



TIJARIA POLYPIPES LIMITED

(Company Registration No. 17-022828/2006-07-CIN- U25209RJ2006PLC022828; ISIN-INE-440L01017)

Our Company started as a partnership firm as under the name of 'Tijaria Overseas Vinyl' in the 2000, which was converted into a Private Limited company as 'Tijaria Polypipes Private Limited' on July 17, 2006 under Part IX of the Companies Act, 1956.

The Company was later on converted into Public Limited Company on July 20, 2006 and consequently the name of the Company was changed to 'Tijaria Polypipes Limited' and a fresh certificate of Incorporation dated July 20, 2006 was Issued by Asst Registrar of Companies, Rajasthan, Jaipur.

Registered Office: A-130(E), Road No.9-D, Vishwakarma Industrial Area (VKI), Jaipur-302013

Tel.No. +91-141-2333722/23, 3218100, 3219300, 4010800; **Fax No.** +91-141-2332342 **E-mail:** ipo@tijaria-pipes.com;

Website: www.tijaria-pipes.com **Contact Person:** Mr. Tej Kumar Jain (Finance Manager & Company Secretary)

Promoters of the Company: Mr. Alok Jain Tijaria, Mr. Vikas Jain Tijaria, Mr. Praveen Jain Tijaria and Mr. Vineet Jain Tijaria

THE ISSUE

PUBLIC ISSUE OF 1,00,00,000 EQUITY SHARES OF ₹ 10/- EACH ISSUED FOR CASH AT A PREMIUM OF ₹ 50/- PER EQUITY SHARE I.E. AT A PRICE OF ₹ 60 PER EQUITY SHARE AGGREGATING TO ₹ 6000 LACS ("THE ISSUE" OR "THE NET ISSUE") BY TIJARIA POLYPIPES LIMITED ("THE COMPANY" OR "THE ISSUER"). THE FACE VALUE OF THE SHARE IS ₹ 10/- EACH AND THE ISSUE PRICE IS 6 (SIX) TIMES OF THE FACE VALUE. THE ISSUE TO THE PUBLIC WILL CONSTITUTE 42.33% OF THE FULLY DILUTED POST-ISSUE EQUITY SHARE CAPITAL OF THE COMPANY. THE ISSUE IS BEING MADE IN TERMS OF REGULATION 26 (1) OF SEBI (ICDR) REGULATIONS, 2009.

RISK IN RELATION TO THE FIRST ISSUE

This being the first issue of the Equity Shares of Tijaria Polypipes Limited ("our Company"), there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares of the Company is ₹ 10/- per share and the Issue Price is 6 (SIX) times of the face value of the Equity Shares of the Company. The Issue Price (as determined by the Company in consultation with the Lead Manager and as stated herein under the paragraph 'Basis of Issue Price') 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 our Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in 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 Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the 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 Prospectus. **Specific attention of the investors is invited to the section titled 'Risk Factors' beginning on Page No. 7 of this Prospectus.**

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus 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 this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus 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 Prospectus are proposed to be listed on **Bombay Stock Exchange Limited ("BSE")** and **The National Stock Exchange of India Limited ("NSE")**. The in-principle approvals of BSE and NSE for listing of Equity Shares of our Company have been received pursuant to letters dated November 10, 2010 and January 25, 2011 respectively. **BSE shall be the Designated Stock Exchange for the purpose of this Issue.**

IPO GRADING

This Issue has been graded by ICRA Limited and has been assigned "ICRA IPO GRADE 2" which indicates below average fundamentals, through their letter dated May 20, 2011. For more information on IPO Grading, please refer to the sections titled "General Information", "Other Regulatory and Statutory Disclosures" and "Material Contracts and Documents for Inspection" beginning on **Page No. 40, 252 and 322** of this Prospectus, respectively.

LEAD MANAGER TO THE ISSUE



Hem Securities Limited

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MUMBAI- 400 001
Tel.: 022 - 2267 1543 / 44
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Contact Person: Mr. Rakesh Bhalla
SEBI Regn. No.: INM000010981

REGISTRAR TO THE ISSUE



Sharex Dynamic (India) Pvt. Ltd.

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ISSUE PROGRAMME

ISSUE OPENS ON : TUESDAY, SEPTEMBER 27, 2011

ISSUE CLOSSES ON : THURSDAY, SEPTEMBER 29, 2011

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SECTION I - GENERAL

1.1 - DEFINITIONS

Term	Description
“Tijaria Polypipes Limited” or “TPL” or “the Company” or “Our Company”	Tijaria Polypipes Limited, a public limited Company incorporated under the Companies Act, 1956 with its registered office at A-130 (E), Road No. 9-D, Vishwakarma Industrial Area (VKI), Jaipur – 302 013, Rajasthan.
“We” or “us” or “our”	Unless the context otherwise require, refers to erstwhile firm viz. Tijaria Overseas Vinyl, which was converted into a private limited Company on July 17, 2006 under Part IX of the Companies Act, 1956 and thereafter it was converted into a public limited Company on July 20, 2006. Consequently, the name of the Company was changed to Tijaria Polypipes Limited and a fresh Certificate of Incorporation was issued by the Assistant Registrar of Companies, , Rajasthan, Jaipur
“you”, “your” or “yours”	Prospective investors in this Issue

1.2 - CONVENTIONAL / GENERAL TERMS

Terms	Description
Articles / Articles of Association	Articles of Association of Tijaria Polypipes Limited
Axis Bank	Axis Bank Limited
Auditors	The Auditors of Tijaria Polypipes Limited viz., 1. M/s. G.K. Mittal & Associates, Chartered Accountants, “Shree Dham” G-1, R-20, Yudhister Marg, C-Scheme, Jaipur – 302005, Rajasthan. (Peer Auditors) Joint Auditors : 2. M/s. S. Misra & Associates, Chartered Accountants, 3-C, 3 rd Floor, Tilak Bhawan, Tilak Marg, C-Scheme, Jaipur – 302005, Rajasthan. (Peer Auditors)
Board of Directors / Board	The Board of Directors of Tijaria Polypipes Limited, including all duly constituted Committees thereof.
Companies Act	The Companies Act, 1956, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time
Director(s)	Director(s) of Tijaria Polypipes Limited, unless otherwise specified
Equity Shares	Equity Shares of our Company of Face Value of ₹ 10 each unless otherwise specified in the context thereof
Executive Directors	Executive Directors are the Whole time Directors of our Company.
GIR Number	General Index Registry Number
HUF	Hindu Undivided Family
Indian GAAP	Generally Accepted Accounting Principles in India
IndusInd Bank	IndusInd Bank Limited
MOA / Memorandum of Association	Memorandum of Association of Tijaria Polypipes Limited
Non Residents	A person resident outside India, as defined under FEMA.
NRIs / Non-Resident Indians	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India)

Terms	Description
	Regulations, 2000.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Core Promoters	Mr. Alok Jain Tijaria, Mr. Vikas Jain Tijaria, Mr. Praveen Jain Tijaria and Mr. Vineet Jain Tijaria
Promoter Group (Individuals)	Mrs. Anu Jain Tijaria, Mrs. Reema Jain Tijaria, Mrs. Purnima Jain Tijaria, and Mrs. Sonal Jain Tijaria
Promoter Group (Corporate Entities)	1. Tijaria Industries Limited 2. Tijaria Vinyl Private Limited 3. Tijaria International Limited (Non-Equity holding entity) 4. Tijaria Publication Private Limited (Non-Equity holding entity)
Registered and Corporate Office	A-130 (E), Road No. 9-D, Vishwakarma Industrial Area (VKI), Jaipur – 302 013.
RoC	Registrar of Companies, Rajasthan situated at Jaipur
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI on August 26, 2009, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997, as amended from time to time
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
Stock Exchanges	Bombay Stock Exchange Limited and National Stock Exchange of India Limited

1.3 - ISSUE RELATED TERMS

Terms	Description
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Prospectus
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of the Company
Allotment/Allotted	Issue of the Equity Shares pursuant to the Issue to the successful applicants
Allottee	The successful applicant to whom the Equity Shares are being / have been issued.
Banker to the Company	Bank of India, Jaipur Mid Corporate Branch, Ground Floor, Nilkanth Tower, 1, Bhawani Singh Road, Jaipur
Bankers to the Issue	1. Axis Bank Limited, 2. Indusind Bank Limited
BSE	Bombay Stock Exchange Limited.
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996
Designated Date	The date on which funds are transferred from the Escrow Account to the

Terms	Description
	Public Issue Account.
Employees	Permanent Employees of Tijaria Polypipes Limited as on June 30, 2011 including both staff and workmen employees.
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Applicant (excluding the ASBA Applicant) will issue cheques or drafts in respect of the Application Amount when submitting an Application
Escrow Agreement	Agreement entered into amongst the Company, Lead Manager, the Registrar, the Escrow Collection Bank(s) for collection of the Application Amounts and for remitting refunds (if any) of the amounts collected to the Applicants (excluding the ASBA Applicants) on the terms and condition thereof
Escrow Collection Bank(s)	The Banks which are clearing members and registered with SEBI as Bankers to the Issue wherein the Escrow Account(s) of the Company will be opened
IPO	Initial Public Offering
Issue / Issue Size	The public issue of an aggregate of 1,00,00,000 Equity Shares
Issue Price	The price at which the Equity Shares are being issued by our Company under this Prospectus being ₹ 60/-.
LM/Lead Manager	Lead Manager to the Issue, in this case being Hem Securities Limited.
Prospectus	The Prospectus, filed with the ROC containing, inter alia, the issue price, the size of the issue and other information
NSE	National Stock Exchange of India Limited.
Public Issue / Issue / Initial Public Offering / IPO	Public Issue of 1,00,00,000 equity shares of ₹ 10/- each for cash at a premium of ₹ 50/- per equity share (Price of ₹ 60/- per equity share) aggregating to ₹ 6000 Lacs (the Issue) by Tijaria Polypipes Limited (Our 'Company' or 'Issuer'). The face value of the share is ₹ 10/- each and the issue price is ₹ 60/- (6 times of the face value).
Qualified Institutional Buyers / QIBs	Public Financial Institutions as specified in Section 4A of the Companies Act, Scheduled Commercial Banks, Mutual Funds, Foreign Institutional Investors registered with SEBI, Multilateral and Bilateral Development Financial Institutions, Venture Capital funds registered with SEBI, State Industrial Development Corporations, Insurance Companies registered with the Insurance Regulatory and Development Authority (IRDA), Provident Funds with a minimum corpus of ₹ 25 Crores and Pension Funds with a minimum corpus of ₹ 25 Crores, National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India, Insurance funds set up and managed by army, navy or air force of the Union of India, Insurance funds set up and managed by the Department of Posts, India.
Refund Account	Account opened with an Escrow Collection Bank from which the refunds of the whole or part of the Application Amount (excluding to the ASBA Applicants), if any, shall be made.
Refund Banker	Axis Bank Limited
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS, Direct Credit or RTGS or NEFT or the ASBA process, as applicable
Registrar/ Registrar to the Issue	Registrar to the Issue being Sharex Dynamic (India) Pvt. Ltd.
Regulations	SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009

Terms	Description
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000
SCSB	Self Certified Syndicate Bank
"Tijaria" or our Company or "Tijaria Polypipes Limited" or "TPL"	Tijaria Polypipes Limited, a public limited Company incorporated under the Companies Act, 1956 having its registered office at A-130 (E), Road No. 9-D, Vishwakarma Industrial Area (VKI), Jaipur – 302 013.
We or "us" or Our Company	Refers to Tijaria Polypipes Limited.

1.4 - COMPANY AND INDUSTRY RELATED TERMS

Terms	Description
ASTM	American Society for Testing & Materials
BIS	Bureau of Indian Standards
CI	Casting Iron
CPVC	Chlorinated Polyvinyl Chloride
C&F	Clearing & Forwarding
DG	Diesel Generator
DIC	District Industries Centre
DTY	Draw Texturised Yarn
DWC	Double wall corrugated
Erstwhile Firm	Tijaria Overseas Vinyl, a partnership firm of our Promoters, which was initially converted into a private limited Company viz. Tijaria Polypipes Private Limited under Part IX of the Companies Act, 1956 on July 17, 2006 and later on converted into a public limited Company on July 20, 2006.
GFI	Gross Fixed Investment
GIS	German Industrial Standard
GI	Galvanized Iron
HDPE	High Density Polyethylene
Kgf/cm ²	Kilograms of force per square centimeter
KVA	Kilo Volt Ampere
LDPE	Low Density Polyethylene
LLDPE	Linear low density Polyethylene
MM	Millimeters
MS	Mild Steel
PE	Polyethylene
PLB	Permanently Lubricated
Potable	Fit to drink
PP	Poly Propylene
PVC	Poly Vinyl Chloride
RPVC	Rigid Poly Vinyl Chloride
SSI	Small Scale Industries
SWR	Soil Waste and Rain Water
UPVC	Unplasticised Poly Vinyl Chloride
Unit 1 (Existing)	Manufacturing facilities located at A-130 (E) & (H), Road No. 9-D, Vishwakarma Industrial Area (VKI), Jaipur – 302 013, Rajasthan.

Terms	Description
Unit 2 (Existing)	Manufacturing facilities located at F-532, Road No. 6-D, Vishwakarma Industrial Area (VKI), Jaipur – 302 013, Rajasthan.
Proposed Unit 1	Manufacturing facilities will be located at SP-1 - 2316, RIICO Industrial Area, Ramchandrapura, Sitapura (Extn.), Jaipur – 302 022, Rajasthan.
Proposed Unit 2	Manufacturing facilities will be located at F-2243, RIICO Industrial Area, Ramchandrapura, Sitapura (Extn.), Jaipur – 302 022, Rajasthan.

1.5 - ABBREVIATIONS

Abbreviation	Full Form
AS	Accounting Standards as issued by the Institute of Chartered Accountants
A/c	Account
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
ASF	Acrylic Staple Fibre
AY	Assessment Year
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CFO	Chief Financial Officer
CIN	Company Identification Number
CIT	Commissioner of Income Tax
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
P	Prospectus
DTY	Draw Texturised Yarn
DWC	Double Walled Corrugated Pipes
ECS	Electronic Clearing System
EPS	Earnings Per Share
EGM	Extraordinary General Meeting
EXIM/ EXIM Policy	Export – Import Policy
FCNR Account	Foreign Currency Non Resident Account
FIPB	Foreign Investment Promotion Board
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FII	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 registered with SEBI under applicable laws in India
Gol/Government	Government of India
GDP	Gross Domestic Product
HUF	Hindu Undivided Family
I.T. Act	Income Tax Act, 1961, as amended from time to time
MAPIN	Market Participants and Investors' Integrated Database

Abbreviation	Full Form
RIICO	Rajasthan State Industrial Development & Investment Corporation Ltd
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
NA	Not Applicable
NAV	Net Asset Value
NPV	Net Present Value
NRIs	Non Resident Indians
NRE Account	Non Resident External Account
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies
P.A.	Per Annum
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PFY	Polyester Filament Yarn
PSF	Polyester Staple Fibre
RBI	The Reserve Bank of India
ROE	Return on Equity
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
Rs./ ₹	Rupees, the official currency of the Republic of India
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
STT	Securities Transaction Tax
Sec.	Section
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 registered with SEBI under applicable laws in India.
VKI	Vishwakarma Industrial Area
Working Days	All days except Saturday, Sunday and any public holiday

SECTION II: RISK FACTORS

2.1 - CERTAIN CONVENTIONS; USE OF MARKET DATA

Unless stated otherwise, the financial data in the Prospectus is derived from our *Audited Financial Statements, as restated* prepared and restated in accordance with Indian GAAP, the Companies Act, 1956 and SEBI (ICDR) Regulations, 2009 included under Section titled "Financial Information of the Company" beginning on Page No. 172 of this Prospectus. We have no subsidiaries. Accordingly, financial information relating to us is presented on a non-consolidated basis. Our financial year commences on April 1 of every year and ends on March 31st of every next year. In the Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding-off.

In this Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word "Lacs" means "one hundred thousand" and the word "million" means "ten lac" and the word "Crore" means "ten million".

Throughout this Prospectus, all figures have been expressed in Lacs. Unless otherwise stated, all references to India contained in this Prospectus are to the Republic of India. Unless stated otherwise, industry data used throughout this Prospectus has been obtained from industry publications, internal Company reports, newspaper and magazine articles etc.

Such publications generally state that content 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 that the industry data used in this Prospectus is reliable, it has not been verified by any independent source.

For additional definitions, please refer to "Definitions" on Page No. 1 of this Prospectus. In the Section titled 'Main Provisions of the Articles of Association' on Page No. 290 of this Prospectus, defined terms have the meaning given to such terms in the Articles of Association of our Company.

2.2 - FORWARD-LOOKING STATEMENTS

Statements included in this Prospectus which contain words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expression or variations of such expressions, that are "forward-looking statements".

All forward looking statements are subject to risks, uncertainties and assumptions 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, among others: -

- General economic and business conditions in India and other countries.
- Regulatory changes relating to the plastic pipe sector in India and our ability to respond to them.
- Our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks that have an impact on our business activities or investments.
- The monetary and financial policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry.
- Changes in the value of the Rupee and other currencies.
- The occurrence of natural disasters or calamities.
- Change in political condition in India.

For further discussion of factors that could cause our actual results to differ, see the Section titled "Risk Factors" beginning on Page No. 7 of this Prospectus. 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 our Company 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 Lead Manager 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 for the Equity Shares allotted pursuant to this Issue.

2.3 - RISK FACTORS

An investment in equity involves a high degree of risk. Investors should carefully consider all the information in this Prospectus, including the risks and uncertainties described below, before making an investment in our equity shares. Any of the following risks as well as other risks and uncertainties discussed in this Prospectus could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or part of your investment. In addition, the risks set out in this Prospectus may not be exhaustive and additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may arise or become material in the future. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein.

Materiality

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

1. Some events may not be material individually but may be found material collectively.
2. Some events may have material impact qualitatively instead of quantitatively.
3. Some events may not be material at present but may be having material impact in future.

Note:

The risk factors as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.

In this Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in "Risk Factors" on Page No. 7 and "Management Discussion and Analysis of Financial Conditions and Operations" on Page No. 220 of this Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the "Audited Financial Statements, as restated" prepared in accordance with the Indian Accounting Standards.

Internal Risk Factors

- 1. Availability of adequate quantities of raw materials, which constitutes about 83% of the total manufacturing expenses based on the *Audited Financial Statements, as restated* as at March 31, 2011, at competitive prices is key to our existing operations and may also be for our proposed new line of activities. Our Company has not entered into specific agreements for supply of its major raw materials for its existing and proposed line of activities with the concerned suppliers. *Any significant increase in prices of these major raw materials or any disruption in their supplies may adversely affect our business operations and consequently financials of our Company.***

Our raw materials cost constitutes about 83% of total manufacturing expenses based on the *Audited Financial Statements, as restated* as at March 31, 2011. We procure raw material HDPE Granules, PVC Resins and LLDPE / LDPE for our existing products viz HDPE/PVC, DWC Pipes and Sprinklers, Drip Irrigation Pipes respectively from domestic suppliers through established network. Both these items of raw material constitute significant percentage of total manufacturing expenses. Under our diversification plan, we would require different kinds of raw materials viz DTY & Monofilaments (which the Company proposes to manufacture itself and which are also readily available in the domestic market), Pet Bottle Scrap/ Flasks, Pet Flasks etc which are easily available and can also be imported. However, we have not entered into any agreement with the suppliers of these raw materials. *Any significant increase in the prices of these raw materials due to any reason whatsoever, and our inability to pass on additional costs to our customers due to market compulsions may adversely affect our operations and thereby financials of our Company.*

2. ***Our Company procures significant portion of raw materials from a few suppliers. Any discontinuation or disruption of supply of raw materials by these few suppliers would adversely impact business operations and financial condition of our Company.***

During the financial year ended March 31, 2011, our Company procured significant portion of raw materials from a few of the suppliers as per the details given below:

<i>Name of the Supplier</i>	<i>Quantity</i>	<i>Value (₹ in Lacs)</i>	<i>Whether related to our Company,our Promoters, our Promoter Group</i>
<i>Reliance Industries Ltd-HDPE Dana & PVC Resins</i>	<i>2455.49 MT</i>	<i>1488.31</i>	<i>Nil</i>
<i>B.N, Polymers Pvt Ltd</i>	<i>510.00 MT</i>	<i>239.76</i>	<i>Nil</i>
<i>M.R. Gupta & Co. Pvt. Ltd.</i>	<i>402.00 MT</i>	<i>233.55</i>	<i>Nil</i>
<i>Prayag Polytech Pvt Ltd</i>	<i>57.65 MT</i>	<i>33.76</i>	<i>Nil</i>

Any discontinuation or disruption of supply of raw materials by any of the above suppliers would adversely impact business operations and financial condition of our Company.

3. ***There are other Companies promoted by our Promoters, which may engage in the lines of business similar to ours. There are no non-compete agreements between our Company and Promoter Group Companies. We cannot assure that our promoters will not favor the interests of the said companies over our interest or that the said companies will not expand which may increase our competition, which may adversely affect business operations and financial condition of our Company.***

Our promoters have promoted Tijaria Industries Limited, Tijaria Vinyl Private Limited, and Tijaria International Limited which may engage in the lines of business similar to ours. There are no non-competing agreements between our Company and Promoter Group Companies. *We cannot assure that our promoters will not favor the interests of the said companies over our interest or that the said companies will not expand which may increase our competition, which may adversely affect business operations and financial condition of our Company.*

4. ***Our Company has been assigned LBBB- rating for its term loans and fund based facilities by ICRA vide its August, 2010 Credit Ratings Report which inter-alia includes various credit concerns with regard to existing businesses of our Company. Considering the magnitude of our proposed expansion-cum-diversification project which is very large in relation to our current size of operations and could be exposed to various execution related risks and consequently may have an adverse impact on our business operations and financial condition of our Company.***

ICRA had reaffirmed the LBBB- (pronounced L triple B minus) rating on our Company's term loans and fund based facilities in August 2010. The outlook on long term rating is Stable. As per ICRA's analysis, credit concerns for our Company includes:

- *Relatively smaller player in the plastic pipes business which exposes the company to intense competition*

- *Vulnerability of profitability to the fluctuations in Crude Oil prices, as the major raw materials are petroleum derivatives*
- *Execution risk associated with substantial capex for diversification project, it being a new area of business for the company*
- *Stressed cash flows due to high growth in the business and large working capital requirements*

Keeping in view of the above credit concerns mentioned by ICRA and thereby considering the magnitude of our proposed expansion-cum-diversification project which is very large in relation to our current size of operations and could be exposed to various execution related risks and consequently may have an adverse impact on our business operations and financial condition of our Company.

- 5. *We depend on our key customers who contribute significantly towards our total sales. Any discontinuation of business or placement of orders by our these key customers may adversely affect our business operations and financial condition of our Company.***

Our top 10 customers had contributed to around 70% of our total sales volume during the financial year 2009-10. Although, during the financial year ended March 31, 2011, our top 10 customers have contributed only around 48.33% of our total sales volumes, our key customers continue to contribute significantly towards our total turnover. Any discontinuation of business or placement of orders by our key customers may adversely affect our business operations and financial condition of our Company.

- 6. *Our ability to effectively manage our expansion and diversification plans and successfully execute and implement our growth oriented projects may be limited which could have an adverse effect on our business operations and financial conditions.***

In the past, we have achieved impressive growth in revenues and profits as is evident from our Audited Financial Statements, as restated for past five years. We have grown from a partnership firm to a limited Company during this five year period and continue to pursue such development strategies which would not only enhance existing operations but also focus on newer opportunities in diversified areas. Our Company's future prospects predominately depend upon our managerial capabilities and capacities to undertake such growth oriented projects. This could only be achieved once we have improvised operating systems, sound organizational structures in place, existence of standardized procedures and effective internal control mechanisms, continuous upgradation of the infrastructure and managerial capabilities to take the most appropriate managerial decisions at right time as per need of the hour. In the unlikely event of our failure to install such systems, procedures and control mechanisms in our Company due to our limited managerial abilities, we may not be able to pursue our strategic expansion cum diversification plans effectively. This could adversely affect execution of future plans, results of operations and financial conditions.

- 7. *Our Company so far has placed orders for Plant & Machinery worth ₹ 2074.00 Lacs only (Imported Machinery ₹ 1268.00 Lacs and Indigenous ₹ 806.00 Lacs as against total Plant and Machinery amounting to ₹ 6225.00 Lacs (Imported ₹ 5025.00 Lacs and Indigenous ₹ 1200.00 Lacs) under its expansion cum diversification project. Any delay in procurement of balance plant and machinery, equipments etc may delay the implementation schedule which may also lead to increase in prices of these equipments thus adversely affecting costs, revenues and profitability. Further, Our Company has not entered into any forward exchange contracts to hedge exchange fluctuation risks with regard to imported plant and machinery. Our proposed expansion-cum-diversification project may be hampered or delayed in case of happening of all or any of the above mentioned event, which may have an adverse affect business operation and financial condition of our Company.***

We are yet to place orders for remaining Plant and Machinery (both imported and indigenous) amounting to ₹ 4151.00 Lacs required for our expansion cum diversification project. So far we have placed orders worth ₹ 2074.00 Lacs only. We are subject to the risks on account of inflation in the price of machinery and other equipments which are required for our project. Further in respect of the machinery and equipments that we propose to import /procure from overseas, we may be subjected to the risks arising out of currency rate fluctuations. Since our Company has yet to place orders worth ₹ 3757.00 Lacs for machinery to be imported, we have not arranged for any hedging facility to cover the risks arising out of foreign exchange fluctuations in relation to the aforesaid imports. *Above factors may adversely affect our cost, revenue and profitability estimations.*

8. Our Company is involved in certain legal proceedings

- A. *Our Company is involved in certain legal and other proceedings in India and may face liabilities as a result.*

We are involved in legal proceedings and claims in India. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. *Should any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements, which could increase our expenses and our liabilities. We cannot assure you that these legal proceedings will be decided in our favour. Any adverse decision may have a significant adverse effect on our business and results of operations.*

Our outstanding legal proceeding and the amounts claimed in these proceedings have been disclosed to the extent ascertainable below:

(₹ In Lacs)

Sr. No	Nature of Proceeding	Number of Cases	Amount (₹)
1	Excise Cases	1	1.93
2	Consumer Cases	2	3.05
3	RIICO Cases	1	81.57
4	Sales Tax	2	2.91
5	Stamp Duty	1	1.10
6	Company Cases	1	37.14
7	Income Tax	1	Not Ascertainable

- B. Some of our Directors, Promoters are party to various legal proceedings that, if determined against them, could have a material adverse impact on our financial condition and result of operations.

Some of our Directors, Promoters are party to various legal proceedings.

(₹ In Lacs)

Sr. No.	Nature of Proceeding	Number of Cases	Amount (₹)
1	Criminal	2	Not ascertainable
2	Company	1	Not ascertainable
3	Stamp Duty	1	3.63

Also we have from time to time initiated legal proceedings relating to our business and operations, for further details of outstanding litigation against us,

Please see "Outstanding Litigation and Material Developments" on Page No. 234 of this Prospectus.

9. **The Bank of India, Our Bankers, have appraised our expansion-cum-diversification project and have mentioned in their appraisal report certain weaknesses and threats by way of risk factors with regard to the said project. *Our Company may be vulnerable to such weaknesses and threats***

which could have an adverse impact on our business operations and financial condition of our Company.

The following weaknesses and threats by way of risk factors have been mentioned in the Appraisal Report of the Bank of India, Our Bankers, with regard our proposed expansion-cum-diversification project, which are reproduced below:

- *The Company is new to the industry in which the diversification is proposed*
- *The prices of raw material and finished goods move in tandem with the international prices which in turn have positive co-relation with the prices of petro-chemical products.*
- *Post, WTO, India is exposed to international competition, especially from countries like China which are supplying goods at much lower prices.*
- *With the growing demand in the world market, more and more players are likely to come into this line which may result in diluting the anticipated market share of the company.*
- *Delayed payment realization from Government departments.*
- *Most of the machines imported are from China, report on the suppliers to be obtained*
- *Availability of re-cycled PET flakes as it is the major raw material for the proposed project.*

In the event of happening of all or any above stated weaknesses and threats, Our Company's business operations and financial condition may be adversely affected.

- 10. *We did not attach Cash Flow Statement with regard to financial Year ended March 31, 2008 and March 31,2009 as per Accounting Standard –3 issued by The Institute of Chartered Accountants of India (I.C.A.I) and as per section 211 (3A) of the Companies Act, 1956. Though the cash flow statements were prepared, the same were not attached inadvertently. However, from the subsequent financial years cash flow statements are duly attached as per AS-3 of the ICAI and the AS-3 has been duly complied with. Our Company may be subjected to penal provisions with regard to relevant financial years as per the relevant sections of the Companies Act, 1956, which may adversely affect the business operations of our Company.***

Accounting Standard – 3 with reference to preparation and filing of Cash Flow Statement, which became applicable during financial year ended March 31, 2008. Though the Cash Flow Statement was prepared for the period inadvertently, the same was not attached in the Annual Report for 2007-2008 and 2008-09. *However, from the subsequent financial year the cash flow statements are duly attached as per AS-3 of the ICAI and the AS-3 has been duly complied with. Our Company may be subjected to penal provisions with regard to relevant financial years, as per the relevant sections of the Companies Act, 1956, which may adversely affect the business operations of our Company.*

- 11. *The Company inadvertently failed to print disclosure regarding related party transactions as per AS-18 issued by The Institute of Chartered Accountants of India (I.C.A.I) and as per section 211 (3A) of the Companies Act, 1956 in the Audited Financial Statements,as restated for financial year ended March 31, 2008 and March 31, 2009 as prescribed by The Institute of Chartered Accountants of India (I.C.A.I). However, from the subsequent financial years, we have complied with the AS-18 as prescribed by ICAI. Our Company may be subjected to penal provisions,as per the relevant sections of the Companies Act, 1956, which may adversely affect the business operations of our Company.***

The disclosure regarding related party transactions during financial year ended March 31, 2008 and March 31, 2009 as per Accounting Standard – 18 were inadvertently not printed in the financial reports of the respective financial years although they were prepared by our Company in compliance of the said accounting standard. *However, from the subsequent financial years, we have complied with the AS-18 as prescribed by ICAI. Our Company may be subjected to penal provisions, as per the relevant sections of the Companies Act, 1956, which may adversely affect the business operations of our Company.*

- 12. The Audit Committee appointed by Our Company as per Section 292A of The Companies Act, 1956 comprised of Managing Director and Executive Directors in contravention of the Companies Act, 1956. Our Company may be subjected to penal provisions, as per the relevant sections of the Companies Act, 1956, which may adversely affect the business operations of our Company.**

The Audit Committee appointed by Our Company as per Section 292A of The Companies Act, 1956 during the financial year 2008-09 comprised of Managing Director and Executive Directors as at the time of formation there were no Non-Executive / Independent Directors on the Board of Directors of the Company which amounted to non-compliance under the provisions of the said section. Thus, our Company may be subjected to penal provisions, as per the relevant sections of the Companies Act, 1956, which may adversely affect the business operations of our Company.

- 13. We have certain contingent liabilities, which have not been provided for in the books of accounts. Materialization of any of these contingent liabilities could affect our financials.**

The Contingent liabilities of our Company not provided for, as per our audited statements of accounts are as under:

(₹ in Lacs)

Sr. No.	Nature of Liability	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009
1	Letter of Credit	913.59	135.02	149.17
2	Bank Guarantees	586.87	467.64	609.08
3	Export Obligation Liability *	# 72.97	# 29.92	29.92
4	Liability against Pending Cases **	42.12	206.23	206.23

* Our Company has availed Duty exemptions in relation to Imports of machines and raw materials under various licenses issued by the office of the Joint Director General of Foreign Trade, Ministry of Commerce & Industry, under EPGC Concessional Duty 03% Scheme, Zero Duty EPGC Scheme and Advance Authorization Scheme. Under these schemes, the Company is bound to export goods valuing US\$ 3,405,615.59 over a specified period of time as provided under respective schemes. As at March 31, 2011, the Company has completed export obligation worth US\$ 55,908.58, which constitutes 1.64% of the total export obligation. *In case of our Company's failure to meet the balance export obligations, may be liable to repay the entire amount of Duty Drawback / Concessions received along with interest @ 15% p.a.*

Figures in Rupees are based on respective dates.

** For details pertaining to pending cases please refer to section "Outstanding Litigations And Material Developments" on page no. 234 of the Prospectus

In the event any of these contingent liabilities gets crystallized, our business operations, revenues, profitability and cash flows may be adversely affected. For further information please see Section titled "Financial Statement of the Company" and "Government Approvals" beginning on Page No. 172 and Page No. 243 of this Prospectus, respectively.

- 14. Our Company, during the financial year ended March 31, 2011, had entered into various transactions aggregating to ₹ 2455.02 Lacs with our promoters, directors, their friends and relatives, associates and group companies. Our Company in the past has entered into Related Party Transactions and may continue to do so In future also, which may adversely affect our competitive edge and better bargaining power had these transactions would have been entered**

with non-related parties resulting into relatively more favourable terms and conditions and better margins.

Our Company, during the financial year ended March 31, 2011, had entered into various transactions aggregating to ₹ 2455.02 Lacs with our promoters, directors, their friends and relatives, associates and group companies. These transaction, interalia, include three rent agreements entered between the Company in year 2009 with one of the our Executive Director Mr. Praveen Jain Tijaria (two agreements) and with one of the Group Company Tijaria Vinyl Pvt Ltd (one agreement) for certain premises being used by the Company. Our Company entered into such transactions due to easy proximity and quick execution on an arm's length basis. *However, there can be no assurance that we could not have obtained better and more favorable terms had our Company not entered into such related party transactions. Our Company may enter into such transactions in future also and we cannot assure that in that event there would be no adverse affect on results of our operations.*

For Details Please refer to Annexure VIII on Related Party Transactions of the Auditor's Report under Section titled "Financial Information of the Company" beginning on Page No. 200 of this Prospectus.

- 15. Our Company is diversifying into manufacture of other Polymer Products which are relatively new to existing operations. Our inability to successfully implement and execute the same, may impede our growth plans and thereby may adversely affect our operations, revenues and profitability.**

Under the proposed diversification plans, the Company intends to manufacture other Polymers viz. Polyester Texturized Yarn (POY), Draw Texturized Yarn (DTY), Monofilament, Polyester Zippers, Pet Sheets and Mink Blankets *which are relatively new to the existing operations and any inadequacy of background and experience on the part of the promoters, key managerial personnel may adversely affect the growth plans of our Company and thereby may adversely affect our operations, revenues and profitability.*

- 16. For our continued success, our senior management team and other key personnel are crucial and the loss of or inability to attract and retain such personnel in the future could have adverse effect on our business operations, revenues and profitability.**

Our success substantially depends on the continued service and performance of the members of our senior management team and other key management personnel in our business for the management, performing our daily operations and planning, organizing, controlling and execution of our business strategy. Our ability to implement our business strategy would predominately depend on our ability to attract, train, motivate and retain highly skilled manpower. *There is stiff competition for experienced senior management and other key personnel with technical and industry expertise, and if we lose the services of any of these or other key individuals to our competitors at the same time fail to find suitable replacements in a timely manner, our ability to realize our strategic objectives could be impaired, thereby affecting our business operations, revenues and profitability.*

- 17. Some of our Group Companies have incurred losses in the last 3 financial years**

The following table summarizes the losses incurred by the promoter group companies:

Sr. No.	Name of the Group Company	Loss After Tax (In ₹ Lacs)		
		For the Year ended March 31,		
		2011	2010	2009
1	Tijaria Vinyl Private Limited	-	0.30	0.37
2	Tijaria International Limited	0.14	0.10	-

18. Our Company had negative cash flows during the financial years 2007-08 and 2008-09.

Year	Negative Net Cash Flows (₹ In Lacs)
2007-08	52.48
2008-09	3.46

19. Our Company has made an application for registration of Trademark “TIJARIA” and also made an application for renewal of Trademark “VIKAS” which expired on June 22, 2007. In case of our failure to receive renewal of the same, our business operations and existing market brand may be adversely affected.

We use the brand name “Tijaria” and invest our resources in building our brand. We have applied with the Registry for Trade Marks for registration of our trade mark / logo, “Tijaria”. As of the date of this Prospectus, The same has been filed under class 16 and 17 of the trademark Act with the respective authority and the application for trade mark registration is pending.

As manufacturing concern, Tijaria Polypipes Limited continuously used Trademark “VIKAS” which had expired on June 22, 2007, We have made an application dated August 6, 2010, acknowledged on August 17, 2010 for the renewal of our trademark “VIKAS” in Class-17 in respect of All Kinds of Pipes made of PVC and Parts thereof included in Class-17 with respective authorities. *In case of our failure to receive renewal of the same, our business may be adversely affected.*

20. Any adverse changes in the government policies affecting our raw materials could also impact our business operations thus adversely affecting our revenues and profitability.

The prices of our major raw materials will remain volatile on account of their basic nature of being dependent on in import duty, imposition of anti-dumping duties or changes in sea-freight, clearing charges, etc. also impact our raw material cost, *which in turn could adversely affect our business and financial operations.*

21. Our Company has high working capital requirements. In case of any insufficiency of cash flow to meet our working capital requirements or pay our short term debt obligations, there may be adverse effect on the results of our operations.

We require substantial amount of working capital to finance the purchase of materials and execution of projects / orders before payment is received from our customers. Our working capital requirements may increase if, in certain project orders, payment terms include reduced or no advance payments or payment schedules that specify payment towards the end of a project or less favorable to us. Moreover, if a client defaults in making its payment on a project to which we have devoted resources, it could also affect our profitability and liquidity and decrease the capital resources that are otherwise available for other uses. There can be no assurance that the payments will be remitted by our customers to us on a timely basis. In addition, it is customary in the industry in which we operate to provide, bank guarantees in favor of clients to secure obligations under contracts. If we are unable to provide bank guarantees our ability to get new business could be limited. Providing margins to obtain bank guarantees increase our working capital needs and limits our ability to provide guarantees and pay dividends.

Continued increases in working capital requirements and insufficient cash flows from our operations to meet any of the above requirements may have an adverse effect on our financial condition and results of operations. Moreover, we may need to incur additional indebtedness in the future to satisfy our working capital needs.

22. We have planned capital expenditure, which may not yield the benefits intended and may impede our business operations, revenues and profitability.

We are embarking upon an expansion-cum-diversification to meet the growing demand of existing products and venture into new polymer products. We are incurring capital expenditure of ₹ 10852.00 lacs for this project as detailed in the section titled "Objects of the Issue" beginning on Page No. 57 of this Prospectus. *In the past, we have not undertaken capital expenditure of such size and our inability to manage capital expenditure may adversely affect our operations. We cannot assure that we will be able to get the benefits of the generally growing demand in the existing sector and also for the proposed new sector and accordingly the benefits accruing to us from the planned expansion-cum-diversification may be less than what is anticipated.*

23. *Delay in raising funds from the IPO could adversely impact the implementation schedule, thus adversely affecting our growth plans, revenues and profitability.*

The expansion of our proposed project is to be funded from the proceeds of this IPO and internal accruals. We have or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute the expansion project within the given time frame, or within the costs as originally estimated by us. *Any time overrun or cost overrun may adversely affect our growth plans, revenues and profitability.*

24. *We are yet to receive the sanction for additional bank borrowings for our working capital requirements. Our inability to arrange such additional borrowings from bank(s) could affect our operations, our business plans, profitability and financial condition.*

Our projected level of working capital borrowings for the financial year 2011-12 is of ₹ 2060.00 lacs, out of which we propose to meet ₹ 1200.00 lacs from bank borrowings and the balance ₹ 860.00 lacs from the proposed issue proceeds and internal accruals. Although, as on date we have not tied up for this additional borrowing from the banks, however, we have applied to our bankers for the same. Our inability to tie-up for this additional working capital requirement from our banks could impede proposed operations in our expansion-cum-diversification project and thereby adversely affect our business plans, profitability and financial condition.

25. *Our Company's operating results are difficult to predict and can vary from period to period. This could cause our share price to fluctuate.*

Our Company's revenue and profits have varied in the past and may continue to vary significantly from period to period due to various reasons, including:

- availability of raw material and the competitive pricing of raw material
- the size, timing and profitability of our projects in the past;
- delays in receipt of payment from customers or level of bad debts;
- unanticipated changes in regulatory policies in the jurisdictions in which we operate;
- our customer's requirements, and their future plans;
- unanticipated cancellations or deferrals of orders, or non-renewal or termination of any contracts by our customers; and
- changes in pricing policies of our competitors;
- slow down in global economy

Therefore, Our Company believes that period-to-period comparisons of the results of operations may not necessarily be meaningful and should not be relied upon as an indication of our future performance. It is possible that in the future some of our quarterly results of operations may be below the expectations of market analysts and our investors, which could lead to a corresponding decline in the price of our Equity Shares.

- 26. *We are subject to restrictive loan covenants of Banks in respect of term loans / working capital facilities availed from them, due to which our business growth and execution of our proposed projects may be adversely affected.***

Our Company has entered into agreements for term loans and financial facilities with our banker and the covenants in such agreements require us to obtain bank's permission in writing in respect of effecting any change in the Company's Capital Structure; change in unsecured loan, change in trading cycle, implementation of any scheme of expansion/ modification/ diversification/ renovation, entering into any borrowing arrangement with other banks, undertake guarantee, undertake obligations on behalf of any other Company, declare dividends except for the any year approved by the bank, pay guarantee commission to the guarantors whose guarantees have been stipulated, create an further charge/ lien/ encumbrance over assets & properties charged to the bank and sell/ assign or otherwise dispose off the fixed assets charged to the bank. Our Bankers, Bank of India vide their sanction letter dated October 12, 2010 had inserted a clause relating to the tie-up arrangement which inter-alia provides that the sanction of the term loan of ₹ 4,000 Lacs as part funding of the proposed expansion-cum-diversification project is subject to full tie-up of the debt i.e. after successful completion of our proposed IPO. Further, Bank of India vide their supplemental sanction letter Ref no. JMCB:C&IC:10-11:AKT:320 dated February 3, 2011 have modified the terms of aforesaid sanction letter, whereby the bank has approved the release of ₹ 3000 Lacs out of the sanctioned term loan of ₹ 4000 Lacs for implementation of the mini-project and has also waived the tie-up arrangement of IPO as per the original sanction for this term loan of ₹ 4000 Lacs for the project under reference. Barring this specific waiver condition with regard to term loan of ₹ 3000 Lacs for the tie-up arrangement of the IPO, by the bank, *due to such other specific and general restrictive/negative covenants, our business growth and execution of our proposed projects may be adversely affected.*

Furthermore, our Company has created a charge in favor of our lender against the fixed assets of our Company. *In case of default by our Company in repayment of the loans, our Banker may exercise their rights over the security, which may be detrimental to the interest of our Company.* For details of restrictive covenants, please refer to paragraph Annexure IV of the Auditor's report appearing on Page No. 178 of this Prospectus under Section titled "Financial Information of the Company".

- 27. *Our business depends on our manufacturing facility and the loss of or shutdown of operations of the manufacturing facility on any grounds could adversely affect our business or results of operations.***

Our manufacturing facilities are subject to operating risks, such as breakdown or failure of equipment, interruption in power supply or processes, shortage of raw materials, performance below expected levels of output or efficiency, natural disasters, obsolescence, labour disputes, strikes, lock-outs, severe weather, industrial accidents, our inability to respond to technological advances and emerging industry standards and practices in the industry and the need to comply with the directives of relevant government authorities. *The occurrence of any of these risks could significantly affect our operating results, and the loss or shutdown of operations at our manufacturing facility will have a material adverse affect on our business, financial condition and results of operations.*

- 28. *Our existing and proposed manufacturing facility are geographically located in Rajasthan and therefore, any localized social unrest, natural disaster or breakdown of services or any other natural disaster could have material adverse effect on our business and financial condition.***

Our existing and proposed manufacturing facilities are based in the State of Rajasthan. As a result, any localized social unrest, natural disaster or breakdown of services and utilities in and around Rajasthan could have material adverse effect on our business, financial position and results of operations. *Further, continuous addition of manufacturing facilities in Rajasthan without*

commensurate growth of its infrastructural facilities may put pressure on the existing infrastructure, which may also affect our business.

- 29. *Our Company may continue to be controlled by its Promoters and Promoter Group following this Issue and our other shareholders may not be able to affect the outcome of shareholders' voting.***

After the completion of this Issue, our Promoters and Promoter Group will collectively hold 57.67% of the fully diluted post-Issue equity capital. Consequently, our Promoters may exercise substantial control over us and have the power to elect and remove a majority of our Directors and / or determine the outcome of proposals for corporate action requiring approval of our Board of Directors or shareholders, such as lending and investment policies, revenue budgets, capital expenditure, dividend policy and strategic acquisitions. Our Promoters will be able to influence our major policy decisions and any wrong decision on their part could adversely affect your investment in the Equity Shares.

