds for Technical Rejection**

Bidders are advised to note that Bids are liable to be rejected among other things, on the following technical grounds:

1. Amount paid or, with respect to ASBA Bids, the amounts mentioned in the ASBA Bid cum Application Form does not tally with the amount payable for the highest value of the Equity Shares Bid for;
2. Age of First Bidder not given;
3. 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;
4. Bid by persons not competent to contract under the Indian Contract Act, 1872, as amended, including minors (except minors applying through Guardian), insane persons;
5. PAN not stated (except for Bids on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts);
6. Bids for lower number of Equity Shares than specified for that category of investors;
7. Bids at a price less than the Floor Price;
8. Bids at a price over the Cap Price;
9. Bids at Cut off Price by Non-Institutional Bidders and QIB Bidders;
10. Submission of more than five ASBA Bid cum Application Forms per ASBA Account;
11. Bids for number of Equity Shares which are not in multiples of [●];
12. Category not ticked;
13. Multiple Bids as described in the Red Herring Prospectus;
14. In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted;
15. Bids accompanied by cash, stockinvest, money order or postal order;
16. Signature of sole and/or joint Bidders missing. In addition, with respect to ASBA Bids, the Bid cum Application form not being signed by the account holders, if the account holder is different from the Bidder;
17. Bid cum Application Form does not have the stamp of the BRLM, the Syndicate Members or Designated Branches of the SCSBs;
18. Bid cum Application Form does not have Bidder's depository account details or the details given are incomplete;
19. Bidder applying through ASBA process has not mentioned the Bank account details in the Bid cum application form in which funds has to be blocked;

20. Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Form, Bid Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;
21. In case no corresponding record is available with the Depositories that matches three parameters namely, PAN (in case of joint Bids, PAN of the first applicant), the DP ID and the beneficiary's account number;  
**Bidders may note that in case the DP ID and Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate or the SCSBs, as the case may be, do not match with the DP ID and Client ID and PAN available in the depository database, the Bid is liable to be rejected.**
22. With respect to ASBA Bids, inadequate funds in the bank account to block the Bid Amount specified in the ASBA Bid cum Application Form at the time of blocking such Bid Amount in the bank account;
23. Bids for amounts greater than the maximum permissible amounts prescribed by applicable law;
24. Bids by QIB Bidders and Non Institutional Bidders not made through the ASBA process;
25. Bids by OCBs;
26. Bids by persons in the United States;
27. Bids where clear funds are not available in the Escrow Accounts as per the final certificate from the Escrow Collection Banks;
28. Bids not uploaded on the terminals of the BSE and the NSE;
29. Bids or revision thereof by QIB Bidders and Non-Institutional Bidders uploaded after 4.00 P.M. on the Bid Closing Date;
30. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
31. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals; and
32. Bids that do not comply with the securities laws of the Bidders' respective jurisdictions.

#### **Electronic Registration of Bids**

- (a) The members of the Syndicate and the SCSBs will register the Bids received, except Bids received from Anchor Investors, using the online facilities of the Stock Exchanges. Details of Bids in the Anchor Investor Portion will not be registered on the online facilities of the Stock Exchanges. There will be atleast one online connectivity in each city, where the Stock Exchanges are located in India and where such Bids are being accepted. The BRLM, our Company and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Bids accepted by the Syndicate Members and the SCSBs, (ii) the Bids uploaded by the Syndicate Members and the SCSBs, (iii) the Bids accepted but not uploaded by the Syndicate Members and the SCSBs or (iv) with respect to ASBA Bids, Bids accepted and uploaded without blocking funds in the ASBA Accounts. However, the members of the Syndicate and / or the SCSBs shall be responsible for any errors in the Bid details uploaded by them.
- (b) The Stock Exchanges will offer a screen-based facility for registering such Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorized agents and the SCSBs during the Bidding Period. The Syndicate Members and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids subject to the condition that it will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis.
- (c) On the Bid Closing Date, the members of the Syndicate and the Designated Branches of the SCSBs shall upload the Bids until such time as may be permitted by the Stock Exchanges. This information will be available with the BRLM on a regular basis. Bidders are cautioned that a high inflow of Bids typically experienced on the last day of the Bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such Bids that could not be uploaded will not be considered for allocation. Bids will only be accepted on Monday to Friday (excluding any public holiday).
- (d) Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges a graphical representation of consolidated demand and price would be made available at the bidding centres and at the websites of each of the Stock Exchanges during the Bidding Period.

- (e) At the time of registering each Bid, the members of the Syndicate or the Designated Branches of the SCSBs in case of ASBA Bids shall enter the following details of the Bidder in the electronic system:
  - Name of the company.
  - Bid cum Application number.
  - Investor Category – Individual, Corporate, non-institutional, qualified institutional buyer, Eligible NRI, FII, or Mutual Fund, etc.
  - Numbers of Equity Shares Bid for.
  - Bid Amount and the price option.
  - Depository Participant Identity (“**DP ID**”) and Client Identification Number of the beneficiary account of the Bidder.
  - PAN.
  - Cheque amount and cheque number.
- (f) A system generated TRS will, on demand, be given to the Bidder as a proof of the registration of each of the Bidding options. **It is the Bidder’s responsibility to obtain the TRS from the members of the Syndicate or Designated Branches of the SCSBs.** The registration of the Bid by the member of the Syndicate or the Designated Branches of the SCSBs does not guarantee that the Equity Shares shall be allocated / allotted.
- (g) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (h) In case of QIB Bidders (other than QIB bids uploaded by the SCSBs), the Syndicate and the specified sub-Syndicate members have a right to accept the Bid or reject it. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders, Retail Individual Bidders, bids may not be rejected except on technical grounds. Further, the SCSBs shall have no right to reject Bids except on technical grounds.
- (i) The permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLM are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
- (j) Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. The members of the Syndicate shall be given one additional day after the Bid Closing Date to verify the information uploaded on the online IPO system during the Bidding Period after which the data will be sent to the Registrar to the Issue for reconciliation and Allotment of Equity Shares. In case of discrepancy of data between the BSE or the NSE and the Syndicate or the SCSBs, the decision of the BRLM based on the physical records of Bid Application Forms shall be final and binding on all concerned. If a member of the Syndicate finds any discrepancy in the PAN, DP ID and the Beneficiary Account Number, it will correct the same and send the data to the Registrar to the Issue for reconciliation and allotment of Equity Shares.

#### **Build up of the book and revision of Bids**

- (a) Bids received from various Bidders through the members of the Syndicate and the SCSBs shall be electronically uploaded to the Stock Exchanges’ mainframe on a regular basis.
- (b) The book gets built up at various price levels. This information will be available with the BRLM at the end of the Bidding Period.
- (c) During the Bidding Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.
- (d) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, he must still fill the details of the other two



options that are not being revised, in the Revision Form. The members of the Syndicate and the SCSBs will not accept incomplete or inaccurate Revision Forms.

- (e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate or the Designated Branch of the SCSB through whom such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.
- (f) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Red Herring Prospectus. With respect to ASBA Bids, if revision of the Bids results in an incremental amount, the relevant SCSB shall block the additional Bid amount. In case of Bids other than ASBA Bids, the members of the Syndicate shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions. In such cases the members of the Syndicate will revise the earlier Bid details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar to the Issue will reconcile the Bid data and consider the revised Bid data for preparing the basis of Allotment.

When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and will, on demand, receive revised TRS from the Syndicate or SCSBs, as applicable. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

#### **Price Discovery and Allocation**

- (a) Based on the demand generated at various price levels, our Company, in consultation with the BRLM, shall finalize the Issue Price.
- (b) Allocation to Anchor Investors shall be at the discretion of our Company, in consultation with the BRLM, subject to compliance with the SEBI ICDR Regulations. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, shall be made available in public domain by the BRLM before the Bid Opening Date.
- (c) Under subscription, if any, in any category would be met with spill-over from other categories or a combination of categories in accordance with applicable laws, regulations and guidelines. However, if the aggregate demand by Mutual Funds in the Mutual Fund Portion is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the remaining Net QIB Portion and be allocated proportionately to the QIB Bidders. Further, not less than 15% and 35% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and Retail Individual Bidders, respectively, subject to valid Bids being received at or above the Issue Price.
- (d) Allocation to Non-Residents, including Eligible NRIs, FIIs and foreign venture capital funds registered with SEBI, applying on repatriation basis will be subject to applicable law.
- (e) The BRLM, in consultation with our Company shall notify the Syndicate of the Issue Price. and allocations to Anchor Investors, where the full Bid Amount has not been collected from the Anchor Investors due to the Issue Price being higher than the Anchor Investor Issue Price.
- (f) Our Company reserves the right to cancel the Issue any time after the Bid Opening Date, but before the Allotment. In terms of the SEBI ICDR Regulations, QIB Bidders Bidding in the QIB Portion shall not be allowed to withdraw their Bid after the Bid Closing Date.
- (g) The Basis of Allotment details, which the Stock Exchanges shall approve within eight Working Days of the Bid Closing Date, shall be posted on the website of the Registrar to the Issue.

#### **Signing of Underwriting Agreement and RoC Filing**

- (a) Our Company, the BRLM and the Syndicate Members shall enter into an Underwriting Agreement on or immediately after the finalisation of the Issue Price.
- (b) After signing the Underwriting Agreement, our Company will update and file the updated Red Herring Prospectus with the RoC in terms of Section 56, 60 and 60B of the Companies Act, which then would

be termed the 'Prospectus'. The Prospectus will contain details of the Issue Price, Issue size, underwriting arrangements and will be complete in all material respects.

