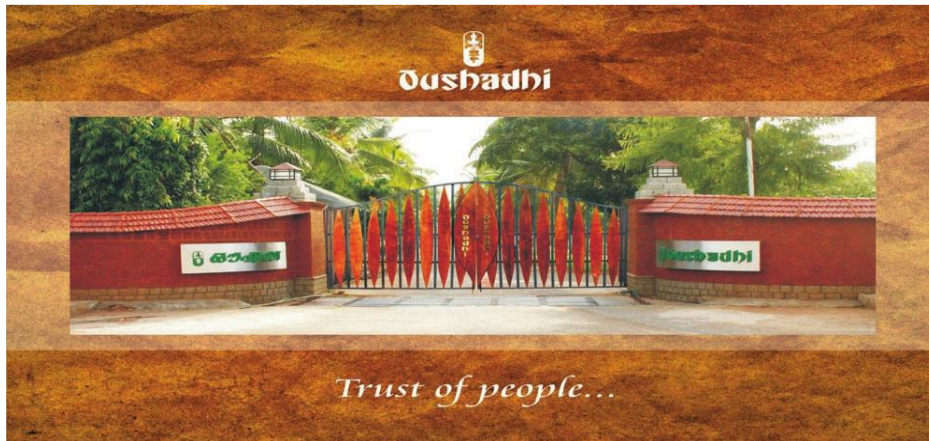




Proposal for Setting up AYUSH Pharma Park and International Centre of Excellence for Ayurveda Products

**Phase I
(2020-22)**



Oushadhi
The Pharmaceutical Corporation (IM) Kerala Limited.
Kuttanellur, Thrissur, Kerala.

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Executive Summary

The Pharmaceutical Corporation (IM) Kerala Limited (Oushadhi) is a fully owned company of Government of Kerala and the largest producer of Ayurvedic medicines in the public sector. Company produces more than 450 Ayurvedic formulations and caters the need of public through Kerala government hospitals, dispensaries and retail outlets. At present company is equipped with the facility to manufacture classical medicines and proprietary medicines, which are also included in the essential drug list.

IIM conducted a detailed study for marketing and report submitted to enhance the production to 500 Cr and the structures required to enhance targeted production. With the new found demand in the market for the Ayurveda products, and with the trust Oushadhi having among its users, Company is aspiring to grow aggressively. In this direction, Company is proposing to set up an Ayush Pharma Park with following facilities to emerge as one of the top market leaders in the country in 2025 with turnover of INR 1000 CR.

- (a) Manufacturing facility for classical Ayurvedic medicine
- (b) Manufacturing facility for Siddha Products
- (c) Herbal Extraction plant
- (d) R&D

Chapter 1

Brief about Oushadhi

1.1. About Oushadhi

The Pharmaceutical Corporation (IM) Kerala Limited, fully owned by Government of Kerala popularly known in the brand name” Oushadhi “is the largest producer of Ayurvedic medicines in public sector, consistently making profit. Company produces 474 Ayurvedic formulations and caters the need of public through Kerala government hospitals, dispensaries and retail outlets. At present we are equipped with the facility to manufacture classical medicines and proprietary medicines, which are also included in the essential drug list.

As the largest producer of Ayurvedic medicines in the public sector in India, Oushadhi is supplying medicines to Government of Kerala for distribution to common man through ISM department. It is a GMP certified ISO-9001-2015 Company.

This public sector company produces 474 Ayurveda formulations, both classical and proprietary and is the sole supplier of medicines to all the Government Ayurveda hospital in Kerala. On the national front also, Oushadhi has a prominent role in the health sector as a supplier of Ayurveda medicines to Government hospitals and dispensaries of other state like Madhya Pradesh Chhattisgarh, Pondicherry, Rajasthan, Karnataka, Odisha, New Delhi etc. Further, the need of the public is catered widely through a vast network on 700 dealers spread all over the country.

Oushadhi is governed by a dedicated Board of Directors. Oushadhi has established a brand image in the country and enjoys support from the State Government of Kerala. With the huge market demand and dedicated work force, coupled with quality control measures, the company has gained wide customer satisfaction and has been growing steadily over the years.

The vision of Oushadhi is to become a leading world class Ayurvedic industry in the country by 2025.

Oushadhi has also established a Panchakarma Hospital and Research Center at Shornur Road, and a new unit having 50 bed is also started functioning this year.

Another focus of the unit is in medical plant conservation, cultivation and propagation of Medicinal plants. Oushadhi has dedicated in 15 acres of land at Kuttanellur, where 20 species of medicinal trees are cultivated. Medicinal trees have been raised in 20 acres of land at Paryaram in Kannur District also. Two medicinal plant nurseries at Kuttanellur and Paryaram is also distributing about 3 lakh seedlings of 20 leading species annually. The major portion goes to plant in Government lands and other public lands. Further, medicinal plant gardens have been raised in 150 selected schools in Thrissur district and Kannur district of Kerala.

There are various supporters from Government sector and other departments /organizations which have facilitated the growth of Oushadhi. These include Government of Kerala, AYUSH Department of Government of India, and ISM Department of Government of Kerala, general public, National Medicines Plant Board and various other departments. Oushadhi also get support from reputed organizations like KFRI, TBGRI, Government Ayurvedic Research Centre, SC/ST Federation, whole sale dealers of raw material etc.

Various categories of products are manufactured by Oushadhi including Asavams & Arishtams, Bhasma Sindhooram, Gulika & Tablets, Kashaya & Sooksham Choornam, Lehyams & Ghrithams, Liquid Kashayams, Medicated Oil (Thylam) and Patent & Proprietary medicine. It also has a Research Centre which develops and tests different medications in newer areas. On a commercial scale, a new unit named Centre of Excellence has started producing fermented products under stringent quality control measures and more hygienic operating procedures and handling activates. This Centre is a model for other Ayurvedic production units in the country.