- 30. *Our Company has yet to obtain "No Objection Certificate" from the Rajasthan State Pollution Control Board in respect of one of the proposed expansion cum diversification project sites of the Company, in the absence of which we cannot undertake proposed expansion-cum-diversification project. Our inability to obtain such certificate would hamper execution of our said project which may adversely affect our business operations and financial condition.***

Our Company has obtained NOC from the Rajasthan State Pollution Control Board with regard to one of its proposed project site at SP-1-2316 RIICO Industrial Area, Ramchandrapura, Sitapura, Extn tehsil: Sanganer District: Jaipur. However, we are yet to obtain NOC from the Rajasthan State Pollution Control Board with regard to other of its proposed project site at F-2243, RIICO Industrial Area, Ramchandrapura, Sitapura (Extn.), Jaipur – 302 022, Rajasthan. Any inability on the part of the Company to obtain such clearances may invoke penal provisions provided under the relevant laws which may adversely affect the existing and proposed operations of the Company.

- 31. *The market price of the Equity Shares may be adversely affected by any additional issuances of equity or sales of a large number of the Equity Shares by our Promoters.***

There is a risk that we may be required to finance our growth or strengthen our balance sheet through additional equity offerings. *Any future issuance of Equity Shares will dilute the position of existing shareholders and could adversely affect the market price of the Equity Shares.*

- 32. *There is no existing market for the Our Company's Equity Shares, which may or may not develop or be sustained after the completion of Offer. Our stock price may be highly volatile after the Issue, and as a result, you could lose a significant portion or all of your investment.***

Prior to the Issue, there has not been a public market for the Equity Shares. We cannot predict the extent to which investor interest will lead to the development of an active trading market on the Stock Exchanges or how liquid that market will become. If an active market does not develop, you may experience difficulty in selling the Equity Shares that you purchased. *The IPO price is not indicative of prices that will prevail in the open market following the Issue. Consequently, you may not be able to sell your Equity Shares at prices equal to or greater than the price you paid in the Issue.*

- 33. *We rely significantly on our dealers / distributors for sale of our products. If we do not succeed in maintaining the stability of our distribution and dealership network, or any disruption or discontinuation of our business by our aforesaid dealers / distributors would materially affect our results of operations and financial condition.***

We sell our products through our network of dealers and distributors. We presently have more than 250 exclusive dealers. Our business growth depends on our ability to attract additional dealerships

to our distribution network. While we believe that we have good relations with our distributors and dealers, there is no assurance that our current distributors and dealers will continue to do business with us or that we can continue to attract additional distributors and dealers to our network. *If we do not succeed in maintaining the stability of our distribution and dealership network, or any disruption or discontinuation of our business by our aforesaid dealers / distributors would materially affect our results of operations and financial condition.*

- 34. Our continued success depends upon availability of adequate labour on timely basis. Any work stoppages or other labour related problems could adversely affect our business.**

We require skilled and unskilled labour for successful running of our existing, as well as, future operations. *Any shortage of adequate labour and stoppage due to any labour related issues may affect smooth running of our operations.* We maintain cordial relationship with the labour and have not encountered any work stoppages and other labour problems so far.

- 35. We are dependent on third-party transportation providers for the supply of raw materials and delivery of products. Any disruption or discontinuation of our business by these third-party transportation providers would materially affect our results of operations and financial condition.**

We normally use third-party transportation providers for the supply of most of our raw materials and for deliveries of our finished products to our customers. Transportation strikes by members of various Indian Truckers' Unions could have an adverse effect on our receipt of supplies and ability to deliver our finished products as per delivery schedule. In addition, transportation costs have been steadily increasing. *Continuing increases in transportation costs may have an adverse effect on our business and results of operations.*

- 36. Change / Up gradation in Technology is one of the key factors for the sustained growth of our business operations. Our inability to adapt to / incorporate required change/up gradation in technology may place our competitors at an advantage in terms of costs, efficiency and schedule delivery of products and consequently would have an adverse impact on our business operations and financial condition of our Company.**

Technology plays an important role in our industry and *any inability on our part to adapt to / incorporate required change/up gradation in technology may place our competitors at an advantage in terms of costs, efficiency and schedule delivery of products and consequently would have an adverse impact on our business operations and financial condition of our Company.*

- 37. Our significant dependence on Domestic market for sales could affect our business. Any downward trend or poor sentiments in the Domestic market may adversely effect our business operations and financial condition.**

Our major revenues are generated from the domestic market. Our total forex earnings from exports for financial year 2010-11 contributed approximately 1.79% of the total sales turnover. Although we are concentrating to develop export markets, our significant dependence on the domestic market presently could adversely affect our business in the event of any disruption in the domestic markets. *Any downward trend or poor sentiments in the Domestic market may adversely effect our business operations and financial condition.*

- 38. Our Company has obtained insurance coverage which may not adequately cover all potential losses to which we may be subject to, and this may have a material adverse effect on our business, result of operations and financial conditions.**

Our insurance coverage may not adequately protect us against certain operating hazards and this may have a material adverse effect on our business. There can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time. Accordingly, to the

extent that we suffer loss or damage that is not covered by insurance or which exceeds our insurance coverage, our results of operations or cash flows may be affected. There is a risk that our insurance policies may not be sufficient in covering all losses in which we or any third parties may suffer. *If we suffer in an event for which we are not adequately insured, there is a risk that it could have a material adverse effect on our business, results of operations and financial condition.*

- 39. *Our revenues are dependent upon our meeting client specific requirements and largely on a customized basis, which are subject to frequent changes due to latest developments in the technical know-how. Our inability, if any, to meet customized client-specific requirements may result in losing customers thereby causing loss of revenues and eventually adversely affecting our business operations and financial condition.***

Our assignments for providing products largely involve providing customized products on a case-to-case basis, depending upon the needs of each customer. Our inability to provide customized products/solutions could diminish our market image and brand value, which could lead to clients discontinuing their contracts with us and stagnation/reduction of our client base, which in turn could harm our business and profitability, Thus, our future growth will depend on our continued evolution of specific sets of customized products to deal with the rapidly evolving and diverse needs of our customers in a cost-compliance and effective manner. *Our inability, if any, to meet customized client-specific requirements may result in losing customers thereby causing loss of revenues and eventually adversely affecting our business operations and financial condition.*

- 40. *Reduction / Termination of Tax benefits and / or change in the Tax structure applicable to Our Company may increase our tax liability and reduce our profit margins.***

Any reduction / termination of tax benefits and/or change in Tax structure by the relevant authorities which are currently applicable to the Company may adversely affect the results of our operations and profitability.

- 41. *Change in Interest rates and Banking policies resulting into increase in interest rates or other terms and conditions that may have an adverse effect on Company's profitability.***

Our Company is dependent on bank(s) for working capital requirements/term loans. *Any change in the extant Banking policies or increase in interest rates may have an adverse effect on Company's profitability.*

- 42. *We have not identified alternate sources of financing for the Equity component of the Expansion cum Diversification project and any disruption in this regard would impair implementation of our proposed growth plans which may adversely affect our business, result of operations and financial conditions.***

The total fund requirement is proposed to be funded through a mix of net proceeds from the issue and term loans. The cost of the proposed projects is estimated at ₹ 10852.00 Lacs, out of which ₹ 6000.00 Lacs is to be financed through the proceeds of the proposed Public Issue. We have not identified any alternate sources of financing for the equity component of the Project cost. *Any delay on our part to raise money through this Issue or arranging any alternative source of financing for the equity component may delay the implementation of the proposed projects thereby adversely affecting our business, result of operations and financial conditions.*

- 43. *Any future equity offerings or issue of options under any employee stock option scheme may lead to dilution of your shareholding in our Company and which may result into dilution of earnings per share and dividend earnings, if any, and other Shareholder's rights under relevant provisions of the Companies Act, 1956.***

Subscribers of Equity shares in this Issue may experience dilution of their shareholding to the extent of any future equity offerings and to the extent additional options that may be issued under our employee stock option scheme. *This may result into dilution of earnings per share and dividend earnings, if any, and other Shareholder's rights under relevant provisions of the Companies Act, 1956.*

- 44. *We operate in a competitive industry, which could limit our ability to grow and which may adversely affect our business, result of operations and financial conditions.***

Most of the end-users for some of our products are price conscious. Pricing is one of the factors that play an important role in selecting these products. Our competitors may have longer industry experience and greater financial, technical and other resources, which may enable them to react faster. Besides, we may face competition from players in the unorganized sector. Growing competition may result in a decline in our market share and force us to reduce our margins. We are focusing more on the higher end of the market by offering complete end to end solutions which have better returns and margins. The segment of the market requires a greater skill set to undertake these activities. *This may adversely affect our business, result of operations and financial conditions.*

- 45. *Our Company has entered into few lease agreements for land and buildings with Promoters and/or Promoter Group Companies. Any dispute arising from such lease agreements, may affect our business operations and consequently the financial condition of our Company.***

Mr. Praveen Jain Tijaria, one of our Core Promoters, has entered into two rent agreements with Our Company viz. one for the premises at 112, First Floor, Krishna Square, Subhash Nagar, Near Doodhmandi, Jaipur – 302016 dated September 23, 2010. Another rent agreement for the premises at Hemkunt Chamber, 89, Nehru Palace, New Delhi – 19 dated October 1, 2009 entered into which has expired now and is yet to be renewed and to that extent may be deemed to be interested for the rent received / receivable against such premises. The Company has also entered into a similar Rent Agreement with a group entity Tijaria Vinyl Private Limited for the premises situated at A – 130 (H), Road No. 9D, VKI Area, Jaipur dated November 30, 2009. *Thus, any dispute arising from such lease agreements, may affect our business operations and consequently the financial condition of our Company.*

- 46. *Two of Our Promoter Group Companies have been struck off by the Registrar of Companies, Rajasthan.***

The following promoter group Companies has been struck off by the Registrar of Companies, Rajasthan as on August 5, 2010:

- 1) Tijaria Buildestate private Limited
- 2) Jaichanda Coloniesers Private Limited

- 47. *Our Company has borrowed certain unsecured loans which are repayable on demand. In case of such demand, our cash flows and business operations may be adversely affected.***

Our Company has borrowed unsecured loans worth ₹ 174.45 Lacs as of March 31, 2011 which are repayable on demand. In the event of demand for repayment of such unsecured loans is made by the lenders, *our cash flows and business operations may be adversely affected.*

- 48. *Our Company has substantial manpower requirement for our proposed expansion-cum-diversification project and we are yet to recruit most of the prospective employees in this regard. Our inability to timely recruit the required manpower could adversely affect implementation of our proposed project thereby impeding our growth prospects and our business operations and financial condition.***

Our Company has projected total manpower requirement of 357 employees, against which 58 have been recruited as on June 30, 2011. *Although, the recruitment process is in progress however our inability to timely recruit the required manpower could adversely affect implementation of our proposed project thereby impeding our growth prospects and our business operations and financial condition.*

- 49. A significant portion of our total revenues are contributed by sales made to government contractors and the payments from them may be delayed on account of back to back payments from the Government. In the event of any such delay in payment from the government contractors, our cash flows and financial condition may be adversely affected.**

A significant portion of our total sales are made to various government contractors and payments from them may be delayed as these government contractors receive back to back payment from the relevant Government departments. *In the event of any such delay in payment from the government contractors, our cash flows and financial condition may be adversely affected.*

- 50. There are various claims aggregating to ₹ 46.13 Lacs made against our Company in various suits pertaining to matters which are under dispute and are contingent in nature. Our Company has not provided for such claims in the books of accounts. In the event of any rulings against our Company in such disputed matters, our cash flows and financial condition may be adversely affected.**

Sr. No.	Nature of Proceeding	Number of Cases	Amount (₹ in Lacs)
1.	Liability against Cases	3	42.12
2.	Sales Tax	2	2.91
3.	Stamp Duty	1	1.10

We have not provided for amount of claims aggregating to ₹ 46.13 Lacs in our books of Accounts pertaining to various suits filed against our Company as these claims are under dispute and contingent in nature. *In the event of any rulings against our Company in such disputed matters, our cash flows and financial condition may be adversely affected. However, the above mentioned proceedings do not include those suits where the liability cannot be ascertained. For further details in this regard, please refer to the section "Outstanding Litigations and Material Developments" on Page no. 234 of this Prospectus.*

- 51. Our Company has taken two premises on Rent for which the lease/ leave and license agreements are yet to be executed. In case the company is unable to execute the agreements and a dispute arises the company may suffer and the same may disrupt the operations of the company, eventually affecting the revenues and profitability.**

Our Company has taken two premises on rent at Sitapura, Jaipur and another at Lucknow for which our Company is paying cumulative rent of Rs. 22,500 p.m. In respect of these premises, our Company is yet to execute any lease/ leave and license agreements. *In case we are unable to execute such lease/leave and license agreements, our operations may be disrupted which may adversely affect our revenues and profitability. For further details please refer to page no. 100 under section titled "our Business" of the Prospectus.*

External Risk Factors

- 1. Exchange Rate Fluctuations may have impact on the performance of Our Company.**

Our Company is exposed to exchange rate fluctuations. Uncertainties in the global financial market may have an adverse impact on the exchange rate between Rupee vis-à-vis other currencies. The exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in

the future. *Such fluctuations can have a serious impact on the revenues from the export business.*

We intend to import equipment / machineries for the expansion of our integrated plant. *Fluctuations in foreign exchange rates may adversely affect the cost of project. We have not entered into any hedging agreement for minimizing the exchange rate risk and in the event of rates changing adversely, the project cost may rise thereby adversely affecting our business operations, revenues and profitability.*

2. *Any slowdown in economic growth in India could cause our business to suffer, which may adversely affect our business operations, revenues and profitability.*

Our performance and growth are essentially dependent on the health of the overall Indian economy. A slowdown in the Indian economy could adversely affect our business. India's economy could be adversely affected by a general rise in interest rates, weather conditions, adversely affecting agriculture, commodity and energy prices or various other factors. In addition, the Indian economy is in a state of transition. The share of the service sector of the economy is rising while that of the industrial, manufacturing, and agricultural sectors is declining. It is difficult to gauge the impact of these fundamental economic changes on our business. *Any slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business operations, revenues and profitability.*

3. *Our business could be adversely affected by any economic, political and social developments in India and particularly in the regional markets where we operate.*

Our performance and growth could be adversely affected by various factors, such as political and regulatory action including adverse changes in liberalization policies, any adverse development in the World economy, 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 to operate in or succeed in obtaining all requisite regulatory approvals in the future for our operations which could have an adverse impact on our business, financial condition and results of operations.

4. *Regulatory changes with regard to Direct/Indirect taxes may adversely affect our performance or financial conditions.*

Regulatory changes relating to business segments in which we operate in India can have a bearing on our business. Each State in India has different local taxes and levies which may include value added tax, sales tax and octroi. Changes in these local taxes and levies may impact our profits and profitability. Any negative changes in the regulatory conditions in India or our other geographic markets could adversely affect our business operations or financial conditions.

5. *Instability of economic policies and the political situation in India or elsewhere could adversely affect the fortunes of the industry.*

There is no assurance that the liberalization policies of the government will continue in the future. Protests against privatization could slow down the pace of liberalization and deregulation. The Government of India plays an important role by regulating the policies and regulations governing the private sector over the past several years.

Unstable internal and international political environment could impact the economic performance in both the short term and the long term. The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our Company's business, and the market price and liquidity of the Equity Shares, may be affected by changes in interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

- 6. Force majeure events, terrorist attacks or natural disaster or any other acts of violence or war involving India, or other countries could adversely affect the financial markets, may result in loss of customer confidence and adversely affect our Company's business, results of operations, financial conditions and cash flows.**

Certain force majeure events, being beyond our Company's control, including natural disasters, terrorist attacks and other acts of violence or war which may involve India, or other countries, may adversely affect Indian or worldwide financial markets, and could lead to economic recession. These acts may also result in a loss of business confidence and have other consequences that could adversely affect business, results of operations and financial condition of our Company. More generally, any of these events could lower confidence in India. Any such event could adversely affect the financial performance or the market price of the Equity Shares of our Company.

- 7. You will not be able to sell immediately any of the Equity Shares you purchase in this Issue on an Indian stock exchange.**

The Equity Shares are proposed to be listed on BSE and NSE. Pursuant to Indian regulations, certain actions must be completed before the Equity shares can be listed and trading may commence. Investors' book entry or demat accounts with depository participants in India are expected to be credited within two working days of the date on which the basis of allotment is approved by the Designated Stock Exchange. Thereafter, upon receipt of final approval of the stock exchanges, trading in the equity shares is expected to commence within twelve working days of the date on which the basis of allotment is approved by the Designated Stock Exchange. There can be no assurance that the Equity Shares allocated earlier to investors will be credited to their demat accounts, or that trading will commence, within the time periods specified above.

- 8. After this Issue, the price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not sustain.**

The prices of our Equity Shares may fluctuate after this Issue due to a wide variety of factors, including volatility in the Indian and global securities markets; our operational performance, financial results and capacity expansion, developments in India's economic liberalization and deregulation policies, particularly in the telecommunication, and agricultural sector; and changes in India's laws and regulations impacting our business.

We cannot assure you that an active trading market for our equity shares will be sustained after this Issue or that the price at which our equity shares would be traded subsequent to this Issue will correspond to the current prices for our already existing equity shares.

- 9. Fluctuations in prices and availability of energy, freight and other operating inputs may affect our margins.**

Energy usage in our production facilities represents one of our main production costs. In some cases, due to the basis for pricing in our sales contracts, or due to competitive markets, we may not be able to pass on to our customers the full amount of raw material price increases or higher energy, freight or other operating costs and this could reduce our profitability.

PROMINENT NOTES

- Net Worth before the Issue as per *Audited Financial Statements, as restated* of the Company and the Issue Size

Net worth before the Issue (Based on Audited Financial Statements, as restated as on March. 31,2011)	₹ 3,575.52 Lacs
Issue Size	Issue of 1,00,00,000 Equity Shares of ₹ 10/- each at ₹ 60 (including share premium of ₹ 50/- per Equity Share) aggregating to ₹ 6,000.00 Lacs /- (Rupees six thousand lacs only)
Cost Per Share to the Promoters and Promoters' Group	₹ 17.10
Book Value (Based on Audited Financial Statements, as restated as on March 31, 2011) (Face Value of ₹ 10/- per share)	₹ 26.24

Note:

- The Net worth of the Company as at March 31, 2011 has been computed in compliance with Regulation 2 (1) (v) of SEBI (ICDR) Regulations 2009.
 - The Net worth of the Company as at March 31, 2010 and March 31, 2007 had been computed excluding share application money pending allotment in compliance with Regulation 2 (1) (v) of SEBI (ICDR) Regulations 2009. For further details, please refer to the section titled "Capital Structure of the Company" beginning on Page no. 45 of this Prospectus.
- The average cost of acquisition of Equity shares of the Core Promoters is as per the details given below:

Name of Promoter	Total No. of Equity	Average cost of acquisition (₹)
Mr. Alok Jain Tijaria	1596513	₹ 3.33/- per share
Mr. Vikas Jain Tijaria	1522425	₹ 3.33/- per share
Mr. Praveen Jain	1395246	₹ 3.33/- per share
Mr. Vineet Jain	1295988	₹ 3.33/- per share

- Public Issue of 1,00,00,000 Equity Shares of ₹ 10/- each for cash at a price of ₹ 60/- per Equity Share, aggregating ₹ 6000.00 lacs (The "Issue"). The Issue would constitute 42.33% of the fully diluted post Issue paid-up capital of our Company.
- Our Company its Promoters / Directors, Company's Associates or Group companies have not been prohibited from accessing the Capital Market under any order or direction passed by SEBI. The Promoters, their relatives, Company, group companies, associate companies are not declared as willful defaulters by RBI / Government authorities and there are no violations of securities laws committed in the past or pending against them.
- As per Regulation 4 (2) (a) of SEBI (ICDR) Regulations, 2009, neither Our Company nor any of our Promoters, Promoter Group, or Directors or Persons in Control of the Company has ever been debarred from accessing the capital market by the Board (SEBI).

6. As per Regulation 4 (2) (b) of SEBI (ICDR) Regulations, 2009, neither of our Promoters, Promoter Group, Directors or Persons in Control of the Company has ever been part of Promoters, Promoter Group, Directors or Persons in Control of any other Company which is debarred from accessing the capital market under any order or directions made by the Board (SEBI).
7. Any clarification or information relating to the Issue shall be made available by the LM, our Company and our Compliance Officer to the investors at large and no selective or additional information would be available for a section of investors in any matter whatsoever. Investor may contact the LM for any complaints pertaining to the Issue.
8. The Investors are advised to refer to the Paragraph on “Basis for Issue Price” beginning on Page No. 78 of this Prospectus before making any investment in this Issue.
9. Trading in Equity Shares of our Company for all the investors shall be in dematerialized form only.
10. In the event of over-subscription, allotment shall be made as set out in para titled “Basis of Allotment” beginning on Page No. 275 of this Prospectus and shall be made in consultation with the Designated Stock Exchange i.e. BSE. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein.
11. No part of the Issue proceeds will be paid as consideration to promoters, directors, key managerial personnel, associate or Promoter Group companies/ entities except in the usual course of business.
12. The Directors / Promoters of our Company have no interest in our Company except to the extent of remuneration and reimbursement of expenses (if applicable) and to the extent of any equity shares (of TPL) held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and/or trustee, and to the extent of benefits arising out of such shareholding. However, there are various related party transactions which have been entered in the past by the Company wherein promoters, directors and their relatives/ associates are interested. For details, please refer to Annexure VIII on “Related Party Transactions” under Section titled “Financial Statements of the Company” beginning on Page No. 200 of this Prospectus.
13. The aggregate amount of related party transactions entered into by our Company during the previous financial year (i.e. FY 2010-11) is ₹ 2455.02 Lacs. For details, please refer to Annexure VIII on “Related Party Transactions” under Section titled “Financial Statements of the Company” beginning on Page No. 200 of this Prospectus.
14. No loans and advances have been made to any person(s) / Companies in which the Director(s) of our Company are interested except as stated in the Auditors Report. For details of loans and advances, please refer to Annexure-XIII of Auditors Report under section titled “Financial Statements of our Company” appearing on Page No. 214 of this Prospectus.
15. The following Group Companies has business interest or other interests in the Company. Details of transaction by our Company with group companies during the last year are disclosed under Annexure VIII on “Related Party Transactions” under Section titled “Financial Statements of the Company” on Page No. 200 of this Prospectus.
 - Tijaria International Limited
 - Tijaria Vinyl Private Limited
 - Tijaria Industries Limited
16. Our Company has not changed its name at any time during the last three years immediately preceding the date of filing the Prospectus with the Board.

17. In compliance of regulation 4(2) (g) of SEBI (ICDR) Regulations 2009, out of total stated means of finance of ₹ 10852.00 Lacs, the Bank of India vide its letter Ref No. BOI/JMCB/AKT/69 dated 12th October, 2010 has sanctioned term loan of ₹ 4000.00 lacs. For further details with regard to the sanction of this term loan and subsequent modification by the sanctioning Bank, please refer to “Appraisal of the Project” under the heading “Objects of the Issue” and “Details Of The Appraising Authority” under the head “General Information” on Page no. 73 and Page no. 43 of this Prospectus, respectively. In addition, the other stated means of finance viz the promoter’s contribution of ₹ 852.00 lacs has already been brought in by the promoters. Our Company has raised / tied-up entire stated means of finance except funds to be raised through proposed public issue in accordance with above stated regulation. Accordingly, firm arrangements of finance through verifiable means towards more than 75% of the stated means of finance excluding the amount to be raised through public issue has been made.
18. Our Company’s vehicles are being used for official purposes. These vehicles are primarily used for company’s guest, staff conveyance during office hours for official purposes. Promoter directors also use the vehicles for official purposes.

SECTION III – INTRODUCTION

3.1 - SUMMARY

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 entire Prospectus, including the information contained in the chapter titled “Risk Factors” and “Financial Statements of the Company” and related notes beginning on Page No. 7 and Page No. 172 of this Prospectus before deciding to invest in our Equity Shares.

PLASTIC INDUSTRY – AN OVERVIEW

Pipelines in one form or another have been used since the early days of civilization for transportation of liquid elements. This is mainly because of its economical mode of transportation compared to any other modes of transportation, especially for liquid and gaseous elements like water/ sewerage, Oil and Gas over long distances. With rising domestic and global demand for transportation of petroleum products through pipelines, we expect the golden era for the pipe industry to be at the onset. The pipes and pipe fittings industry is a rapidly growing industry thanks to the large-scale construction and development activity that has seen a flurry in the recent past.

The Indian plastic industry has taken great strides. In the last few decades, the industry has grown to the status of a leading sector in the country with a sizable base. The material is gaining notable importance in different spheres of activity and the per capita consumption is increasing at a fast pace. Continuous advancements and developments in polymer technology, processing machineries, expertise, and cost effective manufacturing is fast replacing the typical materials in different segments with plastics.

History

Indian plastic industry has made significant achievements in the country ever since it made a promising beginning with the start of production of polystyrene in 1957. The industry is growing at a rapid pace and the per capita consumption of plastics in the country has increased several times as compared to the earlier decade. The chronology of production of polymers is summarized as under

- 1957 – Polystyrene
- 1959 – LDPE
- 1961 – PVC
- 1968 – HDPE
- 1978 – Polypropylene

Currently, the Indian plastic industry is highly fragmented with an estimate of around 25,000 firms and over 400,000 employees. The top 100 players of Indian plastic industry account for just 20% of the industry turnover. Barring 10 to 15% of the firms that can be categorized as medium scale enterprises, most of the units operate on a small – scale basis.

Source: <http://www.india-exports.com/plastic.html>

Present Characteristics of the Indian Plastic Industry

- The country has an estimated production capacity of 4500 thousand metric tons annually. Of this, 60-70% accounts for the production of polyethylene (PE) and polypropylene (PP).
- India with 4 Kg per capita consumption per year ranks eighth in the world against world average of 20 Kgs & developed nations above 100 Kgs.
- The industry demand is expected to touch 12.4 million tons by 2010-11, becoming third largest consumer after US and China.
- The polymer industry is growing at about 12-15% annually.

- Over the last few years, the Indian Petrochemicals industry has witnessed consolidation phase. The top players - Reliance, Haldia Petrochemicals (HPL) and GAIL - hold the majority of the polymer capacity in the domestic market.
- Buyers in the industry have very little bargaining power against the suppliers.
- Buyers are all highly vulnerable to raw material prices, which are highly influenced by international demand and supply conditions.

Source: <http://www.mcxindia.com/sitepages/contractspecification.aspx?Productcode=HDPE>

The 2008-09 financial crisis had a limited impact on the Indian pipe industry affecting new oil and gas exploration and production (E&P) projects worldwide due to fall in global commodity prices including crude oil resulting into reduced orders. With the worst of the financial crisis behind us, we remain optimistic regarding the potential demand for the pipe sector. The E&P projects which were earlier stalled or revoked are being given a new lease of life based on the inevitable rise in crude oil prices. Replacement demand from developed nations remains ever so strong while domestic demand from the oil and gas sector is robust. Also, with the pipeline network of India for oil & gas transport being lower at 17,576 kms as on April 2009, (32% penetration level) it represents a huge scope for growth for the pipe industry.

As most of the Indian pipe manufacturers are converters, the industry is highly Raw Material (RM) intensive with the RM cost accounting for more than 70-80% of the total cost for steel and PVC pipe companies. These companies rely heavily on imports and hence many steel pipe companies have backward integration facilities to reduce dependency on imports and price volatility. Freight cost is another key cost component due to higher imports and exports. With the expected short-term increase in commodity prices and range-bound Baltic Dry Index (a barometer for shipping freight rates), pipe companies will be benefited in the coming quarters as customers will try to place advance orders at attractive rates.

Indian companies produce a wide range of plastic pipes which are used in various critical and non-critical applications. Indian pipe manufacturing companies have won several certifications and accreditations from major oil & gas companies across the globe in the recent past. With the low-cost and high-quality products supplemented by various international certifications, Indian companies have augmented their export sales over the last three to four years.

CARE Research expects the positive trend in the Indian pipe industry to continue for the next 3-5 years on the back of higher E&P activities due to resurgence in crude oil price, increased efforts by the Government of India (GoI) on infrastructure development for laying pipelines for oil & natural gas transport (e.g. the National Gas Grid project), replacement demand from North America and European countries, water & sewage transport and irrigation facilities.

Demand triggers for the growth are:

- Private players like Reliance Industries Limited (RIL), Cairn India etc have shown interest in setting up pipe infrastructure for oil & gas distribution. National gas grid will also be set up requiring an investment of ₹ 210 billion.
- City gas pipe is currently available in 10 cities and the coverage is expected to grow to 40 cities in the next five years, entailing an investment of ₹ 250-300 billion.
- In addition to the above, the replacement demand from the US and European countries, having a vast pipeline infrastructure, will be huge.
- The GoI in its efforts to reduce crude imports has formulated the New Exploration Licensing Policy (NELP) for exploration and production of oil & gas. The GoI has awarded 256 blocks till date and the number is set to increase to 330 by 2010.
- For the Eleventh Five Year Plan, the GoI is aiming to add 11 mn hectares of irrigational facilities, entailing an investment of ₹ 1, 580 billion.

- The GoI increased the annual budget allocation under the Rajiv Gandhi Drinking Water Mission from ₹ 65 billion to ₹ 74 billion in the previous Union Budget 2009-10.

Source: CARE Research Report, 2010

OUR BUSINESS OVERVIEW

Tijaria Polypipes Ltd., an ISO 9001 : 2000 Certified Company, is a closely held public limited Company, based at Jaipur, manufacturing various kinds of high grade plastic based pipes viz HDPE, MDPE, LDPE, LLDPE, uPVC, PP-R Pipes and Sprinkler systems under the brand name of "TIJARIA" and "VIKAS". The Company is a winner of 'NATIONAL AWARD-2008' for Quality Production (Special Recognition Award) awarded by the Ministry of Micro, Small & Medium Enterprises, Govt. of India. Our Company is also recipient of 'RASHTRIYA UDYOG RATNA AWARD' in the Year 2010, by Center for Educational Development Research for excellence in their respective field. The Company was initially started as a Partnership firm under the name of "Tijaria Overseas Vinyl" in the year 2000 which was later on converted on continuous basis into a Private Limited Company on July 17, 2006 under the provisions of Part IX of The Companies Act, 1956 and was subsequently converted into a Public Limited Company w.e.f. July 20, 2006. The Company through its vision of learning and constant innovation has become a premier name in the industrial, agricultural, infrastructure, domestic and telecommunication fields. The Company under the leadership of Mr. Alok Jain Tijaria, the Managing Director along with other Promoter Directors Mr. Vikas Jain Tijaria, Mr. Praveen Jain Tijaria and Mr. Vineet Jain Tijaria have made Tijaria Polypipes Ltd. a successful and quality oriented Company in the competitive market. The Company has consistently registered growth in turnover and profitability over the previous years and now proposes to further expand and diversify in other polymer products as detailed in Section titled "Objects of the Issue" beginning on Page No. 57 of this Prospectus.

Market base & Customers

The market is well represented by the Company in all segments. The Company is participating in tenders and supplying the products to government enterprises like BSNL, etc. and in private sector to Reliance Communication in bulk and selling the products in the retail segment through more than 250 dealers spread across the country. The Company is having its branch offices at Lucknow, Indore, Nasik, Ahmedabad, Hyderabad, Haryana and some pilot offices on card, hence the ambit and scope of the Company and its products is amplified. Since the products offered by the Company have wide use, acceptability and applicability, the customer base of the same is quite wide.

Our Major Customers

Our five major customers, inter alia, include Ramky Infrastructure Ltd., R.K. Sales Corporation (Jodhpur), JDS Trade Links Pvt Ltd. (New Delhi), Independent Fruit Trade B.V. (Netherlands) and APR Projects Pvt. Ltd. (Churu) who collectively contributed around 41.35% of our total sales turnover for the financial year ended March 31, 2011.

Diversified Product Mix

Our Company has a product mix to cater to the increasing requirements of our customers. Our product offerings include HDPE pipes, PVC pipes, LLDPE pipes, HDPE DWC pipes, PLB HDPE Ducts, MDPE pipes, uPVC RIGID & BLUE CASING pipes, Pet Granules, MICRO/DRIP Irrigation System, SWR PIPES & FITTINGS, PPR Pipes & Fittings, HDPE Sprinkler System. These products are used in irrigation, telecommunication, industrial, and infrastructure and housing sector. We believe that this range of products would allow our existing customers to source most of their product requirements from a single vendor and also enable us to expand our business from existing customers, as well as address a larger base of potential new customers. Further the flexible manufacturing infrastructure helps us change our product mix in response to changes in market demand.

Our Company in its pursuit to explore newer opportunity in the marketing / dealing in agricultural produce, the Board of Directors of our Company proposed to enter into the business of agricultural products on trial basis and passed the enabling resolution and thereafter it obtained the shareholders approval for dealing in agriculture produce at the meeting held on 2nd day of September, 2009 and amended the main object clause by inserting new clause no. 3. Our Company entered into a Consignment Sale Agreement with an overseas consignee M/s Independent Fruit Trade B.V. situated at Barbizonlaan 87, 2908 ME Capelle ad IJssel, Holland for sale of Indian Grapes. Our Company got registration from the Agricultural and Food Products Export Development Authority, Ministry of Commerce, Govt. of India. The company purchased grapes from the various farmers in the State of Maharashtra and sold under the said consignment agreement to the overseas consignee. The entire consignment has been sold and export proceeds have been realized. The business of trading in grapes is not the main line of business and accounts for just ₹ 94.56 Lacs, which constitutes 0.86% of the total sales of the Company as on March 31, 2010 and ₹ 200.97 lacs during the Financial Year ended March 31, 2011, which constitutes 1.69% of the total sales turnover for the said period.

Installed Capacity & Production

Presently, the Company is manufacturing an array of plastic pipes and has an installed capacity of 20664 MT per annum for HDPE Pipes, 7392 MT per annum for PVC Pipes, 3600 MT per annum for Pet Flakes and 3600 MT per annum for Pet Granules. The Company produced 8197 MT & 6330 MT for HDPE Pipe, 3090 MT & 1909 MT for PVC Pipe, 336 MT & 154 MT for Pet Flakes production in 2010-11 & 2009-10 respectively.

(MT per annum)

Particulars	2010-11		2009-10		2008-09		2007-08	
	Installed Capacity	Utilised Capacity	Installed Capacity	Utilised Capacity	Installed Capacity	Utilised Capacity	Installed Capacity	Utilised Capacity
HDPE / PVC Pipes	28056	11287	14244	8239	14244	9011	6570*	5209
Pet Flakes	3600	336	3600	154	3600	53	N.A.	N.A.
Pet Granules	3600	-	-	-	-	-	-	-

*Based on 18TPD for an assumed full year of 365 days.

Our Quality

Tijaria's indigenous production procedure is equipped with generous quality control measures. The in-house testing services employ several dexterous operators and engineers for the quality control and for that matter Tijaria has a well-equipped laboratory too. Here the quality control cell puts supreme quality checks at three stages-raw material, online production, and flawlessness. Tijaria's research and development cell enables it to qualify for both domestic and international market's expectations.

The facilities are equipped with the latest manufacturing technology and strict quality controls which ensure Tijaria/ Vikas brand products make their mark in various applications, be it water supply, gas and petrol transport, sewage disposal or cable ducting.

Quality Certifications

Tijaria is licensed by bureau of India standard of mark ISI & ISO Certifications on different range of products having different license numbers. Moreover, Tijaria is an ISO: 9001-2000 certified organization with a standing of total commitment towards satisfying their customers with best quality products. The range of products conforms to various national as well as international accreditations and quality certifications as per details given under the section titled "Government Approvals" on page no. 243 of the Prospectus.

Achievements

Company and its management are proud of winning 'NATIONAL AWARD-2008' for Quality Production (Special Recognition Award) awarded by the Ministry of Micro, Small & Medium Enterprises, Govt. of India. Our Company is also recipient of 'RASHTRIYA UDYOG RATNA AWARD' in the Year 2010, by Center for Educational Development Research for excellence in their respective field.

Experienced Management Team

Our Company is managed by a team of experienced and professional managers with experience of different aspects of plastic pipe and related industry including production, quality control, sales, marketing and finance. Our management team comprises of Managing Director, Mr. Alok Jain Tijaria who is a commerce graduate having over 25 years of experience in the business and related materials industry, holding administrative and financial portfolio; Mr. Vikas Jain Tijaria is a graduate in commerce from University of Rajasthan, handles sales and dealership network; Mr. Praveen Jain Tijaria is a science graduate and holding production department and managing day to day operations of the Company: Mr. Vineet Jain Tijaria is a post graduate in commerce from M.D.S University, Ajmer, all the institutional sales to Government clients & private companies are being taken care by him: Mr. Tej Kumar Jain is qualified Chartered Accountant and Company Secretary, is the Finance Manager and Company Secretary of the Company, has over 20 years of experience in finance, Accounts and Secretarial Department.

Diversification of Business Operations

The Company now proposes to diversify their business activities into Zippers, Zipper Tapes & Mink Blankets and shall also be manufacturing the raw materials required for the same, viz., Partially Oriented Yarn (POY), Draw Texturised Yarn (DTY) and Monofilament, all under one roof, yielding the benefits of in-house facilities, cost effectiveness and time saving.

Expand customer base with increase geographical reach

We plan to increase our customer base in the existing domestic markets as well as international markets by enhancing customer satisfaction and by timely delivery of orders. We also plan to expand our business to new geographic locations with the help of our marketing team.

Strengthen relationship with our clients

Our Company believes in maintaining long term relationships with our clients. Our Company endeavors developing relationship with our clients not only in terms of increased sales but also in terms of varied offerings in our product mix. We aim to achieve this by adding value to our client service through quality, speed and reliability of our product delivery and resolution of various customer queries and complaints.

SUMMARY FINANCIAL AND OPERATING INFORMATION

The following table sets forth the historical financial information of our Company derived from the restated and Audited Financial Statements, as restated for the Financial years ended March 31; 2007, 2008, 2009, 2010 and 2011, all prepared in accordance with Indian GAAP and SEBI (ICDR) Regulations and included in the section titled "Financial Information of the Company" beginning on Page No. 172 of this Prospectus and should be read in conjunction with those Audited Financial Statements, as restated and notes thereto and the section titled "Management's Discussion and analysis of financial condition and results of operations" beginning on Page No. 220 of this Prospectus.

Statement of Audited Profits and Losses, as restated

(₹ In lacs)

Particulars	Year ended 31-Mar-07	Year ended 31-Mar-08	Year ended 31-Mar-09	Year ended 31-Mar-10	Year ended 31-Mar-11
INCOMES:					
Sales:					
Of Products manufactured by the Company	3098.90	4754.28	8752.25	6449.98	11658.88
Of Products traded in by the Company	0.00	0.00	0.00	4490.95	0.00
Of products not normally dealt in by the Company (Grapes)	0.00	0.00	0.00	94.56	200.97
Total Sales:	3098.90	4754.28	8752.25	11035.49	11859.85
Other Income (As per Annexure-VII)	37.40	30.88	88.28	69.45	68.86
Increase / (Decrease) in Inventories	144.77	300.43	(285.71)	625.69	(212.35)
Total:	3281.07	5085.59	8554.82	11730.63	11716.36
EXPENDITURES:					
Material consumed	2497.03	3565.75	5930.06	9048.38	8689.06
Manufacturing Expenses	454.72	788.89	1165.88	618.83	921.16
Staff Costs	25.49	61.26	129.97	163.58	167.45
Administrative Expenses	47.32	75.00	119.98	128.50	128.24
Selling & Distribution Expenses	34.68	179.21	326.28	402.96	417.16
Interest and other finance charges	76.12	109.78	332.92	223.27	247.55
Depreciation	28.40	63.50	106.35	112.30	107.12
Total:	3163.76	4843.39	8111.44	10697.82	10677.74
Net Profit before tax & extra-ordinary items:	117.31	242.20	443.38	1032.81	1038.62
Taxation (including current, deferred, FBT & MAT credit entitlement):					
- Current Tax	35.77	68.12	134.49	372.50	349.06
- Fringe Benefit Tax	1.06	2.19	2.52	0.00	0.00
- Deferred Tax Liability / (Asset)	8.63	26.84	(18.72)	(13.74)	(0.75)
Net Profit before extra-ordinary items:	71.85	145.05	325.09	674.05	690.31
Prior period items	0.00	7.67	0.00	1.27	0.00
Net Profit after tax as per Audited Financial Statements:	A 71.85	137.38	325.09	672.78	690.31
Adjustments on account of restatements (As per Annexure XV) :	B (7.16)	6.13	(3.39)	(0.92)	5.99

Net Profit as restated (A+B):	64.69	143.51	321.70	671.86	696.30
Profit available for appropriation as restated:	64.69	143.51	321.70	671.86	696.30
Appropriations:					
- Transferred to General Reserve	0.00	0.00	23.12	33.64	34.52
- Transferred to Capital Account	4.92	0.00	0.00	0.00	0.00
- Proposed Dividend	10.18	61.58	123.15	123.15	204.39
- Tax on Dividend	1.73	10.46	20.93	20.93	33.16
Total Appropriations:	16.83	72.04	167.20	177.72	272.07
Balance Profit after Appropriation:	47.86	71.47	154.50	494.14	424.23
Balance brought forward from last year:	(1.75)	46.11	117.58	272.08	766.22
Balance carried forward to Balance Sheet as restated:	46.11	117.58	272.08	766.22	1190.45

N.B: Up to the F.Y. 2005-06, the status of the Company was that of a partnership firm under the name and style of "Tijaria Overseas Vinyl". The conversion of firm into company took place during the F.Y.2006-07 under the provisions of part IX of the Companies Act, 1956. When the status was partnership firm, the depreciation had been provided at the rates applicable as per Income Tax Rules, 1962. However, after incorporation of the Company, the depreciation has been provided at the rates applicable as per the Companies Act, 1956. It has resulted into change of depreciation rates under WDV Method. In compliance with AS - 6, the balance unamortised value of fixed assets is being charged to depreciation in the remaining useful life of the fixed assets.

Statement of Assets and Liabilities as restated

(₹ In lacs)

	Particulars		As at 31-Mar- 07	As at 31-Mar- 08	As at 31-Mar- 09	As at 31-Mar- 10	As at 31-Mar- 11
A	Fixed Assets:						
	Gross Block		399.39	680.72	951.04	1056.76	2388.41
	Less: Depreciation		60.51	89.71	178.31	287.17	371.51
	Net Block		338.88	591.01	772.73	769.59	2016.90
	Add: Capital Work in Progress (including advances)		0.00	114.80	104.23	299.65	1277.24
	Total	A	338.88	705.81	876.96	1069.24	3294.14
B	Investments:	B	0.00	0.50	0.50	0.00	0.00
C	Current Assets, Loans & Advances:						
	Inventories		307.83	980.01	685.18	1083.67	857.53
	Sundry Debtors		820.30	1257.64	2199.56	2870.75	3245.39
	Cash & Bank Balances		140.28	177.04	216.13	250.00	307.63
	Other Current assets, Loans & Advances		122.30	371.32	288.78	272.40	835.27
	Total	C	1390.71	2786.01	3389.65	4476.82	5245.82
D	Liabilities & Provisions:						
	Secured Loans		483.05	1126.86	1342.86	1363.86	3067.53
	Unsecured Loans		1.51	0.63	53.24	0.00	174.45
	Current Liabilities & Provisions		955.07	734.89	1083.29	1879.06	1720.20
	Total	D	1439.63	1862.38	2479.39	3242.92	4962.18
E	Deferred Tax Liability:	E	8.63	35.46	16.75	3.01	2.26
F	Net Worth (A+B+C-D-E):		281.33	1594.48	1770.97	2300.13	3575.52
G	Represented by:						
	Share Capital		203.71	410.51	821.03	821.03	1362.62
	Reserves & Surplus		81.11	1186.59	953.69	1481.47	2250.63
	Less: Miscellaneous Expenses not w/off		3.49	2.62	3.75	2.37	37.73
	Net Worth		281.33	1594.48	1770.97	2300.13	3575.52

Notes:

- Upto F.Y. 2005-06, our company's status was that of a partnership firm under the name and style of "Tijaria Overseas Vinyl" and in the books of the our erstwhile partnership firm, depreciation was charged following the WDV method at the rates as per Income Tax Rules, 1962 as there was no other option available to the partnership firm in this regard. However, during the F.Y. 2006-07, when our partnership firm was converted into a corporate entity under Part IX of the Companies Act, 1956, our

company had two options for charging depreciation viz (i) on the basis of Straight Line Method and (ii) on WDV Method and under both the methods, rates for charging depreciation are varied as provided under the Companies Act, 1956 itself. Our Company opted for the WDV method as per the Companies Act, 1956 (the *method which was used by the erstwhile partnership firm*) and the same WDV method is continued till today in the books of accounts of our Company. Thus, there was no change in the method of charging the depreciation and hence, no further accounting treatment was made in the books of accounts and consequently in the Auditors Report given on the Financial Statements as Re-stated. However, after incorporation of our Company, we have continued in charging the depreciation under WDV method, at the rates applicable as per Companies Act, 1956. It has resulted in the change of depreciation rates only under WDV Method and in compliance with AS - 6, the balance unamortised value of fixed assets is being charged to depreciation in the remaining useful life of the fixed assets.