#### **Pre Issue Advertisement**

Subject to Section 66 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of Business Standard (English and Hindi language).

#### **Advertisement regarding Issue Price and Prospectus**

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC in all editions of Business Standard (English and Hindi language). This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of this Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

#### **Issuance of Confirmation of Allocation Note ("CAN")**

- (a) On approval of the basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the members of the Syndicate and SCSBs a list of their Bidders who have been allocated / allotted Equity Shares in the Issue. The approval of the basis of Allotment by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Bidders. However, our Company shall ensure that instructions for demat credit of the Equity Shares to all Bidders in this Issue shall be delivered on the date of Allotment (which shall be the same date for all Bidders in this Issue). For Anchor Investors, see **"Offering Information - Notice to Anchor Investors: Allotment/Reconciliation and Revised CANs."**
- (b) The Registrar to the Issue will then dispatch a CAN to the Bidders who have been allocated Equity Shares in this Issue.
- (c) Bidders who have been allocated Equity Shares shall receive the CAN from the Registrar to the Issue subject, however, to realisation of his or her cheque or demand draft paid into the Escrow Account.
- (d) The issuance of CANs is subject to **"Notice to Anchor Investors - Allotment Reconciliation and Revised CANs"** and **"Notice to QIBs - Allotment Reconciliation"** on page 224 and 224 respectively of the Draft Red Herring Prospectus.

#### **Notice to Anchor Investors: Allotment Reconciliation and Revised CANs**

After the Anchor Investor Bidding Date, a physical book will be prepared by the Registrar to the Issue on the basis of the Bid cum Application Forms received in the Anchor Investor Portion. Based on the physical book and at the discretion of our Company and the BRLM, selected Anchor Investors may be sent a CAN, within two Working Days of the Anchor Investor Bidding Date, indicating the number of Equity Shares that may be allocated to them. This provisional CAN and the final allocation is subject to (a) the physical application being valid in all respect along with receipt of stipulated documents, (b) the Issue Price being finalised at a price not higher than the Anchor Investor Issue Price, and (c) Allotment. In the event of a technical rejection or in the event the Issue Price is higher than the Anchor Investor Issue Price, a revised CAN will be sent to Anchor Investors. The price of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. Anchor Investors should note that they shall be required to pay any additional amount, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares or increased price of Equity Shares. The Pay-in Date in the revised CAN shall not be later than two Working Days after the Bid Closing Date. Any revised CAN, if issued, will supersede in entirety the earlier CAN.

#### **Notice to QIBs: Allotment Reconciliation**

After the Bid Closing Date, an electronic book will be prepared by the Registrar to the Issue on the basis of Bids uploaded on the Stock Exchange systems. This shall be followed by a physical book prepared by the Registrar to the Issue on the basis of the Bid cum Application Forms received.

#### **Designated Date and Allotment of Equity Shares**

- Our Company will ensure that (i) Allotment of Equity Shares; (ii) credit to successful Bidder's

depository account will be completed within 11 Working Days of the Bid Closing Date.

- In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees. Allottees will have the option to re-materialise 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 this Issue.**

#### **Basis of Allotment**

##### ***i. For Retail Individual Bidders***

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.
- The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.
- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares. For the method of proportionate basis of Allotment, refer below.

##### ***ii. For Non-Institutional Bidders***

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue Size less Allotment to QIBs and Retail Portion shall be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares. For the method of proportionate basis of Allotment refer below.

##### ***iii. For QIBs in the Net QIB Portion***

- Bids received from the QIB Bidders at or above the Issue Price, shall be grouped together to determine the total demand under this portion. The Allotment to all successful QIB Bidders will be made at the Issue Price.
- The Net QIB Portion shall be available for Allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- Allotment shall be undertaken in the following manner:
  - (a) In the first instance allocation to Mutual Funds for up to 5% of the Net QIB Portion shall be determined as follows:
    - In the event Mutual Fund Bids exceed 5% of the Net QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the Net QIB Portion.
    - In the event the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
    - Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below.
  - (b) In the second instance Allotment to all QIBs shall be determined as follows:
    - In the event of oversubscription in the Net QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the Net QIB Portion.

- Mutual Funds which have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders (excluding the Anchor Investors Portion).
- Under-subscription below 5% of the Net QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

**iv. For Anchor Investor Portion**

Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of our Company, in consultation with the BRLM, subject to compliance with the following requirements:

- not more than 30% of the QIB Portion will be allocated to Anchor Investors;
- one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
- allocation to Anchor Investors shall be on a discretionary basis and subject to a minimum number of two Anchor Investors for allocation up to ₹ 25,000 lakhs and a minimum number of five Anchor Investors for allocation more than ₹ 25,000 lakhs.

The number of Equity Shares Allotted to Anchor Investors and the Anchor Investor Issue Price, shall be made available in the public domain by the BRLM before the Bid Opening Date by intimating the Stock Exchanges. The method of proportionate basis of Allotment is stated below.

**Illustration regarding allotment to QIBs and Mutual Funds other than Anchor Investors**

**(1) Issue Details**

S. No.	Particulars	Issue details
1	Issue size	20,000 lacs equity shares
2	Portion available to QIBs*	10,000 lacs equity shares
3	Anchor Investor Portion	3,000 lacs
4	Portion available to QIBs* other than anchor investors [(2) – (3)]	7,000 lacs equity shares
	Of which	
a.	Reservation to MF (5%)	350 lacs equity shares
b.	Balance for all QIBs including MFs	6,650 lacs equity shares
5	No. of QIB applicants	10
6	No. of shares applied for	50,000 lacs equity shares

\* Where 50% of the Issue Size is required to be allotted to QIBs.

**(2) Details Of QIB Bids**

S. No.	Type of QIB bidders	No. of shares bid for (in lakhs)
1	A1	5,000
2	A2	2,000
3	A3	13,000
4	A4	5,000
5	A5	5,000
6	MF1	4,000
7	MF2	4,000
8	MF3	8,000
9	MF4	2,000
10	MF5	2,000
<b>TOTAL</b>		<b>50,000</b>

A1-A5 (QIB bidders other than MFs)

MF1-MF5 (QIB bidders which are MFs)

(3) **Details of Allotment to QIB Bidders**

(No. of equity shares in lakhs)

Type of QIB bidders	Equity shares bid for	Allocation of 350 lacs equity shares to MFs proportionately (See Note 2)	Allocation of balance 6,650 lacs equity shares to QIBs proportionately (See Note 4)	Aggregate allocation to MFs
A1	5000	0	665.00	0
A2	2000	0	266.00	0
A3	13000	0	1,729.00	0
A4	5000	0	665.00	0
A5	5000	0	665.00	0
MF1	4000	70	532.00	602.00
MF2	4000	70	532.00	602.00
MF3	8000	140	1,064.00	1,204.00
MF4	2000	35.00	266.00	301.00
MF5	2000	35.00	266.00	301.00
	<b>50000</b>	<b>350.00</b>	<b>6650.00</b>	<b>3010.00</b>

**Notes:**

- (1) The illustration presumes compliance with the provisions of Regulation 50(1) pertaining to minimum allotment.
- (2) Out of 7,000 lacs equity shares allocated to QIBs, 350 lacs (i.e. 5%) will be allocated on proportionate basis among 5 mutual fund applicants who applied for 200 shares in QIB category.
- (3) The balance 6,650 lacs equity shares [i.e. 7000 – 350 (available for MFs)] will be allocated on proportionate basis among 10 QIB applicants who applied for 50,000 lacs equity shares (including 5 MF applicants who applied for 20,000 lacs equity shares).
- (4) The figures at Col. No. IV are arrived as under :
  - (a) For QIBs other than mutual funds (A1 to A5) = No. of shares bid for (i.e Col II) X 66.5 / 496.5
  - (b) For mutual funds (MF1 to MF5) = {(No. of shares bid for (i.e Col II) less shares allotted (i.e., col. III )} X 665 / 4,965
  - (c) The numerator and denominator for arriving at allocation of 6,650 lacs shares to the 10 QIBs are reduced by 350 lacs shares, which have already been allotted to mutual funds at Col. No. (III).

**Method of Proportionate Basis of Allotment in the Issue (for other than Anchor Investors)**

Except in relation to Anchor Investors, in the event of the Issue being over-subscribed, our Company shall finalise the basis of Allotment in consultation with the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM and the Registrar to the Issue shall be responsible for ensuring that the basis of Allotment is finalised in a fair and proper manner.

Except in relation to Anchor Investors, the Allotment shall be made in marketable lots, on a proportionate basis as explained below:

- (a) Bidders will be categorized according to the number of Equity Shares applied for.
- (b) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
- (c) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.
- (d) In all Bids where the proportionate Allotment is less than [●] Equity Shares per Bidder, the allotment shall be made as follows:
  - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and

- Each successful Bidder shall be allotted a minimum of [●] Equity Shares.
- (e) If the proportionate Allotment to a Bidder is a number that is more than [●] equity shares but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that number is 0.50 or higher. If that number is lower than 0.50, it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.
- (f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the allotted shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

Subject to valid Bids being received, Allotment of Equity Shares to Anchor Investors will be at the discretion of our Company, in consultation with the BRLM.