1.2. Brief History of Oushadhi

Brief history is tabulated below:

Year	Event
1941	Commenced by HH, the Maharaja of Cochin as “Sree Kerala Varma Ayurveda Pharmacy “ at Trichur
1959	Converted in to Cooperative Society- Sree Kerala Varma Ayurveda Pharmacy and Stores Limited.
1975	Registered under Indian companies Act and renamed as The Pharmaceutical Corporation (Indian Medicines) Kerala Limited
1991	Commissioned manufacturing unit at Kuttanellur, Trichur.
2004	Started Panchakarma Hospital and research institute at Trichur.
2008	Commenced R&D center at Kuttanellur and regional distribution Unit at Pariyaram, Kannur.
2014	Commissioned center of excellence - Manufacturing plant for fermented products and Regional distribution center at Pathanapuram.
2017	Modern packing area at Kuttanellur
2018	Commissioned manufacturing unit at Muttathara, Thiruvananthapuram
2019	New Block to Panchakarma Hospital and Research Institute of 50 Beds

1.3. Corporate Office & Manufacturing Center at Kuttanellur

The Corporate office and main manufacturing facility of The Pharmaceutical Corporation (IM)Kerala Ltd. is at Kuttanellur, Trichur Kerala in a land of 19.6 acres.

It is a professionally managed Organisation with Manufacturing and Marketing of Ayurvedic formulations. The major unit operations are Size reduction, Extraction, formulation and Packing as the manufacturing is concerned. The marketing coordinate Logistics, Sales and Branding globally.

The present manufacturing facility is partially upgraded in to WHO GMP standard and the process of upgrading is going on. Chemistry, Pharmacognosy, Microbiology laboratories and other facilities like Atomic absorption spectrometer, TLC, freeze drier etc. are supporting the quality assurance of the products and a well-equipped Research wing works for the betterment of process and development of proprietary products.

1.4. Panchakarma Hospital & Research Institute at Thrissur

Oushadhi Panchakarma hospital provides Kerala speciality Ayurvedic preventive and curative treatments for the ailments in Ortho ,Neuro, Gynaec & infertility and also for general diseases. The present facility at 1.2 acres land offers residential treatment for 30 patients. The upcoming new block with 48 beds provides standard and suite rooms facility for the patients and also targeted as a specialty hospital for the treatment of Spinal disorders.

1.5. Regional center at Pariyaram, Kannur

Medicinal plants are the main raw materials for Ayurvedic products. Few of these are categorized as endangered also. The quality of the raw herbs ensures the quality of the products. To face the threat of non-availability of good raw materials; Oushadhi in its 80 acres of land; developed cultivation of different herbs for the production of medicines, model garden of medicinal plants to educate the public, seed link development centre to feed the farmers for large scale cultivation on by back agreement and preservation of special medicinal plants of western

Ghats. Oushadhi is also operating a products distribution center here at Pariyaram to cater the needs of Government dispensaries and out lets of open market of the northern districts of Kerala.

1.6. Regional center at Pathanapuram

The products distribution of the southern districts of Kerala are from this center. The Government hospital, dispensaries, and health centres and the dealers of south Kerala are catered from Pathanapuram regional center.

1.7. Manufacturing center Muttathara

Oushadhi's 28 proprietary products , which are developed by the Research and Development wing are manufactured at the second state of art manufacturing unit at Muttathara with 30 employees, in its one acre land.

1.8. Cultivation of medicinal plants

Two medicinal plant nurseries are at Kuttanellur and Pariyaram capable of annual distribution of 3,00,000 seedlings of 20 species. Systems are in place for coordinating medicinal plant cultivation with farmers with by back arrangements, Purchase contract with farmer's society for specific herbs etc.

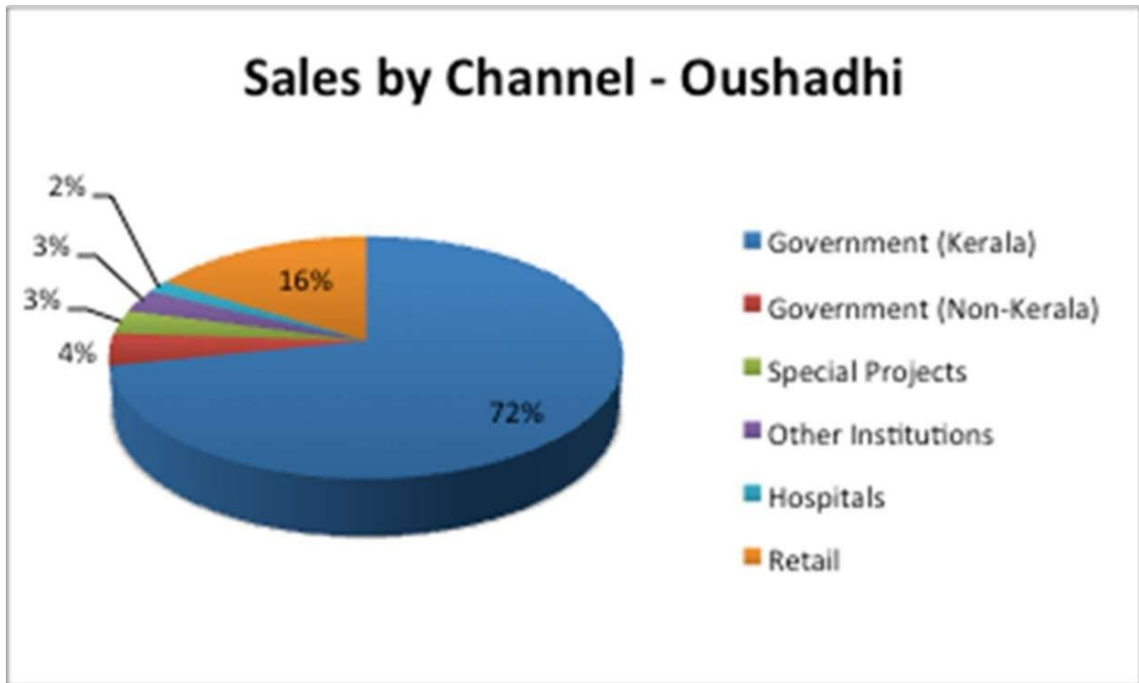
1.9. Ongoing modernization and development works

Few of the ongoing and recently completed modernization/ development works are:

- a) Patent products manufacturing plant at Muttathara, Trivandrum commissioned. Commercial production commenced.
- b) Commissioned New 50 bedded state of the art Panchakarma Hospital for spinal disorders during 2019
- c) Modernization and capacity enhancement of Oil and Lehyam processing section.
- d) Modernization of Present factory in to Ayush Premium standard.
- e) Capacity enhancement of Tablet section.
- f) Capacity enhancement of Asavam & Arishtam plant

Present Market distribution

72% of the sales are happening to Government of Kerala. Through the retail market, 16% of the total sales are happening.