In this regard, Our Company's Auditors vide their letter dated November 23, 2010, have given following submissions which are reproduced per verbatim:

- a) That Accounting Standard – 6 requires the auditors to comment/ qualify their audit report in case there is any change in the method of charging depreciation and qualification of the same in audited/ restated accounts as the case may be.
- b) In the case of company in subject, there was no change in the method of charging depreciation as the company continued to charge its fixed assets on WDV method only, pre or post change of constitution into a company.
- c) However, the WDV rates under Schedule XIV of the Companies Act, 1956 and the rates of depreciation specified under Income Tax Rules 1962 are marginally different. Having regard to the fact that there was no change in the policy of the concern post conversion into the company with regard to charging of depreciation and consequently, no inconsistent policy was followed in this respect, Auditors did not find the same inconsistent to the provisions and requirements of AS-6 and therefore the audit report was not qualified. However, a note was given in the restated accounts dated 27.08.2010 just for sake of disclosure.
- d) Therefore, in view of above, there is no deviation to the provisions of AS-6 as well as Provisions of SEBI (ICDR) Regulations 2009 which requires re- computation of the financial statement due to incorrect accounting policy.

Accordingly, the computation of depreciation in the books of accounts w.e.f F.Y 2006-07 and onwards are in due compliance with AS-6.

2. Reasons for increase in the turnover

a. Reasons for increase in manufacturing revenues:

The revenues from manufacturing activities increased in the FY 2008-09 by 45.68% over FY 2007-08 due to better order book position. The total turnover during the FY 2009-10 increased by 26.09% over corresponding FY 2008-09 due to sale of traded goods ₹ 4490.95 Lacs and sales of products (grapes) not normally dealt in by the Company ₹ 94.56 lacs.

b. Reasons for increase in traded product revenues:

Revenues from sale of products traded by our Company during the financial year 2009-10 was ₹ 4491.00 Lacs while there was no such sale in the corresponding year 2008-09. Due to this reason, there is no income shown under the corresponding head in the previous financial year 2008-09.

We confirm that revenue recognized by the Company is in accordance with applicable accounting standards issued by ICAI especially AS-9 with the support of CA Certificate dated November 27, 2010 in this regard.

3. Investment shown in F.Y. 2007-08 and 2008-09 represents NSCs (National Savings Certificates) for pledging the same with PHED, Rajasthan State.
4. The Audited financial figures of our Company have been recomputed after accounting for liability for gratuity in accordance with AS-15 of the ICAI. Our Company has taken Employees Group Gratuity Policy with Life Insurance Corporation of India who has carried out actuarial valuation of employees' gratuity with effect from the financial year 2006-07 (the year in which the erstwhile partnership firm was converted into a private limited company and later on into a public limited company). The gratuity has been provided in the revised *Audited Financial Statements, as restated*, as per the Projected Unit Credit Method in accordance with the AS-15 issued by the ICAI. The total financial impact towards actuarial gratuity liability up to financial year ended 2010-11 is ₹ 9.29 lacs.

With regard to liability on account of leave encashment, our Company confirmed that there is no leave encashment to employees and leaves lying in the credit of employees are given as and when requested by the employees. No cash payment is made against such leaves which remain unutilized. These leaves are non-accumulating and are lapsed at the end of the year. Accordingly, no provision has been made in the books of accounts for leave encashment as per AS-15.

The Audited Financial figures of our Company have been recomputed after accounting for liability in accordance with AS-15 issued by ICAI and the total actuarial gratuity liability under projected unit credit method as computed by the LIC of India upto FY 2010-11 is ₹ 9.29 lacs. Please refer Annexure VI on page no. 187 under the head "Financial Information of our Company" in this Prospectus.

5. The Net worth of the Company as at March 31, 2011 has been computed in compliance with Regulation 2 (1) (v) of SEBI (ICDR) Regulations 2009.
6. The Net worth of the Company as at March 31, 2010 had been computed excluding share application money pending allotment in compliance with Regulation 2 (1) (v) of SEBI (ICDR) Regulations 2009.
7. The Net worth of the Company as at March 31, 2007 had been computed excluding share application money pending allotment in compliance with Regulation 2 (1) (v) of SEBI (ICDR) Regulations 2009.

The net worth of the Company, as restated is in accordance with compliance of the Regulation 2(1) (v) of SEBI (ICDR) Regulations, 2009 and excludes share application money pending for allotment in the FY 2006-07 and FY 2009-10.

8. The financials of the erstwhile firm M/s Tijaria Overseas Vinyl, which was converted into a private limited Company on July 17, 2006 under Part IX of the Companies Act, 1956 and thereafter it was converted into a public limited Company on July 20, 2006, have been restated in accordance with the provisions of Schedule VI of the Companies Act, 1956 after complying the accounting standards of the Institute of Chartered Accountants of India and provide a true and fair view of the firm's accounts merged with the F.Y. 2006-07.

3.2 – THE ISSUE

PRESENT ISSUE TO THE PUBLIC IN TERMS OF THIS PROSPECTUS	
Equity Shares Offered: Present Issue of Equity Shares by our Company	1,00,00,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 60/- per share aggregating ₹ 6000 Lacs
Net Issue to the Public	1,00,00,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 60/- per share aggregating ₹ 6000 Lacs
Equity Shares outstanding prior to the Issue	1,36,26,172 Equity Shares
Equity Shares outstanding after the Issue	2,36,26,172 Equity Shares
Objects of the Issue	Please refer Chapter to the title “Objects of the Issue” on Page No. 57 of this Prospectus

3.3 - GENERAL INFORMATION

Our Company started as a partnership firm as 'Tijaria Overseas Vinyl' in the Year 2000, and was converted into a private limited Company as 'Tijaria Polypipes Private Limited' on 17th July, 2006 under Part IX of the Companies Act, 1956. Later on, the Company was converted into a public limited Company and the name of the Company was changed to 'Tijaria Polypipes Limited' w.e.f 20th July, 2006 and received fresh certificate of Incorporation from Assistant Registrar of Companies Rajasthan, Jaipur.

The brief information for our Company is given below: -

Registered Office and Factory	Registered Office: A-130 (E), Road No. 9-D, Vishwakarma Industrial Area (VKI), Jaipur – 302 013. <u>Existing Works</u> Unit 1 A-130 (E) & (H), Road No. 9-D, Vishwakarma Industrial Area (VKI), Jaipur – 302 013 Unit 2 F-532, Road No. 6-D, Vishwakarma Industrial Area (VKI), Jaipur – 302 013.	
Date of Incorporation	July 17, 2006	
Company Registration No.	17-022828/2006-07	
Company Identification No.	U25209RJ2006PLC022828	
Address of Registrar of Companies	Corporate Bhavan, G/6-7, Second Flr, Residency Arae, Civil Lines, Jaipur-302001, India.	
Name of the Stock Exchanges	Bombay Stock Exchange Limited National Stock Exchange of India Limited	
Designated Stock Exchange	Bombay Stock Exchange Limited	
Issue Programme	Issue Opens on:	Tuesday, September 27, 2011
	Issue Closes on:	Thursday, September 29, 2011

<p>BANKER TO THE COMPANY Bank of India, Jaipur Mid Corporate Branch Ground Floor, Nilkanth Tower 1, Bhawani Singh Road, Jaipur Tel: 91-141-2232291, 2222280 Fax: 91-141-2221483 Email: JaipurMCB.rajasthan@bankofindia.co.in</p>	<p>FINANCE MANAGER & COMPANY SECRETARY (COMPLIANCE OFFICER) Mr. Tej Kumar Jain A-130 (E), Road No. 9-D, Vishwakarma Industrial Area (VKI), Jaipur – 302 013. Phone : 91-141-4010800, 2333722, 23, 3219300, 3218100 ,4010800 Fax : 91-141 - 2332342 Email: ipo@tijaria-pipes.com</p>
<p>LEAD MANAGER TO THE ISSUE Hem Securities Limited 14/15, Khatau Building 40, Bank Street, Fort Mumbai - 400 001 Tel: 022 – 2267 1543 / 44 Fax: 022 – 2262 5991 Web: www.hemonline.com Email: ipoinfo@hemonline.com Contact Person: Mr. Rakesh Bhalla SEBI Regn. No. INM000010981</p>	<p>REGISTRAR TO THE ISSUE Sharex Dynamic (India) Pvt. Ltd. Unit-1, Luthra Industrial Premises, 1st Floor, 44-E, M Vasanji Marg, Andheri-Kurla Rd, Safed Pool, Andheri (E), Mumbai – 400 072 Tel: 022 – 2851 5606 Fax: 022 – 2851 2885 Web: www.sharexindia.com Email: tijaria.ipo@sharexindia.com Contact Person: Mr. K.C. Ajitkumar SEBI Regn. No. INR 000002102</p>
<p>BANKERS TO THE ISSUE Axis Bank Limited G4 & G5, Saurav Tower, Vaishali Nagar, Jaipur – 302 021, Tel: 0141-5109445/6/7 Fax: 0141-5109400 Web: www.axisbank.com Email: sameer.soral@axisbank.com Contact Person: Mr. Sameer Soral Sebi Regn No. INBI00000017</p> <p>IndusInd Bank Limited Cash Management Services, Solitaire Corporate Park, No. 1001, Building No. 10, Ground Floor, Guru Hargovindji Marg, Andheri (East), Mumbai – 400 093 Tel: 022-6772 3901 to 3917 Fax: 022-6772 3998 Web: www.Indusind.com Email: suresh.esaki@indusind.com Contact Person: Mr. Suresh Esaki Sebi Regn No. INBI00000002</p>	<p>AUDITORS OF THE COMPANY G.K. Mittal and Associates Chartered Accountants “Shree Dham” G-1, R-20, Yudhister Marg, C-Scheme, Jaipur - 302005, Rajasthan Tel: 0141-4021472, 74-75 Fax: 0141-4021476 Email: neerajk_mathur@hotmail.com</p> <p><i>Joint Auditors</i> M/s S. Misra & Associates Chartered Accountant 3 – C, IIIrd Floor, Tilak Bhawan Tilak Marg, C-Scheme, Jaipur - 302005, Rajasthan Tel: +91-141 5104381, Fax:+91-141-5104382 Email: smisra22@hotmail.com</p>

<p>LEGAL ADVISOR TO THE COMPANY</p> <p>Mindspright Legal Office No. 9, 3rd Floor, 7/10,Botawala Building, Horniman Circle, Fort, Mumbai- 400 001 Tel: +91-22- 4002 0665 Fax: +91-022- 4002 0664 Contact Person: Ms. Akshaya Bhansali Email Id: akshaya@mindspright.co.in Web: www.mindspright.co.in</p>	<p>IPO GRADING AGENCY TO THE ISSUE</p> <p>ICRA Limited. Building No. 8, 2nd Floor Tower A, DLF Cyber City, Phase II Gurgaon - 122002 Tel. 91-124-4545300 Fax: 91-124-4545350 Web: www.icra.in Contact Person: Mr. Vivek Mathur Email:info@icraindia.com</p>
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ICRA IPO Grade

*** This Issue has been graded by ICRA Limited and has been assigned “IPO GRADE 2” which indicates below average fundamentals. For more information on IPO Grading, please see Annexure to this Prospectus.**

Board of Directors of the Company

Our Board of Directors consists of:

Name	Designation
Mr. Alok Jain Tijaria	Managing Director
Mr. Vikas Jain Tijaria	Executive Director- Marketing
Mr. Praveen Jain Tijaria	Executive Director- Production
Mr. Vineet Jain Tijaria	Executive Director- Projects
Mr. Pana Chand Jain	Non – Executive Independent Director
Mr. Padam Prakash Somprakash Bhatnagar	Non – Executive Independent Director
Mr. Santosh Kumar	Non – Executive Independent Director
Mr. Pawan Kumar Jain	Non – Executive Independent Director

(All Executive Directors are Whole Time Directors of the Company)

For further details of Our Directors, please refer to Page No. 145 under Section titles “Our Management” of this Prospectus

Note: Investors can contact the Compliance Officer in case of any Pre-Issue or Post-Issue related problems such as non-receipt of letter of allotment or share certificates, credit of securities in depositories’ beneficiary account or dispatch of refund orders etc.

Statement of inter-se allocation of responsibilities

Since **Hem Securities Limited** is the sole LM to this Issue, statement of inter-se allocation responsibilities among Lead Manager’s is not applicable.

Self Certified Syndicate Banks (“SCSBs”)

The list of banks that have been notified by SEBI to act as SCSB for the ASBA process are provided on www.sebi.gov.in. For more information on designated branches of SCSBs collecting the ASBA Application Form, please refer the above mentioned SEBI link.

IPO Grading

Our Company has appointed ICRA Limited for grading. ICRA has assigned an 'ICRA IPO GRADE 2 to the proposed initial public offering of the Company, which indicates below average fundamentals. Pursuant to Regulation 26 clause 7 of the SEBI (ICDR) Regulations 2009, the rationale / description furnished by the credit rating agency, a copy of which is attached as Annexure to this Prospectus and will be updated at the time of filing this Prospectus with the Registrar of Companies, Rajasthan, Jaipur and will be available for inspection at our Registered Office from 11.00 a.m. to 4.00 p.m. on Business Days during the Issue period.

CREDIT RATING

The Company "Tijaria Polypipes Limited" has availed credit rating from ICRA Limited on August 23, 2010 vide their letter dated August 27, 2010, wherein ICRA has reaffirmed the LBBB- (pronounced L triple B minus) rating on the reduced term loan of ₹ 3.24 crore and the fund based facilities ₹ 12.0 crores of Tijaria Polypipes Limited (TPL) ICRA has also reaffirmed the short term rating of A3 (pronounced A three) of the non fund based facilities of ₹ 10.00 crores of TPL. The outlook on long term rating is Stable.

The rating reflect TPL's well diversified product portfolio comprising HDPE pipes, PVC pipes and sprinkler systems; strong customer profile and moderates financial risk profile. The ratings are, however, constrained by high competitive intensity in the industry, given the fragmented nature of the industry and vulnerability of its profitability to fluctuations in raw material prices. ICRA also notes that the Company is executing an expansion cum diversification project which is very large in relation to its current size and would be associated with various execution level risks, it being a new area of business.

TRUSTEES

As the Issue is of Equity Shares, the appointment of trustees is not required.

MONITORING AGENCY

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 the requirement of Monitoring Agency is not mandatory if the Issue size is below ₹ 500.00 Crore. Since the Issue size is only of ₹ 60.00 Crore, our Company has not appointed any monitoring agency for this Issue.

However, as per the Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges upon listing of the equity shares and the Corporate Governance Requirements, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

DETAILS OF THE APPRAISING AUTHORITY

The proposed expansion cum diversification project has been appraised by the Bank of India, Bankers to Our Company, the details of which are given below. The Bank, vide its letter Ref No. BOI/JMCB/AKT/69 dated September 27, 2010 had given its in-principle approval for the Term Loan component of ₹ 4000.00 Lacs as part funding of the said project cost aggregating to ₹ 10852.00 Lacs. Subsequently, the Bank, vide its letter Ref No. BOI/ JMCB: C&IC: 10-11AKT:105 dated October 12, 2010 has sanctioned the said Term Loan component of ₹ 4000.00 Lacs, out of the total stated means of finance. Our Bankers, Bank of India vide their sanction letter dated October 12, 2010 had inserted a clause relating to the tie-up arrangement which inter-alia provides that the sanction of the term loan of ₹ 4,000 Lacs as part funding of the proposed expansion-cum-diversification project is subject to full tie-up of the debt i.e. after successful completion of our proposed IPO. Further, Bank of India vide their supplemental sanction letter Ref no. JMCB:C&IC:10-11:AKT:320 dated February 3, 2011 have modified the terms of aforesaid sanction letter, whereby the bank has approved the release of ₹ 3000 Lacs out of the sanctioned term loan of ₹ 4000 Lacs for implementation of the mini-project and has also waived the tie-up arrangement of IPO as per the original sanction for this term loan of ₹ 3000 Lacs for the project under reference. Our Company has already applied to our Bankers, i.e. Bank of India, for sanction of additional working capital limits for our proposed expansion-cum-diversification project vide letter dated June 1, 2011.

Bank of India,
Jaipur Mid Corporate Branch
Ground Floor, Nilkanth Tower
1, Bhawani Singh Road, Jaipur
Tel: 91-141-2222291, 2222281
Fax: 91-141-2221483
Email: JaipurMCB.rajasthan@bankofindia.co.in

UNDERWRITING

Underwriting being optional, this Issue is not being underwritten.

3.4 - CAPITAL STRUCTURE OF THE COMPANY

The share capital of our Company, before the Issue and after giving effect to the Issue, as on the date of this Prospectus is set forth below:

(₹ In Lacs)

Sr.No.	Particulars	Nominal Value at Face Value (₹)	Aggregate Value at Issue Price (₹)
A	Authorised Capital 25,000,000 Equity Shares of ₹10 each.	2,500.00	-
B	Issued, Subscribed and Paid up capital 13,626,172 Equity shares of ₹10 each	1,362.62	-
C	Present Issue 10,000,000 Equity shares of ₹10/- each at a premium of ₹ 50 per share.	1,000.00	6,000.00
D	Net offer to public in terms of this Prospectus 10,000,000 Equity shares of ₹10/- each at a premium of ₹ 50 per share.	1,000.00	6,000.00
E	Paid up Capital After the Issue 23,626,172 Equity shares of ₹10/- each.	2,362.62	2,362.62
F	Share Premium Account Before the Issue After the Issue		968.90 5,968.90

NOTES TO CAPITAL STRUCTURE

1. Details of Increase in Authorized Share Capital of the Company

(₹ In Lacs)

Sr. No.	Date	Increased From	Increased To	Remarks
1	17.07. 2006	-	195.00	On Incorporation, 19,50,000 Equity Shares of ₹ 10/- each.
2	08.03.2007	195.00	205.00	Increase from 19,50,000 Equity Shares of ₹10/- each to 20,50,000 Equity Shares of ₹ 10/- each.

Sr. No.	Date	Increased From	Increased To	Remarks
3	21.01.2008	205.00	500.00	Increase from 20,50,000 Equity Shares of ₹ 10/- each to 50,00,000 Equity Shares of ₹ 10/- each.
4	07.08.2008	500.00	1,000.00	Increase from 50,00,000 Equity Shares of ₹ 10/- each to 1,00,00,000 Equity Shares of ₹ 10/- each.
5	12.07.2010	1,000.00	1,500.00	Increase from 1,00,00,000 Equity Shares of ₹ 10/- each to 1,50,00,000 Equity Shares of ₹ 10/- each.
6	02.08.2010	1,500.00	2,500.00	Increase from 1,50,00,000 Equity Shares of ₹ 10/- each to 2,50,00,000 Equity Shares of ₹ 10/- each.

2. Equity Share Capital History of the Company

Date of Allotment	No. of Equity Shares	Face Value	Issue Price	Consideration	Reasons for Allotment	Cumulative Securities Premium Account (₹)	Cumulative No. of Equity Shares	Cumulative Paid-up Capital (₹)
17.07.2006	1,937,124	10.00	10.00	Subscribers to the Memorandum	Subscribers to the Memorandum	NIL	1,937,124	19,371,240.00
27.03.2007	100,000	10.00	45.00	Cash	Allotment	3,500,000.00	2,037,124	20,371,240.00
29.01.2008	2,068,010	10.00	60.00	Cash	Allotment	106,900,500.00	4,105,134	41,051,340.00
18.08.2008	4,105,134	10.00	NIL	Bonus*	Bonus Issue out of share premium	65,849,160.00	8,210,268	82,102,680.00
21.07.2010	4,105,134	10.00	NIL	Bonus*	Bonus Issue out of share premium	24,797,820.00	12,315,402	123,154,020.00
17.08.2010	1,307,690	10.00	65.00	Cash	Allotment	96,720,770.00	13,623,092	136,230,920.00
15.09.2010	3,080	10.00	65.00	Cash	Allotment	96,890,170.00	13,626,172	136,261,720.00

*Allotted out of Share Premium

NOTE: Up to the F.Y. 2005-06, the status of the Company was that of a partnership firm under the name and style of "Tijaria Overseas Vinyl" which was converted into a Private Limited Company on July 17, 2006 under the Part IX of the Companies Act, 1956 under the name of "Tijaria Polypipes Private Limited" and the business was taken over on continuous basis. The Company was later on converted into a Public Limited Company on July 20, 2006 and the name of the Company was changed to "Tijaria Polypipes Limited".

3. No Bonus Shares were issued out of reserves created from revaluation of assets during the last 5 years.

The detail of the Bonus Issue of Shares is as given:

Date of issue	Name of Allottees	Reason for issue	No. of shares issued	Benefits accrued to the Company
August 18, 2008	To all shareholders as on the Issue date.	Capitalization of Reserves & Profits through Bonus in the ratio of 1 share for every 1 share held.	4,105,134	NIL
July 21, 2010	To all the shareholders as on the Issue date.	Capitalization of Reserves & Profits through Bonus in the ratio of 1 share for every 2 shares held.	4,105,134	NIL

4. Promoters' Contribution and Lock in:

(A) Share Capital Build Up of Core Promoters

Sr. No.	Name	Date of Allotment of Fully Paid up Shares	Consideration	No. of Equity Shares	Face Value (₹)	Issue/Acquisition Price	% of Pre-issue paid up capital	% of Post-issue paid up capital	Lock in period
1	Alok Jain Tijaria	17.07.2006	Subscription to Memorandum *	532171	10.00	10.00			3 Years
		18.08.2008	Bonus	532171	10.00	-			3 Years
		21.07.2010	Bonus	117158	10.00	-			3 Years
		21.07.2010	Bonus	415013	10.00	-			1 Year
		Sub - Total			1596513				
2	Vikas Jain Tijaria	17.07.2006	Subscription to Memorandum *	507475	10.00	10.00			3 Years
		18.08.2008	Bonus	507475	10.00	-			3 Years
		21.07.2010	Bonus	166550	10.00	-			3 Years
		21.07.2010	Bonus	340925	10.00	-			1 Year
		Sub - Total			1522425				
3	Praveen Jain Tijaria	17.07.2006	Subscription to Memorandum *	465082	10.00	10.00			3 Years
		18.08.2008	Bonus	465082	10.00	-			3 Years
		21.07.2010	Bonus	251336	10.00	-			3 Years

Sr. No.	Name	Date of Allotment of Fully Paid up Shares	Consideration	No. of Equity Shares	Face Value (₹)	Issue/Acquisition Price	% of Pre-issue paid up capital	% of Post-issue paid up capital	Lock in period
	Sub - Total	21.07.2010	Bonus	213746	10.00	-			1 Year
				1395246			10.239	5.906	
4	Vineet Jain Tijaria	17.07.2006	Subscription to Memorandum *	431996	10.00	10.00			3 Years
		18.08.2008	Bonus	431996	10.00	-			3 Years
		21.07.2010	Bonus	317508	10.00	-			3 Years
		21.07.2010	Bonus	114488	10.00	-			1 Year
	Sub - Total			1295988			9.511	5.485	
	TOTAL			5810172			42.64	24.59	

*Please refer to the Note provided under Equity Share Capital History of the Company under the “Capital Structure of the Company” on Page No. 45 of this Prospectus.

The lock in period shall commence from the date of allotment of Equity Shares in the proposed public issue or commencement of commercial production whichever is later, as per the applicable SEBI Regulations.

(B) Share Capital Build up of Promoter Group

Sr. No.	Name	Date of Allotment of Fully Paid up Shares	Consideration	No. of Equity Shares	Face Value (₹)	Issue/Acquisition Price	% of Pre-issue paid up capital	% of Post-issue paid up capital	Lock in period (in Years)
1	Anu Jain Tijaria	17.07.2006	Subscription to Memorandum *	100	10.00	10.00			1 Year
		18.08.2008	Bonus	100	10.00	-			1 Year
		21.07.2010	Bonus	100	10.00	-			1 Year
	Sub - Total			300			0.002	0.001	
2	Reema Jain Tijaria	17.07.2006	Subscription to Memorandum *	100	10.00	10.00			1 Year
		18.08.2008	Bonus	100	10.00	-			1 Year
		21.07.2010	Bonus	100	10.00	-			1 Year

Sr. No.	Name	Date of Allotment of Fully Paid up Shares	Consideration	No. of Equity Shares	Face Value (₹)	Issue/Acquisition Price	% of Pre-issue paid up capital	% of Post-issue paid up capital	Lock in period (in Years)
	Sub - Total			300			0.002	0.001	
3	Purnima Jain Tijaria	17.07.2006	Subscription to Memorandum *	100	10.00	10.00			1 Year
		18.08.2008	Bonus	100	10.00	-			1 Year
		21.07.2010	Bonus	100	10.00	-			1 Year
	Sub - Total			300			0.002	0.001	
4	Sonal Jain Tijaria	17.07.2006	Subscription to Memorandum *	100	10.00	10.00			1 Year
		18.08.2008	Bonus	100	10.00	-			1 Year
		21.07.2010	Bonus	100	10.00	-			1 Year
	Sub - Total			300			0.002	0.001	
5	M/s Tijaria Industries limited.	27.03.2007	Cash	100000	10.00	45.00			1 Year
		29.01.2008	Cash	2068010	10.00	60.00			1 Year
		18.08.2008	Bonus	2168010	10.00	-			1 Year
	21.07.2010	Bonus	2168010	10.00	-			1 Year	
Sub - Total			6504030			47.732	27.529		
6	M/s Tijaria Vinyl Private Limited	17.08.2010	Cash	1307690	10.00	65.00			1 Year
		15.09.2010	Cash	3080	10.00	65.00			1 Year
Sub - Total			1310770			9.620	5.548		
	TOTAL			7816000			57.360	33.082	

*Please refer to the Note provided under Equity Share Capital History of the Company under the “Capital Structure of the Company” on Page No. 45 of this Prospectus.

The lock in period shall commence from the date of allotment of Equity Shares in the proposed public issue or commencement of commercial production whichever is later, as per the applicable SEBI Regulations.

(C) Promoter's Contribution

The promoters of the Company have undertaken that they will lock-in the minimum number of shares as promoter's contribution, required to be locked in as per the SEBI (ICDR) Regulations on finalization of the number of shares in the Issue and the post Issue capital. They have also undertaken that they will issue necessary instructions to the Depositories for lock-in of these shares for three/one year as per the requirement and provide the information to the LM for disclosure in the Prospectus to be filed with ROC.

The contribution of the promoters of the Company has been brought to the extent of not less than the specified minimum lot and from persons as defined as promoters under the SEBI Regulations.

The Promoters and Directors of the Company and the LM of the Issue have not entered into any buyback or "similar" arrangement for the Equity Shares being issued through this Prospectus. Shareholding of the Promoters, Promoter Group and the directors of our Promoter Companies in our Company is as under:

Sr.No.	Name	Date of Allotment of Fully Paid up Shares	Consideration (Cash/Bonus/Kind, etc.)	No. of Equity Shares	Face Value (₹)	% of Post-issue paid up capital	Lock in period
1	Alok Jain Tijaria	17.07.2006	Subscription to Memorandum	532171	10.00	5.00	3 Years
		18.08.2008	Bonus	532171	10.00		
		21.07.2010	Bonus	117158	10.00		
		Sub - Total		1181500			
2	Vikas Jain Tijaria	17.07.2006	Subscription to Memorandum	507475	10.00	5.00	3 Years
		18.08.2008	Bonus	507475	10.00		
		21.07.2010	Bonus	166550	10.00		
		Sub - Total		1181500			
3	Praveen Jain Tijaria	17.07.2006	Subscription to Memorandum	465082	10.00	5.00	3 Years
		18.08.2008	Bonus	465082	10.00		
		21.07.2010	Bonus	251336	10.00		
		Sub - Total		1181500			
4	Vineet Jain Tijaria	17.07.2006	Subscription to Memorandum	431996	10.00	5.00	3 Years
		18.08.2008	Bonus	431996	10.00		
		21.07.2010	Bonus	317508	10.00		
		Sub - Total		1181500			
TOTAL				4726000		20.00	

The lock in period shall commence from the date of allotment of Equity Shares in the proposed public issue or commencement of commercial production whichever is later, as per the applicable SEBI Regulations.

(D) Details of Allotment of Share Capital against Share Application Money

Our Company had received the share application money of ₹ 750.00 lacs from one of promoter group Company, M/s Tijaria Vinyl Private Limited in the FY 2009–10. The Board of Directors has already allotted the shares against the said application money together with the application money received subsequently in the next financial year 2010-11. The details of allotment are as under:

Date of Allotment	Name of Share Allottee	No. of Shares Allotted	Application Money Adjusted after allotment (₹ in Lacs)	
			Share capital @ ₹ 10/- each	Share Premium @ ₹ 55/- per share
17.08.2010	Tijaria Vinyl Pvt. Ltd.	1307690	130.77	719.23
15.09.2010	Tijaria Vinyl Pvt. Ltd.	3080	0.31	1.69
	Total	1310770	131.08	720.92

Consequent to the allotment of shares against the outstanding share application money, the Share Application Money Account has become nil. The said application money forming part of the promoters' contribution was received to part finance the project cost of ₹ 10852.00 lacs.

WE CERTIFY THAT THE REGULATION 33 OF THE SEBI (ICDR) REGULATIONS, 2009 WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLES FOR COMPUTATION OF PROMOTERS' CONTRIBUTION HAS BEEN DULY COMPLIED WITH.

SEBI Regulations.

- i. The Equity Shares to be locked-in for a period of three years have been computed as 20% of Equity Share Capital after the Issue. It is confirmed that the Equity Shares offered for by the Promoters for three years lock-in are not pledged. Further all the Equity Shares, which are being locked in for 3 years, are not ineligible for computation of promoters' contribution and lock-in as per clause 33(1) of SEBI (ICDR) Regulations.
- ii. The Promoters and Promoter Group have vide their letter dated September 15, 2010 given their consent for lock-in of shares as stated above. The lock-in shall start from the date of allotment in the public issue and the last date of the lock-in shall be reckoned as three years from the date of commencement of commercial production or the date of allotment in the issue, whichever is later.
- iii. In addition to above promoters contribution which is locked in for a period of three years, the entire remaining pre-Issue Equity Capital of our Company i.e. 89,00,172 Equity Shares will be locked in for a period of one year from the date of allotment of Equity Shares in this Issue constituting 37.67 % of the post issue equity share capital of our Company.
- iv. In terms of regulation 39(b) of the SEBI (ICDR) Regulations, locked in Equity Shares held by the Promoters can be pledged with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided the pledge of shares is one of the terms of sanction of loan. Provided that if securities are locked in as minimum promoters' contribution under regulation 39(a) of SEBI (ICDR) Regulations, the same may be pledged only if in addition to fulfilling the above requirements, the loan has been granted by such banks or financial institution for the purpose of financing one or more of the objects of the issue.

- v. In terms of Regulation 40 of the SEBI (ICDR) Regulations, Subject to the provisions of Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 1997, the specified securities held by promoters and locked-in as per regulation 36 may be transferred to another promoter or any person of the promoter group or a new promoter or a person in control of the issuer and the specified securities held by persons other than promoters and locked-in as per regulation 37 may be transferred to any other person holding the specified securities which are locked-in along with the securities proposed to be transferred provided that lock-in on such specified securities shall continue for the remaining period with the transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated in these regulations has expired.
- (E) We have complied with Regulation 32 and Regulation 33 of the SEBI (ICDR) Regulations, 2009.
- (F) There has been no allotment of shares in terms of any scheme approved under Section 391-394 of The Companies Act, 1956.
- (G) There is no “buyback” or “standby” arrangement for purchase of Equity Shares by our Company, its Directors, its Promoters, or the LM for the Equity Shares offered through this Prospectus.
- (H) Eligibility of Share for “Minimum Promoters Contribution in terms of clauses of Regulation 33 (1) of SEBI(ICDR) Regulations,2009

Reg. No.	Promoters' Minimum Contribution	Compliance
33 (a) (i)	Whether acquired in consideration other than cash and revaluation of assets or capitalization of intangible assets.	No.
33 (a) (ii)	Whether bonus issue to the promoters resulting from the capitalization of revaluation reserves	No. (Note: Bonus issue to the promoters was made out of realized profits/share premium received in cash. There is no revaluation reserve or unrealized profits in the company.)
33 (b)	Whether promoters acquired shares during the preceding one year at a price lower than the price at which specified securities are being offered to public in the IPO.	No. (Note: Shares acquired during preceding one year at price higher than the price being proposed to public. Also not forming part of minimum promoters' contribution.)

Reg. No.	Promoters' Minimum Contribution	Compliance
33 (c)	Specific securities allotted to promoters against capital existing in such partnership firms for a period of more than one year on continuation basis.	Yes (Note: Shares acquired by way of Subscription to Memorandum of Association upon conversion of erstwhile partnership Firm "Tijaria Overseas Vinyl" into a Private Limited Company on July 17, 2006 under the Part IX of the Companies Act, 1956, which was later on converted into public limited Company on 20 July 2006.)
33 (d)	Specified securities pledged with any creditor.	No.

Original shares on which the Bonus Shares have been allotted and the Bonus Shares considered for Minimum Promoters Contribution are NOT INELIGIBLE SHARES as per Regulation 33 (1) (a) (ii) of SEBI (ICDR) Regulations, 2009.

- (I) Except as stated below our Company has not issued any equity shares for consideration other than cash

Date of issue	Name of Allottees	Reason for issue	No. of shares issued	Benefits accrued to the
18.08.2008	To all shareholders as on the Issue date.	Capitalization of Reserves & Profits through Bonus in the ratio of 1 share for every 1 share held.	4,105,134	NIL
21.07.2010	To all the shareholders as on the Issue date.	Capitalization of Reserves & Profits through Bonus in the ratio of 1 share for every 2 shares held.	4,105,134	NIL

- (J) An over-subscription to the extent of 10% of Net Issue to the Public can be retained for the purpose of rounding off to the nearer multiple of 1, while finalizing the Basis of Allotment. Consequently, the actual allotment may go up by a maximum of 10% of the Net Offer to Public, as a result of which, the post Issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by our Promoters and subject to lock-in shall be suitably increased, so as to ensure that 20% of the post Issue paid-up capital is locked in.
- (K) As on date of filing of this Prospectus with SEBI, the entire issued share capital of our Company is fully paid-up.

(L) Equity Shares held by Top Ten Shareholders

a. Details of Top ten shareholders of our Company as on the date of filing of this Prospectus with SEBI are as follows:

Sr.No	Name of Shareholder	Number of Equity Shares	% of shares to Pre-Issue Share capital
1	Alok Jain Tijaria	1596513	11.717%
2	Vikas Jain Tijaria	1522425	11.173%
3	Praveen Jain Tijaria	1395246	10.239%
4	Vineet Jain Tijaria	1295988	9.511%
5	Anu Jain Tijaria	300	0.002%
6	Reema Jain Tijaria	300	0.002%
7	Purnima Jain Tijaria	300	0.002%
8	Sonal Jain Tijaria	300	0.002%
9	M/s Tijaria Industries Limited	6504030	47.732%
10	M/s Tijaria Vinyl Private Limited	1310770	9.620%
	TOTAL	13626172	100.000%

b. Details of Top ten shareholders of our Company as on ten days prior to the date of filing of this Prospectus with SEBI are as follows:

Sr.No	Name of Shareholder	Number of Equity Shares	% of shares to Pre-Issue Share capital
1	Alok Jain Tijaria	1596513	11.717%
2	Vikas Jain Tijaria	1522425	11.173%
3	Praveen Jain Tijaria	1395246	10.239%
4	Vineet Jain Tijaria	1295988	9.511%
5	Anu Jain Tijaria	300	0.002%
6	Reema Jain Tijaria	300	0.002%
7	Purnima Jain Tijaria	300	0.002%
8	Sonal Jain Tijaria	300	0.002%
9	M/s Tijaria Industries Limited	6504030	47.732%
10	M/s Tijaria Vinyl Private Limited	1310770	9.620%
	TOTAL	13626172	100.000%

c. Details of Top ten shareholders of our Company as on two years prior to the date of filing of this Prospectus with SEBI are as follows:

Sr.No	Name of Shareholder	Number of Equity Shares	% of shares to Pre-Issue Share capital
1	Alok Jain Tijaria	1064342	12.964%
2	Vikas Jain Tijaria	1014950	12.362%
3	Praveen Jain Tijaria	930164	11.329%
4	Vineet Jain Tijaria	863992	10.523%
5	Anu Jain Tijaria	200	0.002%

Sr.No	Name of Shareholder	Number of Equity Shares	% of shares to Pre-Issue Share capital
6	Reema Jain Tijaria	200	0.002%
7	Purnima Jain Tijaria	200	0.002%
8	Sonal Jain Tijaria	200	0.002%
9	M/s Tijaria Industries Limited	4336020	52.812%
10	M/s Tijaria Vinyl Private Limited	0	0.000%
	TOTAL	8210268	100.000%

(M) Details of Pre-Issue shareholding of the Promoters and Promoter Group / Entities as on date are as follows:

S. No.	Name	Shareholding	% of shares to the Pre-Issue Capital
(A) Promoters - Core Promoters			
1.	Mr. Alok Jain Tijaria	1596513	11.717%
2.	Mr. Vikas Jain Tijaria	1522425	11.173%
3.	Mr. Praveen Jain Tijaria	1395246	10.239%
4.	Mr. Vineet Jain Tijaria	1295988	9.511%
	Sub-Total (A)	5810172	42.640%
(B) Promoter Group / Entities			
1.	Mrs. Anu Jain Tijaria	300	0.002%
2.	Mrs. Reema Jain Tijaria	300	0.002%
3.	Mrs. Purnima Jain Tijaria	300	0.002%
4.	Mrs. Sonal Jain Tijaria	300	0.002%
5.	M/s Tijaria Industries Limited	6504030	47.732%
6.	M/s Tijaria Vinyl Private Limited	1310770	9.620%
	Sub-Total (B)	7816000	57.360%
Total (Promoter & Promoter Group/Entities)		13626172	100.00%

(N) Pre-Issue and Post-Issue Shareholding of our Company

Category of Shareholders	Prior to the Issue		Post Issue	
	Number of Equity Shares	% of Equity Share Capital	Number of Equity Shares	% of Equity Share Capital
Promoter and Promoter Group				
Promoter / Core Promoter	5810172	42.640%	5810172	24.595%
Promoter Group / Entities	7816000	57.360%	7816000	33.086%
Sub-Total (Promoter Holdings)	13626172	100.00%	13626172	57.681%
Public	NIL	0.00%	10000000	42.319%
Sub-Total	NIL	0.00%	10000000	42.319%
Total	13626172	100.00%	23626172	100.00%

(O) As on the date of this Prospectus, there are no outstanding warrants, options or rights to convert debenture, loans or other financial instruments into Equity Shares of our Company. The Shares locked in by Promoters are not pledged to anyone.

- (P)** Our Promoters/ Promoter Group/Directors have not purchased / sold / financed / acquired any shares of our Company during the past 6 months except for shares acquired by reason of fresh allotments made by the Company.
- (Q)** Our Company has not raised any bridge loan against the proceeds of the present issue. For details on use of proceeds, see the section titled “Objects of the Issue” beginning on Page No. 57 of this Prospectus.
- (R)** There would be no further issue of capital in any manner whether by way of issue of bonus shares, preferential allotment, rights issue, public issue or otherwise during the period commencing from submission of this Prospectus with SEBI till the Equity Shares offered through the Prospectus have been listed.
- (S)** At present, our Company does not have any intention or proposal to alter its capital structure for a period of six months from the date of opening of the Issue, by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise except, or if our Company go for acquisitions and joint ventures, our Company may consider raising additional capital to fund such activity or use shares as currency for acquisition and / or participation in such joint venture.
- (T)** Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed issue. As and when, options are granted to our employees under the ESOP scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.
- (U)** Our Company has not issued any shares out of revaluation reserves.
- (V)** At any given point of time, there shall be only one denomination for the Equity Shares of our Company, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms specified by SEBI from time to time.
- (W)** Our Company has Ten (10) shareholders as on the date of filing of this Prospectus with SEBI.
- (X)** Our Company has not revalued its assets.
- (Y)** An investor cannot make application for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
- (Z)** Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in Para on “Basis of Allotment” appearing on Page No. 275 of this Prospectus.
- (AA)** The LM and their Associates do not have any shareholding in the Our Company.

3.5 - OBJECTS OF THE ISSUE

Rationale for the Issue

Our Company is presently engaged into manufacturing of HDPE Pipes, MDPE, LDPE, LLDPE, uPVC and PP-R pipes, under the registered name of 'Tijaria' and 'Vikas' at two of its units viz. Unit 1 and Unit 2. With the increase in demand for various types of pipes, we intend to expand our current set-up and manufacturing facilities of HDPE, PVC and a wide range of high quality pipes. Also, we plan to venture into manufacturing of Partially Oriented Yarn (popularly known as POY), Draw Texturised Yarn (DTY) Monofilament Yarn, Polyester Zippers Long Chains, Mink Blankets and PET Sheets. We propose to expand and diversify our operations at at Plot. No. SP-1-2316 and Plot No. F-2243, RIICO Industrial Area, Ramchandrapura, Sitapura – Extn., Jaipur, Rajasthan.

Objects of the Issue

1. Implementation of the Company's Expansion cum Diversification Project.
2. Meeting Preliminary and Capital Issue expenses.
3. Meeting Pre-Operative expenses
4. Provision for Contingencies
5. Provide Working Capital Margin
6. To get the Equity shares of the Company listed on BSE and NSE

The main objects clause and the objects incidental or ancillary to the main objects clause of the Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised through this Issue.

COST OF THE PROJECT

The Project Cost has been estimated at ₹ **10852.00 Lacs**, as per the break-up given below:

(₹ in Lacs)

S.No.	Particulars	Amount
1	Land & Site Development	716.00
2	Building & Civil Construction	1466.00
3	Plant & Machinery	
	- Imported	5025.00
	- Indigenous	1200.00
4	Misc. Fixed Assets	590.00
5	Preliminary & Capital Issue Expenses	495.00
6	Pre-operative Expenses	215.00
7	Provision for Contingencies	285.00
8	Working Capital Margin	860.00
	Total	10852.00

DETAILED COST OF THE PROJECT

LAND & SITE DEVELOPMENT

The project is proposed to be executed on an industrial land measuring 14200 sq. mtrs. Located at SP-1-2316, RIICO Industrial Area, Ramchandrapura, Sitapura Extn, Jaipur. This piece of land was initially allotted to M/s Tijaria Industries Limited, the holding Company of M/s Tijaria Polypipes Limited vide RIICO's letter of Allotment having reference no. U (2 5)-3 (SPL-2316)/2010/5576 dt. 30.03.2010. Later on the same was changed to M/s Tijaria Polypipes Limited, which was duly approved and acknowledged by RIICO; vide their letter having Ref. No. U (25)//2010/93 dt. 05.04.2010.

Another land, quite in the vicinity and admeasuring 1950 sq. mtrs., has also been acquired at F-2243, RIICO Industrial Area, Ramchandrapura, Sitapura – Extn., Jaipur for implementation of the project.