#### **Equity Shares in Dematerialised Form with NSDL or CDSL**

As per the provisions of Section 68B of the Companies Act, the Allotment of Equity Shares in this Issue shall be only in a dematerialised form, (*i.e.*, not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). Our Company has entered into agreements with respective Depositories and the Registrar to the Issue:

- Agreement dated September 07, 2011 between NSDL, our Company and the Registrar to the Issue;
- Agreement dated August 22, 2011 between CDSL, our Company and the Registrar to the Issue.

Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

- (a) A Bidder applying for Equity Shares must have atleast one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.
- (b) The Bidder must necessarily fill in the details (including the PAN, Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.
- (c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
- (d) Names in the Bid cum 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.
- (e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.
- (f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.
- (g) Equity Share in electronic form can be traded only on stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- (h) Trading in the Equity Shares would be in dematerialised form only, on the demat segment of the respective Stock Exchanges.

Non-transferable allotment advice or refund orders will be directly sent to the Bidder by the Registrar to this Issue. Investors are advised to instruct their DP to accept the Equity Shares that may be allocated to them, pursuant to the issue.

#### **Communications**

All future communications in connection with Non-ASBA Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, PAN, Bidders depository account details, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof. With respect to ASBA Bids, Registrar to the Issue or Bank in which an amount equivalent to the Bid Amount was blocked may be contacted.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre- Issue or post- Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted with the Designated Branches of the SCSBs, Bidders can contact the Designated Branch of the SCSB.

#### **Impersonation**

**Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, reproduced below:**

***“Any person who:***

- (a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or***
  - (b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,***
- shall be punishable with imprisonment for a term which may extend to five years.”***

#### **Payment of Refund**

Bidders other than ASBA Bidders must note that on the basis of the names of the Bidders, PAN, DP ID, Beneficiary Account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain, from the Depositories, the Bidders' bank account details, including the MICR code. Hence Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. 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 Bidders' sole risk and neither our Company, the Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Issue nor the BRLM shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

#### **Mode of making Refunds for Bidders other than ASBA Bidders**

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through various modes in the following order of preference:

1. NECS - Payment of refund would be done through NECS for Bidders having an account at any of the centres specified by the RBI. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code from the Depositories. The payment of refunds is mandatory for Bidders having a bank account at any of the abovementioned centres, except where the Bidder, being eligible, opts to receive refund through direct credit or RTGS.
2. Direct Credit - Bidders having bank accounts with the Refund Bank(s), as mentioned in the Bid cum 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 our Company.
3. RTGS - Bidders having a bank account with a bank branch which is RTGS enabled as per the information available on the website of RBI and whose refund amount exceeds ₹ 2 lakhs, have the option to receive refund through RTGS. Such eligible Bidders who indicate their preference to receive refund through RTGS are required to provide the Indian Financial System Code (“IFSC”) code in the Bid cum Application Form. In the event the same is not provided, refund shall be made through NECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the Bidder's bank receiving the credit would be borne by the Bidder.
4. National Electronic Fund Transfer (“NEFT”) - Payment of refund shall be undertaken through NEFT wherever the Bidders' bank branch is NEFT enabled and has been assigned the IFSC, which can be linked to an MICR code of that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date prior to the date of payment of refund, duly mapped with an MICR code. Wherever the Bidders have registered their 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 Bidders 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 and the past experience of the Registrars to the Issue. In the event NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in this section.

5. For all other Bidders, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched through Speed Post/Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Refund Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

**Mode of making refunds for ASBA Bidders**

In case of ASBA Bidders, the Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within eight Working Days of the Bid Closing Date.

**Disposal of Applications and Application Moneys and Interest in Case of Delay**

With respect to Bidders other than ASBA Bidders, our Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders 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 Exchanges after the allotment of Equity Shares.

In case of Bidders who receive refunds through NECS, NEFT, direct credit or RTGS, the refund instructions will be given to the clearing system within 10 Working Days from the Bid Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within 10 Working Days of the Bid Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within 12 Working Days of the Bid Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI ICDR Regulations, our Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialised form, including the credit of allotted Equity Shares to the beneficiary accounts of the Depository Participants, within 10 Working Days of the Bid Closing Date;
- With respect to Bidders other than ASBA Bidders, 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 10 Working Days of the Bid Closing Date would be ensured. With respect to the ASBA Bidders' instructions for unblocking of the ASBA Bidder's bank account shall be made within eight working days from the Bid Closing Date; and
- Our Company shall pay interest at 15% p.a. for any delay beyond the 10 Working 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.
- In case listing permission is not granted to our Company, we shall repay the money within eight days from the date of refusal by the Stock Exchange(s). If such money is not repaid within eight days from the day the Company becomes liable to repay it, the Company and every officer in default shall, on and from expiry of eight days, be liable to repay the money with interest at the rate of 15% as prescribed under Section 73 of the Companies Act, 1956.

**Letters of Allotment or Refund Orders or instructions to the SCSBs**

Bidders residing at the centres where clearing houses are managed by the RBI will get refunds through NECS only, except where the Bidder is otherwise disclosed as eligible to get refunds through direct credit and RTGS. Our Company shall ensure that refund orders, if any, are dispatched by registered or speed post at the sole or first Bidder's sole risk within 10 Working Days of the Bid Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them of the mode of credit of refund within 10 Working Days of the Bid Closing Date.



In case of ASBA Bidders, the Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within eight Working Days of the Bid Closing Date, which shall be completed within one Working Day after the receipt of such instruction from the Registrar to the Issue.

**Interest in case of delay in dispatch of Allotment Letters or Refund Orders/instruction to SCSB by the Registrar to the Issue**

Allotment of Equity Shares in the Issue, including the credit of allotted Equity Shares to the beneficiary accounts of the Depository Participants, shall be made not later than 10 Working Days of the Bid Closing Date. In case of ASBA Bids, instructions will be issued to relevant SCSBs to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful ASBAs within 10 working days of the Bid Closing Date.

Our Company further agrees that it shall pay interest at the rate of 15% p.a. for the period of delay if the allotment is not made or refund orders have not been dispatched to the Bidders 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 10 working days of the Bid / Issue Closing Date.

In case listing permission is not granted to our Company, we shall repay the money within eight days from the date of refusal by the Stock Exchange(s). If such money is not repaid within eight days from the date of refusal by the Stock Exchange(s) to grant the permission for listing and trading of equity shares, the Company and every officer in default shall, on and from expiry of eight days, be liable to repay the money with interest at the rate of 15% as prescribed under Section 73 of the Companies Act, 1956.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

**UNDERTAKING BY OUR COMPANY**

**Our Company undertakes the following:**

1. that the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily
2. that all steps for completion of the necessary formalities for listing and commencement of trading at all stock exchanges where the securities are to be listed are taken within 12 working days from the closure of the Issue
3. that the funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrars to the Issue by us
4. that where the refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicants within 10 working days from the closure of the Issue giving details of the Bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
5. that the dispatch of refund orders and demat credit is completed and the allotment and listing documents will be submitted to the Stock Exchanges within eleven working days from the closure of the Issue
6. that the refund orders to the Non-Resident Indians shall be dispatched within specified time
7. that the Company agrees that it shall pay interest @ 15% p.a. if the allotment is not made and / or the refund orders are not dispatched to the investors within 10 working days from the date of closure of the Issue for the period of delay beyond 10 working days.
8. that no issue of securities shall be made till the securities offered through the Draft Red Herring Prospectus until the shares are listed or application moneys are refunded on account of non-listing, under subscription, etc.
9. 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.

#### **UTILISATION OF ISSUE PROCEEDS**

##### **Our Board of Directors certifies that:**

- a) All monies received out of the Issue of shares shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act, 1956;
- b) Our Company shall not have any recourse to the Issue proceeds until the approval for trading the Equity Shares is received from the Stock Exchanges.
- c) Details of all monies utilized out of the Issue referred to in (a) above shall be disclosed under an appropriate separate head in the balance sheet of our Company, indicating the purpose for which such monies have been utilized;
- d) Details of all unutilized monies out of the Issue of shares referred to in (a) above, if any, shall be disclosed under the appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

Further, there is no Promoters' Contribution in this Issue.

##### **Pre and Post Issue Related Grievances:**

We have appointed Mr. Charanjeet Bareja, Chief Financial Officer, as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems, at the following address:

##### **Compliance Officer**

Mr. Charanjeet Bareja  
Chief Financial Officer  
Goodwill Hospital and Research Centre Limited  
705, Kailash Building  
26, Kasturba Gandhi Marg,  
New Delhi - 110 001  
Tel.: +91 11 2371 1897  
Fax: +91 11 2331 9995  
Email: [ipo@ojjus.org](mailto:ipo@ojjus.org)  
Website: [www.ojjus.org](http://www.ojjus.org)

##### **Communications**

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid-cum-Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

##### **Withdrawal of Issue**

Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue any time after the Bid Opening Date but before Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two Working Days of such withdrawal, providing reasons for not proceeding with the Issue. The BRLM, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the day of receipt of such notification. Our Company shall also inform the Stock Exchanges on which the Equity Shares are proposed to be listed.

In the event our Company, in consultation with the BRLMs, withdraws the Issue after the Bid Closing Date, a fresh offer document will be filed with the RoC / SEBI in the event we subsequently decide to proceed with a public offering.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for only after Allotment, and (ii) the final RoC approval of the Prospectus.

## MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

**The main provisions of the Articles of Association of our Company are given under:**

### SHARE CAPITAL

6. Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the directors who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of section 79 of the Act) at a discount and at such time as they may from time to time think fit and with sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in the General Meeting.
7. Subject to the provisions of these Articles the Company shall have power by special resolution to issue preference shares carrying a right to redemption out of the profits which would otherwise be available for dividend or out of the proceeds of a fresh Issue of shares made for the purpose of such redemption is liable to be redeemed at the option of the Company and the Board may subject to the provisions of Section 80 of the Act exercise such power in such manner as may be provided in these Articles.
8. The Company may exercise the powers of paying commission conferred by Section 76 of the Act. In such case it shall comply with the requirements of that Section. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.
9. With the previous authority of the Company in General Meeting and the sanction of the Court and upon otherwise complying with Section 79 of the Act, the Directors may issue at a discount shares of a class already issued.
10. If by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the company by the person who, for the time being, shall be the registered holder of the shares or by his executor or administrator.
11. The Joint-holders of a share shall be severally as well as jointly liable for the payment of all instruments and calls due in respect of such share.
12. Save as herein otherwise provided and Subject to Section 187C of the Act, 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 as by statute required, be bound to recognise any equitable or other claim to or interest in such share on the part of any other person.
13. Shares may be registered in the name of any person, company or other body corporate. Not more than three persons shall be registered as joint-holders of any share. No share shall be allotted to or registered in the name of a minor, person of unsound mind or a partnership.
18. Subject to the provisions of Section 76 of the Act, the Company may at anytime pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditional) for any shares or debentures in the Company, or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any share or debentures in the Company, but the commission shall not exceed in the case of shares 5 (five) per cent of the price at which the shares are issued, and in the case of debentures 2½ (two and a half) per cent of the price at which the debentures are issued. The Company may also pay on any issue of shares or debentures such brokerage as may be lawful and reasonable.

#### **CERTIFICATES**

19. (a) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof 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 lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every certificate under the article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs. 2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.  
Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.  
The provision of this Article shall mutatis mutandis apply to debentures of the company.
- (b) Every member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificates of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a 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 of shares to one or several joint holders shall be a sufficient delivery to all such holder.
20. The certificates of titles to shares and duplicate thereof when necessary shall be issued under the seal of the Company.  
Provided that notwithstanding what is stated above the directors shall comply with such rules or regulation or requirements of any stock exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.  
The provision of the Article shall mutatis mutandis apply to debentures of the Company.
21. Subject to the provisions of Section 76 of the Act, the Company may at anytime pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditional) for any shares or debentures in the Company, or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any share or debentures in the Company, but the commission shall not exceed in the case of shares 5 (five) per cent of the price at which the shares are issued, and in the case of debentures 2½ (two and a half) per cent of the price at which the debentures are issued. The Company may also pay on any issue of shares or debentures such brokerage as may be lawful and reasonable.

#### **CALLS**

22. The Board may, from time to time, subject to the terms on which any shares may have been issued, and subject to the provisions of Section 91 of the Act, make such calls, as the Board thinks fit, upon the members in respect of all moneys unpaid on the shares held by them respectively, and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Board. A call may be made payable by instalments and shall be deemed to have been made when the resolution of the Board authorising such call was passed. Option or right to call of shares shall not be given to any person except with the sanction of the company in general meeting.

23. No call shall be made payable within one month after the last preceding call was payable.
24. Not less than fifteen day's notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid.
25. (a) If the sum payable in respect of any call or installment be paid on or before the day appointed for payment thereof, the holders for the time being in respect of the share for which the call shall have been made or the installment shall be due shall pay interest for the same as the rate of 12 percent per annum from the day appointed for the payment thereof to the time of the actual payment or at such lower rate (if any) as the Board may determine.  
(b) The Board shall be at liberty to waive payment of any such Interest either wholly or In part.
26. If by the terms of issue of any share or otherwise any amount is made payable upon allotment or at any fixed time or by installments at fixed times, whether on account of the share or by way of premium, every such amount or installment shall be payable as if it were a call duly made by the Board and of which due notice have been given, and all the provisions herein contained in respect of calls shall relate to such amount or installment accordingly.
28. The Board may, if it thinks fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the sum, whole or any part of the moneys due upon the share held by him beyond the sum actually called for, and upon the money so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the call then made upon the share in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon. Money so paid in excess of the amount of calls shall not rank for dividends or confer a right to participate in profits. The Board may at any time repay the amount so advanced upon giving to such member not less than three month's notice in writing.
29. The members shall not be entitled to any voting right in respect of the money so paid by him until the same would but for such payment, becomes presently payable.
33. The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the company.

#### **FORFEITURE AND LIEN**

34. If any members fails to pay any call or instalment of a call on or before the day appointed for the payment of the same, the Board may, at any time thereafter during such time as the call or instalment remains unpaid, serve a notice on such member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
35. The notice shall name a day (not being less than thirty days from the date of the notice) and a place or places on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time, and at the place appointed, the shares in respect of which such call was made or instalment is payable will be liable to be forfeited.
36. If the requisitions of any such notice as aforesaid be not complied with any shares in respect of which such notice has been given may, at any time thereafter, before payment of all calls or instalments, interest and expenses, due in respect thereof be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect to the forfeited shares but not actually paid before the forfeiture.
37. When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name is stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.
38. Any share so forfeited shall be deemed to be the property of the Company, and the Board may sell, re-allot or otherwise dispose of the same in such manner as it thinks fit.
39. The Board may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.
40. A person whose share has been forfeited shall cease to be a member in respect of the share, but shall, notwithstanding such forfeiture remain liable to pay, and shall forthwith pay to the Company

- all calls, or instalments interests and expenses, owing upon or in respect of such share, at the time of the forfeiture, together with interest thereon, from the time of forfeiture, until payment, at 12 percent per annum or at such other rate at the Board may determine and the Board may enforce the payment thereof, or any part thereof, without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so.
43. The Company shall have a first and paramount lien upon every share not being fully paid up registered in the name of each member (whether solely or jointly with others), and upon the proceeds of sale thereof for monies called or payable at a fixed time in respect of such share (whether presently payable or not) and no equitable interest in any share shall be created except upon the footing and condition that Article 12 hereof is to have full effect. Such lien shall extend to all dividends and bonuses, from time to time, declared in respect of such share. Unless otherwise agreed the registration of a transfer of a share shall operate as a waiver of the Company's lien, if any, on such share. The Directors may at any time declare any shares wholly or in part to be exempt from the provisions of this clause. Fully paid up shares shall be free from all lien.

#### **TRANSFER AND TRANSMISSION**

49. Save as provided in Section 108 of the Act, no transfer of a share shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee has been delivered to the Company together with the certificate or if no such certificate is in existence, the letter of allotment of the share. Each signature to such transfer shall be duly attested by the signature of one credible witness who shall add his address and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the register of members in respect thereof
50. Application for the registration of the transfer of a share may be made either by the transferor or the transferee, provided that, where such application is made by the transferor, no registration shall in the case of a partly paid share be affected unless the Company gives the notice of the application to the transferee in the manner prescribed by Section 110 of the Act and subject to the provisions of these Articles the Company shall unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register the name and the particulars of the transferee as if the application for registration of transfer were made by the transferee. If it is proved to the satisfaction of the Board of Directors that instrument of transfer signed by or on behalf of the transferor and transferee has been lost, the company may register on such terms as to indemnity
51. The instrument of transfer of any share shall be in writing in the form prescribed by the Act or the Rules made thereunder or where no such form is prescribed in the usual common form prescribed by the Stock Exchanges in India or so near thereto circumstances will admit and all provisions of Section 108 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.
52. No transfer shall be made to a minor, a partnership firm or a person of unsound mind.
53. Every Instrument of transfer shall be left at the office for registration, accompanied by the certificate of the share to be transferred or, if no such certificate is in existence, by the letter of allotment of the share and such other evidence as the Board may require to prove the title of the transferor of his right to transfer the share and the transferee shall (subject to the Board's right to decline to register hereinbefore mentioned) be registered as a member in respect of such share. Every instrument of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Board may refuse to register shall be returned to the person depositing the same.
54. If the Board refuses, to register the transfer of, or the transmission by operation of law of the right to, any share, the Company shall give notice of the refusal within one month from the date on which the instrument of transfer was lodged with the company.
55. The executor or administrator of a deceased member (not being one of several joint-holders) shall be the only person recognised by the Company as having any title to the share registered in the name of such member and in case of the death of any one or more of the joint-holders of any registered share, the survivor shall be the only person recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of