Vision

A leading world class Ayurveda Industry in the country by 2025.

Objective of this proposal

In line with the aspirations to emerge as a leading world class company, Oushadhi is proposing to set up AYUSH Pharma Park in Kannur District which is an emerging developing area, in the vicinity of International Airport.

To establish an Ayush Pharma Park consisting of

- (a) State of the art Manufacturing unit for different types of Ayurvedic Products adhering to the WHO/GMP norms to cater to the global market.
- (b) To establish State of art manufacturing unit of Siddha Products as per Essential drug list of Ayush.
- (c) To establish herbal extraction unit for the herbal drug industry.
- (d) To establish world class R&D facility

Chapter 2

Assessment of Market Scenario of Ayurveda Products

2.1. Quick assessment

Indian consumer health industry is a rapidly growing industry with a CAGR of 4.2% with an estimated market size of \$ 3.1 billion as of April 2015. Ayurveda or Ayurvedic medicine is an important part of consumer health industry boasting of an estimated market size of \$ 1.89 billion, with a CAGR of 12% as per the recent estimates (Euro-monitor, 2015). Ayurveda is an ancient health care system widely practiced in the sub-continent, especially in countries like Nepal, China, Tibet, and Srilanka and has its roots in the early Indian tradition. It was believed that the Ayurvedic system of medicine was emerged and developed during 2550 to 500 B.C in India. According to 'Charaksamhita', the philosophy of Ayurveda is related to preservation and protection of "Ayus" which entails healthy living and therapeutic measures to ensure physical, mental, social and spiritual harmony. Alternate medicine like Ayurveda, Herbal products have a huge customer base in both rural and urban segment of the market. An estimated 70% of the rural customers are depended upon Ayurveda and other alternate medicinal system for their health and well-being.

According to a recent research report prepared by Ken research, Indian alternate medicine and herbal products market achieved a growth rate of 19.5% between FY'2008 to FY'2013 amounting an estimated total market size of INR 211.9 billion in FY'2013. It is further divided into two broad categories i.e., Herbal Medicines and Herbal Products. The Herbal Medicine Market is estimated to be INR 75 Billion in FY 2013 and Herbal Product Market is estimated at INR 136 billion.

The Ayurveda product market in India is primarily segmented into alternative medicine and herbal care products. The herbal care market consists of following main product categories such as:

- 1) Herbal hair care
- 2) Herbal skin care
- 3) Herbal oral care and
- 4) other herbal products like chyawanprash

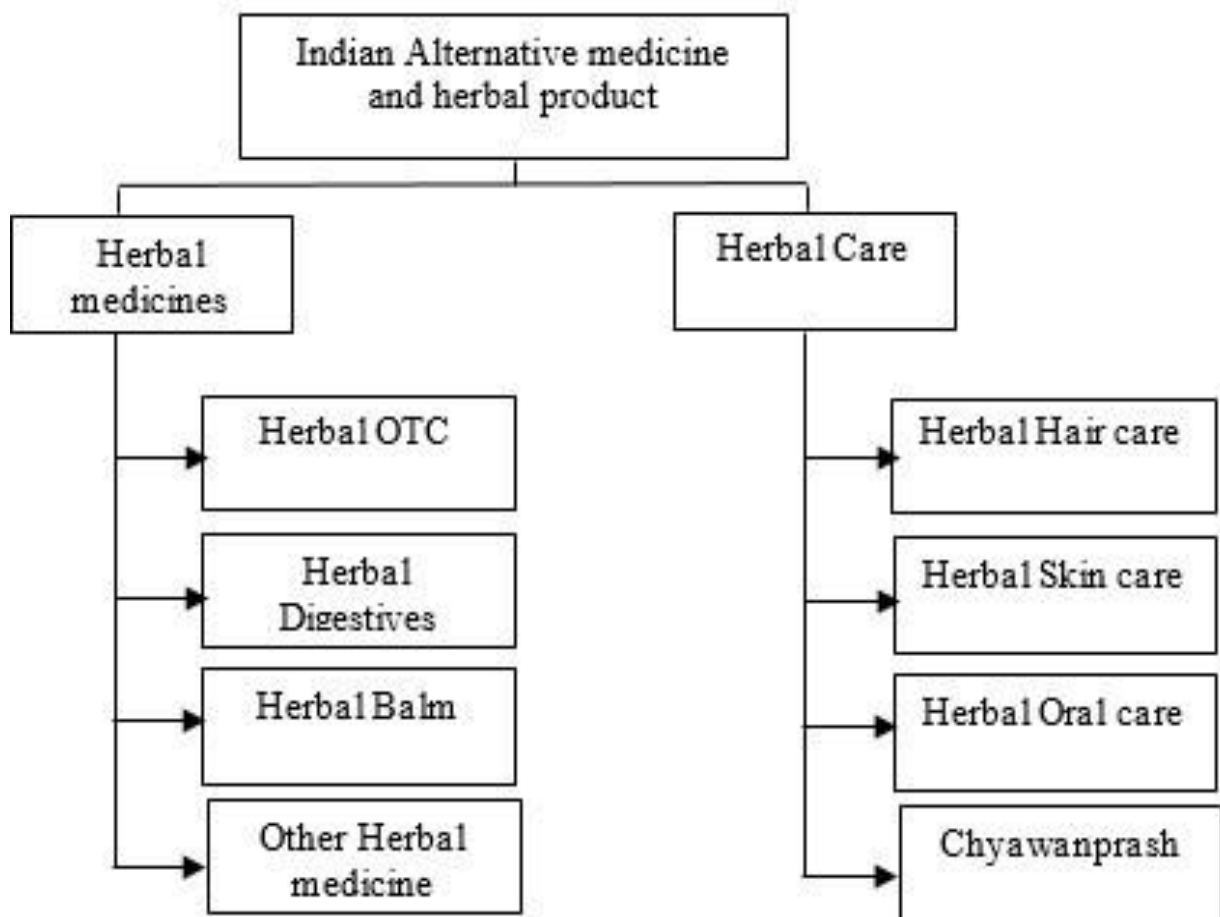
The herbal medicine segment can be further subdivided into

- 1) Herbal over the counter (OTC) medicine
- 2) Herbal digestives
- 3) Herbal balms.