The location has been chosen at Sitapura Extn., which is a growing industrial area of Jaipur, after careful consideration of the infrastructural facilities in the area and the locational advantages the site enjoys. The total cost of land, together with conversion & registration expenses and site development is estimated to cost ₹ **716.00 Lacs.**

(₹ In Lacs)

S.No.	Particulars	Amount	Amount
(A)	Cost of Land Measuring 14200 sq.mtrs		595.81
1	Basic Cost Measuring 14200 sq.mtrs. at Plot no. SP-1 - 2316, RIICO Industrial Area, Ramchandrapura, Sitapura - Extn. Jaipur @ ₹ 4033/- per sq. mtr.	572.69	
2	Other RIICO Charges (Security Money, Economic Rent, Other Misc. Exp.etc.)	6.44	
3	Stamp Duty & Registration Charges (50% discount on 5% Stamp Duty; Registration - LS 50000/-)	16.69	
(B)	Cost of Land Measuring 1950 sq.mtrs.		91.64
1	Basic Cost Measuring 1950 sq.mtrs. at Plot no. F-2243, RIICO Industrial Area, Ramchandrapura, Sitapura - Extn. Jaipur @ ₹ 4500/- per sq. mtr.	87.75	
2	Other RIICO Charges (Security Money, Economic Rent, Other Misc. Exp.etc.)	0.9	
3	Stamp Duty & Registration Charges (50% discount on 5% Stamp Duty; Registration - LS 50000/-)	2.99	
4	Site Development (Land Leveling, Land Scaping, Tubewell, Horticulture etc.)		28.55
	Total		716.00

BUILDINGS AND OTHER CIVIL CONSTRUCTION

All the buildings required for installation of the plant & machinery, raw material and finished goods godowns, utilities, administration and other uses on both the sites have been included in the project cost. The total area proposed to be constructed for the unit at both the locations is 1.86 lacs sq.ft. The building shall be constructed keeping in mind the specific requirements, height of the floors, floor area required for facilitating the proper erection, installation and commissioning of the various production lines etc. The total cost of buildings and other civil construction is estimated at ₹ **1466.00 Lacs .**

(₹ in Lacs)

S.No	Type of Construction	Total floor Area. (sq.ft.)	Rate of construction	Total Cost
1	Plot No. SP-12316			
	a) Block -A.Shed for POY Plant with Provision of DTY	73402.6	725.00	532.17
	b) Block-B&C.Zipper and Mink Blanket Block	30702.0	710.00	217.98

S.No	Type of Construction	Total floor Area. (sq.ft.)	Rate of construction	Total Cost
	c) Block-D. Monofilament and Pet Sheet	47837.0	710.00	339.65
2	Plot No. F-2243			
	Pet Flakes Block	26540.0	750.00	199.05
3	Administrative Building Block	7740.0	1400.00	108.36
4	Other Misc. Construction:	8778.4	455.66	40.00
	Add-Architects Fee			28.79
		195000.0		1466.00

PLANT & MACHINERY There is an array of Plant & Machinery to be acquired for the proposed project. Whereas the main lines of plant & machinery shall primarily be imported from China, the leading manufacturer of zippers and its constituents and the production lines for the same, the other miscellaneous fixed assets are indigenously available.

IMPORTED

The Company proposes to source the main plant & machinery like Monofilament Manufacturing Machine, POY Spinning Lines, Extruder Lines, Zipper Machines and Production Line for manufacture of Mink Blankets from China, considering their latest technology, the delivery period, competitive price and performance guarantee.

Machinery for Diversification Project like POY Spinning Line shall be sourced from Shanghai Jwell Chemical Fiber Machinery Co. Ltd., Pet Sheet Extruder Line from Guangdong Designer Machinery Co. Ltd., Chip Drying System from Zhengzhou Zhongyuan Technic Co. Ltd., whereas the major chunk of Plant & Machinery shall be sourced from one of the leading vendors of Zipper Plant & Machinery, M/s YiWu Wenli Import & Export Co. Ltd.

The Plant & Machinery for the Expansion Project shall primarily be sourced from M/s Dalian Sunlight Machine Co. Ltd., China, who is the existing suppliers of the Company.

PLANT & MACHINERY (IMPORTED):

Sr. No (A)	Particulars (B)	Name & Address of Supplier (C)	No of Set (D)	Amount in US\$ (Budgeted) (E)	Purchased Order (PO)/Quotation No (QO)/Invoice No. (IN) (F)	Management Estimates (G)
	Diversification Project					
1	Production Lines for POY with all accessories	1) Shanghai Jwell Chemical Fiber Machinery Co. Ltd. , No. 4315, Cao An Road, 201804, Shanghai, PRC 2) Shanghai Cando	29	1517120 (₹ 713.05 Lacs)*	1) IN: SH-JW-110321CC dt. 21-3-2011 and SH-JW-110507CC dt. 5-7-2011 for ₹636.17 Lacs 2) IN: CANDO-100358 dt. 17-3-2011 for ₹ 64.44	-

Sr. No (A)	Particulars (B)	Name & Address of Supplier (C)	No of Set (D)	Amount in US\$ (Budgeted) (E)	Purchased Order (PO)/Quotation No (QO)/Invoice No. (IN) (F)	Management Estimates (G)
		<p>Machinery, Suit 1216, Gate 56, 846, Xin Yu Road, Shanghai, PRC</p> <p>3) Zhengzhou Zhongyuan Drying Technic Co. Ltd., 25, Jinsou Road, High Tech Development zone, ZhengZhou, Henan</p>			<p>Lacs;</p> <p>3) IN: ZY11-0302 dt. 2-3-2011 for ₹ 61.49 Lacs;</p>	
2	Production Line for Zipper & Monofilament with all accessories	Yiwu Wenli Imp. & Exp. Co. Ltd, Room No.602, No 789, Beicun Road, Yiwu, Zhejiang, China / Reputed Make	1991	1557702 (₹ 732.20 Lacs)*	QO:JSPL/IND/241/2010 dt. 16-3-2010 & JSPL/IND/13/11-12 dt. 13-6-2011	-
3	Production Lines for Mink Blankets with all accessories	<p>1.Goldlink Industries Co. Ltd., 17/ F , 258, Zhongshan Road, Wuxi , China</p> <p>2.Wuxi Jianbang Machinery Co. Ltd., Yilida Industrial Park, Yanqiao, Huishan, Wixi City, Jiangsu, China /</p> <p>3.Lianyungang Yingyou Textile Machinery Co. Ltd., 1 Zhenxing Road, Haizhou, Development Zone, Lianyungang,</p>	480	4070744 (₹ 1913.25 Lacs)*	<p>1.QO:SUWXCM48294/ QXWXSL282800/ QXWXSL28299 / SUWXCM48301 dt 15.6.2011</p> <p>2. QXWXSL282797/ SUWXCM48300/ / dt. 15-6-2011</p> <p>3. LY –JAIN-610 dt. 17-6-2011</p> <p>4. QO: dated 15/6/2011</p>	-

Sr. No (A)	Particulars (B)	Name & Address of Supplier (C)	No of Set (D)	Amount in US\$ (Budgeted) (E)	Purchased Order (PO)/Quotation No (QO)/Invoice No. (IN) (F)	Management Estimates (G)
		Jiangsu, China / 4.Changzhou Wujin Wuyang Textile Machinery Co. Ltd., Hi – Tech District South Area, Longyue Road – 3 Wujin, Changzhou, Jiangsu China /				
4	PET Sheet Extruder Line	Guangdong Designer Machinery Co. Ltd., 28 Anju Road, Shengping Industrial Zone, Shantou, Guangdong, China	1	388000 (₹182.36 Lacs)*	IN: DC101014 dt. 12-10-2010 (₹186.98 Lacs)	-
(B)	Expansion Project					
1	HDPE Double wall Corrugated Pipe-Extrusion Line	Dalian Sunlight Machine Company Limited, No 39, Torch Road, Qixianling Industrialization Base, Dalian High Tech Zone, Dalian, China/	2	395900 (₹186.07 Lacs)*	# IN: SL100720Z dt. 20-7-2010 worth US\$87,165 (₹47.33 Lacs)	-
3	Die Heads	Shanghai Jwell Pipe Equipment Company Limited, No 4315, Cao An Road, Shanghai, China 201804,	4	35300 (₹16.59 Lacs)*	IN: G-1002-45 dt. 25-9-2010 (₹17.29 Lacs)	-
4	X-Ray Sorting Machine for PVC	Reputed Make	1	81000 (₹38.07		Yes

Sr. No (A)	Particulars (B)	Name & Address of Supplier (C)	No of Set (D)	Amount in US\$ (Budgeted) (E)	Purchased Order (PO)/Quotation No (QO)/Invoice No. (IN) (F)	Management Estimates (G)
				Lacs)*		
TOTAL				8045766 (₹3781.59 Lacs)*		

Note: (Purchased Order (PO)/Quotation No (QO)/Invoice No. (IN)).

*** Column E - Conversion rate as per project estimates @ US\$ = ₹47.00**

Particulars		₹ In Lacs
Total Basic Cost in ₹	47.00 per US\$	3781.51
Add: Freight & Insurance @	3%	113.45
CIF Value		3894.96
Add: Customs Duty, Clearing & Forwarding charges @	25.55%	995.14
Total Cost		4890.09
Add: Inland Freight & Transit Insurance Charges	2%	97.80
Add: Erection, Installation, Commissioning & Travelling of Technicians	Lumpsum	37.11
TOTAL COST		5025.00

INDIGENOUS

The Company has placed order to source the DTY (Drawn Texturising Yarn) Line from Umiya Engineering Pvt. Ltd. All the ancillary equipments for POY Line and Line for Mink Blankets are readily available indigenously at very competitive prices. Drip Lateral Extrusion Line for adding the production capacity of the Existing Project shall be sourced from Neptune Plastic & Metal Industries.

PLANT & MACHINERY (INDIGENOUS)

Sr. No	Particulars	Name of Supplier	No of Set	Total Price (₹ in Lacs)	Purchased Order (PO) /Quotation No (QO)/ Invoice No (IN)
A	DIVERSIFICATION PROJECT				
1	Texurising Machine - 336 Position Model ATE-12S Complete with all accessories and Spares	Umiya Engineering Pvt Ltd, Plot No 156, Mahavir Ind. Estate, Station Road, Bhestan, Surat – 395023 .	6	496.00	QO: PF114 dt. 19-5-2011 Advance given ₹ 43.00 Lacs

2	Ancillary Equipments and Accessories	<p>1)Blue Star Limited, F-47, Industrial Area, Malviya nagar, Jaipur;</p> <p>2) Sarthak Air Systems, Ahmedabad;</p> <p>3) U.T. Pumps; 14/7, Mathura Road, Faridabad</p> <p>4) URSS Techservices P ltd. 422/426 Alankar Plaza, Vidhyadhar Nagar, Jaipur</p>	-	506.40	<p>IN: 1)2207/27.1 .11- ₹ 8.42 Lacs;</p> <p>IN: 1689/5.3.11 - ₹ 29.33 Lacs;</p> <p>2)IN: R22/AP11-₹ 7.90 Lacs; R21/AP11-₹ 11.42 Lacs; R7/4.6.11-₹ 13.03 Lacs;</p> <p>3)1121/31.3 .11-₹ 0.73 Lacs;</p> <p>4)777/16.5. 11-₹ 3.97 Lacs;</p> <p>Misc IN: ₹ 147.11 Lacs</p>
B	EXPANSION PROJECT				
1	Drip Lateral Extrusion Line - 65 mm Model No. NPI-976530	1)Neptune Plastics & Metal Industries, 18, R. N. Mukherjee Road, 7 th Floor, Kolkatta – 700001 /Reputed Make	2	139.36	1) QO: NEP/368/DR /11-12/207 dt. 15-6-2011
2	Extruders	Kabra Extrusion Technik Ltd., Kabra Industrial Estate, Kachigam, Daman – 396210	2	28.49	IN: KET10 S001559 dt. 8-9-2010; IN:S001374/ 21.8.10 & IN: KET10 S001561 dt. 8-9-2010 worth ₹ 27.14 Lacs
3	Misc. Equipments	<p>1.Prasad Koch, Jaipur</p> <p>2.Vishwakarma Hydraulics,</p>	-	20.00	<p>1) IN: 576/10.9.10 -₹ 3.32 Lacs;</p> <p>2) IN: 15/7.8.10-₹ 3.37 Lacs;</p>

		Jaipur 3.Kothari Agritech Pvt. Ltd., 11, Aishwarya 2 Bungalow, B/H Paras status, Science city Road, Sola, Ahmedabad			3)IN:62/3.8. 10 - ₹ 5.12 lacs Misc IN: ₹ 4.90 Lacs
4	Other costs including Freight, Excise duty, VAT, Loading, Unloading, Packing, Transportation, Insurance etc.)	-	-	9.75	Managem nt Estimates
TOTAL				1200.00	-

Note: (Purchased Order (PO)/Quotation No (QO)/Invoice No. (IN))

All the major production lines are being manufactured and supplied on turnkey basis by the suppliers. All the equipments shall be of high quality and based on latest technology. The selection of plant and machinery has been made after taking into account the standing of the suppliers in the market, delivery period, competitive prices, past experience, and performance guarantee.

The entire production lines would be commissioned on turn-key basis with the help of the machinery suppliers and the technical expert of the Company for supervising the entire project planning, execution, commissioning and subsequently during the day-to-day operations of the plant for maintenance and proper up-keep.

The total estimated cost of the plant & machinery (imported as well as indigenous) proposed to be acquired is ₹ 6225.00 Lacs.

MISCELLANEOUS FIXED ASSETS

The miscellaneous fixed assets required in the project are Electrical Installations, incl. Transformer, D.G. Sets and other Electrical Installations, Laboratory equipments like IV Tester, Material Handling Equipments, Chillers, Compressors, Cooling Towers, Air Conditioning System, Fire Fighting equipments etc. All miscellaneous fixed assets shall be of good quality and reputed make and shall be sourced from reputed suppliers. The estimated cost of the miscellaneous fixed assets is ₹ **590.00 Lacs**.

(₹ In Lacs)

Sr. No	Name of the Equipment	Name of the Supplier	No. of Sets	Amount	Purchased Order (PO) /Quotation No (QO)/ Invoice No (IN)
1	Electrical Installations				
	a. Transformer 2500 KVA	Uttam (Bharat) Electricals, B – 189/A, Road	2	28.99	IN: 70/25.4.11 ₹ 24.32 Lacs

Sr. No	Name of the Equipment	Name of the Supplier	No. of Sets	Amount	Purchased Order (PO) /Quotation No (QO)/ Invoice No (IN)
		No 9F, V.K.I Area, Jaipur			
	b. D.G Sets	Sudhir Gensets Limited, Road No 18, Sidco Industrial Complex, Phase- II, Bari Brahmna, Jammu – 181133	4	132.64	IN:41101311/6.1.11 PO: 33/5.5.11 - ₹ 24.41 Lacs
	c. Electricals/MCC/Cabling/Accessories	1.Finolex Cables, B-11, Sharma Colony Extn, 22 Godown, Jaipur, 2.JVVNL , Jaipur 3. Sun Computech, 866, Barkat Nagar, Jaipur	-	60.00	1)IN: 1314-17/10.5.11- ₹ 24.32 Lacs; IN: 3936/31.3.11- ₹39.98 Lacs; IN: 30706/31.3.11- ₹11.56 Lacs; 2)IN: 2984/11.5.11- ₹28.91 Lacs; 3)IN: E-154/11.5.11- ₹10.61 Lacs IN: E-167/2.6.11- ₹28.58 Lacs IN: 108-112/15.4.11- ₹10.94 Lacs Misc IN: ₹42.86 Lacs
2	Laboratory Equipments	1)EIE Instruments Pvt. Ltd., 1001-02-03, Ispan Trade Centre, Paldi, Ahmedabad / 2)Deepak Polyplast Pvt. Ltd., Ahmedabad/ / Reputed Make		88.00	1)IN: 1927/6.2.11- ₹ 0.50 Lacs; IN: 1928/6.2.11- ₹ 0.71 Lacs; 2)IN: 261/3.1.11- ₹ 2.63 Lacs; IN: 227/20.11.10- ₹ 2.03 Lacs; Misc IN: ₹ 4.33 Lacs
3	Weighing Scale / Bridge	Shree Govind Scale, E – 127, MGD, Aatish Market, Jaipur	10	0.46	IN: 2523/18.1.11 ₹ 0.36 Lacs

Sr. No	Name of the Equipment	Name of the Supplier	No. of Sets	Amount	Purchased Order (PO) /Quotation No (QO)/ Invoice No (IN)
4	Fire Fighting System	Swastik Trading Co., 2668, Bhindo Ka Rasta, Near Indira Bazar, Jaipur	-	25.00	IN:136 & 137- Dated - 23.6.11 ₹ 4.26 Lacs
5	Material Handeling Equipments	<p>1.Wont Industrial Equipments, Room 2, Plot No 200, Damanwala Service Complex, GIDC Estate, Pandesara, Surat</p> <p>2.Vinay Sales Corporation, 18 Basement, navjeevan Complex, Jaipur</p> <p>3. Kirti Engg. Works, Kim-Kudsad Road, Kim (East), Surat</p>	-	32.00	<p>1)IN: 7/18.4.11 ₹ 8.63 Lacs;</p> <p>2)IN: 2920/10.3.11 ₹ 5.17 Lacs;</p> <p>3)IN: 7/21.3.11 ₹ 0.08 Lacs</p> <p>Misc: ₹ 3.04 Lacs</p>
6	Tools & Implements	<p>1) Mathur Industries Ltd, Chennai.</p> <p>2) Hytech Machine Tools, Bangalore</p> <p>3)Khushalchand Khurana, Jaipur</p>	-	20.00	<p>1)IN: 57/23.2.11 ₹ 7.51 Lacs;</p> <p>2)IN: 7/25.4.11 ₹ 14.21 Lacs;</p> <p>3)IN: 10803/3.6.11 ₹ 0.28 Lacs;</p> <p>Misc: ₹ 2.45 Lacs;</p>
7	Vehicles	<p>1.Godrej & Boyce, Mumbai</p> <p>2. Hydraulics & Pnenmatics Ltd. , Jaipur</p>	-	30.25	<p>1)IN:180796/9.5.11- ₹ 8.32 Lacs</p> <p>2)IN:23/31.12.10- ₹ 0.76 Lacs</p>

Sr. No	Name of the Equipment	Name of the Supplier	No. of Sets	Amount	Purchased Order (PO) /Quotation No (QO)/ Invoice No (IN)
8	Chillers	Reputed Make	–	50.00	Management Estimates
9	Compressors	Reputed Make	–	25.00	Management Estimates
10	Cooling Tower	Reputed Make	–	22.00	Management Estimates
11	Store Racks	Reputed Make	–	13.00	Management Estimates
12	Underground Fuel Tank	Industrial Project Consulting Org., Jaipur	–	5.00	IN:7/25.5.2011 ₹ 0.33 Lacs
13	Overhead Water tank	Fabricated	–	2.00	Management Estimates
14	Misc. Equipments	1)B.B. Professional, Jaipur 2)K.G. Marketing, Jaipur 3)Real Solutions, Jaipur 4) Sanzari, Jaipur	–	40.00	1)IN:16965/20.5.2011 ₹ 1.89 Lacs; 2) IN:217/20.5.2011 ₹ 0.31 Lacs; 3) IN:RS-96/14.5.2011 ₹ 0.39 Lacs; 4)IN:108111/21.5.2011 ₹ 0.25 Lacs; Misc: ₹ 1.61 Lacs;
	Sub-total		–	574.34	
	Other costs including Freight, Excise duty, VAT, Loading, Unloading, Packing, Transportation, Insurance etc.)		–	15.67	Management Estimates
	TOTAL			590.00	

Note: 1. Purchased Order (PO) /Quotation No (QO)/ Invoice No (IN)

2. The names and addresses of the major suppliers of various Miscellaneous Fixed Assets have been mentioned above. However, since there are several minor suppliers who supply the said assets has been clubbed together.

PRELIMINARY & CAPITAL ISSUE EXPENSES

The Preliminary & Capital Issue Expenses have been projected at ₹ 495.00 Lacs and include the expenses related to the increase in the authorized share capital of the Company and Capital Issue Expenses for IPO amounting to ₹ 6000.00 Lacs @ 8% of the issue Size.

S. No.	Particulars	Budgeted Amount (₹ Lacs)	Incurred* Amount (₹ Lacs)
1	ROC Fees & Stamp Duty towards increase in the Authorised Share Capital of the Company from ₹ 1,000 lacs to ₹ 2,500 lacs.	15.00	15.00
2	Capital Issue Expenses Capital Issue Expenses for IPO amounting to ₹ 6000.00 Lacs @ 8% of the Issue	480.00	34.66
	Total	495.00	49.66

Note: *As certified by M/s. G.K. Mittal & Associates, Chartered Accountants, through their Sources and Deployment of fund certificate dated August 08, 2011

PRE-OPERATIVE EXPENSES

Pre-operative expenses have been estimated at ₹ 215.00 Lacs, which are expected to be incurred during the period of implementation of the project and include establishment expenses, interest during construction period, legal & professional fees, traveling & conveyance, Up-front Fee / Processing Charges and other misc. expenses.

S.	Particulars	Amount (₹ In Lacs)
1	Establishment Expenses (Lumpsum)	15.00
2	Legal and Professional Fee (Lumpsum)	20.00
3	Travelling & Conveyance (Lumpsum)	10.00
4	Interest During Construction Period	150.00
5	Miscellaneous Expenses (Incl. Security Deposits of JWNL. Start-up exp, Advertisement etc)(Lumpsum)	20.00
	TOTAL	215.00

PROVISION FOR CONTINGENCIES

Contingencies have been provided in the project on Buildings & Civil Construction and pre-operative exp. @ 5%, on Plant & Machinery and MFA @ 3%. The amount of ₹ 285.00 Lacs has been provided in the project towards this head.

(₹ In Lacs)

Sr. No.	Particulars	Amount	Contingency Provision (%)	Amount
1	Land	716.00	-	-
2	Building and Civil Construction	1,466.00	5.00	73.30
3	Plant and Machinery			
	Imported	5,025.00	3.00	150.75

	Indigenous	1,200.00	3.00	36.00
4	Miscellaneous Fixed Assets	590.00	3.00	17.70
5	Preliminary & Capital Issue Expenses	495.00	-	-
6	Pre-Operative Expenses (Rounded off)	215.00	Lumpsum	7.25
	TOTAL	9,707.00		285.00

WORKING CAPITAL MARGIN

Our Company is availing following credit facilities as under:

(₹ in Lacs)

S. No.	Nature of Facility	Sanctioned Limits	O/s as of 31.03.2011
1	Fund-Based		
	Term Loan: Account No. 1	131.76	0.03
	Account No. 2	100.00	26.02
	Account No. 3	200.00	77.22
	Account No. 4	150.00	96.84
	Account No. 5	4000.00	493.70
	Cash Credit –Hyp	1500.00	1500.10
	Sub-Total	6081.76	2193.91
2	Non-Fund Based		
	Bank Guarantee	1000.00	586.87
	ILC/FLC	500.00	913.59*
	Buyer's Credit	250.00	-
	Sub-Total	1000.00	1500.46*
	(Maximum NFB restricted ₹ 1000.00 lacs)		
3	Total (1+2)	7081.76	3694.37*

Note: Vehicle Loans and RIICO Deferred Installments has not been considered in the above.

*Includes LC for Capital Goods ₹ 561.46 Lacs, which will be eventually paid out from the term loan of ₹ 4000 Lacs on the due date.

The working capital margin money requirement for the project is estimated at ₹ 860.00 lacs which is based on the calculation for the first full year of operations i.e. FY 2011-12. The total working capital margin in FY 2011-12 has been worked out on the following assumptions given below:

(Amount in ₹ Lacs)

Sr. No.	Particulars	Days Existing	Days New Project	Existing Amount	New Project Amount	Total
1	Inventories	84	100	1180.48	1630.02	2810.49
2	Sundry Debtors	60	24	2269.29	906.58	3175.87
3	Sundry Debtors-Exports					
4	Loan , Advances and Deposits	-	-	627.33	374.42	1001.75
5	Cash & Bank Balance	-	-	1872.77	1640.54	3513.31
6	Other Current Assets	-	-	0.00	0.00	0.00

Sr. No.	Particulars	Days Existing	Days New Project	Existing Amount	New Project Amount	Total
	Total Current Assets			5949.87	4551.56	10501.43
7	Sundry Creditors	30	23	869.90	474.40	1344.31
8	Other Liabilities	-	-	627.20	376.61	1003.81
9	Total Current Liabilities			1497.10	851.02	2348.12
10	Net Current Assets (5-9)			4452.77	3700.54	8153.31
11	Installment due this Year			75.00	0.00	75.00
12	Working Capital Gap			4377.77	3700.54	8078.31
13	Cash Credit Limits from Bank			1600.00	1200.00	2800.00
14	Margin Money for Working Capital			980.00	860.00	1840.00

The detailed calculation of working capital requirements for the first three years of operations has been done and is placed below, in which details of stock-holding, debtors & creditors' level is projected, apart from the figures of margin and bank finance. The Working Capital Margin has been worked out keeping 25% margin on inventories and 50% margin on book debts. The Working Capital Limits are expected to carry a pricing @ 11.00% per annum. Based on the normal banking norms for the similar units in the industry regarding inventory levels and bank margin, the assessment of bank borrowings has been made at ₹ 1000.00 Lacs for the first year of operation for the Expansion cum Diversification Project i.e. FY 2011-12, with the assessment of the Net Working Capital Margin at ₹ **860.00 Lacs** in the first year as highlighted above.

Basis for Calculation of Working Capital Margin

The Working Capital status of the existing project for the Financial Year ended March, 31 2011 not forming part of the proposed expansion cum diversification project) has been calculated on following basis:

WORKING CAPITAL REQUIRMENT & MARGIN MONEY

EXISTING PROJECT

(₹ in lacs)

S.No.	Particulars	No. of Months FY 11-12	Margin %	2011-12		
				Total Amount	Margin Money	Bank Finance
(A)	Chargeable Current Assets					
1.	Raw Material	0.80	25%	695.92	173.98	521.94
2.	Consumable & Packing Material	1.50	25%	30.97	7.74	23.23
3.	W.I.P	0.00	25%	0.00	0.00	0.00
4.	Finished Goods	0.50	25%	453.58	113.40	340.18
5.	Book Debts	2.00	30%	2269.29	680.79	1588.50
	Total (A)			3449.76	975.91	2473.85
(B)	Current Liabilities					
1.	Sundry Creditors (Raw Material)	1.00	0%	869.90	0.00	869.90
	Total (B)			869.90	0.00	869.90
	Balance (A-B)			2579.86	975.91	1603.95
	Limits requested			2579.86	975.91	1600.00

The "New Project Amount" under the same heading relates to working capital gap and the related margin for the *proposed expansion cum diversification project* estimated for the financial year 2011-12 and has been calculated on the following basis:

WORKING CAPITAL REQUIRMENT & MARGIN MONEY

EXPANSION CUM DIVERSIFICATION PROJECT

(₹ in lacs)

S.No.	Particulars	No. of Months FY 11-12	Margin %	2011-12		
				Total Amount	Margin Money	Bank Finance
(A)	Chargeable Current Assets					
	Raw Material	1.00	25%	632.54	158.13	474.40
	Consumable & Packing Material	1.33	25%	152.07	38.02	114.05
	W.I.P	0.30	25%	234.47	58.62	175.85
	Finished Goods	0.70	25%	610.94	152.74	458.21
	Book Debts	0.80	50%	906.58	453.29	453.29
	Total (A)			2536.60	860.79	1675.80
(B)	Current Liabilities					
1.	Sundry Creditors (Raw Material)	0.75	0%	474.40	0.00	474.40
	Total (B)			474.40	0.00	474.40
	Balance (A-B)			2062.19	860.79	1201.40
	Limits requested			2060.00	860.00	1200.00

The "Total "Amount under the same heading is the combined working capital gap and the related margins for the existing operations (*not forming part of the proposed expansion cum diversification project*) as well as for the new project for the financial year 2011-12. The working capital gap may be met by (a) Internal Accruals and (b) Working Capital Limits from the Bankers (bank finance) against margin money provided by the company. As the working capital limits are short term funding by the bankers, which is ultimately repaid from internal accruals on rotational basis. Since margin money provided by the company for working capital limits always remains tied up with the bankers and is considered as long term funding by the company and may be met out of long term resources viz. being part of the cost of project or one of the objects of the issue or from internal accruals. The margin money combined for the existing and new project has thus been worked out as under:

The total estimated working capital gap of ₹ 8078. 31 lacs for the financial year 2011-12 for existing operations and proposed new project includes cash and bank balances amounting ₹ 3513.00 lacs which are to be subtracted from the working capital gap as it does not require any funding and are included for the purposes of calculating total current assets. Accordingly, the net working capital gap comes to ₹ 4565.01 lacs for which the total working capital margin would be ₹ 1840.00 lacs. The details are as follows:

WORKING CAPITAL REQUIRMENT & MARGIN MONEY

COMBINED PROJECT

(₹ in lacs)

S.No.	Particulars	2011-12		
		Total Amount	Margin Money	Bank Finance
(A)	Chargeable Current Assets			
	Raw Material	1328.46	332.12	996.35
	Consumable & Packing Material	183.04	45.76	137.28
	W.I.P	234.47	58.62	175.85
	Finished Goods	1064.52	266.13	798.39
	Book Debts	3175.87	1134.08	2041.79
	Total (A)	5986.36	1836.70	4149.66
(B)	Current Liabilities			
1.	Sundry Creditors (Raw Material)	1344.31	0.00	1344.31
	Total (B)	1344.31	0.00	1344.31
	Balance (A-B)	4642.06	1836.70	2805.36
	Limits requested	4640.00	1840.00	2800.00

Compliance of Regulation 4 (2) (g) of SEBI (ICDR) Regulations 2009:

Since the entire stated means of finance for the proposed expansion cum diversification project aggregating to ₹ 10852.00 lacs except the proceeds of the proposed public issue have been tied up, the Our Company has duly complied with the Regulation 4 (2) (g) of SEBI (ICDR) Regulations, 2009.

The additional working capital requirements as per industry norms post implementation shall be availed by the Our Company from the Bankers to the Company as per normal industry practices. Our Company has already applied to our Bankers, i.e. Bank of India, for sanction of additional working capital limits for our proposed expansion-cum-diversification project vide letter dated June 1, 2011.

Capacity Utilization Assumption

Capacity Utilization for the year 2011-12 has been assumed to be 50% for the Diversification project and 60% for the Expansion project.

Reasons for raising Additional Working Capital

The Company is embarking upon expansion cum diversification programme for which the additional working capital would be required, which has been estimated at ₹ 2060.00 Lacs. The said requirement would be met by the additional bank borrowings and margin money from the Issue proceeds.

MEANS OF FINANCE

(₹ In Lacs)

S. No.	Particulars	Amount
1	Equity Share Capital	
	- From Promoters Group	852.00
	- From IPO Proceeds	6000.00
2	Term Loan	4000.00
	Total	10852.00

In compliance of regulation 4(2) (g) of SEBI (ICDR) Regulations 2009, out of total stated means of finance of ₹ 10852.00 Lacs, the Bank of India vide its letter Ref No. BOI/JM CB/AKT/69 dated 12th October, 2010 has sanctioned term loan of ₹ 4000.00 lacs. In addition, the other stated means of finance viz the promoter's contribution of ₹ 852.00 lacs has already been brought in by the promoters. Our Company has raised / tied-up entire stated means of finance except funds to be raised through proposed public issue in accordance with above stated regulation. Accordingly, the firm arrangements of finance through verifiable means towards more than 75% of the stated means of finance excluding the amount to be raised through public issue has been made.

The fund requirements and the intended use of the net proceeds as described herein are based on management estimates and various quotations received by us from different suppliers.

APPRAISAL OF THE PROJECT

The fund requirements and the funding plans are as per our management's estimates, and have been appraised by Bank of India, vide its letter Ref No. BOI/JM CB/AKT/69 dated September 27, 2010 and has given its in-principle approval for the Term Loan component of ₹ 4000.00 Lacs as part funding of the said project cost aggregating to ₹ 10852.00 Lacs. Further, The Bank vide its letter Ref No. BOI/ JM CB: C&IC: 10-11AKT:105 dated October 12, 2010 has sanctioned the Term Loan component of ₹ 4000.00 Lacs, which exceeds the stipulated requirement of the firm arrangements of finance through verifiable means towards more than 75% of the stated means of finance excluding the amount to be raised through public issue as required by Regulation 4(2) (g) of the SEBI (ICDR) Regulations, 2009. We may have to revise our expenditure and fund requirements as a result of variations in the cost structure, changes in estimates and external factors, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our management. In addition, the estimated dates of completion of the expansion project as described herein are based on management's current expectations and are subject to change due to various factors, some of which may not be in our control. Our Bankers, Bank of India vide their sanction letter dated October 12, 2010 had inserted a clause relating to the tie-up arrangement which inter-alia provides that the sanction of the term loan of ₹ 4,000 Lacs as part funding of the proposed expansion-cum-diversification project is subject to full tie-up of the debt i.e. after successful completion of our proposed IPO. Further, Bank of India vide their supplemental sanction letter Ref no. JM CB:C&IC:10-11:AKT:320 dated February 3, 2011 have modified the terms of aforesaid sanction letter, whereby the bank has approved the release of ₹ 3000 Lacs out of the sanctioned term loan of ₹ 4000 Lacs for implementation of the mini-project and has also waived the tie-up arrangement of IPO as per the original sanction for this term loan of ₹4000 Lacs for the project under reference. Our Company has already applied to our Bankers, i.e. Bank of India, for sanction of additional working capital limits for our proposed expansion-cum-diversification project vide letter dated June 1, 2011.

PRESENT STATUS OF THE PROJECT

The implementation activities in the project are in progress. Two pieces of land have already been acquired in RIICO Industrial Area, Sitapura Extn. and site development activities are in progress. Building construction work is in progress. The main production lines namely POY Machinery have arrived at site and installation, erection is under progress. Pet Sheet Machine has already commenced operations.

Company has entered into agreement with JVVNL for supply of electricity energy for its new plant for 1550 KVA contract demand. The order for other Miscellaneous Fixed Assets are being placed with the reputed suppliers. It is expected that the commercial production in the proposed project shall commence from the coming financial year i.e. FY 2011-12. The Company has so far incurred total capital expenses towards its expansion cum diversification project worth ₹ 3848.59 Lacs as per Chartered Accountants Certificate dated August 08, 2011.

IMPLEMENTATION SCHEDULE

The envisaged implementation schedule of the project is tabulated below:-

S.No.	Activity	Commencement	Completion
1	Acquisition of Land	10.03.2010	30.03.2010
2	Registration of Land	08.06.2010	
3	Development of Land	June 2010	August 2010
4	Civil Works	July 2010	Aug, 2011
5	Placements of Orders for Plant & Machinery		
	- For POY Project	Nov 2009	June 2011
	- For DTY Project	June 2011	June 2011
	- For PET Sheet Project	July 2010	Dec, 2010
	- For Monofilament, Zipper & Blanket	Aug, 2011	Aug, 2011
6	Delivery at Site		
	- For POY Project	May, 2011	June, 2011
	- For DTY Project	July, 2011	July, 2011
	- For PET Sheet Project	Sept, 2010	Dec, 2010
	- For Monofilament, Zipper & Blanket	Sept, 2011	Oct, 2011
7	Arrangements of Power	August 2010	July, 2011
8	Arrangement of Water	July 2010	June, 2011
9	Arrangement of Manpower	April 2010	July 2011
10	Initial Procurement of Raw Material		
	- For POY Project	April, 2011	Continuing
	- For DTY Project	POY Production	POY Production
	- For PET Sheet Project	Nov, 2010	Feb, 2011
	- For Monofilament, Zipper & Blanket	Aug, 2011	Continuing
11	Erection, Installation & Commissioning		
	- For POY Project	May, 2011	July, 2011
	- For DTY Project	July, 2011	Aug, 2011
	- For PET Sheet Project	Jan, 2011	Feb, 2011
	- For Monofilament, Zipper & Blanket	Sept, 2011	Sept, 2011
12	Trial Runs		
	- For POY Project	July, 2011	July, 2011
	- For DTY Project	Aug, 2011	Aug, 2011
	- For PET Sheet Project	Feb, 2011	Mar, 2011
	- For Monofilament, Zipper & Blanket	Oct, 2011	Oct, 2011
13	Commercial Production		
	- For POY Project	August, 2011	
	- For DTY Project	August, 2011	
	- For PET Sheet Project	Mar, 2011	
	- For Monofilament, Zipper & Blanket	Oct, 2011	

Notes:

1. The Company proposes to venture into trading activities in each of the products (POY, DTY, Monofilament, Zippers and Zipper Tapes, Pet Sheets and Mink Blankets well before commencement of commercial production.
2. Though the commercial production in the POY/DTY division is projected w.e.f. August 2011, however for projection purposes, all the products are projected to yield sales in the FY 2011-12.

Deployment of Funds

The details of the sources of funds and the deployment of these funds on the project, upto July 15, 2011, as certified by a Chartered Accountant (i.e. M/s. G.K. Mittal & Associates, Chartered Accountant) vide their Certificate dated August 08, 2011 are given as below:

(₹ In Lacs)

S.No.	Application of Funds	Budgeted	Already Incurred	To be Incurred
1	Land & Site Development	716.00	681.83	34.17
2	Building & Civil Construction	1,466.00	788.72	677.28
3	Plant & Machinery			
	- Imported	5,025.00	1013.71	4,011.29
	- Indigenous	1,200.00	576.10	623.90
4	Misc. Fixed Assets	590.00	415.82	174.18
5	Preliminary & Capital Issue Expenses	495.00	49.66	445.34
6	Pre-Operative expenses	215.00	216.50	(1.50)
7	Provision for Contingencies	285.00	-	285.00
8	Working Capital Margin	860.00	106.25	753.75
	TOTAL	10,852.00	3,848.59	7,003.41
S.No.	Sources of Funds	Budgeted	Already Sourced	To be Sourced
1	Equity Share Capital			
	From Promoter's & Promoter's Group			
	- Share Capital (With Premium)	852.00	852.00	-
	From IPO			
	- Share Capital (With Premium)	6,000.00	-	6,000.00
2	Term Loan/Buyer's Credit	4,000.00	1,756.14	2,243.86
3	Internal Accruals	0.00	588.62	(588.62)

4	RIICO Deferred Payment against Land	0.00	377.50	(377.50)
5	Sundry Creditors for Capital Goods	0.00	274.33	(274.33)
	TOTAL	10,852.00	3,848.59	7,003.41

As per the explanations given by the management of the Company, under the stated "Means of Finance", Bank of India, MCB, Jaipur had initially sanctioned a Term Loan of ₹ 4000 Lacs to the Company. Subsequently by way of a supplemental sanction, allowed disbursement up to ₹ 3000 Lacs towards implementation of the Project till the time the proposed IPO funds of the Company, M/s Tijaria Polypipes Limited are tied-up. The Bank stipulated under the terms of the Supplemental Sanction that to avail the said disbursement, the Company would deploy internal accruals towards project implementation which were otherwise meant for usual operations of the Company. Accordingly, internal accruals amounting to ₹ 588.62 Lacs as shown herein above used for the project implementation are proposed to be ploughed back into the Company's usual operations out of the proposed IPO proceeds.

It is further stated that the above certification has been done on the basis of extracts of the un-audited books of accounts of the Company as on 15.07.2011 provided to us for our verification, as per the Management Certificate dt. 08.08.2011 issued to our firm in support of the above, as per the other documents, papers and information & explanations given to us for our verification and is true to the best of our knowledge and belief.

For G.K. Mittal & Associates

Chartered Accountants

FRN: 05842C

Neeraj Kumar Mathur

Partner

M.No. 075851

Date: August 08, 2011

Place: Jaipur

Interim use of proceeds

Our Company's management, in accordance with the policies established by the Board, will have flexibility in deploying the proceeds received from the Issue. 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 and deposits with banks. Such investments would be in accordance with the investment policies approved by the Board from time to time. We confirm that pending utilization of Issue proceeds; we shall not use the funds for any investments in the Equity markets.

Monitoring of utilization of funds

The appointment of monitoring agency is not required in accordance with Regulation 16 of SEBI (ICDR) Regulations 2009. We have therefore not appointed any Monitoring Agency for the purpose of monitoring the utilization of issue proceeds. We will disclose the utilization of the proceeds under a separate head in our Company's balance sheet for the financial year 2012 and 2013 clearly specifying the purpose for which such proceeds have been utilized.

Pursuant to Clause 49 of the Listing Agreement, our Company shall on quarterly basis disclose to the Audit Committee the uses and applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of fund utilized for purposes other than stated in this Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Auditors of our Company.

3.6 - BASIC TERMS OF ISSUE

The Equity Shares, now being offered, are subject to the terms and conditions of this Prospectus, the Application form, the Memorandum and Articles of Association of our Company, the guidelines for listing of securities issued by the Government of India and SEBI (ICDR) Regulations, 2009, the Depositories Act, BSE, RBI, ROC and/or other authorities as in force on the date of the Issue and to the extent applicable.

In addition, the Equity Shares shall also be subject to such other conditions as may be incorporated in the Share Certificates, as per the SEBI (ICDR) Regulations, 2009 notifications and other regulations for the issue of capital and listing of securities laid down from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Equity Shares.

Pursuant to the resolution passed by the Board of Directors of our Company at its meeting held on July 26, 2010 and the shareholders approval obtained at its Extra Ordinary General Meeting dated August 2, 2010 it has been decided to make the following offer to the public.

Face Value	Each Equity Share shall have the face value of ₹ 10/- each.
Issue Price	Each Equity Share is being offered at a price of ₹ 60/- each.
Market Lot and Trading Lot	The Market lot and Trading lot for the Equity Share is 1 (One) and the multiple of 1; subject to a minimum allotment of 100 Equity Shares to the successful applicants.
Terms of Payment	100% of the issue price of ₹ 60/- shall be payable on Application. For details, refer Section titled "Terms of the Issue" on Page No. 263 of this Prospectus.
Ranking of the Equity Shares	The Equity Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividends with the existing Equity Shares of the Company.

MINIMUM SUBSCRIPTION

If we do not receive the minimum subscription of 90% (ninety percent) of the Issue to the Public, we shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after we become liable to pay the amount, we shall pay interest prescribed under Section 73 of the Companies Act, 1956.

Further, in accordance with clause 26(4) of the SEBI (ICDR) Regulations, 2009, our Company shall ensure that the number of prospective allottees to whom the Equity shares are allotted will not be less than 1,000 (One Thousand)

Our Company undertakes that:

- (i) "If the Company does not receive the minimum subscription of ninety per cent of the offer through offer document on the date of closure of the Issue, or if the subscription level falls below ninety percent after the closure of issue on account of cheques having being returned unpaid or withdrawal of applications, our Company shall forthwith refund the entire subscription amount received."
- (ii) "If the Company fails to refund the entire subscription amount within ten days from the date of the closure of the issue, it is liable to pay the amount with interest to the subscribers at the rate of fifteen percent per annum for the period of delay."

3.7 - BASIS FOR ISSUE PRICE

The Issue Price has been determined by our Company in consultation with the Lead Manager on the basis of the Key Business Strengths. The face value of the Equity Shares is ₹ 10 and Issue Price is ₹ 60 per Equity Shares and is 6 times the face value.

Investors should read the following summary with the risk factors beginning from Page No. 7 of this Prospectus, Section titled “About the Company” on Page No. 90 and “Financial information of the Company” on Page No. 172 of this Prospectus. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.

QUALITATIVE FACTORS

We believe that the following business strengths allow us to successfully compete in the Plastic Pipe Industry;

- Long Standing relationship with Our Clients
- Synergy in Business Line
- Experienced Management
- ISO 9001 : 2000
- Easy availability of Raw Material
- Availability of skilled and cheap labour
- Winner of the National Award for Quality Production
- Rashtriya Udyog Ratna Award in the year 2010

For details in respect of our qualitative factors, please refer to paragraph “Key Business Strengths” appearing on Page No. 123 of this Prospectus.

QUANTITATIVE FACTORS

On Standalone Basis:

1. Basic Earnings Per Equity Share

Financial Year	Basic EPS (₹)	Weight Used
2008-09	2.61	1.00
2009-10	5.46	2.00
2010-11	5.30	3.00
Weighted Average	4.91	

Source: Audited Financial Statements, as restated

2. Diluted Earnings Per Equity Share

Financial Year	EPS (₹)	Weight Used
2008-09	2.61	1.00
2009-10	5.45	2.00
2010-11	5.30	3.00
Weighted Average	4.90	

Source: Audited Financial Statements, as restated

On Consolidated basis: Not Applicable

Note:

1. The weighted average EPS for these financial years has been computed by giving weights of 1, 2 and 3 for the financial years ending March 31 2009, 2010 and 2011 respectively.
2. Earnings per share calculations are done in accordance with Accounting Standard 20 'Earning per Share' issued by the Institute of Chartered Accountants of India.
3. The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in the chapter "Financial Information of the Company" beginning on Page no. 187 of this Prospectus.
4. The face value of each equity shares is ₹ 10/-

Price / Earning Ratio (P/E) in relation to the Issue price of ₹ 60/- per share

Particulars	P/E Ratio
Based on Year ended March 31, 2011 #	11.32
Based on Weighted Average EPS	12.22
Industry P/E	
Highest - Jain Irrigation*	17.40
Lowest - Precision Pipes*	5.00
Average	11.68

Source: Audited Financial Statements, as restated

Note: * Based on Unaudited results as on March 31, 2011 as sourced from *Capital Markets, Vol. XXVI/09 dated June 27 – July 10, 2011.*

Return on Net worth

1. The Net worth of the Company as at March 31, 2011 has been computed in compliance with Regulation 2 (1) (v) of SEBI (ICDR) Regulations 2009.
2. The Net worth of the Company as at March 31, 2010 and March 31, 2007 had been computed after excluding share application money pending allotment in compliance with Regulation 2 (1) (v) of SEBI (ICDR) Regulations 2009.
3. The Net worth of the Company as at March 31, 2009 had been computed excluding share application money pending allotment in compliance with Regulation 2 (1) (v) of SEBI (ICDR) Regulations 2009.