- a deceased joint holder from any liability on the share held by him jointly with any other person. Before recognizing any executor or administrator the Board may require him to obtain a Grant of Probate or Letters of Administration or other legal representation, as the case may be, from a Court in India competent to grant it. Provided nevertheless that in any case where the Board in its absolute discretion thinks fit it shall be lawful for the Board to dispense with the production of Probate or Letters of Administration or such other legal representation upon such terms as to indemnity or otherwise as the Board, in its absolute discretion, may think fit.
56. Any committee or curator bonis of a lunatic or guardian of a minor member or any person becoming entitled to or to transfer a share in consequence of the death or bankruptcy or insolvency of any member upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title as the Board thinks sufficient, may, with the consent of the Board (which the Board shall not be bound to give) be registered as a member in respect of such share or may subject to the regulation as to transfer herein before contained, transfer such share. This Article is hereinafter referred to as "The Transmission Article".
57. (a) If the person so becoming entitled under the Transmission Article 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.  
 (b) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing an instrument of transfer of the share.  
 (c) All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of instruments of transfer of a share shall be applicable to any such notice of transfer as aforesaid as if the death, lunacy, bankruptcy or insolvency of the member had not occurred and the notice of transfer were a transfer signed by that member.
58. A person so becoming entitled under the Transmission Article to a share by reason of the death, lunacy, bankruptcy or insolvency of the holder shall subject to the provisions of Article 110 and of section 205 of the Act, be entitled to the same dividends and other advantages as he would be entitled to if he were the registered holder of the share.  
 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 moneys payable in respect of the share until the requirements of the notice has been complied with.  
 (a) Prepaid registered post to the transferee at the address given in the instrument of transfer shall be deemed to have been delivered in the ordinary course of post.  
 (b) Nothing in sub-clause (a) shall prejudice any power of the Board of Directors to register as a shareholder any person to whom the right to any share has been transmitted by the operation of law.  
 (c) Nothing in this Article shall prejudice the power of the Board of Directors to refuse to register the transfer of any share to a transferee, whether a member or not.
59. Subject to the provision of Section 154 of the Act, the Board shall have power on giving not less than 7 (Seven) days previous notice by advertisement in a newspaper circulating in the district in which the registered office of the company is situated to close the transfer books, the register of members or register of debenture holders at such times and for such period or periods, not exceeding in the aggregate forty five days in each year, but not exceeding thirty days at any one time as it may seem expedient.
60. Subject to the provisions of Section 111A, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of member in or debenture of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal, Provided that the registration of a 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 Company on any account whatsoever except where the Company has a lien on shares.

#### **INCREASE AND REDUCTION OF CAPITAL**

67. The Company in general meeting may from time to time alters the conditions of the Memorandum of Association to increase its capital by the creation of new shares of such amount and class as may be deemed expedient.
68. Subject to any special rights for the time being attached to any shares in the capital of the Company then issued and to the provisions of Section 81 of the Act, the new shares may be issued upon such terms and conditions, and with such rights attached thereto as the general meeting resolving upon the creation thereof, shall direct, and, if no direction be given, as the Board shall determine, and in particular such shares may be issued with a preferential right to dividends and in the distribution of assets of the Company.

#### **ALTERATION OF CAPITAL**

74. The Company in General Meeting may, from time to time:-
- (a) Consolidate and divide all or any of its share capital into shares of larger amount than existing shares.
  - (b) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived.
  - (c) Cancel any shares which at the date of the passing of the resolution, have been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of shares so cancelled.
  - (d) Convert all or any of its fully paid shares into stock and reconvert that stock into fully paid up shares of any denomination.
75. The resolution whereby any share is sub-divided may determine that as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preferential or special advantage as regards dividend, capital, voting or otherwise over or as compared with the others or other, subject nevertheless, to the provisions of Section 85, 87, 88 and 106 of the Act.
76. Subject to the provisions of Sections 100 to 105 both inclusive of the Act, the Board may accept from any member the surrender on such terms and conditions, as shall be agreed, of all or any of his shares.

#### **JOINT HOLDERS**

84. Where two or more persons are registered as holders of any shares, they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained in these Presents:
- (a) Shares may be registered in the name of any person, company or other body corporate but not more than three persons shall be registered jointly as members in respect of any shares
  - (b) The certificate of shares registered in the name of two or more persons shall be delivered to the person first named on the Register.
  - (c) The joint holders of a share shall be jointly and severally liable to pay calls in respect thereof
  - (d) If any shares stands in the names of two or more persons, the persons first named in the register shall as regards receipt of share certificates, warrants dividends or bonus or service of notices and all or any other matter connected with the company, except voting at meetings, and the transfer of the shares, be deemed as sole holder thereof but the joint holders of share shall be severally as well as jointly liable for the payment of all installment and calls due in respect of such share and for all incidents thereof according to the Company's regulations.
  - (e) In case of death of any one or more of the persons named in the register of members as the joint holders of any share, the survivors shall be the only persons recognized by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased jointholder from any liability on shares held by him jointly with any other person.



- (f) If there be joint registered holders of any shares any one of such persons may vote at any meeting either personally or by proxy in respect of such shares, as if he was solely entitled thereto, provided that if more than one of such joint holders be present at any meeting either personally or by proxy, then one of the said persons so present whose name stands on the register of members shall alone be entitled to vote in respect of such shares, but the other or others joint holders shall be entitled to be present, at the meeting. Several executors or administrators of a deceased member in whose names shares stand shall for the purpose of these articles be deemed joint holders thereof.

A document or notice may be served or given by the Company on or to joint holder of a share by serving or giving the document or notice on the joint holder named first in the register of members in respect of the share.

#### **MODIFICATION OF RIGHTS**

86. 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 shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than three-fourth of the issued shares of that class or with the sanction of a special resolution passed at a separate General Meeting of the holders of the shares of that class. To every such separate General Meeting the provisions of these Articles relating to general meetings shall apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one third of the issued shares of that class, but so that if at any adjourned meeting of such holders a quorum as above defined is not present those members who are present shall be a quorum and that any holder of shares of the class present in person or by proxy may demand a poll and, on a poll, his voting rights shall be as per Section 87 of the Act. This article is not by implication to curtail the power of modification which the Company would have if this Article were omitted.
87. The Company shall comply with the Provisions of Section 192 of the Act by forwarding a copy of the prescribed agreement or resolution passed to the Registrar of Companies.

#### **BUY BACK OF SHARES AND SECURITIES**

88. Notwithstanding anything contained in these articles, in the event it is permitted by law for a company to purchase its own shares or securities, the Board of Directors may, when and if thought fit, buy back, such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, provision of section 77A, 77AA and 77B of the Act and SEBI (Buy back of Shares) Regulations as may be permitted by law.

#### **EMPLOYEES STOCK OPTION SCHEME / PLAN**

89. The Directors shall have the power to offer, issue and allot Equity Shares in or Debentures (Whether fully/ partly convertible or not into Equity Shares) of the Company with or without Equity Warrants to such of the Officers, Employees, Workers of the Company or of its Subsidiary and / or Associate Companies or Managing and Whole Time Directors of the Company (hereinafter in this Article collectively referred to as "the Employees") as may be selected by them or by the trustees of such trust as may be set up for the benefit of the Employees in accordance with the terms and conditions of the Scheme, trust, plan or proposal that may be formulated, created, instituted or set up by the Board of Directors or the Committee thereof in that behalf on such terms and conditions as the Board may in its discretion deem fit.

#### **SWEAT EQUITY**

90. Subject to the provisions of the Act (including any statutory modification or re-enactment thereof, for the time being in force), shares of the Company may be issued at a discount or for consideration other than cash to Directors or employees who provide know-how to the Company or create an intellectual property right or other value addition.

#### **POSTAL BALLOT**

91. The Company may pass such resolution by postal ballot in the manner prescribed by Section 192A of the Act and such other applicable provisions of the Act and any future amendments or re-

enactment thereof. Notwithstanding anything contained in the provisions of the Act, the Company shall in the case of a resolution relating to such business, as the Central Government may, by notification, declare to be conducted only by postal ballot, get such resolution passed by means of postal ballot instead of transacting such business in a general meeting of the Company.

#### **DEMATERIALIZATION OF SECURITIES**

92. Notwithstanding anything contained in these articles, the Company shall be entitled to dematerialize its securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996.

93. The provisions of this Article shall apply only in respect of Securities held in Depository mode and the provisions of the other Articles shall be construed accordingly.

94. For the purpose of these Articles

"Beneficial Owner": "Beneficial Owner" means the beneficial owner as defined in Clause (a) of Sub-section I of Section 2 of the Depositories Act, 1996.

"Depository": "Depository" means a Depository as defined under Clause (e) of Sub-section 1 of Section 2 of the Depositories Act, 1996.

"Depositories Act, 1996": "Depositories Act, 1996" shall include any statutory modification(s) or reenactment(s) thereof, for the time being in force.

"SEBI": "SEBI" means Securities and Exchange Board of India established under Securities and Exchange Board of India Act, 1992.

"Security": "Security" has the meaning assigned to it in Section 2 of the Securities Contracts (Regulation) Act, 1956 or any statutory modification or reenactment thereof for the time being in force.

(1) Power to dematerialize

Notwithstanding anything contained in and rematerialize these Articles, the Company shall be entitled to dematerialize its existing shares, debentures and other securities and also rematerialize its shares, debentures and other securities held in Depository Mode and/or offer securities in dematerialized form pursuant to the Depositories Act, 1996 and the rules framed there under: Options for investors Every person subscribing to or holding securities of the Company shall have the option to receive security certificates in accordance with provisions of the other Articles or to hold the same with a Depository. Such a person who is the beneficial owner of the securities may/can at any time opt out of the Depository, if permitted by Law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall in the manner and within the time prescribed therein, issue to the beneficial owner the required certificates of securities.

(ii) Securities in Depositories to be in fungible form

a) All the Securities held by a Depository shall be dematerialized and be fungible form.

b) Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the said Act shall apply to a Depository in respect of the Securities held by it on behalf of the beneficial owners.