The herbal OTC market consists of herbal medicines used for cough, cold and allergies remedies, analgesics, dermatological, digestive remedies and vitamins and mineral supplements (Euro- monitor, 2015).

The following diagram (figure 1) is a pictorial representation of market structure of Indian alternate medicine and herbal products.

Figure 1. Structure of Indian Alternative Medicine/ Herbal Care Products Market



Source: Ken Research

2.2. Market Segmentation

Herbal products which include hair care, skin care and oral care dominates the Indian alternative medicine and herbal care market, accounting to a market share of 64.6 % of the total market share and generated a revenue of INR 136.9 billion in FY'2013 (Ken research, 2014). This growth was fuelled by the sale of herbal hair care products such as shampoos and hair oils.

Figure 2: Growth and Value of Herbal Products Market

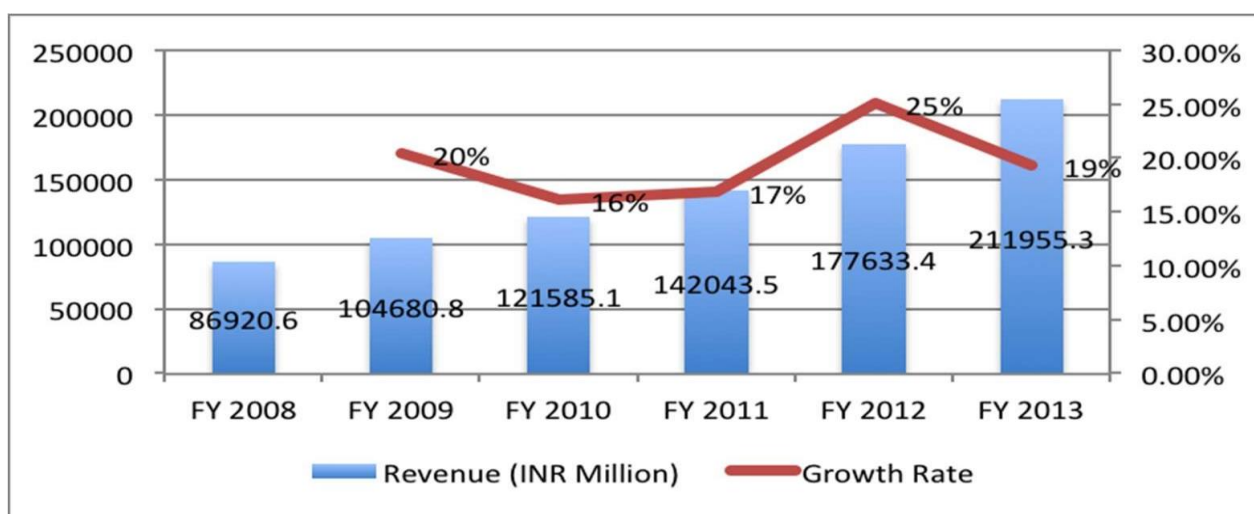
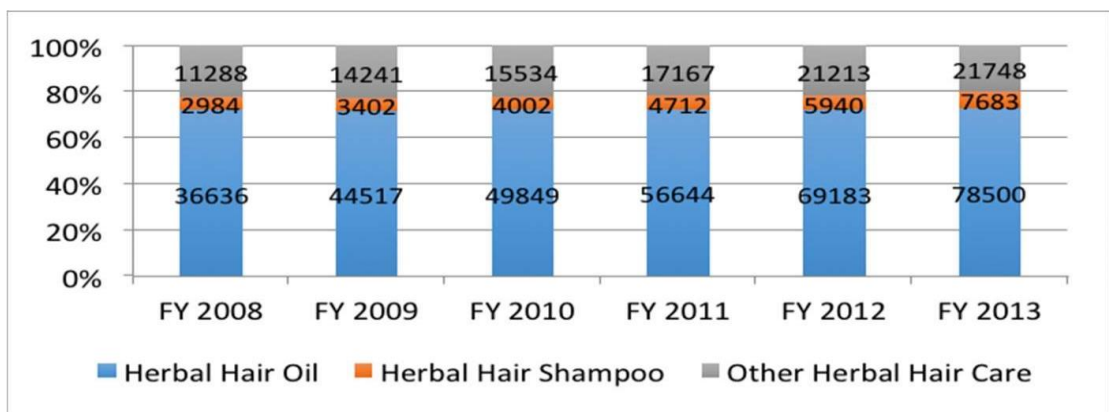


Figure 3 shows that the Herbal Products (including shampoo, hair oil, face wash, skin / body cream, oral care and Chyawanprash) are important consumer products by Ayurveda Manufacturers. Oushadhi has a miniscule presence in this fast growing market. While Herbal Hair Oil is a significant proportion of the overall Herbal Hair care market, it can be observed that Herbal Shampoo Market is growing at 21% per annum. Figure 4 shows the value of Herbal Hair Care Market from FY 2008 to FY 2013.