Financial Year	Return on Net Worth (%)	Weight Used
2008-09	18.17	1.00
2009-10	29.21	2.00
2010-11	19.47	3.00
Weighted Average	22.50	

Note: Networth Calculated based on Audited Financial Statements, as restated

Note: The weighted average return on net worth has been computed on the basis of the Audited Financial Statements, as restated, of the respective years drawn after considering the impact of accounting policy changes and material adjustments/ regroupings pertaining to earlier years.

Minimum Return on Post Issue Net Worth to maintain EPS at ₹ 5.30 (Pre-Issue Basic & Diluted EPS for March 31, 2011) is 13.08%

(₹ In Lacs)

Particulars	Amount
Pre - Issue Net worth as on 31.3.2011 #	3,575.52
Size of the Issue (Including Premium)	6,000.00
<i>Post Issue Net worth</i>	9,575.52
Required EPS (Basic EPS as on 31.3.2011) #	5.30
No. of Equity Shares (Post Issue, in Lacs)	236.26
<i>Required PAT</i>	1,252.19
<i>Required Return on Net Worth (Post Issue)</i>	13.08%

Source: Audited Financial Statements, as restated

Minimum Return on Post Issue Net Worth to maintain EPS at ₹ 4.91 (Pre-Issue Weighted Average Basic EPS for March 31, 2011) is 12.10%

(₹ In Lacs)

Particulars	Amount
Pre - Issue Net worth as on 31.3.2011 #	3,575.52
Size of the Issue (Including Premium)	6,000.00
<i>Post Issue Net worth</i>	9,575.52
Required EPS (Weighted Average Basic EPS as on 31.3.2011) #	4.91
No. of Equity Shares (Post Issue, in Lacs)	236.26
<i>Required PAT</i>	1,160.05
<i>Required Return on Net Worth (Post Issue)</i>	12.11%

Source: Audited Financial Statements, as restated

Note: The weighted average return on net worth has been computed on the basis of the Audited Financial Statements, as restated, of the respective years drawn after considering the impact of accounting policy changes and material adjustments/ regroupings pertaining to earlier years.

Minimum Return on Post Issue Net Worth to maintain EPS at ₹ 4.90 (Pre-Issue Weighted Average Diluted EPS for March 31, 2011) is 12.09%

(₹ In Lacs)

Particulars	Amount
Pre - Issue Net worth as on 31.3.2011 #	3,575.52
Size of the Issue (Including Premium)	6,000.00
<i>Post Issue Net worth</i>	9,575.52
Required EPS (Weighted Average Diluted EPS as on 31.3.2011) #	4.90
No. of Equity Shares (Post Issue, in Lacs)	236.26
<i>Required PAT</i>	1,158.08
<i>Required Return on Net Worth (Post Issue)</i>	12.09%

Source: Audited Financial Statements, as restated

Note: The weighted average return on net worth has been computed on the basis of the Audited Financial Statements, as restated, of the respective years drawn after considering the impact of accounting policy changes and material adjustments/ regroupings pertaining to earlier years.

Net Asset Value per Share (Book Value per Share)

Financial Year	Net Worth (₹ in Lacs)	Weighted Average Shares (In Lacs)	NAV (₹)
2008-09	1,770.97	123.15	14.38
2009-10	2,300.13	123.15	18.68
2010-11	3,575.52	131.30	27.23

Source: Audited Financial Statements, as restated

Net Asset Value per Share and comparison thereof with Post Issue NAV along with the Issue price

NAV	(₹)
As at March 31,2011 (based on Shares outstanding at the end of the year for F.Y. 2010-11)	26.24
As at March 31,2011 (based on weighted average shares during the F.Y. 2010-11)	27.23
After Issue	40.53
Issue Price	60.00

Comparison with Industry Peers

The comparable ratios of companies, who are in similar line of business and similar size of operations in terms of total income, are given below:

Company Name	Face Value (₹)	Return on Net Worth (%)	Equity (₹ In Cr.)	NAV (₹)	EPS (₹)	P/E Ratio
Jain Irrigation*	2.00	23.70	77.14	43.90	7.80	17.40
Precision Pipes*	10.00	9.40	14.00	123.10	19.40	5.00
Supreme Industries**	2.00	43.80	25.41	29.70	13.60	12.65
Tijaria Polypipes***	10.00	19.47	13.62	26.24 #	5.30	11.32

Source: Capital Markets, Vol. XXVI/09 dated June 27 – July 10, 2011.

Note:

- * Unaudited results as on March 31, 2011
- ** Audited results as on June 30, 2010
- *** Calculated as on March 31, 2011, based on the Audited Financial Statements, as restated.
- The restated financial information of the industry peers is not ascertainable, the ratios disclosed in the Prospectus for the purpose of comparison with the accounting ratios of our Company is not based on *Audited Financial Statements, as restated*, of the industry peers. The comparison of financial ratios of the our Company vis-à-vis our peer group is on a stand alone basis
- # Net Asset Value per Equity Share represents Networth, as restated, divided by shares outstanding at the end of the year for F.Y. ended March 31, 2011.

The face value of the shares of our Company is ₹ 10/- per share and the Issue Price of ₹ 60/- per share is 6 times of the face value of the Shares of our Company.

The LM believes that the Issue price of ₹ 60/- is justified in view of the above qualitative and quantitative factors. See the section titled “Risk Factors” and “Financial Statement of the Company” beginning on Page No. 7 and 172 of this Prospectus, including important profitability and return ratios, as set out in the Auditors Report beginning on Page No. 210 of this Prospectus.

3.8 - STATEMENT OF TAX BENEFITS

To,

**The Board of Directors,
Tijaria Polypipes Limited,
A-130E, Road No. 9D,
V.K.I. Area,
Jaipur.**

We hereby report that the enclosed annexure state the possible tax benefits available to M/s Tijaria Polypipes Limited (the Company) and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company and/or its shareholders upon fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company and its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which is based on business imperatives the Company faces in future, the Company may or may not choose to fulfill.

The benefits discussed below 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, the changing tax laws and the fact that the Company will not distinguish between the shares offered for subscription and the shares offered for sale by the selling shareholders, each shareholder 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:

- i) the Company or its shareholders will continue to obtain these benefits in future; or
- ii) the conditions prescribed for availing the benefits have been/would be met with. The contents of this annexure are based on information, explanations and representations obtained from the company and on the basis of our understanding of the business activities and operations of the Company.

For S. MISRA & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN - 004972C

For G.K. MITTAL & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN - 05842C

(SACHINDRA MISRA)
PARTNER
M. No. - 073776

(JOGENDRA SINGH SHEKHAWAT)
PARTNER
M. No. - 079348

DATE : JUNE 29, 2011
PLACE : JAIPUR

Annexure

Statement of possible tax benefits available to **Tijaria Polypipes Limited**, and to its Shareholders:

As per the existing provisions of the Income Tax Act, 1961 (the Act) and other laws as applicable for the time being in force, the following tax benefits and deductions are and will, inter-alia be available to the Company and its shareholders.

I. Key benefits available to the Company:

A. Dividend Income:

As per section 10(34) of the Act, any income by way of dividends (both interim and final) referred to in Section 115-O of the Act received by the Company on its investment in the shares of any domestic company shall be exempt from tax. Income received in respect of units of a Mutual Fund specified under Section 10(23D) of the Act shall be exempt from tax under Section 10(35) of the Act.

B. Capital Gains:

Capital Assets are to be categorized into short-term capital assets and long-term capital assets based on the period of holding. Equity Shares held in a Company or any other securities listed on a recognized stock exchange in India or units of UTI and specified Mutual Fund/Zero Coupon Bonds are considered as long-term capital assets if these are held for a period exceeding 12 months. Capital gains arising on transfer of such long-term capital assets are considered as 'long-term capital gains'. Capital gains arising on transfer of such assets held for a period of 12 months or less are considered as 'short-term capital gains'.

As per section 10(38) of the Act, long term capital gains arising to the Company from the transfer of long term capital asset being equity share in a company or unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, shall be exempt from tax in the hands of the Company.

For this purpose, "equity oriented fund" means a fund:

- i. where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and
- ii. which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the Act. Section 48 of the Act, prescribes the mode of computation of capital gains. It provides for deduction of cost of acquisition / improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long term capital gains, for resident shareholders it offers a benefit by permitting substitution of cost of acquisition/improvement with the indexed cost of acquisition/improvement, which adjusts the cost of acquisition / improvement by the prescribed cost inflation index. The benefit of indexation is not available in respect of long-term capital gains arising from the transfer of bonds and debentures (other than capital indexed bonds issued by the government).

As per section 112 of the Act, taxable long-term capital gains, if any, on sale of listed securities or units or zero coupon bonds (in cases not covered under section 10(38) of the Act) would be charged to tax at the rate of twenty percent (plus applicable surcharge and education cess) after considering indexation benefits in accordance with and subject to the provisions of section 48 of the Act. However, under the proviso to Section 112 (1), if the tax on long-term capital gains arising on transfer of listed securities or units or zero coupon bonds computed at the rate of twenty per cent (plus applicable surcharge on tax and

education cess), after availing the benefit of indexation exceeds, the tax on the long-term capital gain computed at the rate of ten per cent (plus applicable surcharge on tax and education cess) without availing the benefit of indexation, then such excess tax is ignored for the purpose of computing the tax payable on the capital gains.

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

Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long term capital gains of the said year. Residual loss, if any, can be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains.

Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains only. Residual loss, if any, can be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

As per section 54EC of the Act and subject to the conditions and limit specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a "long term specified asset" within a period of 6 months after the date of such transfer. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money. The bonds presently specified under this Section are bonds issued by National Highway Authority of India (NHAI) and Rural Electrification Corporation Ltd. (REC). Investment in these bonds cannot exceed ₹ 50 Lacs during any financial year.

C. Depreciation / Business Loss:

- i. The Company shall be entitled to claim depreciation on tangible and intangible assets owned by it and used for the purposes of its business as provided in Section 32 of the Act.
- ii. In case of any new plant and machinery (other than ships and aircrafts) that will be acquired and installed by the Company in the business of manufacture or production of any article or thing, the Company will be entitled to additional depreciation equal to 20 % of the actual cost of such machinery or plant subject to conditions specified in section 32 of the Act.
- iii. Unabsorbed depreciation can be carried forward to future years for set off against subsequent year's income.
- iv. Business losses can be carried forward for eight succeeding assessment years for set off against subsequent business profits.

D. Preliminary Expenses:

The Company shall be eligible for amortization of preliminary expenditure as specified in section 35D of the Act being expenditure on public issue of shares, subject to meeting the conditions and limits specified in that section.

E. Security Transaction Tax (STT) allowed as deductible expenditure:

In computing the business income, an amount equal to STT paid in respect of taxable securities transactions entered into in the course of business will be allowed as a deductible expense, if the income arising from such taxable securities' transactions is included in the income computed under the head "Profits and Gains of Business or Profession" as per the provisions of section 36(xv) of the Act.

F. Minimum Alternate Tax:

As per the section 115JB, the Company will not be able to reduce the income to which the provisions of section 10(38) of the Act apply while calculating "book profits" under the provisions of section 115JB of the Act and will be required to pay Minimum Alternate Tax ("MAT") at the rate of eighteen percent (plus applicable surcharge and education cess) of the book profits determined (if the income-tax payable as per normal provisions of the Act is less than eighteen percent of the book profits). Further, in accordance with section 115JAA, MAT credit will be available to the Company for next succeeding ten years subject to fulfillment of certain conditions prescribed in the said section.

II. Key benefits available to the Resident Shareholders of the Company:

A. Dividend Income:

As per section 10(34) of the Act, any income by way of dividends (both interim and final) referred to in Section 115-O of the Act, received on the shares of the Company shall be exempt from tax. Section 94(7) of the Act provides that losses arising from sale/transfer of shares purchased up to three months prior to the record date and sold within three months after such date will be disallowed to the extent dividend on such shares claimed as tax exempt by the shareholder.

B. Capital Gains:

Benefits outlined in paragraph I-(B) above, mutatis mutandis are also available to resident shareholders, in respect of capital gains derived from sale of shares of the company. In addition to the same, the following benefits are also available to the resident shareholders:

As per section 54F of the Act, long-term capital gains (in cases not covered under section 10(38) of the Act) arising to an individual or Hindu Undivided Family (HUF) on transfer of shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net sales consideration from such shares is used for purchase of a residential house property within a period of one year before or two years after the date on which the transfer took place or for construction of a residential house property within a period of three years after the date of transfer, provided that the individual / HUF should not own more than one residential house other than the new residential house on the date of transfer. If residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gain exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred. Similarly, if the shareholder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house, then the original exemption will be taxed as capital gains in the year in which the additional residential house is acquired.

C. Security Transaction Tax (STT) allowed as deductible expenditure

In computing the business income, an amount equal to STT paid in respect of taxable securities transactions entered into in the course of business will be allowed as a deductible expense, if the income

arising from such taxable securities transactions is included in the income computed under the head “Profits and Gains of Business or Profession” as per the provisions of section 36(xv) of the Act.

D. Minimum Alternate Tax

As per the section 115JB, the Corporate investor will not be able to reduce the income to which the provisions of section 10(38) of the Act apply while calculating “book profits” under the provisions of section 115JB of the Act and will be required to pay Minimum Alternate Tax (“MAT”) at the rate of eighteen percent (plus applicable surcharge and education cess) of the book profits determined (if the income-tax payable as per normal provisions of the Act is less than eighteen percent of the book profits). Further, in accordance with section 115JAA, MAT credit will be available to the Company for next succeeding ten years subject to fulfillment of certain conditions prescribed in the said section.

III. Key benefits available to Non-Resident Indians / Non Resident Shareholders (Other than FIIs and Foreign venture capital investors):

A. Dividend Income:

As per section 10(34) of the Act, any income by way of dividends (both interim and final) referred to in Section 115-O of the Act received on the shares of the Company shall be exempt from tax. Section 94(7) of the Act provides that losses arising from sale/transfer of shares purchased up to three months prior to the record date and sold within three months after such date will be disallowed to the extent dividend on such shares claimed as tax exempt by the shareholder.

B. Capital Gains:

Benefits outlined in paragraph II(B) above, mutatis mutandis are also available to a non-residents / non-resident Indian shareholder except that under first proviso to Section 48 of the Act, the capital gains arising on transfer of capital assets being shares of an Indian Company need to be computed by converting the cost of acquisition, expenditure in connection with such transfer and full value of the consideration received or accruing as a result of the transfer into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated. Further, the benefit of indexation is not available to non-resident shareholders.

C. Special Provisions relating to Certain Income of Non- Resident Indians:

As per Section 115C (e) of the Act, a ‘Non-Resident Indian’ means an individual, being a citizen of India or a person of Indian origin who is not a ‘resident’. As per the Explanation to the said section, a person shall be deemed to be of Indian origin if he, or either of his parents or any of his grandparents, was born in undivided India. Under section 115-I of the Act, the Non-Resident Indian shareholder has an option to be governed by the provisions of Chapter XIIA of the Act viz.

“Special Provisions Relating to Certain Incomes of Non-Residents” which are as follows:

- A. As per 115E of the Act, where shares in the Company are acquired or subscribed to in convertible foreign exchange by a Non-Resident Indian, capital gains arising to the non resident on transfer of shares held for a period exceeding 12 months, shall (in cases not covered under section 10(38) of the Act) be taxed at the flat rate of ten percent (plus applicable surcharge and education cess) (without indexation benefit but with protection against foreign exchange fluctuation).

- B. As per section 115F of the Act, long-term capital gains (in cases not covered under section 10(38) of the Act) arising to a Non-Resident Indian from the transfer of shares of the Company subscribed to in convertible foreign exchange shall be exempt from income tax, if the net consideration is reinvested in specified assets or savings certificates referred to in section 10(4B) of the Act, within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.
- C. 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.
- D. As per section 115H of the Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income, for the assessment year in which he is first assessable as a Resident, under section 139 of the Act to the effect that the provisions of the Chapter XIA 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.

D. Tax Treaty benefits:

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

E. Security Transaction Tax (STT) allowed as deductible expenditure:

In computing the business income, an amount equal to STT paid in respect of taxable securities transactions entered into in the course of business will be allowed as a deductible expense, if the income arising from such taxable securities transactions is included in the income computed under the head "Profits and Gains of Business or Profession" as per the provisions of section 36(xv) of the Act.

F. Minimum Alternate Tax:

As per the section 115JB, the Corporate Investor will not be able to reduce the income to which the provisions of section 10(38) of the Act apply while calculating "book profits" under the provisions of section 115JB of the Act and will be required to pay Minimum Alternate Tax ("MAT") at the rate of eighteen percent (plus applicable surcharge and education cess) of the book profits determined (if the income tax payable as per normal provisions of the Act is less than eighteen percent of the book profits). Further, in accordance with section 115JAA, MAT credit will be available to the Corporate Investor for next ten years subject to fulfillment of certain conditions prescribed in the said section

IV. Key benefits available to Foreign Institutional Investors (FIIs):

A. Dividend Income:

As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O of the Act received on the shares of the Company shall be exempt from tax.

B. Capital Gains:

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

Nature of income	Rate of tax (%)
Long term capital gains	10
Short term capital gains (other than referred to in section 111A)	30
Short term capital gains covered in section 111A	15

The above tax rates will have to be increased by the applicable surcharge and education 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. As per section 54EC of the Act and subject to the conditions and limit specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long term specified asset” within a period of 6 months after the date of such transfer. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money. The bonds presently specified under this Section are bonds issued by National Highway Authority of India (NHAI) and Rural Electrification Corporation Ltd. (REC). Investment in these bonds cannot exceed ₹ 50 Lacs during any financial year.

C. Security Transaction Tax (STT) allowed as deductible expenditure:

In computing the business income, an amount equal to STT paid in respect of taxable securities transactions entered into in the course of business will be allowed as a deductible expense, if the income arising from such taxable securities transactions is included in the income computed under the head “Profits and Gains of Business or Profession” as per the provisions of section 36(xv) of the Act.

D. Tax Treaty benefits:

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

V. Key benefits to Mutual Funds:

As per section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India would be

exempt from income tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

VI. Benefits to shareholders of the Company under the Wealth Tax and Gift Tax Acts:

- A. Shares of the Company held by the shareholder will not be treated as an asset within the meaning of section 2(ea) of Wealth Tax Act, 1957. Hence the shares are not liable to Wealth Tax.
- B. Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Therefore, any gift of shares of the company is not liable to gift tax. However, as per the provisions of section 56 of the Act, the same will be treated as income in the hands of the donee unless the gift is from a relative as defined in section 56 (2) (vi) of the Act as per conditions mentioned therein.

Notes:

1. All the above benefits are as per the current tax laws as amended by the Finance Act, 2011
2. All the above benefits are as per the current tax law and will be available only to the sole / first named holder in case the shares are held by joint holders.
3. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the double taxation avoidance agreements, if any, between India and the country in which the non-resident has financial domicile.
4. 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 participation in the scheme.
5. A shareholder is advised to consider in his / her / its own case the tax implications of an investment in the Equity Shares, particularly in view of the fact that certain recently enacted legislations may not have direct legal precedent or may have a different interpretation on the benefits which an investor can avail.

SECTION IV - ABOUT THE COMPANY

4.1 – INDUSTRY OVERVIEW

The Indian plastic industry has taken great strides. In the last few decades, the industry has grown to the status of a leading sector in the country with a sizable base. The material is gaining notable importance in different sphere of activity and the per capita consumption is increasing at a fast pace. Continuous advancements and developments in polymer technology, processing machineries, expertise, and cost effective manufacturing is fast replacing the typical materials in different segments with plastics.

History

Indian plastic industry has made significant achievements in the country ever since it made a promising beginning with the start of production of polystyrene in 1957. The industry is growing at a rapid pace and the per capita consumption of plastics in the country has increased several times as compared to the earlier decade. The chronology of production of polymers is summarized as under -

- 1957 – Polystyrene
- 1959 – LDPE
- 1961 – PVC
- 1968 – HDPE
- 1978 – Polypropylene

Currently, the Indian plastic industry is highly fragmented with an estimate of around 25,000 firms and over 400,000 employees. The top 100 players of Indian plastic industry account for just 20% of the industry turnover. Barring 10 to 15% of the firms that can be categorized as medium scale enterprises, most of the units operate on a small – scale basis.

Sources: <http://www.india-exports.com/plastic.html>

Some Associated Industries

The potentiality of plastic industry India propels other associated industries to grow side by side. One of such growing industry is petrochemical industry. Both these industries are reciprocal to each other. The petrochemical industry facilitates the plastic industry to produce plastic products that will meet the domestic demand as well as that of the overseas market.

Finished Products of Plastic Industry India

The plastic processing industry consist of over 30,000 units which are producing a wide range of plastic products through the process of injection moulding, then blow moulding, extrusion, and finally calendaring. Some of the common markets, where plastic products are used are: (Source: <http://www.economywatch.com/world-industries/plastic/india.html>)

End User Markets:

These are the plastic products basically used for domestic purposes. Some of the end user plastic products are plastic balls, plastic bags, polypropylene bags, polyethylene bags, plastic barrels, plastic caps, plastic bottles, plastic baskets, plastic basins, plastic basins, plastic bowls.

Appliances:

These are basically the plastic mechanical components like plastic bearings, plastic bellows, plastic belting etc. Some other industries, where plastic materials are used are automotive, building & construction, electrical and electronics, industrial, medical, packaging, transportation etc.

Strategies of Plastic Industry, India

The government of India is trying to set up the economic reforms to elevate and boost the plastic industry by joint venturing, foreign investments.

Present Characteristics of the Indian Plastic Industry

- The country has an estimated production capacity of 4500 thousand metric tons annually. Of this, 60-70% accounts for the production of polyethylene (PE) and polypropylene (PP).
- India with 4 Kg per capita consumption per year ranks eighth in the world against world average of 20 Kgs & developed nations above 100 Kgs.
- The industry demand is expected to touch 12.4 million tons by 2010-11, becoming third largest consumer after US and China.
- The polymer industry is growing at about 12-15% annually.
- Over the last few years, the Indian Petrochemicals industry has witnessed consolidation phase. The top players - Reliance, Haldia Petrochemicals (HPL) and GAIL - hold the majority of the polymer capacity in the domestic market.
- Buyers in the industry have very little bargaining power against the suppliers.
- Buyers are all highly vulnerable to raw material prices, which are highly influenced by international demand and supply conditions.

Government Policy

- The government has considerably brought down the customs duty in the last few years.
- The GoI increased the foreign equity participation in the petrochemical industry to 51%. Foreign firms have been allowed to set up 100% owned companies in India in the plastics processing and other related sectors.

Sources: <http://www.mcxindia.com/sitepages/contractspecification.aspx?Productcode=HDPE>

Prospects of Plastic Industry, India

Plastic Industry India is symbolizing a promising industry and at the same time creating new employment opportunities for the people of India. The per capita consumption of plastic products in India is growing and is moving towards 8% GDP growth. With liberalized government policy in place, more number of players are expected to enter, participate and grow in the polymer industry in the coming days, resulting in higher demand for right pricing and price risk management.

Source: <http://www.skyscrapercity.com/showthread.php?t=959182>

Future Forecast

The Indian plastic industry clearly has the potential to continue its fast growth. However, over the next few years, competition in the industry is expected to increase considerably, as a result of global trends, which is applicable to the liberalizing economy of country. To survive the competition, both polymer manufacturers and processors will need to adopt radically new methods and approaches to reduce costs, improve market and customer service and management of performance.

Global demand to increase 4.5% per year through 2012

Worldwide demand for plastic pipe is forecast to increase 4.5 percent annually to 8.1 billion meters in 2012. In weight terms, consumption is projected to expand 4.6 percent per year to 18.1 million metric tons, reflecting a slightly higher use of plastic pipe in large diameter applications, which exhibit a higher

weight per meter ratio. The gains in length represent a deceleration from the growth recorded from 2002 to 2007, based on slowing growth in construction activity in many key markets.

Greater growth opportunities will continue to be concentrated in developing markets, such as China, India and other emerging nations in the Asia/Pacific region; Eastern Europe; Latin America; and the Africa/Mideast region. Hence, it is clear that plastics will continue to be a growth industry, with boosting prospects for fresh investments in polymerization and downstream processing capacity. This is in contrast to the situation in various other countries, where growth prospects are limited, either because of stagnant demand or due to the historical over building. In such countries, the overall outlook would be far less promising, with the key imperatives being cost cutting and capacity rationalization.

Source: <http://www.mindbranch.com/Plastic-Pipe-R154-1896/>

SCENARIO OF INDUSTRIAL PIPES

The Indian pipe Industry.....tuned for the piping hot market

The 2008-09 financial crisis had a limited impact on the Indian pipe industry affecting new oil and gas exploration and production (E&P) projects worldwide due to fall in global commodity prices including crude oil resulting into reduced orders. With the worst of the financial crisis behind us, we remain optimistic regarding the potential demand for the pipe sector. The E&P projects which were earlier stalled or revoked are being given a new lease of life based on the inevitable rise in crude oil prices. Replacement demand from developed nations remains ever so strong while domestic demand from the oil and gas sector is robust. Also, with the pipeline network of India for oil & gas transport being lower at 17,576 kms as on April 2009, (32% penetration level) it represents a huge scope for growth for the pipe industry.

As most of the Indian pipe manufacturers are converters, the industry is highly Raw Material (RM) intensive with the RM cost accounting for more than 70-80% of the total cost for steel and PVC pipe companies. These companies rely heavily on imports and hence many steel pipe companies have backward integration facilities to reduce dependency on imports and price volatility. Freight cost is another key cost component due to higher imports and exports. With the expected short-term increase in commodity prices and range-bound Baltic Dry Index (a barometer for shipping freight rates), pipe companies will be benefited in the coming quarters as customers will try to place advance orders at attractive rates.

Indian companies produce a wide range of plastic pipes which are used in various critical and non-critical applications. Indian pipe manufacturing companies have won several certifications and accreditations from major oil & gas companies across the globe in the recent past. With the low-cost and high-quality products supplemented by various international certifications, Indian companies have augmented their export sales over the last three to four years.

CARE Research expects the positive trend in the Indian pipe industry to continue for the next 3-5 years on the back of higher E&P activities due to resurgence in crude oil price, increased efforts by the Government of India (GoI) on infrastructure development for laying pipelines for oil & natural gas transport (e.g. the National Gas Grid project), replacement demand from North America and European countries, water & sewage transport and irrigation facilities.

Demand triggers for the growth are:

- Private players like Reliance Industries Limited (RIL), Cairn India etc have shown interest in setting up pipe infrastructure for oil & gas distribution. National gas grid will also be set up requiring an investment of ₹210 billion.
- City gas pipe is currently available in 10 cities and the coverage is expected to grow to 40 cities in the next five years, entailing an investment of ₹ 250-300 billion.
- In addition to the above, the replacement demand from the US and European countries, having a vast pipeline infrastructure, will be huge.

- The GoI in its efforts to reduce crude imports has formulated the New Exploration Licensing Policy (NELP) for exploration and production of oil & gas. The GoI has awarded 256 blocks till date and the number is set to increase to 330 by 2010.
- For the Eleventh Five Year Plan, the GoI is aiming to add 11 mn hectares of irrigational facilities, entailing an investment of ₹1,580 billion.
- The GoI increased the annual budget allocation under the Rajiv Gandhi Drinking Water Mission from ₹65 billion to ₹74 billion in the previous Union Budget 2009-10.

Source: CARE Research Report, 2010

SCENARIO OF PET (POLYETHYLENE TEREPHTHALATE) & PET PRODUCTS

Pet is clear, tough and has good gas and moisture barrier properties. Some of these plastics are used in Pet soft drink bottles and other blow molded containers, although sheet applications are increasing. Cleaned, recycled Pet flakes and pellets are increasing. Cleaned, recycled Pet flakes and pellets are in great demand for spinning fiber for carpet yarns and producing fiberfill and geo-textiles. Other applications include strapping, molding compounds and both food and non-food containers.) (Adapted from Modern Plastics Encyclopedia 1995).

This plastic is used in soft drink bottles and other blow-molded containers, although sheet applications are increasing. Cleaned, recycled Pet flakes and pellets are in great demand for spinning fiber for carpet yarns and producing fiberfill and geotextiles. Other applications include strapping, molding compounds, and food and non food containers.

Pet is an extremely versatile substance, because its properties and characteristics provide relatively easy usability and versatility. Its applications also include film sheet, fiber, trays, displays, clothing, and wire insulation. Pet is environment friendly, and characterized by its ease of recycling and regrinding which normally other polymers do not. Pet regrind can easily be used to return to sheet which gives it wider acceptability.

The Pet properties that make it desirable include:

- Clarity and Sparkle
- Toughness
- Light Weight
- Good Gas Barrier
- Solvent/Corrosion Resistance
- Good Cost/Performance Ratio
- Durable, difficult to break
- Durable hinge properties
- Recyclable and Regrindable

According to the latest study and statistics of The National Association for Pet Container Resources (NAPCOR), recycling plastics, specifically Pet and HDPE, results in significant savings in energy and greenhouse gas emissions. Looking to the environment friendliness and the versatility of the Pet, it can be put to various uses.

In textile applications, Pet is often referred to as 'polyester' while 'Pet' is used often to refer to the packaging resins. The market for Pet and Pet products shall be improving with the growing consciousness, the myriad of uses it can be put to and the changing consumption pattern due to its eco-friendly facet.

Market Outlook

CMAI forecasts global polyester fibre demand to grow at 6% p.a. through to 2011. In the next five years, CMAI expects growth in Pet resin to moderate to 7.2% p.a. with beverages continuing to be the dominant outlet. Global demand is projected to grow to 17.3million tonnes in 2011.

However, capacity has been growing even faster than demand, leading to huge overcapacity. Strong growth in demand combined with low barriers to entry has attracted far too much capacity, especially in Asia. Capital costs of Pet plants are relatively low while the technology is readily available. CMAI estimates that capacity in the last five years has grown at an average of 10.5% per year. CMAI forecasts capacity growth of 4.5% per year in the next five years will be lower than demand growth, improving operating rates. Capacity is expected to reach 19.6million tones per year in 2011.

Most of the capacity growth has occurred in northeast Asia with the majority of it being built in China. Asia will continue to have surplus capacity for the next few years and will be a major exporter as it takes advantage of its low cost position. Moreover, with the steps being taken by the European countries to impose anti-dumping duties on the exports being made by China, the manufacturers of India and other Asian countries are poised to grab the market share.

SCENARIO OF POY INDUSTRY

Polyester is the most dominant man-made fibre in India, constituting over 83% of total man-made fibre production and consumption in India; polyester filament yarn (PFY) constitutes over 53% of total MMF production and polyester staple fibre (PSF) constitutes another 30% amongst others. During the last ten years, demand for man-made fibres has grown at a CAGR of around 3% from 1.6 million kg (FY99) to 2.4 million kg (FY09). Amongst all fibres, polyester yarn has recorded the highest growth of over 6% per annum. Steadily declining prices of PFY have been one of the major factors pushing its demand in the domestic market. Huge capacity additions during the post quota period have also helped in increasing the supply of PFY in the market, thereby pushing down the prices and hence increasing the demand. The Indian POY Industry is characterized by the following key facets

(Source:

http://www.texmin.nic.in/policy/Fibre_Policy_Sub_%20Groups_Report_dir_mg_d_20100608_2.pdf)

Limited No. of Players

Production scenario for man-made fibres/ filament yarn in India is characterized by presence of very few players. For instance, Reliance Industries produces about 48% whereas Indo Rama Synthetics and JBF Industries account for nearly 15% and 10% respectively.

(Source:

http://www.texmin.nic.in/policy/Fibre_Policy_Sub_%20Groups_Report_dir_mg_d_20100608_2.pdf)

Price Movement of MMF

Over the last decade, prices of key man-made fibres like PSF and PFY have seen a steady decline, which has contributed to higher demand for same. One of the reasons for reduction in prices is the capacity build-up leading to economies of scale for key MMF manufacturers and gradual reduction of excise duty.

Consumption Pattern of Polyester Yarn

Consumption of Polyester Yarn has risen since FY01. From a level of 727 million kg in FY99, consumption touched 1,336 million kg in FY09. Exports have also witnessed high growth during the period FY 04 – FY 08 – with a CAGR of 33.1%. However, exports slumped by almost 60% to 90.1 million kg in FY 09, due to the overall global economic slowdown, while domestic demand grew by a modest 4.3% in FY 09. With rise in domestic production, the imports have come down steadily over the years. From a high of 114.7 million kg in FY 05, imports of PFY dropped to 69.9 million kg in FY 09.

Installed Capacity

The installed capacity of Polyester Yarn in industry stood at 1763.5 million kg in FY 09. There are 43 manufacturing units in the country with functional installed capacity of 1,763 million kg per annum. Reliance Industries is the largest player, accounting for almost 48% of total production of PFY in FY09; the other major players are Indo Rama Synthetics, Garden Silk Mills, and JBF Industries. Currently, India has excess capacities for many man-made fibers/ filament yarns and these are adequate to meet the current and near future demand for man-made fibers. However, given the changing consumer pattern in favor of man-made fiber based textiles, there is a need to assess the medium term and long-term demand for man-made fibers in India.

Projected Demand for the Polyester Yarn

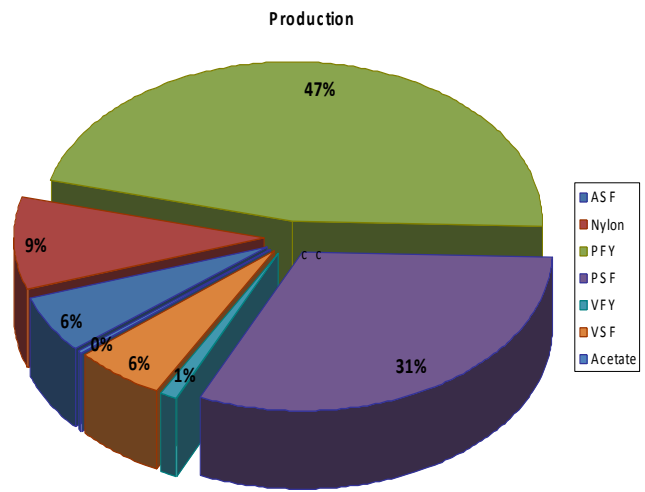
A top-down approach has been followed to determine the demand for man-made fibers in FY15 and FY20. Considering three scenarios, namely GDP growing at 7%, 8% and 9% respectively for the next ten years, the share of private final consumption expenditure is taken as 67%, in line with the average share over the past five years. Based on the estimates, the demand for filament yarns in FY 15 is projected between 4,085 million kg and 4,393 million kg whereas the demand for filament yarns in FY20 is projected between 6,103.8 million kg and 6,897.9 million kg.

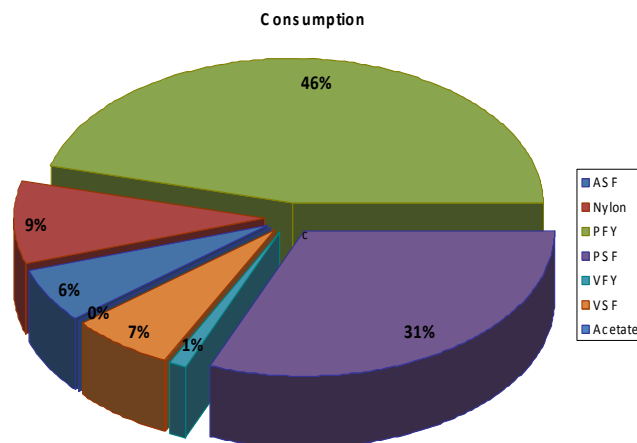
Demand – Supply Gap

The future fiber demand for different man-made fibres has been compared with existing capacities. The current level of existing capacities of all man-made fibres including Polyester Yarn would be insufficient to meet the future demand and hence they would require capacity additions by manufacturers.

Global Scenario

Globally, polyester is the most dominant man-made fibre, with a share of around 77% in total production and consumption of man-made fibres. It is followed by nylon, with a share of 9.4% and thereafter viscose, which constitutes roughly 7.7% share as depicted below:





Polyester accounted for a major share of 77% in the production and consumption of MMFs in 2007. This impressive performance of polyester can be attributed to a rapid increase in capacity of this fibre. Overall capacity of polyester has increased at a CAGR of 8% from 10,837 million kg in 1990 to 40,724 million kg in 2007. The period after the abolition of quotas witnessed a 70.6% increase in capacities of polyester to 36,376 million kg from 21,321 million kg in 2004. Among the varieties of polyester fibre, production of PFY increased by 14.4% y-o-y while that of PSF grew by 12.3% in 2007.

Customs Duty Anomalies & Rationalization

Historically, customs duty on man-made fibres had been very high. Over the last five years, customs duties have been lowered substantially and currently the basic customs duty prevails at about 5% for Polyester Yarn (POY). However, the effective customs duty rate (after inclusion of SED, CVD, etc) can be considered high.

Certain raw materials for polyester such as Titanium di-oxide and spin finish oil attract a higher duty than polyester fibres/ filaments. This is a clear case of inverted duty structure. According to industry estimates, these additives constitute roughly 2-3% of total cost of production and are largely imported. Thus, a high customs duty on these items increases the cost of production of Polyester Yarn manufacturers too.

Anti-dumping duties are imposed to neutralize price differential between the normal value of the like article in the domestic market of the exporting country and the export price of the product under consideration. Currently, anti-dumping is levied on Import of POY from China, Taiwan, Indonesia, Malaysia and Thailand.

As per the recent policy proposed by the Ministry of Textiles, Govt. of India, additional capacities are required in the industry in wake of future demand (medium to long-term) for man-made fibers including POY/PFY. Thus, it is desired that incentives are provided to the industry to accelerate the process of capacity build-up, to ensure adequate supply of fibers to the user industry.

Recommendations of the Ministry of Textiles

- a) Removal of 4% Special Additional Duty (SAD) on import of man-made fibres to make the same available to domestic consumers at competitive prices.

- b) Customs Duty on Spin finish oil to be reduced to nil from current 7.50%. Currently import of spin finish oil gets clubbed with surfactants used in other industries under HS code 34031100. The industry has suggested amendment of HS code for spin finish oil used by synthetic fibres to 34031200.

Furthermore, TUFS (Technology Upgradation Fund Scheme) is available to the textile industry for up-gradation of machinery which shall ultimately benefit the user industry.

Source:

http://www.texmin.nic.in/policy/Fibre_Policy_Sub_%20Groups_Report_dir_mg_d_20100608_2.pdf

As per the detailed survey conducted by 'CRISINFAC' the domestic Polyester industry is likely to witness robust demand growth and higher profit margins in the next five years due to the various positive factors favoring Polyester industry viz., Rapid additions in downstream processing facilities leading to incremental demand, Manufacturing of manmade fibers globally is getting shifted mainly to China and India.

SCENARIO OF THE MONOFILAMENT INDUSTRY

As regards MFY, the product finds good demand from the manufacturers of Zippers, Tooth Brush Bristles, Velcro, Artificial Grass, Fishing Nets, Sports Nets, Industrial and other brushes, Magic Fasteners and Forming Fabrics in India.

The Monofilament yarn is primarily sourced from the countries like China, Taiwan, Turkey etc., out of which China accounts for the majority of the supplies.

The major markets for the Monofilament constitute the continents namely North America, South America, Eastern Europe, Southeast Asia, Africa, Oceania, Mid East, Eastern Asia and Western Europe.

SCENARIO OF THE ZIPPER INDUSTRY

Zippers are one of the most useful inventions in the modern era. Appropriate alternatives to zippers have not been identified as yet. Usefulness of the product in daily life is likely to continue to drive the zipper market demand. Asia is the largest regional market across the globe, both in terms of value and volume, as several major zipper manufacturers and consumers are based in the region. Asia is also the fastest growing region in the global zipper market.

Primarily, the zippers are categorized into three main categories on the basis of the Raw Material and Technology used to manufacture the Zipper Teeth as under:

- Polyester Zippers - CFC , CH , LFC and Invisible
- Moulded Zippers - Plastic Injection Moulded
- Metal Zippers - Brass, Aluminium, Bronze or Nickel Silver

While teeth of Polyester Zippers like CFC, Invisible, CH and LFC are all made out of 100 % Polyester Monofilament, Moulded Zipper teeth are Injection Moulded out of high grade Engineering Plastics and Metal Zipper teeth are stamped out of Metal Strips like Brass, Aluminum, Bronze or even Nickel Silver Alloys. All these have different fashion appeal as well as varying strengths.

Amongst the various types of the zippers, the market share is being increasingly sopped up by the polyester zippers instead of the conventional metal zippers due to the following facts:

- Plastic Zippers are less likely to break, than metal Zippers.
- Plastic Zippers are easier to zip up and require less maintenance.
- Polyester Coil Zippers are much stronger than solid looking plastic moulded toothed Zippers.

- Larger Zippers are not necessarily stronger.
- Dirt in a CFC Zipper or Zipper Slider will quickly damage it, keeping a Zipper clean will extend its life.

Hence, with the advent of the new trends in the garment industries, wider applications of the zippers and the drift in the consumption pattern from the conventional metal zippers to the polyester zippers, the market for this product has augmented. Countries like China and Japan have been the pioneers of the Zipper industry and have the majority of the market share attributed to them.

Global Scenario

Currently, YKK Corporation is the leader of the global market however, with the new entrants with new technologies and new innovations, other players are also making their presence felt. Japan generates largest amount of revenues from sale of zippers, as YKK, the largest zipper Company, is domiciled in the country. YKK is the single largest player that dominates the global zipper market.

Even though the present market contribution of YKK Zippers accounts for 60-70%, other players like SBS Zipper, EMR Zipper, Olympic Zippers, Zip Industries Ltd. are emerging as potential competitors.

China, the world's largest manufacturer of zippers, is also the largest exporter. Low prices have enabled the country's zippers to become famous all over the world. However, lately the country's suppliers have been struggling to compete on price, and hence are progressing to medium and high quality products. Growth in zipper industry is fuelled by the downstream industries relocation to the country and growth in domestic economy.

Today, global companies as ZEE, YKK, EMR ZIPPER, NEO Zipper, Olympic Zippers Ltd, Opti, TALON, Ideal, KCC Group, Tex Corp, RiRi, ARTA-F, make various types of zippers including "invisible" zippers, metallic zippers, and plastic zippers.

Indian Industry Scenario

Currently most of the Zippers are being imported from China & Japan. The Indian Markets are primarily catered by the players like Tony Zippers, Olympic Zipper Ltd., Zip Industries Ltd. and the imports made from China at very low prices. However, the total contribution of the domestic industry in the share of the domestic market is increasing with the increasing use of the latest technology

SCENARIO OF THE PET SHEET INDUSTRY

The Indian industry focuses on Pet sheet responding to converging global trends of consumer lifestyles that increasingly demand convenience packaging and the industry's growing need for increased scale and improved economics. Pet sheet is the fastest growing material for the clear rigid plastic packaging of food and consumer products. It is processed by thermoformers and brands, with the majority of the resulting clear plastic trays used for packaging fresh foods and dairy products, where its oxygen barrier properties make it an ideal and natural first choice. It is also making rapid inroads into the cold drink cup market. The remainder is used for the packaging of fast moving consumer products such as toys, electronics, and hardware. Pet is replacing PVC and styrenic polymers, favored for new applications where its clarity, gloss and mechanical toughness make it an ideal material for goods that require from both product protection and shelf impact.

Pet Sheets provides a convenient way to package a range of applications - from consumer products to pharmaceuticals, food & beverages, engineering items. These sheets are sturdier and are stronger than PVC / HIPS and help to protect the inner products from transit damages. Besides that, the environment friendliness and recyclable nature also makes it more opted for.

SCENARIO OF THE BLANKET INDUSTRY

The Mink Blanket Industry originated in Korea initially wherein the names Korea and Mink Blankets came to be known as synonyms. Later on, the name only was confined to Korea and China became the leading manufacturer and supplier of Mink Blankets all over the world. There are presently 7 major manufacturers and suppliers all over India, out of which only 2 are the manufacturing concerns. Chinese products and their tactics of clandestine imports into the country has undoubtedly damaged the domestic and export market of the Indian dealers and manufacturers.