(iii) Rights of Depositories and Beneficial Owners of Securities

Notwithstanding anything to the contrary contained in the said Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of securities on behalf of the beneficial owner.

Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member of the Company.

The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities of a member in respect of his securities, which are held by a Depository.

(iv)Furnishing of information by Depository

Notwithstanding anything contained in the said Act or these Articles where securities are held in a depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs or in such other manner as may be practicable.

(v)Transfer of Securities

Nothing contained in Section 108 of the said Act or these Articles shall apply to a transfer of securities affected by a transferor and transferee both of who are entered as beneficial owners in the records of a Depository.

In the case of transfer or transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.

(vi)Distinctive numbers of Securities Held in a Depository

Nothing contained in the said Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to the Securities held with a Depository. Every fortified or surrendered share held in a material form shall continue to bear the number by which the same was originally distinguished.

(vii)Register and index of beneficial owners

The Register and Index of beneficial owners maintained by a Depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders as the case may be for the purposes of these Articles.

### **BORROWING POWERS**

95. The Board may, from time to time, at its discretion, subject to the provisions of Sections 58-A, 292, 293 and 370 of the Act, and regulations made there under and Directions issued by the RBI raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purposes of the Company.
96. The Board may raise or secure the repayment or payment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and, in particular by the issue of bonds, perpetual or redeemable, debentures or debenture-stock, or any mortgage or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.
97. Any debentures debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special rights, as to redemption, surrender, drawing, allotment of shares, appointment of Directors and otherwise, Debentures, debenture-stock, bonds and other securities may be made assignable free from any restraints between the Company and the person to whom the same may be issued. Provided that debentures with the right to allotment of or conversion into shares shall not be issued-except in conformity with the provisions of Section 81 (3) of the Act.
98. Save as provided in Section 108 of the Act, no transfer of debentures shall be registered unless a proper instrument of transfer duly stamped and executed by transferor and transferee has been delivered to the Company together with the certificate or certificates of the debentures.

### **GENERAL MEETING**

99. In addition to any other meetings, Annual General Meetings of the Company shall be held within such intervals as are specified in Section 166(1) of the Act and subject to the provisions of Section 166(2) of the Act, at such times and places as may be determined by the Board. All other meeting of the Company, shall, except in the case of a statutory meeting, be called Extraordinary General Meetings and shall be convened under the provisions of next following Article.
100. The Board may, whenever, it thinks fit, can call extraordinary general meeting, and it shall, on the requisition of the members in accordance with Section 169 of the Act proceed to call an Extraordinary General Meeting as provided by Section 169 of the Act.

### **PROCEEDING AT GENERAL MEETINGS**

103. The ordinary business of an Annual General Meeting shall be to receive and consider the Profit and Loss Account, the Balance Sheet and the report of the Directors and of the Auditors, to elect Directors in the place of those retiring by rotation to appoint Auditors and fix their remuneration and to declare dividends. All other business transacted at an Annual General Meeting and all business transacted at any other General Meeting shall be deemed special businesses.
104. 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. Save as herein otherwise provided minimum of at least five members present in person shall be a quorum. A corporation being a member shall be

- deemed to be personally present if it is represented, in accordance with Section 187 of the Act. The President of India or Governor of a State shall be deemed to be personally present if he is represented in accordance with Section 187A of the Act.
105. If within half an hour from the time appointed for the meeting a quorum be not present, the meeting if convened upon such requisition as aforesaid, shall be dissolved But in any other case it shall stand adjourned in accordance with the provisions of sub-sections (3), (4) and (5) of Section 174 of the Act.
106. Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in general meeting, shall be sufficiently so done or passed if effected by an Ordinary Resolution as defined in Section 189(1) of the Act, unless either the Act or these Articles specifically require such act to be done or resolution passed as a Special Resolution as defined in Section 189{2} of the Act.
109. No business shall be discussed at any General meeting except election of a chairman while the chair is vacant.
110. Every question submitted to a meeting shall be decided, in the first instance by a show of hands, and in the case of an equality of votes both on a show of hands and on a poll, the chairman of the meeting shall have a casting vote in addition to the vote to which he may be entitled as a member.
111. At any general meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with the provision of Section 179 of the Act, a declaration by the Chairman that the resolution has or has not been carried, or has been carried either unanimously, or by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of the meeting of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of, or against the resolution.

#### **VOTES OF MEMBERS**

114. (1) On a show of hands every member present in person and being a holder of Equity Shares shall have one vote and every person present either as a proxy (as defined in Article 84) in behalf of a holder of Equity Shares as a duly authorised representative of a body corporate being a holder of an Equity Share shall, if he is not entitled to vote in his own right, have one vote. On a poll the voting rights of a holder of any Equity Share shall be as specified in Section 87 of the Act.
- (2) The holder of a Preference Share shall not be entitled to vote at general meeting of the Company except as provided for in Section 87 of the Act. At any meeting at which or upon any question the holders of the said Preference Shares are entitled to vote the said Preference Shares shall, on a show of hands, and on a poll confer the same voting rights as Equity Shares.
- (3) No body corporate shall vote by proxy so long as a resolution of its Board of Directors under the provisions of Section 187 of the Act is in force and the representative named in such resolution is present at the general meeting at which the vote by proxy tendered.
115. Where a Company or a body corporate (hereinafter called "member Company") is a member of the Company, a person, duly appointed by resolution in accordance with the provisions of section 187 of the Act to represent such member company at a meeting of the Company shall not, by reason of such appointment, be deemed to be proxy, and the lodging with Company at the office or production at the meeting of a copy of such resolution duly signed by one Director of such member company and certified by him or them as being a true copy of the resolution shall, on production at the meeting be accepted by the Company as sufficient evidence of the validity of his appointment. Such a person shall be entitled to exercise the same rights and powers, including the right to vote by proxy on 'behalf of the 'member company which he represents, as that member company could exercise if it were an individual member.
116. Any person entitled under the Transmission Article to transfer any shares may vote at any general meeting in respect thereof in the same manner as if he were the member registered in respect of such shares, provided that forty eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his right to transfer such shares, unless the Board shall have previously admitted his right to vote at such meeting in respect thereof. If any member be a lunatic, idiot or noncom pas mentis, he may

- vote whether on a show of hands or a poll by his committee; curator or other legal curator and such last-mentioned persons may give their votes by proxy.
117. Where there are members registered jointly in respect of any share anyone of such persons may vote at any meeting either personally or by proxy in respect of such share as if he were solely entitled thereto; and if more than one of such members be present at any meeting either personally or by proxy that one of the said members so present whose name stands first on the Register in respect of such share alone shall be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share is registered shall for the purpose of this Article be deemed to be member registered jointly in respect thereof.
118. On a poll votes may be given either personally or by proxy, or in the case of a body corporate, by a representative duly authorised as aforesaid.
119. The instrument appointing a proxy shall be in writing under the hand of the appointer or his Attorney duly authorised in writing or if such appointer is a body corporate under its common seal or the hand of its officer or Attorney duly authorised. A proxy who is appointed for a specified meeting only shall be called a Special proxy any other proxy shall be called a General proxy.

### **DIRECTORS**

129. Subject to Section 252 of the Act, the Directors of the Company shall not be less than three and not more than twelve inclusive nominee Directors.
130. The Company in general meeting may, from time to time, increase or reduce the number of Directors within the limits fixed by Article 122.
132. A Director of the Company shall not be required to hold any share as qualification.
133. Subject to the provisions of the Act, and Rules framed thereunder, each Director, except Managing Director and Whole Time Director, shall be entitled to receive out of the funds of the Company, sitting fee not exceeding such sum as notified in the Rules for each meeting of the Board of Directors or a Committee thereof or an adjournment thereof, attended by him. The Directors shall be entitled to be paid their reasonable traveling and hotel and other expenses incurred in consequence of their attending the Board and the Committee meetings or otherwise incurred in the execution of their duties as Directors.
- The Directors shall also be entitled to be paid as remuneration a commission of 1% on the net profits of the Company to be calculated in accordance with the provisions of the Act and such commission shall be divided amongst the directors in such proportions as the directors may determine and in default of such determination equality. All other remuneration if any, payable by the Company to each Director whether in respect of his service as a Managing Director or a Director whether in whole or part time employment of the Company shall be determined in accordance with and subject to the provisions of these Articles and of the Act.
134. If any Director being willing, shall be called upon to perform extra services or to make any special exertions in going or residing as from his usual place of residence for any of the purposes of the Company or in giving special attention to the business of the Company or as a member of a Committee of the Board then, subject to Sections 198,309 and 310 of the Act the Board may remunerate the Director so doing either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled.
135. The continuing Director may act notwithstanding any vacancy in their body, but so that if the number falls below the minimum above fixed the Board shall not except for the purpose of filling vacancies or for summoning a general meeting of the Company, act so long as the number is below the minimum.
136. The office of a Director shall 'ipso facto' become vacant, if at any time he commits any of the acts set out in Section 283 of the Act.
137. No Director or other person referred to in Section 314 of the Act shall hold an office or place of profit save as permitted by that Section.
142. The Board shall have power, at any time and from time to time, to appoint any person as a Director as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed by these Articles. Any Director so appointed shall hold office only until the next Annual General Meeting of the Company and shall then be eligible for re-appointment.