Figure 3: Indian Herbal Product Market Categories (Value in INR Million)

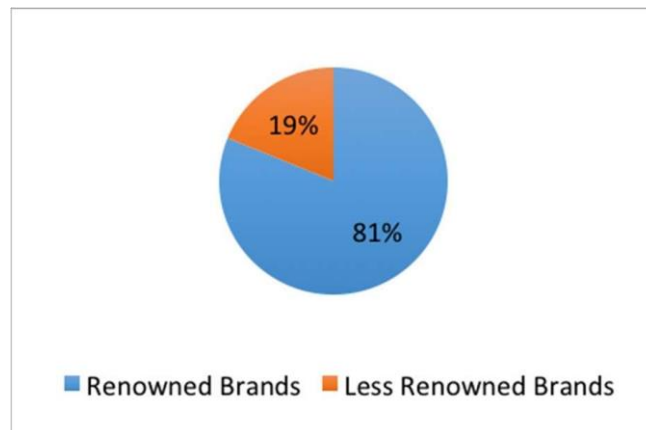
Category	INR in Million
Herbal Medicines Market	75000.00
Herbal Digestives Market	2697.10
Herbal Balm Market	7000.00
Other Herbal Medicines	65302.90
Herbal Products	136955.30
Herbal Hair Care	107931.90
Herbal Shampoo	7683.50
Herbal Hair Oil	78500.00
Others	21748.40
Herbal Skin Care Market	17728.10
Herbal Face Wash	9750.50
Herbal Skin / Body Cream	7268.50
Others	709.10
Herbal Oral Care Products	7845.30
Chyawanprash Market	3450.00

Figure 4: Value of Herbal Hair Care Market (In Rs Million)



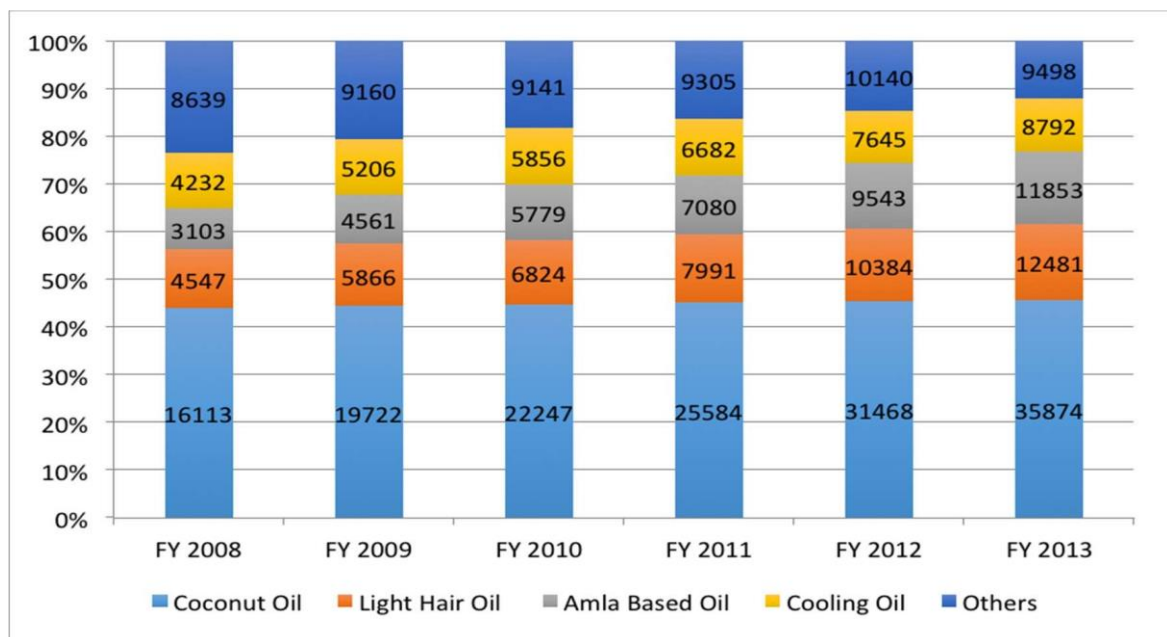
It can also be observed from Figure 5 that renowned brands form a significant proportion of the Herbal Shampoo Market (at 81%). Hence, the market can be termed as highly competitive. The major brands in the Herbal Shampoo market are Dabur (24.7%), Himalaya (23.7%), Cavincare Nyle (19.5%) and Ayur (13.2%).

Figure 5: Market Share of Renowned Brands in Herbal Shampoo Market



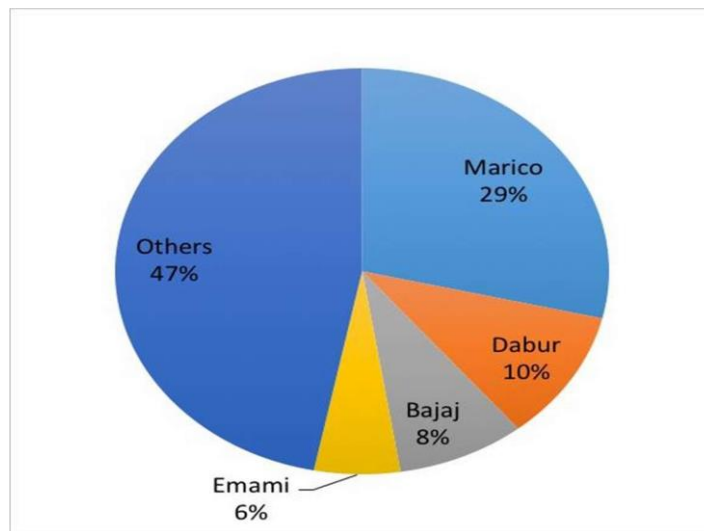
In the Herbal Hair oil market as shown in fig 6, Coconut oil forms a significant proportion of the overall herbal hair oil market. However, the growth of amla hair oils is the fastest at CAGR of 30.7% (FY 2008 to FY 2013) whereas the growth of light hair oils (such as Almond) is at 22.4%.