Largely concentrated in northern India, mink blankets units are present across Ludhiana, Amritsar, Panipat and Moradabad. As per data available, the total manufacturing capacity of the units in India is 50 lac mink blankets per year, with the demand picking up during winter and festive season. Although the quality being offered and price are quite competitive to imports from China but the fact that they turn out to be cheaper due to the unfair tactics, avoiding the customs duty etc. and are creating unnecessary competition in the market, outcast the domestic players to a great extent.

As against the domestic demand, the demand overseas is a motivating factor since the products which were earlier being dumped in the European and other countries by China, now attract anti-dumping duties, recently introduced by some nations. The exports from India are likely to bag a bigger share of the market due to the ethnic designs marveled all over the world at a very competitive price.

4.2 - OUR BUSINESS

Tijaria Polypipes Ltd., an ISO 9001 : 2000 Certified Company, is a closely held public limited Company, based at Jaipur, manufacturing various kinds of high grade plastic based pipes viz HDPE, MDPE, LDPE, LLDPE, uPVC, PP-R Pipes and Sprinkler systems under the brand name of “TIJARIA” and “VIKAS”. The Company is a winner of ‘NATIONAL AWARD-2008’ for Quality Production (Special Recognition Award) awarded by the Ministry of Micro, Small & Medium Enterprises, Govt. of India. Our Company is also recipient of ‘RASHTRIYA UDYOG RATNA AWARD’ in the Year 2010, by Center for Educational Development Research for excellence in their respective field. The Company was initially started as a Partnership firm under the name of “Tijaria Overseas Vinyl” in the year 2000 which was later on converted into a Private Limited Company on July 17, 2006 on continuous basis under Part IX of The Companies Act, 1956 and was subsequently converted into a Public Limited Company w.e.f. July 20, 2006. The Company through its vision of learning and constant innovation has become a premier name in the industrial, agricultural, infrastructure, domestic and telecommunication fields.

The Company under the leadership of Mr. Alok Jain Tijaria, the Managing Director along with other Promoter Directors Mr. Vikas Jain Tijaria, Mr. Praveen Jain Tijaria and Mr. Vineet Jain Tijaria have made Tijaria Polypipes Ltd. a successful and quality oriented Company. The Company has consistently registered growth in turnover and profitability over the previous years and now proposes to further expand and diversify in other polymer products as detailed in Section titled “Objects of the Issue” beginning on Page No. 57 of this Prospectus.

Market base and customers

The market is well represented by the Company in all segments. The Company is participating in tenders and supplying the products to government enterprises like BSNL, etc. and in private sector to Reliance Communication in bulk and selling the products in the retail segment through more than 250 dealers spread across the country. The Company is having its branch offices at Lucknow, Indore, Nasik, Ahmedabad, Hyderabad, Haryana and some pilot offices on card, hence the ambit and scope of the Company and its products is amplified. Since the products offered by the Company have wide use, acceptability and applicability, the customer base of the same is quite wide.

Our Major Customers

Our five major customers, inter alia, include Ramky Infrastructure Ltd., R.K. Sales Corporation (Jodhpur), JDS Trade Links Pvt Ltd. (New Delhi), Independent Fruit Trade B.V. (Netherlands) and APR Projects Pvt. Ltd. (Churu) who collectively contributed around 41.35% of our total sales turnover for the financial year ended March 31, 2011.

Diversified product mix

Our Company has a product mix to cater to the increasing requirements of our customers. Our product offerings include HDPE pipes, PVC pipes, LLDPE pipes, HDPE DWC pipes, PLB HDPE Ducts, MDPE pipes, uPVC RIGID & BLUE CASING pipes, Pet Granules, MICRO/DRIP Irrigation System, SWR PIPES & FITTINGS, PPR Pipes & Fittings, HDPE Sprinkler System. These products are used in irrigation, telecommunication, industrial, and infrastructure and housing sector. We believe that this range of products would allow our existing customers to source most of their product requirements from a single vendor and also enable us to expand our business from existing customers, as well as address a larger base of potential new customers. Further the flexible manufacturing infrastructure helps us change our product mix in response to changes in market demand.

Our Quality

Tijaria's ingenious production procedure is equipped with generous quality control measures. The in-house testing services employ several dexterous operators and engineers for the quality control and for that matter Tijaria has a well- equipped laboratory too. Here the quality control cell puts supreme quality

checks at three stages - raw material, online production, and flawlessness. Tijaria's research and development cell enables it to qualify for both domestic and international market's expectations.

The facilities are equipped with the latest manufacturing technology and strict quality controls which ensure Tijaria/ Vikas brand products make their mark in various applications, be it water supply, gas and petrol transport, sewage disposal or cable ducting.

Quality Certifications

Tijaria is licensed by bureau of India standard of mark ISI & ISO Certifications on different range of products having different license numbers. Moreover, Tijaria is an ISO: 9001-2000 certified organization with a standing of total commitment towards satisfying their customers with best quality products. The range of products conforms to various national as well as international accreditations and quality certifications as per details given under the section titled "Government Approvals" on page no. 243 of the Prospectus.

Achievements

Company and its management are proudful of winning 'NATIONAL AWARD-2008' for Quality Production (Special Recognition Award) awarded by the Ministry of Micro, Small & Medium Enterprises, Govt. of India. Our Company is also recipient of 'RASHTRIYA UDYOG RATNA AWARD' in the Year 2010, by Center for Educational Development Research for excellence in their respective field.

Installed Capacity & Production

Presently, the Company is manufacturing an array of plastic pipes and has an installed capacity of 20664 MT per annum for HDPE Pipes, 7392 MT per annum for PVC Pipes, 3600 MT per annum for Pet Flakes and 3600 MT per annum for Pet Granules . The Company produced 8197 MT & 6330 MT for HDPE Pipe, 3090 MT & 1909 MT for PVC Pipe, 336 MT & 154 MT for Pet Flakes production in 2010 – 11 & 2009-10 respectively.

Particulars	2010-11		2009-10		2008-09		2007-08	
	Installed Capacity	Utilised Capacity	Installed Capacity	Utilised Capacity	Installed Capacity	Utilised Capacity	Installed Capacity	Utilised Capacity
HDPE / PVC Pipes	28056	11287	14244	8239	14244	9011	6570*	5209
Pet Flakes	3600	336	3600	154	3600	53	N.A.	N.A.
Pet Granules	3600	-	-	-	-	-	-	-

*Based on 18TPD for an assumed full year of 365 days.

OUR OPERATIONS

LOCATIONS

Existing Works

- A-130 (E) & (H), Road No. 9-D, Vishwakarma Industrial Area (VKI), Jaipur – 302 013.
- F-532, Road No. 6-D, Vishwakarma Industrial Area (VKI), Jaipur – 302 013.

Proposed Works (Additional)

- SP-1 - 2316, RIICO Industrial Area, Ramchandrapura, Sitapura (Extn.), Jaipur – 302 022.
- F-2243, RIICO Industrial Area, Ramchandrapura, Sitapura (Extn.), Jaipur – 302 022.

EXISTING PLANTS:

The gist of the areas of land presently owned by the Company, along with the areas being utilized by the Company for its production, is as under:

S.No.	Address of Property	Nature of the Ownership	Remarks	Area of Land
1.	A-130 (E), Road No. 9-D, Vishwakarma Industrial Area (VKI), Jaipur – 302 013.	Leased by RIICO for 99 Years	Unit – I	2833.49 sq. mtrs.
2.	A-130 (H), Road No. 9-D, Vishwakarma Industrial Area (VKI), Jaipur – 302 013.	Rented (Owned by group concern Tijaria Vinyl Pvt. Ltd.)	Unit –I	1145.31 sq. mtrs.
3.	F-532, Road No. 6-D, Vishwakarma Industrial Area (VKI), Jaipur – 302 013.	Rented from Bajrang Ball Industries Pvt. Ltd.	Unit - II	Approx. 13000 sq. ft. constructed area

PROPOSED PLANTS:

Land and Site Development

The project is proposed to be executed on an industrial land measuring 14200 sq. mtrs. located at SP-1-2316, RIICO Industrial Area, Ramchandrapura, Sitapura Extn., Jaipur. This piece of land was initially allotted to M/s Tijaria Industries Limited, the holding Company of M/s Tijaria Polypipes Limited vide RIICO's letter of Allotment having reference no. U (2 5)-3 (SPL-2316)/2010/5576 dated 30.03.2010 for 99 Years. Later on the same was changed to M/s Tijaria Polypipes Limited, which was duly approved and acknowledged by RIICO vide their letter having ref. no. U (25)//2010/93 dated 05.04.2010.

Another land, quite in the vicinity and admeasuring 1950 sq. mtrs., at F-2243, RIICO Industrial Area, Ramchandrapura, Sitapura – Extn., Jaipur has also been taken on 99 years lease from RIICO for implementation of the project.

The location has been chosen at Sitapura Extn., which is a growing industrial area of Jaipur, after careful consideration of the infrastructural facilities in the area and the locational advantages the site enjoys. The total cost of land, together with conversion & registration expenses and site development is estimated to cost ₹ 716.00 Lacs.

Buildings and Other Civil Construction

All the buildings required for installation of the plant & machinery, raw material and finished goods godowns, utilities, administration and other uses on both the sites have been included in the project cost. The total area proposed to be constructed for the unit at both the locations is 1.95 lacs sq.ft. The building shall be constructed keeping in mind the specific requirements, height of the floors, floor area required for facilitating the proper erection, installation and commissioning of the various production lines etc. The total cost of buildings and other civil construction is estimated at ₹ 1466.00 Lacs.

Plant and Machinery:

Existing Project

The Company has presently installed 3 Kolsite Twin Screw Extruders using German Battenfield Techniques for production for different specifications for PVC Pipes Division and 8 Single Screw HDPE Pipes Plant for its HDPE Division manufacturing products of various specifications. Besides the above, the Company has also installed the Corrugated Pipe Extrusion Line and Injection Moulding Machines.

The above lines are duly supported by Chiller Plants, Compressors, Cooling Towers, D.G. Sets, UPS Power Back-up and Lab Equipments for rigorous and strict quality control checks.

The Company also has Pet Bottle Washing Line and Reciprocating, Kneading & Extruding System at Unit – II located at F-532, Road No. 6-D, VKI Area, Jaipur.

Proposed Project

There is an array of Plant & Machinery to be acquired for the proposed project. Whereas the main lines of plant & machinery shall primarily be imported from China, the leading manufacturer of zippers and its constituents and the production lines for the same, the other miscellaneous fixed assets are indigenously available.

- **Imported**

The Company proposes to source the main plant & machinery like Monofilament Manufacturing Machine, POY Spinning Lines, Extruder Lines, Zipper Machines and Production Line for manufacture of Mink Blankets from China, considering their latest technology, the delivery period, competitive price and performance guarantee.

Machinery for Diversification Project like POY Spinning Line is proposed to be sourced from Shanghai Jwell Chemical Fiber Machinery Co. Ltd; Pet Sheet Extruder Line from Guangdong Designer Machinery Co.Ltd; Chip Drying System from Zhengzhou Zhongyuan Technic Co. Ltd and other major machineries from M/s YiWu Wenli Import & Export Co. Ltd. Or any other reputed make. Quotations have been sought from various vendors and placing of final order is proposed to be completed by the end of July, 2010, in respect of the POY, DTY and Pet sheet Line. The orders for equipments related to Monofilament, Zippers and Mink Blanket divisions shall be placed during the month of Oct./Nov. 2010.

Our Company has so far placed orders for Imported Plant & Machinery worth ₹ 1268.00 Lacs out of the total requirement of Imported Plant & Machinery of ₹ 5025.00 Lacs, amounting to 25.23% of the total requirement (Imported).

The Plant & Machinery for Expansion Project shall primarily be sourced from M/s Dalian Sunlight Machine Co. Ltd, China, who has already been supplying equipments to the Company.

The Company proposes to import the equipments under EPCG scheme wherein concession import duty is levied, however for projection purposes, full customs duty as per normal rates, and has been considered in the Project Report.

- **Indigenous**

The Company has placed order to source the DTY (Drawn Texturising Yarn) Line from Umiya Engineering Pvt. Ltd. All the ancillary equipments for POY Line and Line for Mink Blankets are readily available indigenously at very competitive prices. Drip Lateral Extrusion Line for adding the production capacity of the Existing Project shall be sourced from Neptune Plastic & Metal Industries.

All the major production lines are being manufactured and supplied on turnkey basis by the suppliers. All the equipments shall be of high quality and based on latest technology. The selection of plant and machinery has been made after taking into account the standing of the suppliers in the market, delivery period, competitive prices, past experience, and performance guarantee.

The entire production lines would be commissioned on turn-key basis with the help of the machinery suppliers and the technical expert of the Company for supervising the entire project planning,

execution, commissioning and subsequently during the day-to-day operations of the plant for maintenance and proper up-keep.

Our Company has so far placed orders for Indigenous Plant & Machinery worth ₹ 806.00 Lacs out of the total requirement of Indigenous Plant & Machinery of ₹ 1200.00 Lacs, amounting to 67.17% of the total requirement (Indigenous).

The Main Plant & Machinery for the Diversification Project are as follows:

S.No.	Name of Equipment	Purpose	Imported/Indigenous
1	POY Spinning Line	For POY	Imported
2	Draw Texturising Machine	For DTY	Indigenous
3	Pet Sheet Extruder Line	For Pet Sheets	Imported
4	Chip Drying Machine	For Pet Sheets & Pet Sheets	Imported
5	Monofilament Extrusion Line	For Monofilament	Imported
6	Zipper Coil Forming Machines	For Zippers	Imported
7	Zipper Sewing Machines	For Zippers	Imported
8	Zipper Dyeing Machines	For Zippers	Imported
9	Ironing Machines	For Zippers	Imported
10	Roll Winding Machines	For Zippers	Imported
11	Circular Knitting Machines	For Mink Blankets	Imported
12	Auto Magnetic Printing Machine	For Mink Blankets	Imported
13	Plush Double Needle Bar Raschel	For Mink Blankets	Imported
14	Warping/Slitting Machines	For Mink Blankets	Imported

Plant and Machinery for the Expansion Project are as follows:

S.No.	Name of Equipment	Purpose	Imported/Indigenous
1	HDPE DWC Extrusion Line	For DWC Pipes	Imported
2	Die Heads	For HDPE Pipes	Imported
3	Drip Lateral Extrusion Line	For Drip Irrigation Pipes	Indigenous
4	Extruders	For DWC Pipes	Indigenous

The total estimated cost of the plant & machinery (imported as well as Indigenous) proposed to be acquired is ₹ 6225.00 Lacs.

Raw Materials

PVC resin, LDPE granules and HDPE granules are the main raw materials required for the products manufactured by our Company and constitute about 83% of our manufacturing expense based on Audited Financial Statements, as restated on March 31, 2011. These are sourced from Reliance Industries Limited, B.N. Polymers, IOCL, GAIL Haldia Petro, Chemplast, etc. who are the leading raw material providers at their respective ends. Other constituents that our Company requires includes Calcium, Master Batch, Plastic Granules, TBLS, HDPE dana, Pet Bottles. These are presently purchased from the domestic market where they are easily available and we intend to buy them indigenously in future also. We do not envisage any difficulty in meeting our raw material requirements.

Expansion Project:

The Company envisages creating additional production capacity for the existing line of business, which includes HDPE DWC Pipes and Drip Irrigation Lines. The details pertaining to the raw materials required for the above products are tabulated below:

S. No.	Name of the Product	Raw Material Required	Availability of Raw Material
1.	HDPE DWC Pipe	HDPE Granules	Easily Available. The Company has already been sourcing the same for the existing line of business and has established network and suitable arrangements to procure HDPE Granules at the most competitive prices.
2.	Drip Irrigation Pipes	LLDPE / LDPE	Easily available in the market. The Company is already manufacturing LLDPE / LDPE Pipes.

Diversification Project:

The main products proposed to be manufactured under the Diversification Plans shall be Zipper & Zipper Tapes for which POY and Monofilament are the raw materials. The Company shall be manufacturing both POY as well as Monofilament in the new set up upcoming at Sitapura Industrial Area. The raw materials for both POY and Monofilament is Pet Bottle Scrap (Flakes) which are easily available and is also being produced in the existing manufacturing facilities.

Availability of Pet Scrap / Flakes:

The raw material for the new division i.e. Pet Scrap, is primarily available in the form of Pet Bottles, which people usually throw after use. Scrap Dealers collect such scrap and stock them in huge quantities for further sale to re-cycling units. Pet scrap dealers are available all over the country. Such material is also available from the foreign countries as well as may be imported in case the material is found to be cheaper than the domestic supply and in order to meet the additional requirements. The raw material for the project has to be purchased in cash as no credit period is extended by the scrap dealers to their customers. However, the imported material has to be procured on LC (DP) basis.

The details pertaining to the raw materials required for the products proposed to be manufactured under the diversification plans are tabulated below:

S. No.	Name of the Product	Raw Material Required	Availability of Raw Material
1.	Partially Oriented Yarn (POY)	Pet Bottle Scrap / Flakes	Easily Available in the domestic market and can be imported as well. The Company itself is manufacturing Pet Flakes at the existing manufacturing facilities.
2.	Drawn Texturised Yarn (DTY)	POY	Same as above
3.	Monofilament	Same as above	Same as above
4.	Zippers / Zipper Tapes	DTY & Monofilament	The Company is itself venturing into the production of POY and Monofilament. Hence, a major requirement of the raw material shall be met through the captive consumption. Moreover, these are abundantly available in the regions like Gujarat, Bengal and other regions where Textile industries are concentrated. There are many big players like Olympic Fasteners, JBF Industries Ltd., Indorama Synthetics Pvt. Ltd. etc. in the market manufacturing these products.

S. No.	Name of the Product	Raw Material Required	Availability of Raw Material
5.	Pet Sheets	Pet Granules/ Pet Flakes	Easily available since produced in-house as well as easily available in the domestic market as well.
6.	Mink Blankets	Draw Texturised Yarn (DTY)	The Company shall be manufacturing DTY in-house, hence the same shall be easily available for captive consumption.

As depicted above, the proposed diversification plans shall be self sufficient to a great extent, hence the availability of the raw materials is not a constraint especially in view of established supplier network and the growing trends of the industry.

PRESENT INFRASTRUCTURE FACILITIES

Power

Existing Plants

Currently, the total power requirement for the existing manufacturing facilities is approx. 3887 HP at the present capacity utilization. This requirement is being met from the State Electricity Company (JVVNL) from which the Company has a sanctioned load of 2.90 KW and a contract demand of 990 KVA. Besides, a provision for standby arrangement for three D.G. Sets (500 KVA, 125KVA and 63 KVA) is also there to ensure uninterrupted and smooth production activities.

Proposed Plants:

The total requirement of power for the new project has been computed to be around 9800 KW. The power requirement shall be primarily met from JVVNL. Stand-by arrangement of Power has been made by making a provision of three DG sets in the new project, one each of 200 KVA, 500 KVA and 1010 KVA, It is anticipated that 90% of the total consumption would be met from the govt. supply, whereas the balance 10% from own generation (only during power cuts).

Water

Existing Plants

Our manufacturing process requires water for which we have water connection of 1/2 inch pipe line from RIICO industries dated Febraury 2, 2008.

Proposed Plants:

The requirements for water shall primarily be met out of the water connection to be taken from the RIICO, although the Company shall also have its own borewell.

Environmental Aspects:

The project is being implemented at an industrial area developed by RIICO in Ramchandrapura, Sitapura – Extn. This area shall have a common system of affluent disposal for all the units as well as a Solid Waste (hazardous and non-hazardous) Disposal System and hence the environmental aspects shall automatically be taken care of. Nevertheless, the necessary NOC/Consent from the Rajasthan Pollution Control Board has been obtained for one of the proposed unit at SP-1-2316, Sitapura Industrial Area, Jaipur.

Manpower

As on June 30, 2011, besides the top management our Company has 193 employees, which includes employees for the proposed Expansion-cum-Diversification project, details of which are as under:-

Category	Nos. of Employees			Total (A+B)	Total Employed as on 30.06.2011 (A+C)
	Employed for Present Operations as on 30.06.2011 (A)	Required for Proposed Operations (B)	Recruited for Proposed Operations as on 30.06.2011 (C)		
Administrative Staff	45	47	9	92	54
Factory Staff	17	110	11	127	28
Skilled Workers	73	200	38	273	111
Total	135	357	58	492	193

EXISTING PRODUCT RANGE

The Company offers an array of plastic and plastic based High Density, Medium Density and low density pipes, ducts, coils, electric conduit pipes etc.

HDPE PIPES (HIGH DENSITY POLYETHYLENE PIPES)

HDPE Pipes are made of either of three grades of High Density Poly Ethylene polymers. i.e PE-63, PE-80 or PE-100. HDPE Pipes find their vast acceptability and applicability in the Effluent and waste water Disposal. These pipes are also used in Domestic Gas Distribution and are approved for conveyance of all types of combustible gases. One of the most important applications where all salient features of Vikas HDPE pipes prominently figure out is for under water pipelines. Tijaria HDPE pipes have been successfully laid for under water river crossing, creek crossing, marine out-falls and for brine intake lines in the open sea. Hazardous chemical effluents and radioactive wastes are being harmlessly disposed into deep sea through Tijaria/Vikas HDPE pipes with substantial cost savings.

LLDPE PIPES (LINEAR LOW DENSITY POLYETHYLENE PIPES)

The LLDPE pipe coils are also known as Drip Laterals. They are used as the end part of any Drip Irrigation system. These Drip Laterals are punched with a punch and are then plugged with a Dripper on it. The Drip Laterals are made of different type of Outer diameters. They are different, as the length and pressure requirements are different for different regions. The drip Laterals for different countries have different standards, due to water pressure, soil difference, climate difference and other reasons.

PVC PIPES (POLY VINYL CHLORIDE PIPES)

It is made of Poly Vinyl Chloride. The additives used in manufacturing this product have a quality of being shock proof. High quality PVC Resin & imported processing aids are used with scientific formulas to produce pipes & fittings. Tijaria/Vikas PVC Electrical Conduit pipe conforms to the standards of IS: 9537(Part-3)1983.

Tijaria/Vikas PVC Electrical Conduit Pipe have proven to be durable & effective for years of maintenance free performance in underground, encased & exposed application in accordance with the National Electrical Code. Resistant to most chemicals, PVC is not affected by any corrosion, Cement, Lime, soils and salts. The Tijaria/Vikas PVC Electrical Conduit assure good insulation & no power loss or conductor heading.

DWC PIPES (DOUBLE WALLED CORRUGATED PIPES)

The LLDPE pipe coils are also known as Drip Laterals. They are used as the end part of any Drip Irrigation system. These Drip Laterals are punched with a punch and are then plugged with a Dripper on it. The Drip Laterals are made of different type of Outer diameters. They are different, as the length and pressure requirements are different for different regions.

'Tijaria' DWC Pipes are made of HDPE Polymers. It consists of two layers, out of which outer layer is corrugated whereas the inner layer is plain and smooth. Available in the sizes of 50mm to 200 mm, Tijaria HDPE DWC Pipes are BIS certified and conform to international as well as national standards like IS:14930 and BS EN 50086.

These are used in Telecom and Electrical Applications and are an excellent and cost effective alternative of GI, RCC & PVC Pipes. These pipes are easy to install, have exceptional resistance to all internal & external corrosion, are flexible, light weight and have very good thermal insulation due to low thermal conductivity.

PLB HDPE DUCTS (PERMANENTLY LUBRICATED HDPE DUCTS)

Tijaria' Permanently Lubricated HDPE Ducts are formed by co extrusion technique and are used for laying Optical Fiber Cables as underground ducting/conduits.

The base raw material being used for the manufacturing Permanently Lubricated Ducts is High Density Poly Ethylene.

The grade of raw material used is ultra violet grade and conforms to the standards of IS:7328-1992 & IS:2523 or ISO:1183 & ISO:1133 and is designated as PEELA-50T-012 (CACT Approved) and inner layer permanently lubricated material DOW CORNING grade-50MB002.

These ducts are used in Telecommunication, Computer Network, Automatic Signaling, Railways Information Network, Highways, Cable Service providers, Broad Band networks, Electric cable installation etc.

MDPE PIPES (MEDIUM DENSITY POLY ETHYLENE PIPES)

Inherent characteristics of MDPE such as corrosion & crack resistance, toughness and flexibility makes Polyethylene piping systems the most preferred means of transportation and distribution of water, petrol and natural gases worldwide.

Traditionally these pipes are identified by its color for different uses like blue for water, orange for petrol, and yellow for gas lines.

Tijaria/ Vikas Pipes manufacture MDPE pipes which conform to national and international standards such as ISO-4437, ISO-4427, IS-14885, BS-7281, DIN-8074/75.

PVC (UN-PLASTICIZED POLY VINYL CHLORIDE) RIGID & BLUE CASING PIPES

It is made of Un-plasticized Poly Vinyl Chloride, Suspension grade, K value 65-67, a bulk polymer suitable for pressure pipes. uPVC has properties which allow it to be used as a replacement for and often advantage over traditional material such as Cast iron, Asbestos cement, Clay & wood.

These are used for Disposal of chemical effluent and waste, Salt water handling, Irrigation schemes for agricultural purpose, Portable water supply scheme in urban areas. These can also be used for Telecommunication cable ducting and Bio-gas natural gas distribution and oil distribution lines.

PET (POLYETHYLENE TEREPHTHALATE) GRANULES

Pet granules have a high commercial value and are a valuable export commodity. The market price of Pet granules depends on their overall quality, as defined by purity, color, and size. This is a result of many factors, such as collecting system, pre-handling, sorting and finally processing in the recycling plant.

Pet flakes are required to be converted into granules so that the same can be used for manufacturing a wide range of products. Depending on the purity, the granules can be reused for different types of application viz. for Pet fibers, fishing nets, Pet Sheets, Pet Straps etc.

MICRO / DRIP IRRIGATION SYSTEM

The Company has introduced inline emitting pipe system for better irrigation of plants at very low cost and with scarce of water. This product is IS:13488 & IS:12786 approved. This is an integral pipe system (in-built) in which the emitters are inserted in the laterals during the extrusion process at preset distances.

SWR PIPES & FITTINGS

The Soil, Waste & Rain Water (S.W.R.) Pipes & Fittings are the ideal solution for drainage & sewerage applications, owing to its superior properties compared to conventional drainage systems.

SWR Pipes & fittings are manufactured by compounding uPVC resin along with chemicals such as heat stabilizers, processing aids, lubricants, benzotriazole, phosphate based U.V. stabilizers, pigments and carbon black UV stabilizers which noticeably improves the light stability of uPVC, prevents yellowing and loss of mechanical strength.

PPR (POLY PROPYLENE RANDOM) PIPES & FITTINGS

Poly Propylene Random COM polymer (PP-R) Pipes & fittings are most reliable in plumbing and water supply plants, due to their chemical features and fusion welding, which ensures the plumbing to have a perfect seal tight system.

They are used in Installations for cold & hot water in Residences, Complexes, Apartments, Offices, Hospitals, Hotels, Schools, etc., transportation of corrosive fluids like acids in industries and liquid food in food processing industries, Connector pipes in washing & dish washing machines, Floor Heating installations, Compressed air plants, Swimming pools, Rain water harvesting and utilization systems.

HDPE SPRINKLER SYSTEM

HDPE High Density Poly Ethylene is the most popular variety of polymers. Tijaria / Vikas sprinkler pipe is made of HDPE plastic material. It is the recommended material for the manufacture of high pressure pipes and is renowned worldwide for its reliability. The characteristics that make it outstanding are its toughness, its resistance to chemical attack and its immunity to weather conditions. This makes it an excellent material to convey water.

PRODUCTS OF DIVERSIFICATION PROJECT

The Company is now, willing to diversify their business activities into Zippers and Zipper Tapes and shall also be manufacturing the raw materials required for the same, viz., Partially Oriented Yarn (POY) and Monofilament, all under one roof, yielding the benefits of in-house facilities, cost effectiveness and time saving. Various products which are proposed to be manufactured in our new unit are detailed below.

PARTIALLY ORIENTED YARN (POY)

Yarn is a long continuous length of interlocked fibers, suitable for use in the production of textiles, sewing, crocheting, knitting, weaving, embroidery and rope making. Thread is a type of yarn intended for sewing by hand or machine. Modern manufactured sewing threads may be finished with wax or other lubricants to withstand the stresses involved in sewing. Embroidery threads are yarns specifically designed for hand or machine embroidery.

Polyester yarn is produced from Pet Flakes, available in various types, used for producing belting fabrics, Polyester Zipper belts, polyester tyre cord fabrics, solid woven fabrics, hoses, conveyor belts, threads, ropes, lifting straps, engineering reinforcements, etc. Partially oriented yarn is made by winding the filament-receiving cylinder winds at a speed slightly higher than the speed of extrusion. Filaments from a large number of spinning positions are collected to form yarn, which can later be cut into staple. Textured yarn is a Continuous-filament yarn that has been processed to introduce durable crimps, coils, loops or other Fine Distortions along the lengths of the filaments. The yarn is highly twisted, heat-set and untwisted either as a process of three Separate Stages or as a Continuous Process (false-twist Texturing). In an infrequently used alternative method, two yarns are continuously folded together, heat-set, and then separated by unfolding. The diameter of Polyester yarn is designated by the term denier, which is the weight in grams of 9,000 meters of yarn. Yarns for apparel and home furnishings usually have deniers ranging from 80 to 160. In the proposed project, Polyester Texturised yarn shall be used to make Zipper tapes of different size i.e #3, #5, #8, #10.

DRAW TEXTURISED YARN

Drawn Textured Yarn (DTY) yarn is obtained when Polyester POY is simultaneously twisted & drawn. DTY yarn is mainly used in weaving & knitting of fabrics for making clothes, home furnishings, seat covers, bags and many other uses. DTY yarn can be in Semi Dull or Bright or Trilobe Bright depending upon the type of sections of filaments.

Technical Properties of DTY yarn can be moulded in several ways to make the yarn suitable for its vast uses. Different heating techniques can be used to make the yarn set for specific use - 1 Heater DTY is normally woolly & more stretchable as compared to DTY with 2 Heater. Also the DTY yarn can be made with several combinations of Intermingle points - it can be Non-Intermingle (NIM) having 0 - 10 knots/meter or Semi-Intermingle (SIM) having 40 - 50 knots/meter or High-Intermingle (HIM) having 100 - 120 knots/meter. These knots are not actually the knots tied when two threads are broken but they are the tangle knots created by heating pressure. These Intermingle yarns, also known as Interlaced yarn, are the replacement for lightly twisted yarns.

Polyester DTY yarn can also be twisted to high twists like 1500 TPM or 4000 TPM (twist per meter). Such twisted yarn can also be heat-set to make the yarn permanently thermo-set the twist. Catonic DTY is another variant of Polyester DTY that is mainly used in blankets. Catonic DTY is made from Catonic Pet Chips.

Polyester DTY yarn can also be obtained in various colors by the dope dyed technology or by conventional dyeing. Dope dyed DTY is usually packed on paper bobbins whereas Raw White DTY that will be used for dyeing is loosely packed on perforated plastic tube so that all the yarn can be easily dyed when the bobbin is dipped in color. DTY is mainly produced in large quantity in China, India, Taiwan, Indonesia & Malaysia and is exported world-wide.

MONOFILAMENT

Monofilament is the most essential raw material for making polyester zips. One can purchase Monofilament directly from the market. We shall manufacture Monofilament from 100% Pet flakes. Monofilament line is a thin string made from a single fiber. Most fishing line is made from monofilament because of its strength, availability in all pound-test kinds, and low cost. It also comes in many different colors such as white, green, blue, clear, and fluorescent. Monofilament is made by melting and mixing polymers and then extruding through tiny holes, forming strands of line, which is then spun into spools of

various thicknesses. The extrusion process controls not only the thickness of the line but also the pound test of the line.

Monofilament yarn has been one of the good textile products in greater demand due to its tensile capacity. Many products right from fabrics to hosiery and also some home textiles products use this constituent. In this project, Monofilament shall be used in manufacturing center elements (Zipper Teeth). Monofilament is to be used as continuous filament yarn, the filaments are wound onto metal cylinders, paper tubes, or bobbins. Thicker monofilaments are typically used for industrial purposes rather than fabric production or decoration.

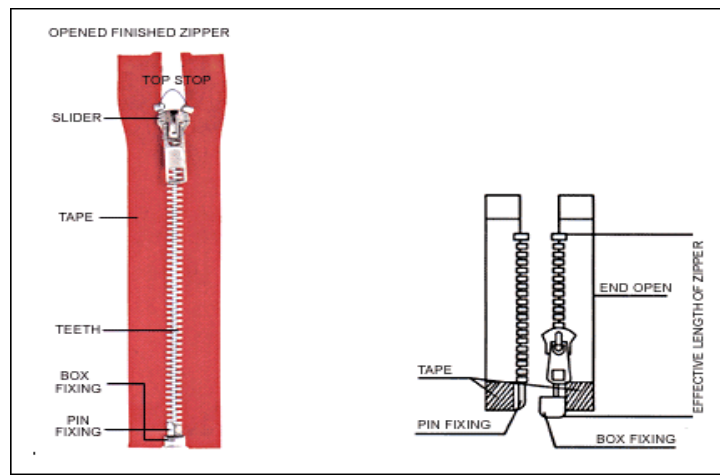
ZIPPER / ZIPPER TAPES

The bulk of a zipper consists of two strips of fabric tape, each affixed to one of the two pieces to be joined, carrying tens or hundreds of specially shaped metal/ plastic/monofilament teeth. These teeth can be either individual or shaped from a continuous coil, and are also referred to as elements.

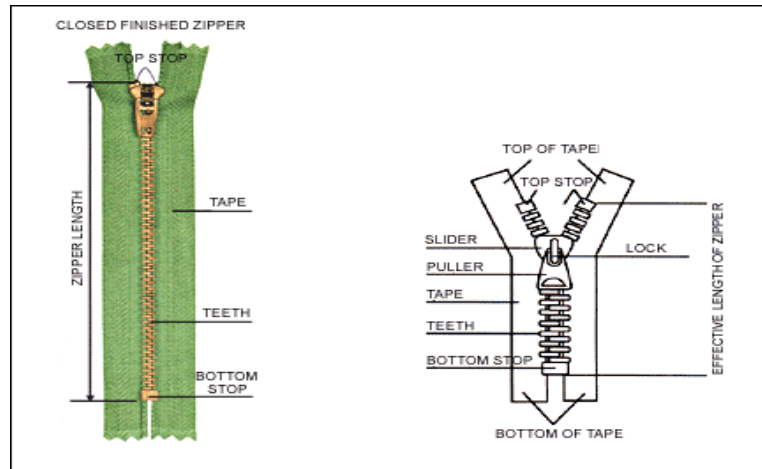
The slider operated by hand, moves along the rows of teeth. Inside the slider is a Y-shaped channel that meshes together or separates the opposing rows of teeth, depending on the direction of the slider's movement.

Some zips have two slides, allowing variation in the opening's size and position. In most jackets and similar garments, the opening is closed entirely when one slide is at each end. In most baggage, the opening is closed entirely when the two slides are next to each other at any point along the zipper. These variations are achieved by sewing one end of the zipper together, sewing both ends together, or allowing both ends of the zipper to come completely apart.

In Open-end Zippers, both the ends get separated from each other. A Box & Pin mechanism is provided on the lower end of the Zippers to join with each other and close it using a Slider. These zippers are normally used on Jackets. A diagrammatic presentation of the Zipper is given hereunder:



Close-end Zippers are non-separating and are normally opened and closed with a Slider. These zippers used on Trousers, Jeans, Jacket or Shirt Pockets etc.



USES OF ZIPPERS

Zippers may:

- Increase or decrease the size of an opening to allow or restrict the passage of objects, as in the fly of trousers or in a pocket.
- Join or separate two ends or sides of a single garment, as in the front of a jacket, dress or skirt.
- Attach or detach a separable part of the garment to or from another, as in the conversion between trousers and shorts or the connection / disconnection of a hood and a coat.
- Decorate an item.

PRODUCTS THAT CONTAIN ZIPPERS

- Garments / Clothes
- Luggage / Bags
- Toys
- Quilts
- Cushions / Pillows
- Shoes etc.

Under the proposed diversification project, the Company shall manufacture Coil zippers/ Polyester Zipper long chain in rolls of 200 yards. The raw material Polyester Yarn (POY) & Monofilament shall also be produced under the proposed diversification plans.

TYPES OF ZIPPERS

There are different types of Zippers are being produced. These are:-

- *Coil zippers* now form the bulk of sales of zippers worldwide. The slider runs on two coils on each side; the "teeth" are the coils. Two basic types of coils are used: one with coils in spiral form, usually with a cord running inside the coils; the other with coils in ladder form, also called the Ruhrmann type. This second type is now used only in a few parts of the world, mainly in South Asia. Coil zippers are made of polyester coil and are thus also known as polyester zippers. Nylon was formerly used and though only polyester is used now, the type is still known as a nylon zipper.
- *Invisible zippers* teeth are behind the tape. The tape's color matches the garment's, as does the slider, so that, except the slider, the zipper is "invisible". This kind of a zipper is common in skirts and dresses. Invisible zippers are usually coil zippers.

- *Metallic zippers* are the classic zipper type, found mostly in jeans today. The teeth are not a coil, but are individual pieces of metal moulded into shape and set on the zipper tape at regular intervals. Metal zippers are made in brass, aluminum and nickel, according to the metal used for teeth making. All these zippers are basically made from flat wire. A special type of metal zipper is made from pre-formed wire, usually brass but sometimes other metals too. Only a few companies in the world have the technology. These types of pre-formed metal zippers are mainly used in high grade Jeanswear, work wear, etc., where high strength is required and zippers need to withstand tough washing.
- *Plastic-molded zippers* are identical to metallic zippers, except that the teeth are plastic instead of metal. Metal zippers can be painted to match the surrounding fabric; plastic zippers can be made in any color of plastic. Plastic zippers mostly use polyacetal resin though other resins are used too like polyethylene.
- *Open-ended zippers* use a "box and pin" mechanism to lock the two sides of the zipper into place, often in jackets. Open-ended zippers can be of any of the above specified types.
- *Closed-ended zippers* are closed at both ends; they are often used in baggage.

PET (POLYETHYLENE TEREPHTHALATE) SHEETS

Properties

- Asthetic appeal, Optically brilliant, good clarity
- Very high mechanical strength and toughness
- Excellent dielectric properties
- Good flatness and coefficient of friction (COF)
- Tear-resistant and puncture-resistant properties
- Wide range of thicknesses
- Excellent dimensional stability over a wide range of temperatures
- Very good resistance to most chemicals, moisture, oil, and grease
- Excellent barrier against a wide range of gases

Pet film can also be modified according to the end use requirements into a wide range of colors, haze, translucency, or opacity. A wide range of chemical treatments (in addition to corona) can be applied to Pet film during its manufacture to help it adhere to various coatings, such as inks, adhesives, metallization, etc. Surface treatments can also be applied to incorporate properties like surface-slip and anti-static. Because of its versatility, eco-friendly nature and excellent properties, Pet has become an inherent part of the day to day life in mankind.

Compared to other polymeric films at a same thickness, Pet film has a good balance of properties, which allows larger operating windows for temperature and tension controls.

Applications

Pet is largely acceptable and being an environment friendly polymer, has wide applications as follows:

- Thermoforming and Packaging
- Industrial & Specialties
- Electrical
- Imaging
- Magnetics

MINK BLANKETS

Contrary to popular belief, mink blankets aren't made from mink fur, but from long, fine acrylic fibers, totally man made. The idea of using the word Mink is to conjure up vivid images in our minds of comfort, warmth and luxury. Even so, mink blankets are noted for being extremely soft, warm and dense.

Mink blankets are noted for their imaginative motifs and colorful designs. Popular motifs include animals, such as Tigers, Lions and Wolves. A wide variety of themes are available however and you will find that the blanket can set the ambience of your bedroom. The theme of your bedroom can be set and centered around the motif on the blanket. The blanket can help to create the atmosphere in the room.

Mink blankets are very easy to care for. Unlike natural fibers, Mink blankets are machine-washable provided the wash cycle is gentle. Hanging on a line will dry them. The blankets can be ironed if needed but care must be taken as the fabric can react badly to strong heat. Using a protective cloth that dampens the heat is the best way to approach ironing.

Mink blankets are the imaginative second cousin of the more traditional wool and cotton blankets. For someone looking for a unique style in their bedroom, mink blankets are worth investigating.

The various specifications of the Mink Blankets proposed to be offered by the Company are below:

- Composition : 100% Polyester
- Raw Material Required : Draw Texturised Yarn
- Weight of each blanket : 2 Kg, 2.5 Kg and 3 kg
- Good Heat Retaining Properties
- Easy to Wash
- Soft and easy to carry
- Abundant colors & designs on offer

TECHNOLOGY & MANUFACTURING PROCESS

TECHNOLOGY

The technology involved in the manufacturing of the various textile and plastic products is not a new one in India. There are players already in the domestic market using similar technology with success. Due to this reason, imparting of technology or getting into a tie-up with any external agency is not required as such. The suppliers of equipments of the various plants shall undertake turnkey responsibility of erection, installation and successful commissioning of the respective plants, besides providing assistance in the warranty period.

Moreover, the Company is already in the plastic line and the Promoters and key managerial personnel have a reasonably good exposure about related and allied products as well. The Company will have its own technical expert for supervising the entire project planning, execution, commissioning and subsequently during the day-to-day operations of the plant for maintenance and proper up-keep.

As per the latest market trends, the suppliers provide technical support in the form of commissioning and training people of the buyers to make them familiar and friendly with the operational exigencies of the plant & machinery, hence, no problem from the point of view of technology is envisaged.

MANUFACTURING PROCESS

The manufacturing process of various products being manufactured / proposed to be manufactured by the Company is described in brief as under:

POY & DTY

STEP-1 POY Spinning

Polyester Polypropylene chips are fed in the feeding hopper with the help of electric hoist and are conveyed from feeding hopper to DPG from where they are further conveyed to the Storage Silos with the help of compressed air. From the Silos, the chips enter the blender for proper blending to avoid variation. The chips, after blending, are stored in a Wet Chips Hopper.

The level of chips in this hopper is automatically controlled from where these are transferred to the drying system through rotary air lock. Rotary air lock does not allow the air to leak during the chips entry from WCH to drying system. Dryer system dries the chips with the help of hot air to control the moisture level of the chips to make it suitable for spinning. From the dryer, chips enter the Dry Chips Hopper before feeding to the Extruder. From the Dry Chips Hopper, chips are conveyed to the extruder where chips are melted and mixed to give homogenous molten polymer with the help of electrical heaters. The same is thereafter filtered through continuous polymer filter.

After filtration, the melt is distributed to 4 nos. of spinning beams via manifold. The temperature of the spinning beams and manifold is maintained by special type of heat transfer media. Melt is purified by means of metallic and sand filters before being extruded to filament through spinnerets. The extruder has a capacity to melt and deliver 800 kgs of chips/hr. at high pressure upto 250 bars. Molten polymer in spinning beam is extruded through the spinnerets via polymer pump. The speed of polymer pump is controlled by production computers to ensure uniform flow of melt to produce quality of yarn. The speed of polymer pump may be changed to produce different kind of deniers.

Polymer melt passing through the spinnerettes comes out in the form of yarn at a temperature of 280-290° C. The yarn is then cooled to solidify in the cooling chamber and after the cooling, finish oil is applied to yarn to lubricate the same for further processing. The yarn is, thereafter, taken on the winder for winding on paper tubes. The speed of the winder is controlled by the computers and can be varied as per the process requirement to produce different kind of deniers. The POY thus produced is checked on automatic machines called Tensorapid and Uster Tester-3 for checking of thickness and uniformity properties.

STEP-2 Texturising

POY is thereafter transported from the POY section to texturising section. It is then taken on creel and fed to the texturising machines and heaters. After the necessary heat setting and cooling, the texturised yarn is collected on paper tubes and thereafter, packed in corrugated boxes and sent to the market.

A process for draw-texturing polyester yarn has been melt-spun at high speed. The process is performed on a conventional false-twist texturing machine modified for drawing and for the use of an air-jet texturing device instead of a second heater. The yarn is drawn at 1.3 to 2.0X draw ratio, false-twist textured, and then air-jet textured to provide a yarn having a low boil-off shrinkage, resiliency and spun-like aesthetics.

MONOFILAMENT

Monofilament line is a thin string made from a single fiber. Monofilament is made by melting and mixing polymers and then extruding through tiny holes, forming strands of line, which is then spun into spools of various thicknesses.

In the monofilament extrusion process, smaller extruders and longer lines are used. The products developed from this process have a very small diameter and many numbers of ends. Smaller diameter allows very swift cooling that too in a small space. On the cooling of filaments, they are drawn and wound onto the packages. The drawing process is done using comparatively large ovens having godet rolls on its every side. These rolls are used for drawing the filaments to the accurate denier (grams/9000 meters). After this process, the product is wound onto bobbins, wherein these can be utilized directly or by combination for producing some other products like rope etc.