143. The Directors may appoint any person to act as alternate Director for a Director during the letter's absence for a period of not less than three months from the State in which meeting of the Directors are ordinarily held and such appointment shall have effect and such appointee whilst he holds office as an alternate Director shall be entitled to notice of meetings of the Directors and to attend and vote thereat accordingly, but he shall ipso facto vacate office if and when the absent Director returns to the State in which meetings of the Directors are ordinarily held or the absent Director vacates office as a Director.
144. If any Director appointed by the Company in General Meeting vacates office as a Director before his term of office will expire in the normal course the resulting casual vacancy may be filled up by the Board at a meeting of the Board, but any person so appointed shall remain in his office so long only as the vacating Director would have retained the same if no vacancy had occurred. Provided that the Board may not fill such a vacancy by appointing thereto any person who has been removed from the office of Director under Article 141.
145. (a) Mr. Harvansh Chawla and Mrs. Namrata Chawla shall be the permanent directors of the company till they are living or they themselves resign otherwise. All other directors of the company are liable to retire by rotation at every Annual General Meeting of the Company.
- (1) Not less than two-thirds of the total number of Directors shall be persons whose period of office is liable to determination by retirement of Director by rotation.
- (2) At each Annual General Meeting of the company one-third or such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office.
- (3) If at any Annual General Meeting, all the Directors appointed under Article 128 and 170 hereby not exempt from retire by rotation under Section 255 of the Act, then to the extent permitted by the said Section the exemption shall extend to the Director appointed under Article 128.
- (4) The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in the office since their last appointment but as between persons who become Directors on the same day those to retire shall in default of and subject to any agreement among themselves be determined by lot.
- Subject to the foregoing provisions as between Directors appointed under any of the Articles referred to above, the Director or Directors who shall not be liable to retire by rotation shall be determined by and in accordance with their respective seniorities as may be determined by the Board.
- (b) A retiring Director shall be eligible for re-election and shall act as a Director throughout the meeting at which he retires.
- (c) Subject to any resolution for reducing the number of Directors, if at any meeting at which an election of Directors are not filled up, the meeting shall stand adjourned till the next succeeding day which is not a public holiday at the same time and place and if at the adjourned meeting, the places of the retiring Director are not filled up, the retiring Directors or such of them as have not had their places filled up shall (at will to continue in office) be deemed to have been re-elected at the adjourned meeting.
146. Subject to the provisions of these Articles, the Directors liable to retire by rotation at every Annual General Meeting shall be eligible for re-appointment at such Annual General Meeting.
147. The Company may remove any Director before the expiration of his period of office in accordance with the provisions of Section 284 of the Act and may subject to the provisions of Section 262 of the Act appoint another person in his place if the Director so removed was appointed by the Company in General Meeting or by the Board under Articles 146 and 148.
148. Subject to the provisions of Sections 316 and 317 of the Act, the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors of the Company, for a maximum period of 5 years and may, from time to time (subject to the provisions of any contract between him and the Company) remove or dismiss him from office and appoint another in his place.
153. A retiring director shall be eligible for re-election.
154. Subject to provisions of the Act, the Company at the General meeting at which a director retires in manner aforesaid may fill up the vacated office by electing a person thereto.

155. If the place of the retiring director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.
156. If at the adjourned meeting also, the place of the retiring director is not filled up and that meeting also has not expressly resolved not to fill the vacancy the retiring director shall be deemed to have been reappointed at the adjourned meeting, unless:
  - (i) At that meeting or at the previous meeting a resolution for the re-appointment of such director has been put to the meeting and lost; or
  - (ii) The retiring director has, by a notice in writing addressed to the Company or the Board, expressed his unwillingness to be so re-appointed; or
  - (iii) He is not qualified for appointment; or
  - (iv) A resolution whether special or ordinary is required for the appointment or re-appointment by virtue of any provisions of the Act; or
  - (v) The proviso to sub-section (2) of the Section 263 of the Act is applicable to the case.
157. No person, not being a retiring director, shall be eligible for election to the office of director at any general meeting unless he or some other member intending to propose him has at least fourteen clear days before the meeting, left at the office a notice in writing under his hand signifying his candidature for the office of director or the intention of such member to propose him as a candidate for that office and he or the proposer has deposited with the Company Rs. 500/- (Rs. Five Hundred) or such other sum as may be required under modified provisions from time to time as a security along with the notice as required under section 257 of the Companies Act, 1956.
158. On the receipt of the notice referred to in Article 150 the company shall inform its members of the candidature of a person for the office of director or the intention of a member to propose such person as a candidate for that office, by serving individual notice on the members not less than seven days before the meeting provided that it shall not be necessary for the company to serve individual notice upon the member if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the district in which one is published in the English language and the other in the regional language.
161. A managing or a Whole Time Director or a Manager who is re-appointed as a director immediately on retirement by rotation shall continue to hold his office of managing director or whole time director and such re-appointment as director shall not be deemed to constitute break in his appointment as managing director or whole time director.

#### **PROCEEDINGS OF DIRECTORS**

164. The Directors shall meet together at least once in every three months for the dispatch of business & may adjourn & otherwise regulate their meetings and proceedings as they think fit. Notice of every meeting of the Directors together with the agenda of the business to be transacted thereat shall be given in writing by a Director or such other officer of the Company duly authorised in this behalf to every Director whether, whether within or outside India. Such notice shall be sent by registered air mail post or by capable so as to reach the addressee thereof in the normal course at least 7 days before the date of the meeting unless all the Directors agree by a prior consent accorded in writing or by a capable of such meeting being held on shorter notice. Provided that were an alternate Director has been appointed it shall be sufficient for purposes of this Article to send notice to or obtain consent of such alternate Director only.
165. Director may at any time and the Secretary shall, upon the request of a Director made at any time, convene a meeting of the Board.
166. The Board may appoint a Chairman of its meetings and determine the period for which he is to hold office. If no Chairman is appointed, or if at any meeting of the Board the Chairman be not present within five minutes after the time appointed for holding the same, Directors present shall choose some one of their number to be Chairman of such meeting.
167. The quorum for a meeting of the Board shall be minimum two or 1/3<sup>rd</sup> of total strength whichever is higher subject to the provisions of Section 287 of the Act. If a quorum shall not be present within fifteen minutes from the time appointed for holding a meeting of the Board, it shall be adjourned until such date and time as the Chairman of the Board shall appoint.

172. All acts done by any meeting of the Directors, or by a Committee of Directors, or any person acting as a Director, shall notwithstanding that it may afterwards be discovered that there was some defect in the appointment of anyone or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified or had vacated office by virtue of any provision contained in the Act or in these Articles be as valid as if every such Director or person had been duly appointed and was qualified to be a Director and had not vacated such office provided that nothing in this Article shall be deemed to give validity to acts done by a Director after the appointment of such Director has been shown to be invalid or to have terminated.
173. Save in those cases where a resolution is required by Sections 262,292,297,316 and 372(5) and 386 of the Act or any other provisions of the Act to be passed at a meeting of the Board, resolution shall be valid and effectual as if it had been passed at a meeting of the Board or Committee of the Board, as the case may be duly called and constituted if it is passed by circulation in the manner as provided in Section 289 of the Act.

#### **MINUTES**

174. (1) The Board shall, in accordance with the provisions of Section 193 of the Act, cause minutes to be kept of proceedings of every general meeting of the Company and of every meeting of the Board or of every Committee of the Board.
- (2) Any such minutes of proceedings of any meeting of the Board or of any Committee of the Board or of the Company in general meeting, it kept in accordance with the provisions of section 193 of the Act, shall be evidence of the matters stated in such minute. The minute books of general meetings of the Company shall be kept at the office and shall be open to inspection by members during the hours of 11A.M. and 1P.M. on such business days as the Act requires them to be open for inspection.

#### **POWERS OF BOARD**

176. Subject to the provisions of the Act, the control of the Company shall be vested in the Board who shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorised to exercise and do; provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other statute or by the Memorandum of the Company or by these Articles or otherwise, to be exercised or done by the Company in general meeting. Provided further that in exercising any such power or doing any such act or thing the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of the Company or in these Articles, or in any regulations not inconsistent therewith and duly made thereunder including regulations made by the Company in general meeting, but no regulation made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulations had not been made.
177. Without prejudice to the general powers conferred by the preceding Article, the Director may, from time to time and at any time subject to the restrictions contained in the Act, delegate to managers, secretaries officers, assistants and other employees or other persons any of the powers, authorities and discretions for the time being vested in the Board and the Board may, at any time remove any person so appointed and may annual or very such delegation. Without prejudice to general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers and without prejudice to the other powers conferred by the Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say Power:
- (a) To pay the costs, charges and expenses, preliminary and incidental to the promotion, formation, establishment and registration of the Company.
- (b) To pay and charge to the Capital account of the Company any commission or interest lawfully payable under the provisions of Section 76 and 208 of the Act.

#### **MANAGEMENT**

180. Subject to the provisions of Section 197-A, 198 and 269, 309 and 310 of the Act the Company may appoint or re-appoint Managing Director, whole-time Director and manager upon such terms and conditions as it thinks fit.