Figure 6: Herbal Hair Oils Market (In Rs. Million)



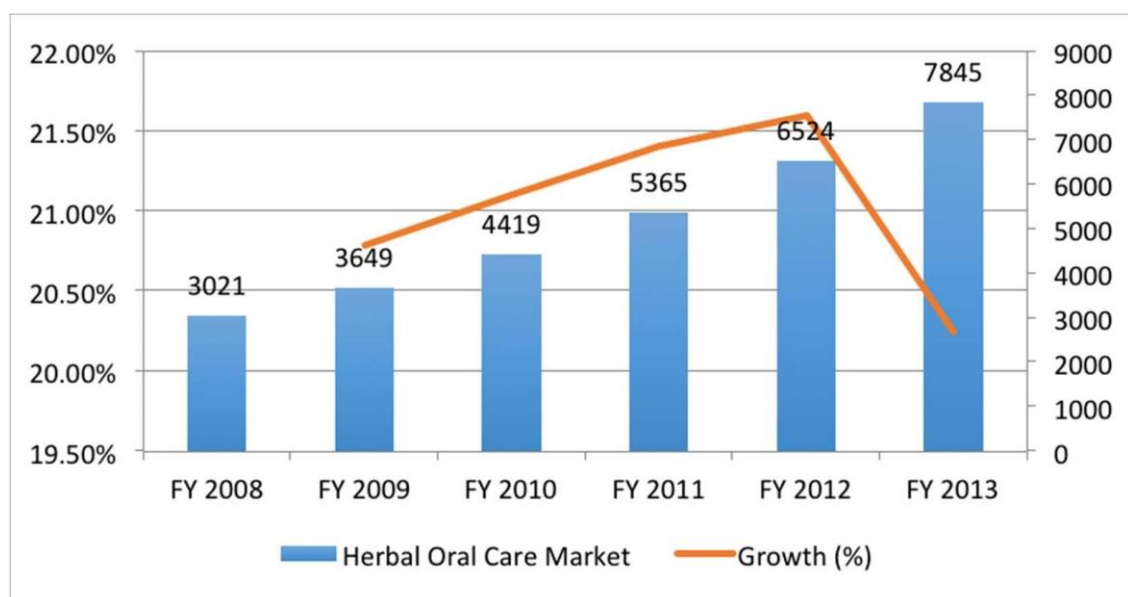
It can be observed from Figure 7 that Marico has the largest share in the Hair oil market (at 29%). However, 47% of this market is occupied by a number of players (lesser known brands).

Figure 7: Market Share of Major Brands in Herbal Hair Oil Segment



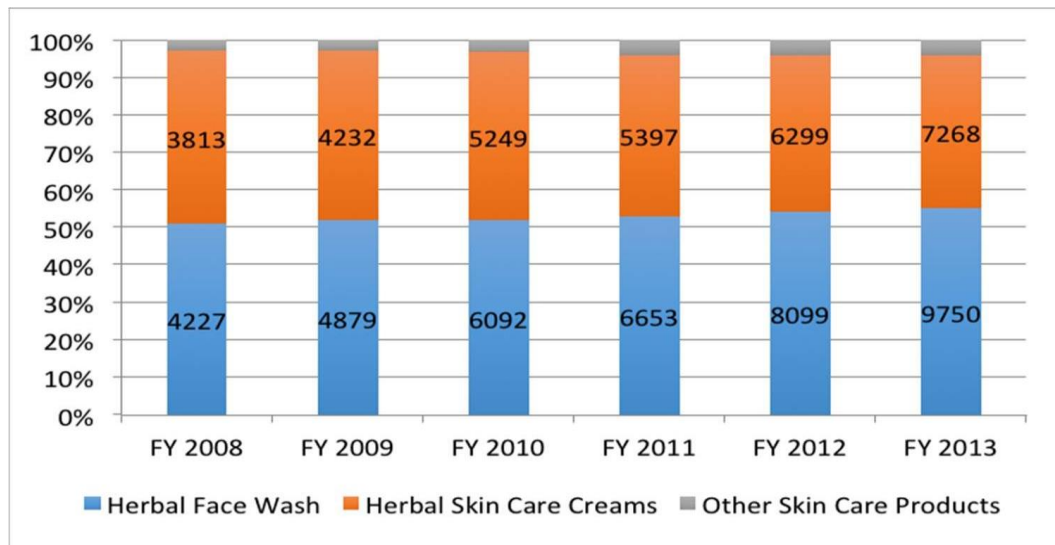
In the herbal oral care segment, the market is growing at a CAGR of 20.5%. Figure 8 shows the market value and growth rate of the herbal oral care segment.

Figure 8: Herbal Oral Care Market Size (In INR Million) and Growth



It has also been observed that the herbal oral care market is highly competitive with Dabur having a market share of 72% followed by Vicco at 13% and Himalaya at 4%. Other herbal oral care brands account for just 11% of the market. The other consumer health herbal category product is skin care products. The value of the herbal skin care products is provided in figure 9.

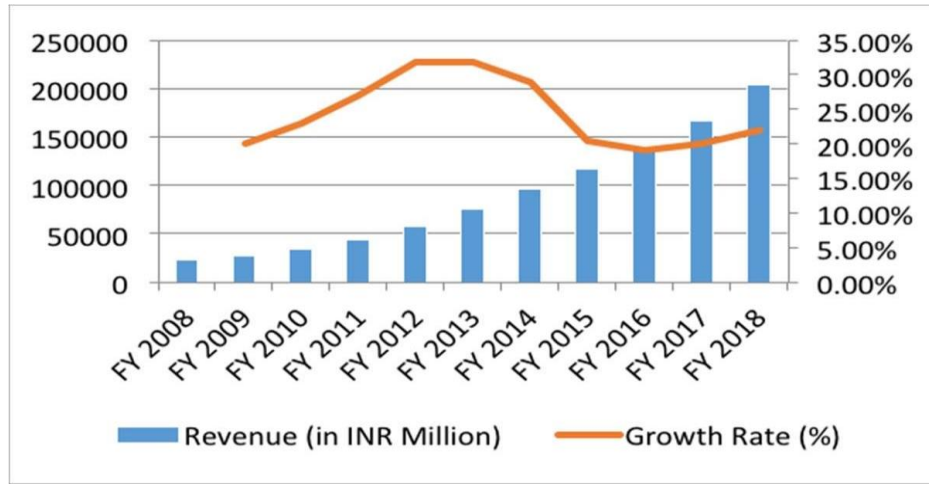
Figure 9: Value of Various Herbal Skin Care Products (In INR Million)



However, even this category, four major brands form a significant share of the market. These include Emami (34%), Vicco (26%), Himalaya (17%) and Dabur (11%). Products from other companies just form 12% of the overall market. Hence, the data clearly shows that most of the Herbal Products were manufactured by established brands with a significant market share.