Steps Followed In a Monofilament Line

- In general, 2.5 - 3.5 inch single screw extruder is used in most monofilament processes.
- A gear pump placed between the die and extruder provides consistent polymer flow & pressure.

- Filaments are extruded vertically by circular dies into the cooling bath. Here, the filaments are separated so that every filament runs separately via the line, where their wrapping process takes place. The wrapping is done on a bobbin or spool.
- After quitting the water bath, filaments are dried & further and passed via godet rolls, which are controlling the speed as well as draw from the die.

A large oven placed between two godet roll stands heat the filaments for facilitating the filament drawing. Second godet roll stand operates at a much higher speed than the first and is responsible for the determination of the draw inside the oven. The number of godet rolls and ovens completely depends on the sophistication of line and the draw required. After the filaments exist the last godet roll, they may be passed through a laser micrometer for monitoring individual filament diameters. Lastly, every monofilament is wrapped on separate package for being used in subsequent operations.

The products created by the process of Monofilament Fiber Extrusion are tested on the parameters of water shrinkage, hot air shrinkage, diameter uniformity, denier, color and filament smoothness.

ZIPPERS / ZIPPER TAPE

The stage-wise manufacturing process of the zippers / zipper tapes is placed below:

STEP: 1

WARPING: In this step you can prepare beams for the looms to produce tapes.

STEP: 2

WEAVING: In this process zipper tapes can be produced by means of high speed needle looms by using two sets of yarns: warp (longitudinal) and weft (cross-sectional).

STEP: 3

MONOFILAMENT MANUFACTURING: Monofilament is the most essential raw material for making polyester zips. One can get monofilaments directly from market. This is available in different dia for different no of zippers. One can also produce Monofilament from Pet flakes.

STEP: 4

COIL FORMING: The zipper chain, the portion of the zipper consisting of teeth which interlock or separate to fasten or unfasten the zipper, is made by a single machine which spins polyester fiber around monofilaments to ultimately form two separate chains of nylon teeth. They are automatically zipped together and expelled as a chain by means of coil forming machines .That can be made of different sizes and pitches so as to meet the requirement.

STEP: 5

STITCHING SECTION: The zipper coils from coiling section and laces from the weaving section are stitched together to prepare the long chain of zippers.

STEP: 6

DYEING: The long chains of zippers from the stitching section are dyed into different Colors as per the requirement.

STEP: 7

HEAT SETTING (FINISHING): The zipper tapes are fed into the calendaring machines (heat setting machines) to give stiffness to the tapes. So, the final product will be the finished long chain of zippers.

STEP: 8

MEASURING AND WINDING: In this step the long chains of finished zippers are measured and wound on to rolls of desired lengths.

STEP: 9

INSPECTION, PACKING AND DESPATCH: In this step the rolls of finished zippers are inspected packed into plastic packs and then on to cartons of required weights and finally dispatched to the customers.

PET SHEETS

The technology to manufacture Pet Sheets is also not new to the Indian Industry. There are two processes in vogue as under:

Traditional thermoforming processes start with resin pellets that are fed into large dryers. Any moisture in the polymers during the melting phase will cause problems downstream. These dryers require tremendous amounts of energy to operate.

Once the Pet resin has been sufficiently dried, it is loaded into a screw drive that progressively melts the material into a liquid form.

The Pet molten plastic will then pass through a melt pump that regulates the amount of Pet plastic that will be fed into the extrusion rolls.

A molten curtain of Pet plastic is dropped onto the cooled extrusion rolls that will then feed the new sheet into the next segments of the process.

Whereas another technology, Direct to Sheet technology takes away the drying / melting process and replaces it with a resin reactor that creates the product directly from its raw material components.

These resin reactors create the plastic in a pure molten form, so that when it is time to extrude the polymer, there is no contamination and no need for extensive energy outputs in the drying phase. Since the reactors are directly linked to the extrusion machines, as much as 30% of the energy required to produce sheet is saved as compared to the traditional extrusion process

MINK BLANKETS

The mink blankets are manufactured by using DTY (Drawn Textured Yarn). There are two techniques with which the mink blankets can be manufactured, namely, from technique of Circular Knitting Machine and from Raschel Knitting / Warping Machine.

By using the Circular Knitting Machine.

First of all, the DTY, raw material is fed into particular kind of mechanical knitter called a circular knitting machine/ Raschel knitting machine. The knitting machine binds the yarn into a continuous tube of cloth. To achieve the particular fuzzy texture, the knitted material is next fed through a napper. The napper runs mechanical bristles along the cloth, raising the surface of the textile. Next, the cloth is sent to a shearing machine, which uses a precision blade to cut the fibers raised by the action of the napper. This same process is used to make velvet, corduroy, and other textured pile fabrics. The fabric may next be sprayed with a waterproof material, or with some other chemical finisher that sets the texture of the material.

Then it is sent to the finishing unit where the fabric undergoes polishing, polish shearing and is passes on to the Cut & Sewing Section where the same are given the shapes and sizes adherent to the demand. The same is sent to the final products section where it is packed after pinning and dispatched.

HDPE PIPES & FITTINGS

The process of manufacturing HDPE Pipes & Fittings starts with three large heated holding tanks. The primary tank contains a natural gas derivative called ethane. Ethane is heated to well above boiling point

and is then pumped into a mixing tank. From the other tank comes benzene, which, when combined with UV radiation from overhead lamps, serves to act as a chemical for the polymerization of the ethane. This is, for all intents and purposes, how polyethylene is made, but how it is treated next is what makes it high density polyethylene. The chemical is pumped into a series of wide, shallow board-like metal troughs. Instead of being allowed to cool, the chemical is cooked at a low heat to allow for the release of captured air and oxygen. From here, the troughs drain into a series of upright metal molds or molds of various specifications depending upon the requirement, which contain shredded wood fiber. Once allowed to cool for roughly eight hours, the HDPE products can be shipped to retailers and wholesalers.

Another process of manufacturing the HDPE Pipes & Fittings is blow molding. Blow molding is identical to the production process above up to the point that the HDPE drains from the sitting troughs. It is kept in an air-tight heated tank, where a valve puts measured dollops of it onto the heads of a series of air compressors. Each compressor fits into a metal mold shaped like a pipe. While the compressor pours air into the mold, ballooning out the HDPE into the mold, another compressor functions to pump air out of the mold so the HDPE fits perfectly. A circular razor cuts the excess plastic from the head of the air compressor, which then undergoes an acid bath and a separate water bath to clean it of any remaining residue for the next use. When it's cooled entirely, the mold splits in half to drop the pipes and fittings into a hopper, where live workers clean it and buff off any edges or imperfections on the same.

PVC PIPES

PVC is the second largest commodity plastic after polyethylene with world production currently over 18 million tonnes a year.

The chemical process for making PVC involves three steps: first, production of the monomer, vinyl chloride; then the linking of these monomer units in a polymerization process; and finally the blending of the polymer with additives.

Pressure is applied to vinyl chloride (dispersed in water as a suspension or an emulsion) in high pressure chambers at temperatures of 50-70°C. The role of water is to remove and control the heat given off in the polymerization process. PVC forms as tiny particles which grow and when they reach a desired size the reaction is stopped and any un-reacted vinyl chloride is distilled off and re-used. The PVC is separated off and dried to form a white powder.

PET FLAKES

The manufacturing process of Pet Flakes is the simplest form of recycling the Pet Bottle scrap. The Pet Bottle scrap is passed through the Pet Washing Line, where they are recycled so that they can be put to industrial use. A detailed and step-wise processing of Pet Flakes is placed below:

STEP 1:

SEPARATION & SORTING: The Separation & Sorting process is the most important process in Pet flakes processing to avoid PVC and other contamination in Pet flakes. The Waste bottle received from scrap dealers are separated based on the following

1. Plastic Type - Identifying number at the base of the bottle.
2. Color - Manual color separation - This also allows us to separate cleaner bottles compared to dirty ones.

STEP 2

REMOVAL OF CAPS AND LABELS: The caps and labels are manually removed from each bottle. This step is very critical in ensuring minimum PVC content in Pet flakes

STEP 3:

GRINDING UNIT: The bottles are fed into grinder to turn the bottles into flakes of less than 14 mm size. These flakes include dirt, caps and ring regrind as well as very small quantity of glue that is typically used to stick the labels to the bottles.

STEP 4:

FLOAT SINK TANK: Unwashed PET flakes are now fed into float sink tank where the caps and ring is removed. Caps and rings are made with plastic resins that are lighter than water. So, the PET flakes sink in the water tub while the caps and ring will float on water which is later removed.

STEP 5:

WASHING UNIT: The flakes washing machine combines friction washing along with tumble washing techniques typically seen in heavy duty Laundromat. This washing technology enables us in producing cleanest post consumer flakes. The washing of Pet flakes is accomplished with hot water.

STEP 6:

DRYING: The centrifugal drier is used to remove excess water from Pet flakes. In centrifugal drier, water is expelled through the fine holes of the dryer by applying centrifugal forces. Additionally, Pet flakes are dried using radiant heater in a dust free environment.

STEP 7:

FINE SEPARATION/SIZE GRADATION - (OPTIONAL): For certain Pet flakes application the size of Pet flakes and removal of fine dust is absolutely critical to smooth running of equipment/operation. For these types of applications, we provide custom size of Pet flakes as per our customer specification. The gradation in size is achieved through dry screening.

EXTRUSION PROCESS

Extrusion is a process common to all the products being / proposed to be manufactured herein.

Extrusion is used to create objects of a fixed cross-sectional profile. A material is pushed or drawn through a die of the desired cross-section. The two main advantages of this process over other manufacturing processes are its ability to create very complex cross-sections and work materials that are brittle, because the material only encounters compressive and shear stresses. It also forms finished parts with an excellent surface finish.

Extrusion may be continuous (theoretically producing indefinitely long material) or semi-continuous (producing many pieces). The extrusion process can be done with the material hot or cold.

Commonly extruded materials include metals, polymers, ceramics, concrete and foodstuffs. Hollow cavities within extruded material cannot be produced using a simple flat extrusion die, because there would be no way to support the center barrier of the die. Instead, the die assumes the shape of a block with depth, beginning first with a shape profile that supports the center section. The die shape then internally morphs along its length into the final shape, with the suspended center pieces supported from the back of the die.

INSURANCE DETAILS

Our Company has the following Insurance policies as on the date of filing this Prospectus:

S. No.	Name of the Company	Policy No.	Name of Insured & Address	Type of Risk	Item Covered	Interest Insured	Period		Sum Insured (₹)	Premium (p.a) (₹)
							From	To		
1	National Insurance Company Ltd.	370205/46/10/7500000426	M/s Tijaria Polypipes Ltd. A-130 (E), A-130 (H) VKI Area, Jaipur, Rajasthan	1) Burglary Floater Policy, 2) Fire Floater Policy, 3) Earthquake (Fire & Shock)	Stock of Raw Material Finished Goods of Plastics pipe Factory at 3 Locations	100 %	21-12-2010	12-12-2011	140000000.00	16834.00
2	National Insurance Company Ltd.	370205/11/10/3300001319	M/s Tijaria Polypipes Ltd. A-130 (E), A-130 (H) VKI Area, Jaipur, Rajasthan	1) Standard Fire & Special Perils Policy	Building, Plant/Machinery & Accessories, Furniture, Fixtures and Fittings	100 %	21-12-2010	12-12-2011	117400000.00	12237.00
3	Bajaj Allianz General Insurance Company Ltd.	OG-12-1401-4011-00000002	Tijaria Polypipes Ltd, A-130 E, Road No-9 D, VKI Area, Jaipur, Rajasthan	Money Insurance policy	Money in transit anywhere in Jaipur JDA Limit Cash in Safe Custody	100 %	05-04-2011	04-04-2012	20,000,000.00 600,000.00	5,515.00
4	The New India Assurance Company Limited	33010631100100009611	Tijaria Polypipes Ltd, A-130 E, Road No-9 D, VKI Area, Jaipur, Rajasthan	Vehicle Insurance	TVS-Scooty Teenz	100 %	24-02-2011	23-02-2012	22,247.00	578.00
5	Reliance General Insurance Co. Ltd.	2607712311000031	Tijaria Polypipes Ltd, A-130 E, Road No-9 D, VKI Area, Jaipur, Rajasthan	Vehicle Insurance	Skoda Laura	100 %	10-04-2011	09-04-2012	1,019,952.00	18,299.00
6	Cholaman dalam MS General Insurance	3379/00462242/000/00	Tijaria Polypipes Ltd, A-130 E,	Vehicle Insurance	Mahindra Maxx Pick-Up	100 %	30-07-2010	29-07-2011	358,020.00	10,828.00

S. No.	Name of the Company	Policy No.	Name of Insured & Address	Type of Risk	Item Covered	Interest Insured	Period		Sum Insured (₹)	Premium (p.a) (₹)
							From	To		
	Company Ltd.		Road No-9 D, VKI Area, Jaipur, Rajasthan							
7	The New India Assurance Company Limited	3301063110 0100009610	Tijaria Polypipes Ltd, A-130 E, Road No-9 D, VKI Area, Jaipur, Rajasthan	Vehicle Insurance	Honda - Activa	100 %	24-02-2011	23-02-2012	32,731.00	695.00
8	Bajaj Allianz General Insurance Company Ltd.	HBA/ 00009347	Tijaria Polypipes Ltd, A-130 E, Road No-9 D, VKI Area, Jaipur, Rajasthan	Vehicle Insurance	Honda City	100 %	22-07-2010	21-07-2011	883,500.00	25,788.00
9	United India Insurance Company Ltd.	0209003110 0110010949	Tijaria Polypipes Ltd, A-130 E, Road No-9 D, VKI Area, Jaipur, Rajasthan	Vehicle Insurance	Tata Indigo	100 %	28-07-2010	27-07-2011	454,504.00	13,817.00
10	ICICI Lombard General Insurance Company Limited	600048407	Tijaria Polypipes Ltd, A-130 E, Road No-9 D, VKI Area, Jaipur, Rajasthan	Vehicle Insurance	Maruti Swift VXI	100 %	16-08-2010	15-08-2011	443,295.00	13,080.00
11	National Insurance Company Ltd.	370205/11/ 10/3100001 352	Tijaria Polypipes Ltd, A-130 E, Road No-9 D, VKI Area, Jaipur, Rajasthan	Standard Fire and Special Perils Policy	Building, Plant/Machinery & Accessories, Elect. Installation, Furniture, Fixtures and Fittings at SP-1-2316, RIICO Ind. Area Sitapura, Jaipur	100 %	25-12-2010	24-12-2011	46,741,502.00	48,721.00
12	United	140303/46/	Tijaria	Burglay	Stock of	100	21-03-	20-03-	10,000,00	10,479

S. No.	Name of the Company	Policy No.	Name of Insured & Address	Type of Risk	Item Covered	Interest Insured	Period		Sum Insured (₹)	Premium (p.a) (₹)
							From	To		
	India Insurance Co. Ltd.	10/04/0000 0429	Polypipes Ltd. & Executive Engineer (Div-V), Narmada Canal project, Sanchore, Distt Jalore	BP Policy	HDPE Pipes stored in open compound At Farm Of Sh Tamasi Khan, Vill. Khejdiyali ,Teh. Sanchore, Distt. Jalore (Rajasthan)	%	11	12	0.00	.00
13	United India Insurance Co. Ltd.	140303/11/10/11/0000 0485	Tijaria Polypipes Ltd. & Executive Engineer (Div-V), Narmada Canal project, Sanchore, Distt Jalore	Standard Fire & Special Perils Policy	Stock of HDPE Pipes stored in open compound At Farm Of Sh Tamasi Khan, Vill. Khejdiyali ,Teh. Sanchore, Distt. Jalore (Rajasthan)	100 %	21-03-11	20-03-12	10,000,00 0.00	8,273.00
14	United India Insurance Co. Ltd.	140301/31/10/01/0000 4972	Tijaria Polypipes Ltd, A-130 E, Road No-9 D, VKI Area, Jaipur, Rajasthan	Vehicle Insurance	Hyundai Verna	100 %	15-09-2010	14-09-2011	834,971.0 0	18,547.00
15	ICICI Lombard General Insurance Company Limited	3001/63497 495/00/000	Tijaria Polypipes Ltd, A-130 E, Road No-9 D, VKI Area, Jaipur, Rajasthan	Vehicle Insurance	Volks Wagon Vento 1.6 Highline	100 %	14-02-2011	13-02-2012	897,868.0 0	38,845.00
16	National Insurance Company Ltd.	370205/11/10/3300001 320	Tijaria Polypipes Ltd, A-130 E, Road No-9 D, VKI Area, Jaipur, Rajasthan	Industrial manufacturing Floater policy	Stock of Plastic Raw Material having calorific value above 15000	100 %	21.12.2010	20.12.2011	140,000,0 00.00	156,06 1.00

S. No.	Name of the Company	Policy No.	Name of Insured & Address	Type of Risk	Item Covered	Interest Insured	Period		Sum Insured (₹)	Premium (p.a) (₹)
							From	To		
					btu/lb					
17	National Insurance Company Ltd.	370205/11/10/3300001319	Tijaria Polypipes Ltd, A-130 E, Road No-9 D, VKI Area, Jaipur, Rajasthan	Standard Fire & Special Perils Policy	Building, Plant / Machinery & Accessories, Furniture, Fixtures and Fittings, Elect. Installation	100 %	21-12-2010	20-12-2011	1174,00,000.00	122,370.00
18	Life Insurance Corporation of India	Master Policy No. GGCA/339246	Tijaria Polypipes Ltd, A-130 E, Road No-9 D, VKI Area, Jaipur, Rajasthan	Life Insurance	GGCA Scheme	100 %	01-10-2010	30-09-2011	8512286.00	27754.00
19	National Insurance Company Ltd.	370205/46/10/7500000444	Tijaria Polypipes Ltd, A-130 E, Road No-9 D, VKI Area, Jaipur, Rajasthan	Burglary BP Policy	Plant & Machinery, Stock in Trade, Furniture, Fixtures and Fittings, Other, at SP-1-2316 RIICO Sitapura, JAIPUR	100 %	25-12-2010	24-12-2011	1,92,41,500.00	4244.00

PROJECT DESIGN CONSULTANTS

Tijaria Polypipes Limited has entered in an agreement with M/s. Ricky Mathur & Associates, Architects Interior Designers and Planners; Jaipur dated May 12, 2010 for providing project design and consultancy regarding setting up of the proposed expansion cum diversification project of the Company.

TECHNICAL CONSULTANTS

Tijaria Polypipes Limited has entered into an agreement with Mr. K.B. Bhatt, Surat dated May 12, 2010 for providing technical consultancy regarding setting up of the proposed expansion cum diversification project of the Company.

KEY BUSINESS STRENGTHS

Existing Client Relationship

The market is well represented by the Company in all segments. The Company is participating in tenders and supplying the products to government enterprises like BSNL, etc. and to private sector in bulk and

selling the products in the retail segment through more than 250 dealers spread in 7 states in the country. The Company is having its branch offices at Lucknow, Indore, Nasik, Ahmedabad, Hyderabad, Haryana and some pilot offices on card, hence the ambit and scope of the Company and its products is amplified. Since the products offered by the Company have wide use, acceptability and applicability, the customer base of the same is quite wide.

Our Major Customers

Our five major customers, inter alia, include Ramky Infrastructure Ltd., R.K. Sales Corporation (Jodhpur), JDS Trade Links Pvt Ltd. (New Delhi), Independent Fruit Trade B.V. (Netherlands) and APR Projects Pvt. Ltd. (Churu) who collectively contributed around 41.35% of our total sales turnover for the financial year ended March 31, 2011.

Diversified product mix

Our Company has a product mix to cater to the increasing requirements of our customers. Our product offerings include HDPE pipes, PVC pipes, LLDPE pipes, HDPE DWC pipes, PLB HDPE Ducts, MDPE pipes, uPVC RIGID & BLUE CASING pipes, Pet Granules, MICRO/DRIP Irrigation System, SWR PIPES & FITTINGS, PPR Pipes & Fittings, HDPE Sprinkler System. These products are used in irrigation, telecommunication, industrial, and infrastructure and housing sector. We believe that this range of products would allow our existing customers to source most of their product requirements from a single vendor and also enable us to expand our business from existing customers, as well as address a larger base of potential new customers. Further the flexible manufacturing infrastructure helps us change our product mix in response to changes in market demand.

Our Quality

Tijaria's ingenious production procedure is equipped with generous quality control measures. The in-house testing services employ several dexterous operators and engineers for the quality control and for that matter Tijaria has a well-equipped laboratory too. Here the quality control cell puts supreme quality checks at three stages - raw material, online production, and flawlessness. Tijaria's research and development cell enables it to qualify for both domestic and international market's expectations.

The facilities are equipped with the latest manufacturing technology and strict quality controls which ensure Tijaria/ Vikas brand products make their mark in various applications, be it water supply, gas and petrol transport, sewage disposal or cable ducting.

Quality Certifications

Tijaria is licensed by bureau of India standard of mark ISI & ISO Certifications on different range of products having different license numbers. Moreover, Tijaria is an ISO: 9001-2000 certified organization with a standing of total commitment towards satisfying their customers with best quality products. The range of products conforms to various national as well as international accreditations and quality certifications as per details given under the section titled "Government Approvals" on page no. 243 of the Prospectus.

Achievements

Company and its management are proud of winning 'NATIONAL AWARD-2008' for Quality Production (Special Recognition Award) awarded by the Ministry of Micro, Small & Medium Enterprises, Govt. of India. Our Company is also recipient of 'RASHTRIYA UDYOG RATNA AWARD' in the Year 2010, by Center for Educational Development Research for excellence in their respective field

Experienced Management Team

Our Company is managed by a team of experienced and professional managers with experience of different aspects of plastic pipe and related industry including production, quality control, sales, marketing and finance. Our management team includes Managing Director, Mr. Alok Jain Tijaria is a commerce

graduate and have over 25, years of experience in the business and related materials industry, holding administrative and financial portfolio; Mr. Vikas Jain Tijaria is a graduate in commerce from University of Rajasthan, handles sales and dealership network; Mr. Praveen Jain Tijaria is a science graduate and holding production department and managing day to day operations of the Company: Mr. Vineet Jain Tijaria is a post graduate from M.D.S University, Ajmer, all the institutional sales to Government clients & private companies are being taken care by him: Mr. Tej Kumar Jain is qualified Chartered Accountant and Company Secretary, is the Finance Manager & Company Secretary of the Company, has over 20 years of experience in finance, Accounts and Secretarial Department.

Diversification of Business Operations

The Company now proposes to diversify their business activities into Zippers and Zipper Tapes and shall also be manufacturing the raw materials required for the same, viz., Partially Oriented Yarn (POY) and Monofilament, all under one roof, yielding the benefits of in-house facilities, cost effectiveness and time saving.

Expand customer base with increase geographical reach

We plan to increase our customer base in the existing domestic markets as well as international markets by enhancing customer satisfaction and by timely delivery of orders. We also plan to expand our business to new geographic locations with the help of our marketing team.

Strengthen relationship with our clients

Our Company believes in maintaining long term relationships with our clients. Our Company endeavors developing relationship with our clients not only in terms of increased sales but also in terms of varied offerings in our product mix. We aim to achieve this by adding value to our client service through quality, speed and reliability of our product delivery and resolution of various customer queries and complaints.

SWOT ANALYSIS & CONCLUSION

Strengths

- The Company is already a profit making unit having sound financials over the past years and an established marketing net work.
- Promoters are experienced and have been in this line for last 17-18 years.
- The fine quality of the products has been acknowledged and acclaimed by the Ministry of Micro, Small & Medium Enterprises, Govt. of India;
- The Company is a proud winner of National Award–2008 [Special Recognition Award] for Quality Production;
- The products manufactured by the Company conform to various Indian as well as International Standards and are well acceptable in the market;
- Diversification of activity is being under taken viewing good demand of the products, potential market of the same overseas and wide applicability and uses of the products;
- The Company is an ISO-9001:2000 certified Company.
- All the earlier expansion projects have been undertaken and implemented timely and successfully and positive results are evident from increasing volumes of business.
- The market is well represented by the Company in all segments. The Company is participating in tenders and supplying the products to government enterprises like BSNL, etc. and to private sector in bulk and selling the products in the retail segment through more than 250 dealers spread in 7 states in the country. The Company shall be able to reap benefits of the marketing network in the diversification plans also.

- Easy availability of raw material;
- Availability of skilled and cheap labour;
- With the implementation of the proposed project, the Company will reap the benefits of economies of scale due to optimum utilization of the existing facilities;
- Satisfactory organizational set-up with experienced and well qualified employees;
- Strong marketing network with low selling and distribution costs.

Weaknesses

- The Company is new to the Industry in which the diversification is proposed;
- The prices of raw material and finished goods move in tandem with international prices which in turn have positive co-relation with the prices of petro-chemical products.

Opportunities

- With tariffs proposed to come down in India over a period of time, it is expected that raw material costs will be comparable to those prevailing in the international market;
- The various products proposed to be manufactured like POY and Monofilament find wide applicability, hence may open new avenues for the Company;
- The largest supplier of the diversification products, China has more consumption in the domestic market, hence the demand supply gap can be met by the companies like ours, which shall have spare production eligible for exports;
- With the changed Govt. policies of countries like Turkey & Brazil, the exports being made by China shall get shifted to other countries;
- Abolition of quantitative restrictions is viewed as a big opportunity and accordingly the government is taking steps to encourage investments in the industry. Textile Ministry has set an export target of US\$ 50 Billion by 2010, which would need a CAGR growth of 25% from the current levels of US\$ 13 Billion;
- Technology Upgradation Fund Scheme (TUFS) to reduce the cost of funds and upgrade the manufacturing facilities in textile sector.

Threats

- With the growing demand in the world market, more and more players are likely to come into this line which may result in diluting the anticipated market share of the Company;
- The overall negative impact of the global economies / slowdown in economic growth in India at anytime may hamper the plans and performance of the Company;
- Exchange Rate Fluctuations may have impact on the performance of the Company;
- A significant change in the Govt. of India's economic liberalization and de-regulation policies or key industries regulations, the risk could disrupt the business of the Company;
- Fluctuations in prices and availability of energy, freight and other operating inputs may affect the margins of the Company;
- Post WTO, India is exposed to international competition.

OUR BUSINESS STRATEGY

Expansion of Our existing manufacturing capacities

Upon Incorporation in the Year 2006, Tijaria Polypipes Limited had a combined installed capacity of 6570 MT per annum and the present combined installed capacity is 35256 MT per annum for the year ended March 31, 2011.

Diversification of product portfolio

With the proceeds of the proposed IPO and Term Loan as detailed in the section titled “Objects of the Issue” beginning on Page No. 57 of the Prospectus, Our Company proposes to diversify its product portfolio by manufacturing POY, DTY, Monofilament, Zippers, Pet Sheets, and Mink Blankets. The proposed diversification shall have “State-of-the-Art” facilities and shall be the first of its kind in the state of Rajasthan. The diversification project shall enable the Company to be self-sufficient in terms of requirements of materials and the time gap between sourcing of materials and transit shall be annulled.

Marketing and Selling Arrangements

The Company’s existing trademarks, ‘Tijaria’ and ‘Vikas’ have already created brand equity in the Indian market. The existing set of products being offered by the Company is backed by sound dealer network and marketing arrangements already in place. However, since the Company is new to the Polymer and Zipper Industry, the Company plans to leave no stone unturned and has formulated comprehensive plans and strategy to launch its products in the market. The Company plans to undertake the following course of action:

1. The markets shall be tapped and catered by various branch offices already set-up in Lucknow, Indore, Nasik, Ahmedabad, Hyderabad and Haryana as well.
2. By undertaking aggressive marketing and publicity campaigns which will inter-alia include :
 - Print Media Publicity;
 - Advertisements in Electronic Media;
 - Hoardings on main roads;
 - E-marketing etc.
3. By establishing dealership network covering all potential market areas;
4. By appointment of commission agents;
5. By getting registered with Export Houses and Textile Associations;
6. By recruiting well laid in-house sales team fully dedicated for the new range of products. Hence, the Company shall ensure that all the marketing and selling arrangements are in place especially to tap the market for the new products.

Strengthen relationship with clients

We believe that we constantly try to address customer needs around a variety of products and services. Our existing client relationships help us to get repeat business from our customers. This has helped us maintain a long term working relationship with our customers and improve our customer retention strategy. We have existing client relationships with telecommunication companies from whom we get repeat orders. We believe that our existing relationship with our clients represents a competitive advantage in gaining new clients and increasing our business.

Installed Capacity & Production

Presently, the Company is manufacturing an array of plastic pipes and has an installed capacity of 20664 MT per annum for HDPE Pipes, 7392 MT per annum for PVC Pipes, 3600 MT per annum for Pet Flakes and 3600 MT per annum for Pet Granules. The Company produced 8197 MT & 6330 MT for HDPE Pipe, 3090 MT & 1909 MT for PVC Pipe, 336 MT & 154 MT for Pet Flakes production in 2010 – 11 & 2009-10 respectively.

(MT per annum)

Particulars	2010-11		2009-10		2008-09		2007-08	
	Installed Capacity	Utilised Capacity	Installed Capacity	Utilised Capacity	Installed Capacity	Utilised Capacity	Installed Capacity	Utilised Capacity
HDPE / PVC Pipes	28056	11287	14244	8239	14244	9011	6570*	5209
Pet Flakes	3600	336	3600	154	3600	53	N.A.	N.A.
Pet Granules	3600	-	-	-	-	-	-	-

*Based on 18TPD for an assumed full year of 365 days.

INTELLECTUAL PROPERTY RIGHTS

Over the years, the brand names of the Company for various pipes, viz., 'Tijaria' and 'Vikas' have become highly acclaimed. The volume of operations of the concern has grown four folds. With the vision to grow further and to expand its horizons, the manufacturing facilities of the firm were shifted from Kota to the capital of the state, Jaipur, in year 2002 to reap the benefits of doing business in a quasi metropolitan city, which offers much better infrastructure, more business opportunities and overall exposure.

VIKAS

A manufacturing concern continuously used since 31/12/1987 which had expired on June 22, 2007, We have made an application dated August 6, 2010, acknowledged on August 17, 2010 for the renewal of our trademark "VIKAS" in Class-17 in respect of All Kinds of Pipes made of PVC and Parts thereof included in Class-17 with respective authorities. In case of our failure to receive renewal of the same, our business may be adversely affected.

TIJARIA

We use the brand name "Tijaria" and invest our resources in building our brand. We have applied with the Registry for Trade Marks, Ahmedabad for registration of our trade mark / logo, "Tijaria". As on the date of this Prospectus, the application for trade mark registration is pending. The same has been filed under class 16 and 17 of the trademark Act with the respective authority.

LAND & BUILDING:

The gist of the areas of land presently owned by the Company, alongwith the areas being utilized by the Company for its production, are as under:

S.No.	Address of Property	Owned/Rented	Remarks	Area of Land	Rent Payable
1.	A-130 (E), Road No. 9-D, Vishwakarma Industrial Area (VKI), Jaipur – 302 013.	Lease Agreement with RIICO entered into by Tijaria Polypipes Ltd.	Unit – I	2833.49 sq. mtrs.	NA

2.	A-130 (H), Road No. 9-D, Vishwakarma Industrial Area (VKI), Jaipur – 302 013.	Rented (From Promoter group concern Tijaria Vinyl Pvt. Ltd.)	Unit –I	1145.31 sq. mtrs.	10000 p.m.
3.	F-532, Road No. 6-D, Vishwakarma Industrial Area (VKI), Jaipur – 302 013.	Rented (From Bajrang Ball Industries Pvt. Ltd.)	Unit - II	Approx. 13000 sq. ft. constructed area	152007 p.m.
4.	Land Situated at Daulatpura, Jaipur.	Tijaria Polypipes Ltd.	-	6025.50 sq.mtr.	NA
5	112 First Floor, Krishna Square Subhash Nagar, Near Doodmandi, Jaipur	Rented (from Mr. Praveen Jain Tijaria, Promoter)	-	-	15000 p.m.
6	Hemkunt Chamber, 89, Nehru Palace, New Delhi.	Rented (from Mr. Praveen Jain Tijaria, Promoter)	-	-	15000 p.m.
7	Sanchore District- Jalore Rajasthan	Rented			5000 p.m.
8	SP-1-2315, RIICO Industrial Area, Ramchandrapura, Sitapura Extn., Jaipur – 302 022	Lease Agreement dated 1/12/2010 entered into by Tijaria Polypipes Ltd with RIICO.	Unit – III	Approx. 14434 sq. mtrs plot area.	NA
9	RB-95, RIICO Industrial Area, Ramchandrapura, Sitapura Extn., Jaipur	Rented from Radhey Shyam Sharma	Staying of Guest at Sitapura	Approx. 4303 sq. mtrs. Plot area	20000 p.m.
10	Shop No. 104, Ground Floor, Aganta Archada, G B Marg, Lucknow	Rented from Anand Kumar Gupta	Lucknow Branch office rent	Approx. 1501 sq. ft.	2500 p.m.
11	27, Ghyanshyam Complex, Opp. C. U. Shah College, I. T. Ashram Road, Ahmedabad	Rented from Seema Devi Awasthi	Ahmedabad Branch office rent	Approx. 275 sq. ft.	3200 p.m.
12	Bacchan Plaza, Opp Sindhi Camp Bus Stand, Jaipur	Rented from Guru Bacchan Singh	Adverising space rent	Approx. 384 sq. ft.	6300 p.m.

Note: (p.m - per month), (NA – Not Applicable)

PROPOSED PROJECT

The project is proposed to be executed on an industrial land measuring 14200 sq. mtrs. located at SP-1-2316, RIICO Industrial Area, Ramchandrapura, Sitapura Extn., Jaipur. This piece of land was initially allotted to M/s Tijaria Industries Limited, the holding company of M/s Tijaria Polypipes Limited vide RIICO's letter of Allotment having reference no. U (2 5)-3 (SPL-2316)/2010/5576 dated 30.03.2010, for 99 Years. Later on the same was changed to M/s Tijaria Polypipes Limited, which was duly approved and acknowledged by RIICO vide their letter having ref. no. U (25)//2010/93 dated 05.04.2010.

Another land, quite in the vicinity and admeasuring 1950 sq. mtrs., at F-2243, RIICO Industrial Area, Ramchandrapura, Sitapura – Extn., Jaipur has also been taken on 99 years lease from RIICO for implementation of the project.

The location has been chosen at Sitapura Extn., which is a growing industrial area of Jaipur, after careful consideration of the infrastructural facilities in the area and the locational advantages the site enjoys. The total cost of land, together with conversion & registration expenses and site development is estimated to cost ₹ 716.00 Lacs.

4.3 - REGULATION AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Central and State Governments. The information detailed in this chapter has been obtained from the various legislations that are available in the public domain. The content set out below is by way of an illustration and is not an exhaustive list of all statutes applicable to our Company's operations.

Key Industry Regulations

We are engaged in the business of manufacturing of PVC pipes and products. Under the provisions of various Central Government and State Government statutes/legislations, our Company is required to obtain and regularly renew certain licenses/registrations and/or to seek statutory permissions to conduct our business and operations.

The various statutes under which material registrations/licenses/consents /permissions are required to be obtained by us are set out below:

1. The Indian Stamp Act, 1899
2. The Workmen Compensation Act, 1923
3. The Payment of Wages Act, 1936
4. The Central Excise Act, 1944
5. The Factories Act, 1948
6. The Employees State Insurance Act, 1948
7. The Industries Development and Regulations Act, 1951
8. The Employee's Provident Funds and Miscellaneous Provisions Act, 1952
9. The Companies Act, 1956
10. The Central Sales Tax Act, 1956
11. The Maternity Benefit Act, 1961
12. The Income Tax Act, 1961
13. The Payment of Bonus Act, 1965
14. The Water (Prevention and Control of Pollution) Act, 1974
15. The Hazardous Waste (Management and Handling) Rules, 1989
16. The Environment Impact Assessment Notification, 1994
17. Payment of Gratuity Act, 1972;
18. Shops and Commercial Establishments Acts,
19. The Custom Tariff Act, 1975
20. The Air (Prevention and Control of Pollution) Act, 1981
21. The Environment (Protection) Act, 1986
22. The Foreign Trade (Development & Regulation) Act, 1992
23. The Finance Act, 1994
24. Foreign Exchange Management Act, 1999
25. The Trade Marks Act, 1999
26. Value Added Tax legislations in various states
27. The Indian Copyright Act, 1957

LABOUR LAWS

There are various legislations in India which have defined 'employee' and 'workman' based on factors which inter-alia include nature of work and remuneration. People who come under the definition of workman or employee are entitled to various statutory benefits including bonus, retirement benefits and insurance protection.

Termination of the employment of a non-workman is governed by the terms of the relevant employment contract. As regards a 'workman', the Industrial Disputes Act, 1947, sets out certain requirements in relation to the termination of services. These include a detailed procedure prescribed for resolution of disputes, removal and certain financial obligations upon retrenchment. The applicability of such laws depends on the number of workers employed and their monthly remuneration.

The Factories Act, 1948

The Factories Act, 1948 ("Factories Act") seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. The Factories Act defines a 'factory' to cover any premises, which employs ten or more workers and in which manufacturing processes are carried on with the aid of power, and to cover any premises, where there are at least 20 workers who may or may not be engaged in an electrically aided manufacturing process. Each State Government has set out rules in respect of the prior submission of plans and its approval for the establishment of factories and registration and licensing of factories.

Employees State Insurance Act, 1948

The Employees State Insurance Act, 1948 (the "ESI Act") provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

Employees Provident Fund and Miscellaneous Provisions Act, 1952

The Employees Provident Fund and Miscellaneous Provisions Act, 1952 provides for the institution of compulsory provident funds, pension funds and deposit linked insurance funds for the benefit of employees in factories and other establishments. A liability is placed both on the employer and the employee to make certain contributions to the funds mentioned above.

The Maternity Benefit Act, 1961

The purpose of the Maternity Benefit Act, 1961, is to regulate the employment of pregnant women and to ensure that they get paid leave for a specified period during and after their pregnancy. It provides, inter-alia, for payment of maternity benefits, medical bonus and enacts prohibitions on dismissal, reduction of wages paid to pregnant women, etc.

The Payment of Bonus Act, 1965

Under the Payment of Bonus Act, 1965, an employee in a factory who has worked for at least 30 working days in a year is eligible to be paid bonus. The minimum bonus to be paid to each employee is the higher of 8.33% of the salary or wage or ₹10 and must be paid irrespective of the existence of any allocable surplus. If the allocable surplus exceeds minimum bonus payable, then the employer must pay bonus proportionate to the salary or wage earned during that period, subject to a maximum of twenty per cent of such salary or wage. 'Allocable surplus' is defined as 67% of the available surplus in the financial year, before making arrangements for the payment of dividend out of profit of the Company.

ENVIRONMENTAL LAWS

Manufacturing units must ensure compliance with environmental legislation, such as the Water (Prevention and Control of Pollution) Act 1974 ("Water Act"), the Air (Prevention and Control of Pollution) Act, 1981 ("Air Act"), and the Environment Protection Act, 1986 ("EPA"). The basic purpose of these statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards ("PCBs"), which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. All industries are required to obtain consent orders from the PCBs, which are indicative of the fact that the industry in question is functioning in compliance with the pollution control norms. These consent orders are required to be kept renewed.

The Water (Prevention and Control of Pollution) Act, 1981

The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of standards set down by the State Pollution Control Board ("State PCB"). The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which is likely to discharge sewage or effluent.

The Air (Prevention and Control of Pollution) Act, 1981

The Air Act requires that any individual, industry or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions must apply in a prescribed form and obtain consent from the state pollution control board prior to commencing any activity. The State PCB is required to grant, or refuse, consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment to be installed. Within a period of four months after the receipt of the application for consent the State Board shall, by order in writing and for reasons to be recorded in the order, grant the consent applied for subject to such conditions and for such period as may be specified in the order, or refuse consent.

FOREIGN TRADE

The Foreign Trade (Development & Regulation) Act, 1992

The Foreign Trade (Development & Regulation) Act, 1992, is to provide for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from India and for matters connected therewith or incidental thereto.

TEXTILE SECTOR

TUFS

TUFS is the "flagship" Scheme of the Ministry of Textiles, Government of India, which aims at making available funds to the domestic textile industry for technology upgradation of existing units as well as to set up new units with state-of-the-art technology to enhance their viability and competitiveness in the domestic as well as international markets. The Government of India launched the TUFS for textiles and jute industries with effect from April 01, 1999 for a period of five (5) years, which was subsequently extended up to March 31, 2007 and further continued the Scheme for a period of five (5) years for the textiles & jute industries making certain further provisions in the financial and operational parameters of the Scheme. The Scheme provides interest reimbursement on spinning machinery at the rate of 4 per cent (4%). However, all the remaining sub-sectors covered under the scheme would get interest reimbursement at the rate of 5 per cent (5%). The Power loom units under TUFS have an additional option to avail of 20 per cent (20%) margin money subsidy in lieu of 5 per cent (5%) interest reimbursement on investment in TUFS compatible specified machinery subject to a capital ceiling of ₹ 200 Lac and ceiling on

subsidy ₹ 20 Lac. The specified processing machinery, garmenting machinery and machinery required in manufacture of technical textiles will get a 5 per cent (5%) interest reimbursement plus 10 per cent (10%) capital subsidy. The Scheme further provides for 25 per cent (25%) capital subsidy on purchase of the new machinery and equipment for the pre-loom and post-loom operations, handlooms/upgradation of handlooms and testing and quality control equipment, for handloom production units. The main feature of the scheme is a 5% interest reimbursement in respect of loans availed there under from the concerned financial institution on a project of technology upgradation in conformity with this scheme.

NATIONAL FIBRE POLICY

The Report of the Working Group on Textiles & Jute Industry for the 11th Five Year Plan recommended consolidating the raw material base including cotton, wool, silk, Man Made Fibre, technical textiles and jute, to facilitate the growth process in the industry. Further, the High Level Committee on Manufacturing (HLCM) in June 2007, under the Chairmanship of the Prime Minister to consider, inter alia, the Action Plan for the growth of Textiles and Garments decided to formulate a Comprehensive Fibre Policy. It was held that man-made fibre sector required special attention as the fibre consumption was in the ratio of 57:43 between cotton and man-made fibres in contrast to the 40:60 ratio prevailing worldwide. HLCM felt that a long term Comprehensive Fibre Policy (natural & man-made) was required for steady availability of fibre.

Thus, in the above background and keeping in view the fact that the market economy and availability of fibre have been the determining forces in natural selection of production process, Minister of Textiles soon after assuming Office considered it imperative that a Comprehensive National Fibre Policy be devised as early as possible. Thus, he made a public announcement in June, 2009 regarding formulation of a 'National Fibre Policy', with a view to achieve a growth rate of 7 to 8% for the textiles industry.

In line with the announcement, a Working Group on National Fibre Policy was constituted on the 29th July, 2009, comprising Government organizations, Export Promotion Councils, Industry Associations and experts in the field drawn from eminent institutions/ organizations. As decided in the Working Group meeting in September 2009, eight Sub Groups on various fibres were formed to critically examine the relevant aspects and make recommendations to facilitate formulation of a comprehensive Fibre Policy. The issue is being pursued vigorously to put a policy in place as early as possible in consultation with all concerned stakeholders.

EXPORTS

India's textiles and clothing industry is one of the mainstays of national economy. It is also one of the largest contributing sectors of India's exports worldwide. At current prices the Indian textiles industry is pegged at US\$ 55 billion, 64% of which services domestic demand. The textiles industry accounts for 14% of industrial production; employs 35 million people and accounts for nearly 12% share of the country's total exports basket.

Milestones

- i) Exports of textiles and clothing products from India have increased steadily over the last few years, particularly after 2004 when textiles exports quota were discontinued.
- ii) During 2003-04, 2004-05, 2005-06, 2006-07 and 2007-08 exports were of the order of US\$13.5 billion, US\$ 14.0 billion, US\$ 17.52 billion, US\$ 19.15 billion and US\$ 22.13 billion respectively, denoting an increase of 64% in last four years but declined by over 5% in 2008-09 with exports of US\$ 20.94 billion. The volume of exports, as compared to certain other countries, could not register a faster growth due to various reasons like constraints of infrastructure, high power and transaction cost, incidence of state level cess and duties, lack of state-of-the-art technology etc.

SCHEME FOR INTEGRATED TEXTILE PARKS (SITP)

The 'Scheme for Integrated Textile Parks (SITP)' is being implemented to facilitate setting up of textile units with appropriate support infrastructure. Industry Associations / Group of Entrepreneurs are the main promoters of the Integrated Textiles Park (ITP).