181. (a) The Directors may appoint a Secretary and/or consultant and/or an advisor on such terms, at such remuneration and upon such conditions as they may think fit and any secretary or consultant or advisor so appointed may be removed by the Directors.
- (b) A Director may be appointed as a Secretary and/or consultant and/or Advisor.
182. Any provision of the Act or these Articles requiring or authorising a thing to be done by a director, manager or secretary shall not be satisfied by its being done by the same person acting both as Director and as or in place of the Manager or Secretary.

#### **CAPITALISATION**

191. (1) Any General Meeting may upon the recommendation of the Board resolve that any amounts standing to the credit of the Share premium Account or the Capital Redemption Account or any monies, investments or other assets forming part of the undivided profits (including profits or surplus moneys arising out of appreciation in value of any capital assets of the Company) standing to the credit of the Capital Reserves, General Reserve, Reserve or any Reserve Fund or any other Fund of the company available for dividend, be capitalized:
- (a) by the issue and distribution as fully paid-up equity shares of the Company as a bonus issue, or
- (b) by crediting shares of the Company which may have been issued and are not fully paid-up with the whole or any part of the sum remaining unpaid thereon:
- Provided that any amounts standing to the credit of the Share Premium Account or the Capital Reserve account or the Capital Redemption Reserve Account shall be applied only in crediting the payment of capital on shares of the Company to be issued to members (as herein provided) as fully paid bonus shares.
- (2) Such issue and distribution under (1) (a) above and such payment to credit of unpaid shares capital under (1)(b) above, shall be made to among and in favor of the members or any class of them or any of them entitled thereto and in accordance with their respective rights and interest and in the proportion to the amount of capital paid-up on the shares held by them respectively in respect of which such distribution under (1)(a) or payment under (1)(b) above shall be made on the footing that such members become entitled thereto as capital.
- (3) The Directors shall give effect to any resolution and apply such portion of the profits, General Reserve, Capital reserve or Reserve Fund or any other fund or account as aforesaid as may be required for the purpose of payment in full of the shares of the Company so distributed under (1)(a) above or (as the case may be) for the purpose of paying in whole or in part, the amount remaining unpaid on the shares which may have been issued and are not fully paid-up under (1)(b) above.
- (4) For the purpose of giving effect to any such resolution the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that such cash payment be made to any members on the footing of the value so fixed and may vest any such cash or shares in trustees upon such trusts for the person entitled thereto as may seem expedient to the Directors and generally may make such arrangement for the acceptance, allotment and sale of such shares, and fractional certificates or otherwise as they may think fit.
192. A general meeting may resolve that any surplus moneys arising from the realization of any capital assets of the Company or any investment representing the same or any other undistributed profits of the Company not subject to charge for income tax, be distributed among the members on the footing that they receive the same as capital.

#### **DIVIDENDS**

193. Subject to the rights of the members entitled to shares (if any) with preferential rights or special rights attached thereto, the profits of the Company which it shall from time to time be determined to divide in respect of any year or other period shall be applied in the payment of a dividend on the Equity Shares in the Company but so that partly paid-up shares shall only entitle the holder with respect thereof to such proportion of the distribution upon a fully paid-up share as the amount paid

thereon bears to the nominal amount of such shares. 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. Where capital is paid-up in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying Interest, rank for dividends or confer a right to participate in profits.

194. The Company in annual general meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may, subject to the provisions of Section 207 of the Act, fix the time for payment.
195. No larger dividend shall be declared than is recommended by the Board, but the Company in general meeting may declare a smaller dividend.
196. Subject to the provisions of Section 205 of the Act, no dividend shall be payable except out of the profits of the Company or out of moneys provided by the Central or a State Government for the payment of the dividend in pursuance of any guarantee given by such Government and no dividend shall carry interest against the Company.
197. The declaration of the net profit of the Company as stated in the audited Annual Accounts shall be conclusive.
198. The Board may from time to time, pay to be members such interim dividends as appear to the Board to be justified by the profits of the Company.
211. Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the Company in that behalf in any schedule bank, to be called "Goodwill Hospital & Research Centre Limited Unpaid Dividend Account".
212. The Company shall transfer any money transferred to the unpaid dividend account of a Company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the fund known as Investor Education and Protection Fund established under Section 205C of the Act.

#### **BOOKS AND DOCUMENTS**

213. The Board of Directors shall cause to be kept proper books of accounts on accrual basis and according to double entry system of accounting as required under Section 209 of the Act.
214. The books of accounts shall be kept at the office or subject to the provisions to Section 209 of Act at such other place as the Directors think fit and shall be open to inspection by the Directors during the business hours.

#### **POSTAL BALLOT**

242. (1) Notwithstanding anything contained in these Articles, the Company may adopt the mode of passing a resolution by members of the Company by means of a Postal Ballot and / or other ways as may be prescribed by the Central Government in this behalf in respect of the following matters instead of transacting such business in a General Meeting of the Company:-
  - a. Particularly, resolutions relating to such business as the Central Government may by notification, declare under Companies (Passing of Resolutions by Postal Ballot) Rules, 2001 shall be conducted only by postal ballot.
  - b. Any business that can be transacted by the Company in General Meeting in accordance with these Articles or Act.The Company shall comply with the procedure for such postal ballot and / or other ways prescribed by the Central Government in this regard.

## 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 entered into more than two years before the date of this Draft Red Herring Prospectus), which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company situated at 705, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi – 110 001 from 10.00 a.m. to 02.00 p.m. on working days from the date of the filing of this Draft Red Herring Prospectus.

### A. Material Contracts

1. Agreement dated April 30, 2012 between our company and the BRLM.
2. Agreement dated April 30, 2012 between our company and the Registrar to the Issue,
3. Syndicate Agreement dated [●] between our Company, BRLM and Syndicate members,
4. Escrow Agreement dated [●] between our Company, BRLM, Syndicate members, Escrow collection Banks and Registrar to the Issue
5. Underwriting Agreement dated [●] between our Company and Underwriters.

### B. Documents for Inspection

1. Certificate of Incorporation of our Company dated June 26, 2000
2. Memorandum and Articles of our Company.
3. Tripartite agreements dated September 07, 2011 & August 22, 2011 with NSDL & CDSL respectively.
4. Copy of the Board Resolution dated February 25, 2012 approving this Issue.
5. Copy of resolution passed in the extra ordinary general meeting of our Company held on March 21, 2012 approving the Initial Public Offering.
6. Consents of the Promoter, Directors, Auditors, Bankers to the Company, Book Running Lead Manager, Legal Counsel, IPO Grading Agency, Registrar, Syndicate Members, Bankers to the Issue, Company Secretary and Compliance Officer, in their respective capacities.
7. Shareholders Resolution for appointment of Statutory Auditors.
8. Resolution passed by the Board of Directors for appointment and remuneration of Managing Director and Whole Time Directors.
9. List of allottees to whom shares were allotted by our Company between the years from 2001 to 2006.
10. Certificate dated March 28, 2012 from Auditors regarding the statement of tax benefits.
11. Report of the Auditors dated April 17, 2012 on restated standalone financial statements for the ten months period ending January 31, 2012 and the last five financial years ended March 31, 2011, 2010, 2009, 2008 and 2007.
12. Report of the Auditors dated April 17, 2012 on restated consolidated financial statements for the ten months period ending January 31, 2012 and financial year ended March 31, 2011 and 2010.
13. Annual Reports of our Company for the last five financial years ended March 31, 2011, 2010, 2009, 2008 and 2007 and audited financial statements for ten months period ended January 31, 2012.
14. Certificate dated May 02, 2012 from Chandiok & Guliani, Chartered Accountants on the source, purpose and utilization of the loans which are proposed to be repaid out of the proceeds of the Issue.
15. In-principle listing approval for this Issue dated [●] and [●] from BSE and NSE respectively.
16. Due Diligence Certificate of SPA Merchant Bankers Limited dated May 04, 2012.
17. IPO Grading Report dated [●]
18. SEBI Observation Letter No. [●] dated [●].
19. Non Compete Agreement dated October 14, 2011 entered into between our Company, our Promoter i.e. Ojjus Medicare Private Limited and our Subsidiary i.e. Ojjus Fidelity Healthcare Private Limited.
20. Copies of Form 22B filed with the Registrar of Companies, NCT Delhi & Haryana pursuant to section 187C of the Companies Act, 1956, declaring the beneficial ownership of Ojjus Medicare Private Limited in 6 equity shares in our Company being held by individual shareholders.

Any of the contracts or documents mentioned in this Draft Red Herring 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.

## **DECLARATION**

No statement made in this Draft Red Herring Prospectus contravenes any of the provisions of the Companies Act, 1956 and the rules made thereunder. All the legal requirements connected with the said issue as also the guidelines, instructions etc. issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. We further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

**Signed by the Board of Directors of our Company**

**Mr. Vinod Kumar Grover**  
**Chairman**

**Mr. Kuldeep Rai Chawla**  
**Director**

**Mrs. Namarata Chawla**  
**Managing Director**

**Mr. Harvansh Chawla**  
**Director**

**Mr. Amanveer Singh**  
**Director & CEO**

**Mr. Sandeep Singhania**  
**Director**

**Mr. Ram Avtar Poddar**  
**Director**

**Dr. Vineet Arora**  
**Director**

**Mr. Rajeev Anand**  
**Director**

**Fr. Jose Alarico Carvalho**  
**Director**

**Mr. Mahendra Singh Kochar**  
**Director**

**Mr. Charanjeet Bareja**  
**Chief Financial Officer**

Date: May 04, 2012  
Place: New Delhi

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