Herbal medicines, which accounts for 35.4% of the alternate medicine market also witnessed an impressive growth with a CAGR of 26.7% between FY'2008 to FY'2013. The increasing demand for herbal medicines, which include prescription and OTC drugs, has been attributed to shifting trend of Indian customers and patients from allopathic medicines to alternative medicines like Ayurveda. The growth and value of the Indian Herbal Medicine Market is given in Figure 10.

Figure 10: Growth and Value of Indian Herbal Products Market



The sub-categories of herbal medicine market is growing at a CAGR of 12% between FY'2010 to FY'2015 and showing high prospects for growth. It can also be observed that the share of Herbal Medicine market has grown to more than 35% of the overall market for Herbal products.

Chapter 3

Project Proposal

It is proposed to establish a new unit of Oushadhi, named Ayush Pharma Park with capability of producing all Ayush medicines giving emphasis to Ayurveda, siddha and Unani and also extraction unit to meet the growing global demand.

3.1. Production of Classical Ayurvedic Medicines

The proposed manufacturing unit is to make Classical Ayurvedic Formulations mentioned in AYUSH essential drug list in bulk scale. Presently Oushadhi is manufacturing these at Kuttanellur plant. The reason for setting up this plant is to cater the high requirement from Ayush hospitals and public demand of these items which we are unable to meet with the existing production facility at Kuttanellur. Moreover, presently Oushadhi is not in a position to export Ayurveda medicines. The new unit also intended to produce medicines to cater global demands.

The present production facility is maintaining state GMP standard; but the global market and market outside Kerala demand WHO GMP compliance facility. Upgrading the production facility at Kuttanellur in line with WHO/GMP requirement has limitations due to space constraints and the problems with shutdown. Hence a new plant with advance technology to produce the same products is essential to grow further. The categories being considered are Asavarishtas, Oils, Kashaya Choornam (both sookshma choornam and standard choornam), Avalehas, Ghee preparations, Liquid kashayams, Tablets and patent products.

The proposed plant may be set up with a production capacity of 7500 T/year. ROI Expected is 20% as assured market is available as these products are included in Ayush essential drug List. The unit will be a state-of-the-art production facility with automation in possible areas and at the same time without compromising the features of traditional processing techniques. It will be a modern plant as per WHO GMP standards/US FDA standard.

The tentative cost for setting up of the unit is tabulated below:

	Component	Cost (cr)
1	Land Development	0.25
2	Building and civil works	25.00
3	Plant and machinery	37.00
4	Electrical works including DG set	10.00
5	Miscellaneous fixed assets	2.50
6	Contingency	0.25
	Total cost	75.00

3.2. Siddha Medicine Manufacturing Unit

Siddha medical system is a part of AYUSH. Introduction of Siddha Medicines by Oushadhi will enable to grow at accelerated rate as siddha products have very good demand in the existing market, that too in Government of India requirements. These products come under Ayush products. The production technologies are very much similar to the present practices employed by Oushadhi and hence easily start manufacturing different medicines. An assured market of Rs 40 cr exists in the Govt. sector alone. It is expected that the project will deliver an ROI of 20 %.

By setting up of a Siddha manufacturing unit, Oushadhi can emerge as the first exclusive siddha medicine manufacturing unit under public sector in India. Manufacturing process of Siddha medicines are based on Siddha Pharmacopeia, approved by AYUSH.

The proposed unit will produce 302 items of different type of siddha products such as Parpam, Chenduram, Pathangam, Kudineer choorarnam, Vennai, Nei, Mathirai, and Theeneer etc.

The tentative cost for setting up of the unit is tabulated below:

Component		Cost (in cr)
1	Land Development	0.5
2	Building and civil works	5
3	Plant and machinery	20
4	Electrical works including DG set	2.5
5	Miscellaneous fixed assets	1
6	Contingency	1
	Total cost	30

3.3. Herbal extraction plant

Plant extracts's global market is around 33 Billion Dollars and the extracts are used in the manufacturing of Pharmaceuticals, Foods, Cosmetics and Nutraceuticals. A new plant can achieve a ROI of 20 % considering the huge demand.

The proposed Herbal extraction plant can act as a bulk drug division of Oushadhi to support the manufacturing of medicines, cosmetics and Nutraceuticals. The consumption of medicinal plant extracts in India is estimated at 5000 cr and the International market potential is more than 11000 cr.

The proposed plant will be solvent extraction plant with unit operations like extraction, distillation, evaporation, milling and drying with a production capacity of 15 T/Month. Manufacturing process involves the separation of medicinally active portions of plant from the inactive or inert components by extraction with selective solvents by standard extraction procedures. The extracts so obtained will be liquids, semisolids or powders. The extracts can be used as such, or may be further processed and incorporated in any dosage form such as tablets; capsules or it may be fractionated to isolate individual chemical entities.

The tentative cost for setting up of the unit is tabulated below:

Component		Cost (in cr)
1	Land Development	0.5
2	Building and civil works	8.5
3	Plant and machinery	17
4	Electrical works including DG set	3
5	Miscellaneous fixed assets	0.5
6	Contingency	0.5
Total cost		30

3.4. Establishment of R&D

- It is proposed to have a modern research and development unit for developing new drugs and dosage forms
- Preventive Drugs for life style diseases like diabetes, cancer, infertility etc.
- Proved Classical formulations in modern dosage forms.
- Single and poly herbs in Capsules.
- Recombinant proteins from plants through molecular biology, immunology and plant biotechnology.
- New species of herbs through combinatorial biosynthesis.
Approximate cost is Rs. 10 Cr

3.5. Concept level layout of the proposed park

The proposed park has many manufacturing facilities. These can be clubbed in different strategic business units to get the following advantages:

- a) Cost efficiency
- b) Modularity enables plan for large and multi-phased projects
- c) Optimal road infrastructure
- d) Facilitate easy upgrading
- e) Simplify Service logistics
- f) Lends to flexibility in internal layout

Summary of the proposal

Sl No.	Component	Cost in Crores
1	Acquisition/purchase of land 20 Acres	5.00
2.	Production of Classical Ayurvedic Medicines	75.00
3	Siddha Medicine Manufacturing Unit	30.00
4	Herbal extraction plant	30.00
5	Research and Development Unit	10.00
	Total	150.00

The project is proposed start proposed to commence in the financial year 2020-21 and will be completed by 2021-22. The Detailed Project report will be prepared within 3 months. It is expected an expenditure of Rs. 50 Cr in the year 2020-21 and Rs. 100 Cr in the year 2021-22.

Chapter 4

Financial Analysis

4.1. Anticipated Revenue

Oushadhi aims to achieve Rs 1000 cr turnover in 2025. The proposed expansion project is one critical requirement in this direction. In 2018-19, company achieved a sales of Rs 151 cr. Company is making this business with its only one production facility existing at Kuttanellur with Government as the biggest single consumer.

The market however is much bigger. As per estimates, Ayurveda Medicine manufacturing is one of the fastest growing industries with an estimated compound annual growth rate (CAGR) of 23% from 2015 to 2020, and is expected to be a \$280 billion market by 2020. Rising income levels, the growing geriatric population, greater penetration of healthcare in rural settings, and increasing health awareness with an emphasis on preventative healthcare, is expected to enhance the demand for healthcare services. The Ayurveda industry can be categorized by its market offerings into two broader categories:

A) Products: Ethical, classical, OTC, personal care and beauty products: The Ayurveda product segment (valued at approximately USD 2.27 billion in 2016) has been flourishing in India for many decades. Ethical products, classical Ayurveda products, fast-moving consumer goods (FMCG) and personal care products (including cosmetics) are the major categories being retailed. Some of the prominent blockbuster products include Chyawanprash, Triphala Churna, Ashwagandha, and Aloe Vera products

B) Services: Medical, well-being, medical tourism services: The Ayurveda services segment (valued at approximately USD 0.75 billion in 2016) includes two broader categories market medical services and wellbeing services.

To achieve Rs 1000 Cr in 2025, the growth must be planned in the following manner:

	2020-21		2023-24		2025-26
Sales/turnover (in cr)	300 cr	Initially for the next 03 years the company must grow 30% YoY to double the turnover	600 cr	Grow 25% YoY to double the turnover in the next 03 years	1000 cr

4.2. Preliminary Financial analysis

This section provides the financial analysis and financial feasibility for the investments and capital structure proposed in the earlier chapter. The summary of financial analysis is as follows

Total project cost	Rs.150 crore
Operating profit (profit before interest tax , depreciation)	30%
IRR (financial)	27 %
Payback period	6 years
Cost of capital to company	12%

The IRR is calculated for a period of 6 years (excluding an investment period of 2 years). Since the IRR is above cost of capital the project with investment of Rs.150 crore the project is financially viable

4.2.1 Means of finance

a) Option1

In the first option KIIFB funding is suggested. In this case the return from the project can be used to pay back the investment at later stage through dividends to government or the fund can be taken as interest bearing fund (lower than market rate)

b) Option 2

In the Second option a long tenure re-financeable Term loan is suggested

Total project cost	Rs.150 crore
Equity	100
Debt	150
Debt tenure	14 years
Interest rate	10.90%

The debt equity ratio assumed is 60:40 with the above financial assumption the Average debt service coverage ratio of 1.70

c) Option 3 - Funding through government schemes

Further to above two options Oushadhi can look for any government schemes to partially fund the project.

4.3. Strategies

4.3.1. Prepare a Growth plan & form a Core team

The company needs to formulate short term and long term plans to attain the yearly revenue projections set as per the above table. Oushadhi needs to aggressively market its products to the local, domestic and global market to achieve the revenue projection. Company has to increase its revenue from the domestic market progressively in each year. New markets need to be developed. This will require the services of a dedicated business development Team.

4.3.2. Continuous R&D and launch of new products

Oushadhi will be having state of the art units and R&D center in the new park. Investment in R&D in new product development, BT etc. may be taken in a systematic manner. Oushadhi may augment its research resources in appropriate time. New product launches at regular intervals may be attempted to retain the upper hand among competitors.

4.3.3. Actions to acquire niche sector expertise

Oushadhi may think of entering into tie-ups with various R&D Labs, products development companies in the country and globally to hire/acquire expertise and new product formulations.

The Company must evaluate whether to fully achieve its goals can do it alone or get advantages by forming partnerships or establishing cooperative action with other companies: similar companies, customers or suppliers

4.4. Marketing plan

4.4.1. Leverage brand Oushadhi

Oushadhi enjoys credibility for maintaining the Ayurveda's rich heritage. Recognition as a complementary system of medicine in developed countries provides a good foundation to set an ambitious growth goal (tripling size) by increasing market share, customer access, and profitability in both India and global markets.

4.4.2. Develop Strategic Market Development Partners

Reliable and trustworthy Marketing and distribution partners forms a critical success factor for FMCG sector. Keeping the same in mind, Oushadhi needs to develop more partners for global and national markets.

4.4.3. Explore online market (exclusive/ existing ecommerce leaders)

Online markets are fast becoming the strongest and most popular platform for sales and purchases. The company must make plans and strategies for the same with the help of experts.

4.4.4. More niche shops in the country and abroad

Exclusivity and niche plays a strong factor in attracting high end consumers. Going forward, when Oushadhi launches niche products (life style/ wellbeing category), the company needs to develop niche shops with better shopping experience.

5.4. Project viability of the proposed project

The proposed project is capable of providing an IRR of 16-20 % as the project envisages setting up of manufacturing units for various products. The phasing also helps to provide an attractive financial viability. An estimated revenue of 30 cr is needed from the second year onwards for the initial phase investment of Rs 150 cr.

The company as per its financial objective of reaching Rs 1000 cr in 2025 will anyway require such augmentation in development. As the demand existing in the market, with right strategies and plans, Oushadhi can make this target an achievable one.