Scope of the Scheme

The Scheme targets industrial clusters/ locations with high growth potential, which require strategic interventions by way of providing world-class infrastructure support. The project cost covers common infrastructure and buildings for production/ support activities, depending on the needs of the ITP. The components of an ITP are:

- (a) **Group A** – Land.
- (b) **Group B** - Common Infrastructure like compound wall, roads, drainage, water supply, electricity supply including captive power plant, effluent treatment, and telecommunication lines etc.
- (c) **Group C** - Buildings for common facilities like testing laboratory, design center, training center, trade center/ display center, ware housing facility/ raw material depot, crèche, canteen, workers hostel, offices of service providers, labour rest and recreation facilities etc.
- (d) **Group D** - Factory buildings for production purposes.
- (e) **Group E** - Plant & machinery.

The total Project Cost for the purpose of this Scheme includes the cost on account of components of ITP, as listed under Groups A, B, C and D above, provided the ownership of the factory buildings vests with the SPV. The SPV has, however, have the option of seeking financial support from Government of India for components under Groups B and C only, if factory buildings are individually owned.

Source: *Ministry of Textiles, Annual Report 2009-10*

TRADE RELATED SUBSIDIES

Export Promotion Capital Goods Scheme

The Scheme facilitates import of capital goods at 5% concessional rate of duty with appropriate export obligation. Import of second hand capital goods without any restriction on age is also allowed under the Foreign Trade Policy, which came into effect on September 01, 2004. The Foreign Trade Policy also permits EPCG license holders to opt for technological upgradation for their existing capital goods imported under the EPCG license, subject to certain prescribed conditions.

Advance Licensing Scheme

With a view to facilitating exports and to access duty-free inputs under the scheme, standard input-output norms for about 300 textiles and clothing export products have been prescribed and this scheme remained under operation.

Duty entitlement pass-book ("DEPB") scheme

DEPB credit rates have been prescribed for 83 textiles and clothing products. The scheme aims to neutralise the incidence of basic and special custom duty on the import content of the export product, by way of grant of duty credit against the export product at specified rates. However, these export incentives may be reviewed shortly to make them WTO-compatible.

Duty Drawback Scheme

Exporters are allowed refund of the excise and import duty suffered on inputs of the export products under this scheme. The Ministry of Finance, GoI announced the revised "All Industry Rates of Duty Drawback", which came into effect on May 05, 2005. The drawback rates have been determined on the basis of certain broad parameters including, inter alia, the prevailing prices of input, standard input/output norms published by the Directorate General of Foreign Trade, share of imports in the total consumption of inputs and the applied rates of duty.

REGULATIONS FOR FOREIGN INVESTMENT

FEMA Regulations

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the 'Automatic Route' within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. Presently, investments in companies engaged in the textile sector fall under the RBI's 'Automatic Route' for FDI/NRI investment of up to 100%. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications thereunder, and the policy prescribed by the Department of Industrial Policy and Promotion, Government of India, which is regulated by the FIPB.

Ministry of Industry, Department of Industrial Policy and Promotion, Press Note No. 17 (1998 series) With a view to encouraging investments towards setting up of integrated units and thus achieving value additions, as well as to address the current difficulties of the cotton yarn export oriented units, the Government of India promulgated Press Note No. 17 (1998 Series), which allows export oriented units the operational flexibility of exporting cotton yarn without being subject to domestic cotton sourcing restrictions to the extent provided for within the press note.

OTHER REGULATIONS

Foreign Investment Regulations

The new Industrial Policy was formulated in 1991 to implement the Government's liberalization programme and consequently, the industrial policy reforms relaxed industrial requirements and restrictions on foreign investment. In subsequent years, the Government has further liberalized the foreign investment regime.

Customs Regulations

All imports to the country or exports from the country are subject to duties under the Customs Tariff Act, 1975. However, the Government has the power to exempt certain specified goods from custom duty, by notification.

Apart from the above, other laws and regulations that may be applicable to our Company include the following:

- Contract Labour (Regulation and Abolition) Act, 1970
- Industries (Development and Regulation) Act, 1951
- Factories Act, 1948
- Employees' State Insurance Act, 1948
- Employees' Provident Fund and Miscellaneous Provisions Act, 1952

- Payment of Gratuity Act, 1972
- Payment of Bonus Act, 1965
- Payment of Wages Act, 1936
- Minimum Wages Act, 1948
- Workmen Compensation Act, 1923
- Equal Remuneration Act, 1979
- Child Labour Prohibition and Regulation Act, 1986
- Industrial Disputes Act, 1947 and Industrial Disputes (Central) Rules, 1957
- Shops and Commercial Establishments Act and
- Environment (Protection) Act, 1986 and Environment (Protection) Rules, 1986

KEY GOVERNMENT INITIATIVES TO PROMOTE GROWTH OF THE INDIAN TEXTILE INDUSTRY

In order to encourage up gradation of textiles sector and to give a fillip to exports of textile products, some of the important initiatives taken are as follows:

Announcement of New Fiber Policy:

The Report of the Working Group on Textiles & Jute Industry for the 11th Five Year Plan recommended consolidating the raw material base including cotton, wool, silk, Man Made Fibre, technical textiles and jute, to facilitate the growth process in the industry. Further, the High Level Committee on Manufacturing (HLCM) in June 2007, under the Chairmanship of the Prime Minister to consider, inter alia, the Action Plan for the growth of Textiles and Garments decided to formulate a Comprehensive Fibre Policy. It was held that man-made fibre sector required special attention as the fibre consumption was in the ratio of 57:43 between cotton and man-made fibres in contrast to the 40:60 ratio prevailing worldwide. HLCM felt that a long term Comprehensive Fibre Policy (natural & man-made) was required for steady availability of fibre.

Thus, in the above background and keeping in view the fact that the market economy and availability of fibre have been the determining forces in natural selection of production process, Minister of Textiles soon after assuming Office considered it imperative that a Comprehensive National Fibre Policy be devised as early as possible. Thus, he made a public announcement in June, 2009 regarding formulation of a 'National Fibre Policy', with a view to achieve a growth rate of 7 to 8% for the textiles industry.

In line with the announcement, a Working Group on National Fibre Policy was constituted on the 29th July, 2009, comprising Government organizations, Export Promotion Councils, Industry Associations and experts in the field drawn from eminent institutions/ organizations. As decided in the Working Group meeting in September 2009, eight Sub Groups on various fibres were formed to critically examine the relevant aspects and make recommendations to facilitate formulation of a comprehensive Fibre Policy. The issue is being pursued vigorously to put a policy in place as early as possible in consultation with all concerned stakeholders.

Duty Drawback Scheme:

The exporters are allowed refund of the excise and import duty suffered on raw materials under the scheme so as to make the products more competitive in the international market. From January 19, 2005, the Ministry of Finance restructured the drawback rate from value-based to quantity-based.

Human Resource Development:

Attention has also been paid to Human Resource Development in the textile sector. Towards this end, particular mention deserves to be made of National Institute of Fashion Technology (NIFT), which is imparting training to Fashion Designers and Fashion Technologists to cater to the human resource requirements of garment industry. The NIFT has 12 branches at Delhi, Mumbai, Calcutta, Hyderabad, Bangalore, Chennai, Raebareli, Bhopal, Kanpur, Patna, Shilong and Gandhinagar.

The Ministry of Textiles is also concerned over the need to improve the quality of textile training institutes in the country. Therefore, a Nodal Centre for Upgradation of Textile Education has been established at the Indian Institute of Technology, Delhi with funding from the Ministry of Textiles. The Apparel Export Promotion Council has been running Apparel Training and Design Centres (ATDCs) at important apparel centres located at Chennai, Delhi, Kolkata, Hyderabad, Jaipur and Bangalore in order to impart training at shop floor level to meet the growing needs of apparel industry.

Construction of Apparel International Mart:

With a view to attract FDI in the apparel sector and give a further fillip to exports in the apparel sourcing/manufacturing sector, Apparel Export Promotion Council (AEPC), India's apex body for promoting apparel exports has set up and operates a world class 'Apparel International Mart' (AIM) at Gurgaon, which, among others, houses 400 showrooms. It now caters to a global audience comprising of buying houses, apparel importers, fashion labels, designers, large format retail manufacturers & distributors, fabric producers and general buyers.

Now AEPC is planning for an AIM in Kolkata along the lines of the one that exists in Gurgaon. It wishes to see such an AIM coming up in the city to boost apparel exports from the eastern region. AEPC isn't keen to take all the responsibility for setting up AIM in Kolkata, instead, it wants the State Export Promotion Board (West Bengal) to take up the main initiative in setting up a business promotional mart in Kolkata, with support from AEPC

Setting up of modern Laboratories:

The Ministry of Textiles has assisted the Textile Committee in setting up of modern textile laboratories to ensure that the textiles exported from the country meet all international environmental standards.

Apparel Park for Exports Scheme:

A centrally sponsored scheme titled "Apparel Parks for Exports Scheme" has been launched. The Scheme is intended to impart focused thrust to setting up of apparel Manufacturing units of international standards at potential growth centres and to give fillip to exports. Since the inception of scheme in March 2002, a number of project Proposals has been sanctioned for setting up Apparel Parks such as Apparel parks at Tronica City and Kanpur (U.P.), Surat (Gujarat), Thiruvananthapuram (Kerala), Visakhapatnam (Andhra Pradesh), Ludhiana (Punjab), Bangalore (Karnataka), Tirupur and Kanchipuram (Tamil Nadu), SEZ, Indore (Madhya Pradesh) and Mahal (Jaipur, Rajasthan).

Textile Centres Infrastructure Development Scheme (TCIDS):

Development of infrastructure facilities at pre-dominantly textile/apparel sector areas is one of the thrust areas of NTxP-2000. For attaining this objective, a new scheme (TCIDS) has been launched for upgrading infrastructure facilities at important textile centers.

FOREIGN TRADE POLICY 2009-2014

In order to provide thrust to exports, foreign trade policy provides for certain schemes for the promotional measures:

Market Linked Focus Product Scheme:

Market Linked Focus Product Scheme (MLFPS) has been greatly expanded to include a number of products. Some major products include; Synthetic textile fabrics, textile madeups, knitted and crocheted fabrics, value added rubber products, Pharmaceuticals, value added plastic goods, glass products, certain iron and steel products and certain articles of aluminium among others. Benefits to these products will be provided, if exports are made to 13 identified markets (Algeria, Egypt, Kenya, Nigeria, South Africa, Tanzania, Brazil, Mexico, Ukraine, Vietnam, Cambodia, Australia and New Zealand)

Technological Upgradation:

To aid technological upgradation of our export sector, EPCG Scheme at Zero Duty has been introduced. This Scheme will be available for engineering & electronic products, basic chemicals & pharmaceuticals, apparels & textiles, plastics, handicrafts, chemicals & allied products and leather & leather products (subject to exclusions of current beneficiaries under Technological Upgradation Fund Schemes (TUFFS), administered by Ministry of Textiles and beneficiaries of Status Holder Incentive Scheme in that particular year). The scheme shall be in operation as per the extent policies of the Ministry of Textiles, Government of India.

Market Access Initiative (MAI) scheme

Market Access Initiative (MAI) scheme is intended to provide financial assistance for medium term export promotion efforts with a sharp focus on a country and product. The financial assistance is available for Export Promotion Councils, Industry and Trade Associations, Agencies of State Governments, Indian Commercial Missions abroad and other eligible entities as may be notified from time to time.

Marketing Development Assistance (MDA) Scheme

The Marketing Development Assistance (MDA) Scheme is intended to provide financial assistance for a range of export promotion activities implemented by export promotion councils, industry and trade associations on a regular basis every year. As per the revised MDA guidelines with effect from 1st April, 2004 assistance under MDA is available for exporters with annual export turnover upto Rs 500 Lacs.

Meeting Legal expenses for Trade related matter

Financial assistance would be provided to deserving exporters on the recommendation of Export Promotion Councils for meeting the cost of legal expenses relating to trade related matters.

Brand Promotions and Quality

The Central Government aims to encourage manufacturers and exporters to attain internationally accepted standards of quality for their products. The Central Government has recognised the need to support and shall assist Trade and Industry to launch a nationwide programme on quality awareness and to promote the concept of total quality management.

NEW TUF POLICY

- 4 percent interest reimbursement for spinning machinery
 - 5 percent interest reimbursement for all the remaining sectors
 - 10 percent capital subsidy in addition to 5 percent interest reimbursement for machinery required in manufacturing technical textile and garment.
 - The targeted growth rate is 16 percent and makes an investment of Rs 150,600 crore during the five-year period.
- (a) Provision of 4% interest reimbursement for spinning machinery.
 - (b) Retention of the provision for 5% interest reimbursement for all the remaining sectors.
 - (c) Retention of the provision to purchase second hand machinery for shuttleless powerlooms.
 - (d) Margin Money subsidy @ 20% to the powerloom units in lieu of 5% interest reimbursement on investment in TUF compatible specified machinery subject to a capital ceiling of ₹ 200 lacs from ₹ 100 lacs. A minimum of 15% equity contribution from beneficiaries will be ensured.

- (e) Margin Money subsidy @ 15% for SSI textile and jute sector in lieu of 5% interest reimbursement on investment in TUF compatible specified machinery subject to a capital ceiling of ₹ 200 lacs from ₹ 100 lacs. A minimum of 15% equity contribution from beneficiaries will be ensured.
- (f) 10% capital subsidy in addition to 5% interest reimbursement for machineries required in manufacture of technical textiles and garments will be provided machineries. The same level of assistance will continue for specified processing machinery.
- (g) Interest subsidy/capital subsidy/Margin Money subsidy on the basic value of the machineries and exclude the tax component for the purpose of valuation.
- (h) 25% capital subsidy on purchase of the new machinery and equipments for the pre-loom and post-loom operations, handlooms/up-gradation of handlooms and testing and Quality Control equipments, for handloom production units in addition investments like land, factory building, pre-operative expenses and margin money for working capital will be assisted with 50% cap.
- (i) Investments like land, factory building, pre-operative expenses and margin money for working capital will now be ineligible for benefit of reimbursement under the scheme except meant for apparel sector with existing 50% cap.

THE WTO 2005 INITIATIVE

Protection of the textile and clothing sector has a long history in United States and Europe. In the 1950s, Japan, Hong Kong, China, India and Pakistan agreed to voluntary export restrains for cotton textile products to the United States. In 1962 a Long Term Agreement regarding International Trade in Cotton Textiles (LTA) was signed under the auspices of the GATT (replacing a 1-year short-term agreement). The LTA was renegotiated several times until it was replaced by the MFA, which extended restrictions on trade to wool and man-made fibres in addition to cotton. Since 1947, when the General Agreements on Tariff and Trade (GATT) was first signed, an increasing proportion of international trade was regulated by the international agreements, designed to ensure countries could erect or maintain barriers to international trade only under mutually agreed terms.

Apparel / readymade garments were not included in GATT provisions. In 1947, the Multi-Fibre Agreement (MFA) was signed, without reference to GATT, essentially ratifying countries right to impose quotas on textiles and apparel/readymade garment imports from each other. This was intended to be a temporary measure allowing developed countries time to restructure their apparel / ready-made garments and textile industries beyond opening them up to competition from developed countries. In practice the MFA was frequently renewed. In 1994, GATT signatories signed the Agreement on Textiles and Clothing (ATC), committing to phasing out MFA and replacing it by the general systems for agreeing trade barriers and disputes that the GATT has laid down. Almost simultaneously, the GATT was replaced by the World Trade Organization (WTO).

The most important underlying principles of the ATC are:

- The quotas would be phased out to an agreed timetable (16% of Imports, quota-free by January 11, 1995, further 17% by January 1, 1998, further 18% by January 1, 2002 and the remaining 49% by January 1, 2005)
- There would be no extension date
- The ATC would be binding only on trade between WTO member states

There would be no temporary provisions while the ATC was in force for monitoring progress and managing duties. Accordingly, quota restrictions have been removed with effect from January 1, 2005.

This removal of world trade quota restrictions is expected to bring a change in the global apparel trade. Productivity, labour costs, quality and creativity will determine which countries will eventually emerge as winners.

LIBERALISATION OF FDI POLICY

Government has allowed foreign equity participation upto 100% through automatic route, in the textile sector with the only exception in knitwear/knitting sector, which is still reserved for SSI. SSI investment limit for the knitwear/knitting sector has been increased from ₹ 1 crore to ₹ 5.00 crore.

THE IMPORT AND EXPORT POLICY OF INDIA

Export Promotion Capital Goods (EPCG) Scheme:

The scheme facilitates import of capital goods at 5% concessional rate of duty with appropriate export obligation. Import of second hand capital goods is allowed under the EXIM Policy as announced on 31.03.2003.

Advance Licensing Scheme:

With a view to facilitating exports and to access duty-free inputs under the scheme, standard input-output norms for about 300 textiles and clothing export products have been prescribed and this scheme remained under operation.

Duty Exemption Pass Book (DEPB) Scheme:

DEPB credit rates have been prescribed for 82 textiles and clothing products. The nomenclature and rates for DEPB entries pertaining to certain textile products have been rationalised. However, these export incentives are to be reviewed shortly to make it WTO-compatible.

Duty Drawback Scheme:

The exporters are allowed refund of the excise and import duty suffered on raw materials under the scheme so as to make the products more competitive in the international market. From January 19, 2005, the Ministry of Finance restructured the drawback rate from the value-based to quantity-based.

4.4 - HISTORY AND CERTAIN CORPORATE MATTERS

Tijaria Polypipes Ltd., an ISO 9001 : 2000 Certified Company, is a closely held public limited Company, based at Jaipur, manufacturing various kinds of high grade plastic based pipes viz HDPE, MDPE, LDPE, LLDPE, uPVC, PP-R Pipes and Sprinkler systems under the brand name of "TIJARIA" and "VIKAS". The Company is a winner of 'NATIONAL AWARD-2008' for Quality Production (Special Recognition Award) awarded by the Ministry of Micro, Small & Medium Enterprises, Govt. of India. Our Company is recipient of 'RASHTRIYA UDYOG RATNA AWARD' in the Year 2010, by Center for Educational Development Research for excellence in their respective field. The Company was initially started as a Partnership firm under the name of "Tijaria Overseas Vinyl" in the year 2000 which was later on converted into a Private Limited Company on July 17, 2006 on continuous basis under Part IX of The Companies Act, 1956 and was subsequently converted into a Public Limited Company w.e.f. July 20, 2006. The Company through its vision of learning and constant innovation has become a premier name in the industrial, agricultural, infrastructure, domestic and telecommunication fields.

The Company under the leadership of Mr. Alok Jain Tijaria, , the Managing Director along with other Promoter Directors Mr. Vikas Jain Tijaria, Mr. Praveen Jain Tijaria and Mr. Vineet Jain Tijaria have made Tijaria Polypipes Ltd. a successful and quality oriented Company in the cosmic market. The Company has consistently registered growth in turnover and profitability over the previous years and now proposes to further expand and diversify in other polymer products as detailed in Section titled "Objects of the Issue" beginning on Page No. 57 of this Prospectus.

Our Company in its pursuit to explore newer opportunity in the marketing / dealing in agricultural produce, the Board of directors of the our Company proposed to enter into the business of agricultural products on trial basis and passed the enabling resolution and thereafter it obtained the shareholders approval for dealing in agriculture produce at the meeting held on 2nd day of September, 2009 and amended the main object clause by inserting new clause no. 3. Our Company entered into a Consignment Sale Agreement with an overseas consignee M/s Independent Fruit Trade B.V. situated at Barbizonlaan 87, 2908 ME Capelle ad Ijssel, Holland for sale of Indian Grapes. Our Company got registration from the Agricultural and Food Products Export Development Authority, Ministry of Commerce, Govt. of India. The company purchased grapes from the various farmers in the State of Maharashtra and sold under the said consignment agreement to the overseas consignee. The entire consignment has been sold and export proceeds have been realized. The business of trading in grapes is not the main line of business and accounts for just ₹ 94.56 Lacs, which constitutes 0.86% of the total sales of the Company as on March 31, 2010 and ₹ 200.97 lacs during the Financial Year ended March 31, 2011, which constitutes 1.69% of the total sales turnover for the said period.

REGISTERED OFFICE & PRESENT CAPITAL

The Registered Office of the Company is located at A-130(E), Road No. 9-D, Vishwakarma Industrial Area, Jaipur.

Our Company has 10 (Ten) shareholders as on the date of filing the Prospectus with SEBI.

Main Objects of our Company, as per the Memorandum of the Association, last amended on 02.08.2010, comprised of the following main objectives:

1. To acquire by operation of Law under part IX of The Companies Act, 1956, the business of partnership firm now being carried on under the name and style of M/s TIJARIA OVERSEAS VINYL, as going concern including all its assets, movable and immovable, rights, debts and liabilities in connection therewith.
2. To carry in India or elsewhere the business to manufacture, produce, process, convert, commercialize, design, develop, mould, services, supervise, supply, import, export, buy, sell,

erect, install, and otherwise to deal in all shapes, sizes, varieties colours, capacities, modalities, specification, description, applications, uses of synthetic, natural and blended polymers and rubber products, polymer intermediates, polymer mixtures, compounds, constituents, auxiliary products, by-products, co-products, including but not limited to plastics pipes, PVC pipes, hose pipes, Polypropylene Pipes, P.L.B pipes Krishi Pipes, PVC rigid pipes, PVC casing pipes, PVC Staner pipes, PVC elasomeric Pipes, PVC SWR Pipes, PVC profile, PVC suction hose pipes, PVC electrical conduit pipe, H.D.P.E pipes, HDPE Double Wall Corrugated pipes, LDPE pipe, P.P.R pipes, L.LD.P.E pipes Dhora pipe, MDPE pipe, HDPE, LDPE, LLDPE, PP, PPR, PET and PVC fittings, HDPE sprinkler systems, drip irrigations systems, water storage tank, PVC compound, PVC resin, HDPE compound, HDPE resin, PET Resin, PET compound, PP Resin, PP Compound, PVC resins, HDPE compound, HDPE resin, PET Resin, PET compound, PP Resin, PP Compound, Polyester Master Batches, PET, PVC, HDPE,PP Moulded Item, Geo-Grid, Geo-synthetics, Geo-Textile, geotechnical Grille, Geo-Composite, Geo-Membrane, Micro-grid, Non-Woven Fabris, PET bottles, PET pre-foam, PET flakes, PET Chips, Pet granuals, PET sheets & Film, Thermoforming products, Partially oriented Yarn (POY), Draw Texturised Yarn (DTY), Monofilaments, Zippers, Zippers, Zipper Tapes, Mink blankets, Carpets, Fabrics, Tetile Material etc,use in industries, utilities, hospitals, transports, aviation, defense, entertainments, hotels, houses, agriculture, Irrigation, Sewerage, Electrification, telecommunication, roads, infrastructure, packing, fittings, electronic items and other allied fields whether made of any form of plastics, plastics scrap, HDPE, PVC, LDPE, LLDPE, PP,PET,PET Bottles, PET Flakes, polymers, co-polymers, monomers, elastomers, resins, foam, polyesters and other allied material with or without combinations of other ferrous or non- frrous materials.

3. To start a new unit of the company in the name and style as Tijaria Fresh & Processed Foods to carry on business Plant, cultivate, produce, raise, make marketable, import, export, sale, buy, act as agents, stockiest, distributors or otherwise deal in all kinds of fresh fruits, fresh vegetables, dried fruits, dried vegetables, herbs, grains, exotic fruits and vegetables, processes dairy products, processed foods, condiments and spices, health foods, snack foods and all such edible products for human consumable, food grains, oil cakes, tea, coffee, jute, sugar, sugarcane and other types of produce of land, to manufacture, process, import, export, sell or otherwise deal in fertilizers of all varieties, D.D.T, and other insecticidal and fungicidal sprays, to process, machine, grind, extract, grow, buy, sell, manufacture, refine, prepare, crush or otherwise deal in all kinds of oilseeds, wheat, rice and rice brans and other agricultural products and oleaginous and saponaceous substances and all kinds of by-products or ingredients thereof, ghee from whatever source and method including oil seeds, oil cakes, rice bran and other oil containing medias, de-oiled cakes, de-oiled meals for consumption, balances food and baby food, for canning, dehydration of fruits, vegetables, and roots and to carry on the business of cold storages or deep freezers, to construct, erect, build, equip, own and manage cold storages, storage chambers, ice plants, godowns, warehouses and to carrying and forwarding the storage goods, to carry on the business of manufacturers, producers and processors of dairy and dealers in milk, cream, butter, ghee, chas, condensed milk, malted milk, milk powder, skimmed milk, powder, whole milk powder, ice milk, ice cream, milk food, baby foods, infant, invalids foods and milk products and milk preparations of all kinds, for carrying the business of millers in all its branches and to set up mills for milling wheat, grain, , other cereals, dal, basin, maida, atta, suji and other products and to manufacture food products, such as biscuits, flakes, daila, and confectionary from flours of all kinds and description and to set up factories or mills for the manufacture thereof.

Changes in Memorandum of Association

Except as stated below there has been no change in the Memorandum of Association of our Company since Inception:

S.No.	Particulars	Date of Meeting	Type of Meeting
1	Change in name - from Tijaria Polypipes Private Limited to Tijaria Polypipes Limited	18.07.2006	EGM
2	Increase in Authorised Share Capital – from ₹ 195 lacs to ₹ 205 lacs.	08.03.2007	EGM
3	Increase in Authorised Share Capital – from ₹ 205 lacs to ₹ 500 lacs.	21.01.2008	EGM
4	Increase in Authorised Share Capital – from ₹ 500 lacs to ₹ 1000 lacs.	07.08.2008	AGM
5	Amendment in Object Clause by inserting Clause 3 after the existing Clause 2	02.09.2009	EGM
6	Increase in Authorised Share Capital – from ₹ 1000 lacs to ₹ 1500 lacs.	12.07.2010	AGM
7	Amendment in Object Clause by replacing the existing Clause 2	02.08.2010	EGM
8	Increase in Authorised Share Capital – from ₹ 1500 lacs to ₹ 2500 lacs.	02.08.2010	EGM
9	Amendment in the Objects Clause by replacing existing Clause III(A)(2)	02.08.2010	EGM

Subsidiaries of our Company

Our Company does not have any subsidiary.

Shareholders Agreement

There are no subsisting shareholders agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same.

Strategic partners

Presently, our Company does not have any strategic partners.

Financial partners

Presently, our Company does not have any financial partners.

4.5 - OUR MANAGEMENT

As per the Articles of Association, our Company cannot have less than 3 Directors and more than 12 directors. The Board of Directors comprising of 8 (Eight) directors currently manages our Company.

Mr. Alok Jain Tijaria is the Managing Director, along with Mr. Vikas Jain Tijaria, Executive Director (Marketing), Mr. Praveen Jain Tijaria, Executive Director (Production) and Mr. Vineet Jain Tijaria, Executive Director (Projects) suitably supported by professional and technically qualified team of executives are involved into day to day affairs of the business of the Company under the supervision, direction and control of the Board of Directors.

The following table sets forth the details regarding the Board of Directors as on the date of filing of this Prospectus with SEBI:

S.No.	Name, designation, father's name, Age, address, DIN and occupation	Date of appointment	No. of Shares held in TPL & Shareholding %	Other directorships / interests
1	Mr. Alok Jain Tijaria <i>Managing Director</i> S/o Shri Ramesh Jain Tijaria Age - 43 Years Address: F-32, Tijaria Kunj,Ghiya Marg, Bani Park, Jaipur-302016 DIN: 00114937 Business	July 26, 2010 (Re-appointed) As Managing Director w.e.f. October 1, 2010 for 3 years	15,96,513 11.72% (Pre-Issue) 6.75 % (Post-Issue)	<u>Director:</u> Tijaria Industries Limited. Tijaria Vinyl Private Limited. Tijaria International Limited. Interested through relatives: Tijaria Publication Pvt. Ltd.
2	Mr. Vikas Jain Tijaria <i>Executive Director</i> <i>(Marketing)</i> S/o Shri Ramesh Jain Tijaria Age: 41 Years Address: F-32, Tijaria Kunj,Ghiya Marg, Bani Park, Jaipur-302016 DIN: 00114978 Business	July 26, 2010 (Re-appointed) As Executive Director w.e.f. October 1, 2010 for 3 years	15,22,425 11.17% (Pre-Issue) 6.44% (Post-Issue)	<u>Director:</u> Tijaria Industries Limited. Tijaria Vinyl Private Limited. Tijaria International Limited Interested through relatives: Tijaria Publication Pvt. Ltd.
3	Mr. Praveen Jain Tijaria <i>Executive Director</i> <i>(Production)</i> S/o Shri Ramesh Jain Tijaria Age: 40 Years Address: F-32, Tijaria Kunj,Ghiya Marg, Bani Park, Jaipur-302016 DIN: 00115002 Business	July 26, 2010 (Re-appointed) As Executive Director w.e.f. October 1, 2010 for 3 years	13,95,246 10.24% (Pre-Issue) 5.91% (Post-Issue)	<u>Director:</u> Tijaria Industries Limited. Tijaria Vinyl Private Limited. Tijaria International Limited Interested through relatives: Tijaria Publication Pvt. Ltd.

S.No.	Name, designation, father's name, Age, address, DIN and occupation	Date of appointment	No. of Shares held in TPL & Shareholding %	Other directorships / interests
4	Mr. Vineet Jain Tijaria <i>Executive Director (Projects)</i> S/o Shri Ramesh Jain Tijaria Age: 37 Years Address: F-32, Tijaria Kunj,Ghiya Marg, Bani Park, Jaipur-302016 DIN: 00115029 Business	July 26, 2010 (Re-appointed) As Executive Director w.e.f. October 1, 2010 for 3 years	12,95,988 9.51% (Pre-Issue) 5.48% (Post-Issue)	<u>Director:</u> Tijaria Industries Limited. Tijaria Vinyl Private Limited. Tijaria International Limited Interested through relatives: Tijaria Publication Pvt. Ltd.
5	Mr. Pana Chand Jain <i>Non- Executive Independent Director</i> Age- 84 Years Address: 23, Mauji Colony, Malviya Nagar, Jaipur - 302017 DIN: 02927243 Legal Consultant	July 21, 2010	0 0.00%	<u>Director:</u> Man Industrial Corporation Ltd.
6	Dr. Padam Prakash Somprakash Bhatnagar Non- Executive Independent Director Age: 62 Years Address: 401, Laxmi Villa, D 6, Kabir Marg, Bani Park, Jaipur 302 016 DIN: 03150323 Homeopathic Physician	July 21, 2010	0 0.00%	NIL
7	Mr. Santosh Kumar Non- Executive Independent Director Age: 51 Years Address: 12, Gaijraj Bari, 1st Floor, Opp. Railway Post Office, Jaipur – 302 006 DIN: 02766440 Business	July 21, 2010	0 0.00%	<u>Director & Member:</u> <u>Partner:</u> M/s. Saduwala Enterprises
8	Mr.Pawan Kumar Jain Non- Executive Independent Director Age: 42 Years Address: IX / 5734 B, Subhash Mohl. Gandhi Nagar, Delhi - 110 031 DIN: 03153820 Business	July 21, 2010	0 0.00%	<u>Proprietor:</u> Parul Hosiery

Nature of any family relationship between any of the Directors

Mr. Alok Jain Tijaria - Managing Director; Mr. Vikas Jain Tijaria - Executive Director (Marketing); Mr. Praveen Jain Tijaria - Executive Director (Production) and Mr. Vineet Jain Tijaria - Executive Director (Project) are all Brothers.

BRIEF BIOGRAPHY OF OUR DIRECTORS

PROMOTERS BOARD OF DIRECTORS

MR. ALOK JAIN TIJARIA, MANAGING DIRECTOR

Mr. Alok Jain Tijaria, S/o Shri Ramesh Jain Tijaria, is 43 years of age. He is a commerce graduate and has 25 years of experience and in-depth knowledge in the business of plastic and related materials. He is the Managing Director of the Company and masters all the intricate techniques and subtle nuances of this business, holding administrative and financial portfolio of the Company.

The making of a man starts at a very early age. Mr. Alok Jain Tijaria also started learning the tricks of the trade at a very early age when he started working as a Partner in M/s Vikas Traders, a partnership firm trading in plastic pipes. Thereafter, in 1987, his entrepreneurial family ventured into manufacturing of plastic pipes under the banner of M/s Vikas Plastic Industries and from the year 1992, gained experience as the Manager of M/s Alok Plastipipe Products which manufactured uPVC Electrical conduit pipes, Sprinklers and other plastic extruded pipes.

Later on, in 2000, he joined M/s Tijaria Overseas Vinyl as Partner and was looking after all the administrative and financial activities of the firm. On July 17, 2006, the firm was converted into a Private Limited Company under the provisions of Part IX of Indian Companies Act, 1956 and was later on converted into a Public limited Company on July 20, 2006 in which Mr. Alok Jain Tijaria is the Managing Director.

It is under the valuable aegis of Mr. Alok Jain Tijaria, that the Company has emerged as brand leader in domestic market as well as marked its niche on the international map as well.

MR. VIKAS JAIN TIJARIA, EXECUTIVE DIRECTOR (MARKETING)

Mr. Vikas Jain Tijaria, S/o Shri Ramesh Jain Tijaria is 41 years of age. A Graduate in Commerce, Mr. Vikas also joined the family business with M/s Vikas Traders as Sales Manager. In the year 1990, he became the partner in M/s Vikas Plastic Industries engaged in manufacturing of Plastic Pipes.

He started in the trade on a fully fledged basis as the Manager of M/s Alok Plastipipe Products which manufactured uPVC Electrical conduit pipes, Sprinklers and other plastic extruded pipes. He handled the sales and marketing divisions.

After having ample experience of around 9 years, he started looking after the complete sales and dealership network for M/s Tijaria Overseas Vinyl in the year 2000 which was later on converted into a Public Limited Company under the provisions of Part IX of Indian Companies Act, 1956 in the year 2006. He is the Executive Director (Marketing) and handles the sales and dealership network. He has been instrumental in firming up the existence of the various quality products of the Company all over the country and sourcing negotiations from abroad.

MR. PRAVEEN JAIN TIJARIA, EXECUTIVE DIRECTOR (PRODUCTION)

Mr. Praveen Jain Tijaria is the third pillar of the Company and the third son of Shri Ramesh Jain Tijaria. He is 40 years of age and a Science Graduate. Mr. Praveen Jain Tijaria also started his business career by joining the group during his studies itself. He joined Vikas Plastic Industries in the year 1991 as the Production Manager. Thereafter, he started handling production and day to day operations in the year 1992, when he became a partner in M/s Alok Plastipipe Products. After 9 years of experience, he joined M/s Tijaria Overseas Vinyl which was later converted to a Public Limited Company in the year 2006, under

the provisions of Part IX of Indian Companies Act, 1956 and came to be known as M/s Tijaria Polypipes Limited. Since then, he has been holding the production department and managing the day to day operations.

MR. VINEET JAIN TIJARIA, EXECUTIVE DIRECTOR (PROJECTS)

Mr. Vineet Jain Tijaria, the youngest son of Shri Ramesh Jain Tijaria also continued the tradition of the family and joined the family business well during his studies. Presently, 37 years of age, Mr. Vineet is a Post Graduate in Commerce and has an experience of 16 years in this industry. He joined M/s Alok Plastipipe in the year 1994 as a partner. Later on, in the year 2000, he joined M/s Tijaria Overseas Vinyl, the erstwhile partnership firm and has been looking after Sales & Marketing Divisions of the Company. Currently, being the whole-time director of M/s Tijaria Polypipes Limited, all the institutional sales to Government clients & Private companies are being taken care of by him.

NON- EXECUTIVE INDEPENDENT BOARD OF DIRECTORS

The Company is well placed in the Plastic Pipes Industry and has recently broad based the Board of Directors with some intellectual persons from varied spheres. With the proposed expansion cum diversification project, the Board is of the view that a fair participation of independent and well informed Directors is necessary. Hence, the Board of the Directors has been widened by adding Independent Directors of repute and integrity and belonging to an array of spheres.

A brief about all the independent directors recently taken on the Board of the Company is placed below:

MR. PANA CHAND JAIN

Mr. Pana Chand Jain is a retired judge of the Rajasthan High Court. He is presently working as a Legal Consultant and is actively involved in Welfare and Social activities. He is also an arbitrator in many legal cases entrusted by the High Court of Rajasthan. Currently, 84 years of age, Mr. Jain has been invited by NGOs working in the Malaysian Federation, and South East Asia. He has also been awarded with 'Sahitya Ratna' Award. He has also been instrumental in various social, cultural, educational and service organizations. He also participated as a Jury in Public Hearing organized by COCOEDECON and OXFAM India on Climate Change and participated as a delegate representing COCOEDECON in United Nations Climate Change Conference at Copenhagen.

DR. PADAM PRAKASH SOMPRAKASH BHATNAGAR

Dr. Padam Prakash Somprakash Bhatnagar is 62 years of age and is a practicing Homeopathic Physician at Jaipur from 2006. Earlier, he had been practicing at Mumbai and Bangalore. Dr. Bhatnagar is an Ex-member of Lion's Club, Mumbai and Bangalore and an Ex-member of Royal Society of Health, London also.

MR. SANTOSH KUMAR

Mr. Santosh Kumar is 51 years of age and is engaged in business. He was the promoter director of M/s Sarawagi Cements (P) Ltd., and M/s Mansukh Properties Limited. He has ample exposure to the intricacies of business.

MR. PAWAN KUMAR JAIN

Mr. Pawan Kumar Jain, residing in Delhi is 42 years of age and is having a vast experience in the business of Hosiery. Currently, he is running his own manufacturing unit of hosiery products since 1985 in the name of 'Parul Hosiery' at Delhi having its manufacturing facilities at Delhi.

All the above Directors belong to varied fields and have plenty of experience in their respective genres and share good repute and integrity.

Details of Borrowing Powers of Directors

The borrowing powers of our Directors are regulated by Articles 29 of the Articles of Association of our Company. For further details, kindly refer section titled "Main Provisions of Articles of Association" beginning on Page No. 290 of this Prospectus.

As per the members' resolution passed in the Annual General Meeting of our Company held on July 12, 2010, "Resolved that in supersession of all the earlier resolution(s) and pursuant to the provisions to section 293(1)(d) and other applicable provisions, if any, of companies Act, 1956 and Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing, from time to time, any sum or sums of money on such terms and conditions with or without security as Board of Directors may think fit, which together with moneys already borrowed by the Company (apart from the temporary loans obtained from the bankers of the Company in the ordinary course of business) and being borrowed by the Board at any time shall not exceed in the aggregate at any time ₹ 20000.00 Lacs (Rupees Twenty Thousand Lacs Only) irrespective of the fact that such aggregate amount of borrowings outstanding at any time may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves that is to say reserves not set apart for any specific purpose."

Details of Compensation of Executive Directors

The Compensation payable to the Managing Director/ Executive Directors/ other Directors, will be governed by the provisions of Sections 198, 269, 309 and 310 of the Companies Act, 1956.

The following compensation has been approved for Managing Director and Executive Director, in the Board meeting dated July 26, 2010 and further approved by the shareholders in their extra-ordinary general meeting held on 2nd august, 2010:

Mr. Alok Jain Tijaria, Managing Director:

In accordance with the provisions of section 198, 269, 309, 310, 311 read with schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Alok Jain Tijaria has been re-appointed in board meeting as Managing Director for a period of 3 years w.e.f. October 1, 2010 through board resolution dated July 26, 2010 and approved by the Shareholders in extra ordinary general meeting held on 2nd August, 2010 on following remuneration:

Remuneration:-

Salary: - ₹ 2,00,000/- per month.

Mr. Alok Jain Tijaria will be entitled to the following which will be treated as perquisites:

- (a) Provision of car and telephone/ communication media at residence for Company's business.
- (b) Reimbursement of travelling and other expenses actually incurred for Company's business.
- (c) Reimbursement of actual expenditure for enhancement of the knowledge.

Mr. Alok Jain Tijaria will also be entitled to the following which will not be included in the computation of ceiling on remuneration specified as above:

- (a) Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the Rules of the Company to the extent these singly or put together are not taxable under the Income Tax Act, 1961.
- (b) Gratuity payable at a rate of half month's salary for every year completed of services as per the rules of the Company.
- (c) Leave with full pay as per the Company's rule including encasement of Leave at the end of the tenure.

Further, Mr. Alok Jain Tijaria will also be entitled to certain retirement benefits after retirement/cessation of services as per rules of the Company.

Amount of Compensation paid to Mr. Alok Jain Tijaria during the last financial year ended March 31, 2011 is ₹ 15 Lacs, while benefits in kind granted to him during the last financial year ended March 31, 2011 is Nil.

Mr. Vikas Jain Tijaria, Executive Director (Marketing):

Mr. Vikas Jain Tijaria has been re-appointed as Executive Director for a period of 3 years w.e.f. October 1, 2010

Remuneration:-

Salary: - ₹ 2,00,000/- per month.

Mr. Vikas Jain Tijaria will be entitled to the following which will not be treated as perquisites:

- (a) Provision of car and telephone/ communication media at residence for Company's business.
- (b) Reimbursement of travelling and other expenses actually incurred for Company's business.
- (c) Reimbursement of actual expenditure for enhancement of the knowledge.

Mr. Vikas Jain Tijaria will also be entitled to the following which will not be included in the computation of ceiling on remuneration specified as above:

- (a) Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the Rules of the Company to the extent these singly or put together are not taxable under the Income Tax Act, 1961.
- (b) Gratuity payable at a rate of half month's salary for every year completed of services as per the rules of the Company.
- (c) Leave with full pay as per the Company's rule including encasement of Leave at the end of the tenure.

Further, Mr. Vikas Jain Tijaria will also be entitled to certain retirement benefits after retirement/cessation of services as per rules of the Company.

Amount of Compensation paid to Mr. Vikas Jain Tijaria during the last financial year ended March 31, 2011 is ₹ 15 Lacs, while benefits in kind granted to him during the last financial year ended March 31, 2011 is Nil.

Mr. Praveen Jain Tijaria, Executive Director (Production):

Mr. Praveen Jain Tijaria has been re-appointed as Executive Director for a period of 3 years w.e.f. October 1, 2010

Remuneration:-

Basic Salary: - ₹ 2,00,000/- per month.

Mr. Praveen Jain Tijaria will be entitled to the following which will not be treated as perquisites:

- (a) Provision of car and telephone/ communication media at residence for Company's business.
- (b) Reimbursement of travelling and other expenses actually incurred for Company's business.
- (c) Reimbursement of actual expenditure for enhancement of the knowledge.

Mr. Praveen Jain Tijaria will also be entitled to the following which will not be included in the computation of ceiling on remuneration specified as above:

- (a) Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the Rules of the Company to the extent these singly or put together are not taxable under the Income Tax Act, 1961.
- (b) Gratuity payable at a rate of half month's salary for every year completed of services as per the rules of the Company.
- (c) Leave with full pay as per the Company's rule including encasement of Leave at the end of the tenure.

Further, Mr.Praveen Jain Tijaria will also be entitled to certain retirement benefits after retirement/cessation of services as per rules of the Company.

Amount of Compensation paid to Mr. Praveen Jain Tijaria during the last financial year ended March 31, 2011 is ₹ 15 Lacs, while benefits in kind granted to him during the last financial year ended March 31, 2011 is Nil.

Mr. Vineet Jain Tijaria, Executive Director (Projects):

Mr. Vineet Jain Tijaria has been re-appointed as Executive Director for a period of 3 years w.e.f. October 1, 2010

Remuneration:-

Basic Salary: - ₹ 2,00,000/- per month.

Mr. Vineet Jain Tijaria will be entitled to the following which will not be treated as perquisites:

- (a) Provision of car and telephone/ communication media at residence for Company's business.
- (b) Reimbursement of travelling and other expenses actually incurred for Company's business.
- (c) Reimbursement of actual expenditure for enhancement of the knowledge.

Mr. Vineet Jain Tijaria will also be entitled to the following which will not be included in the computation of ceiling on remuneration specified as above:

- (a) Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the Rules of the Company to the extent these singly or put together are not taxable under the Income Tax Act, 1961.
- (b) Gratuity payable at a rate of half month's salary for every year completed of services as per the rules of the Company.
- (c) Leave with full pay as per the Company's rule including encasement of Leave at the end of the tenure.

Further, Mr.Vineet Jain Tijaria will also be entitled to certain retirement benefits after retirement/cessation of services as per rules of the Company.

Amount of Compensation paid to Mr. Vineet Jain Tijaria during the last financial year ended March 31, 2011 is Rs. 15 Lacs, while benefits in kind granted to him during the last financial year ended March 31, 2011 is Nil.

"Compensation Payable to the Directors"

The shareholders of the company, in the annual general meeting of the company held on September 20, 2007 had approved payment of commission out of profits to executive directors for a period of 3 years w.e.f October 1, 2007. The commission paid to the Managing Director and all other Executive Directors for the financial years ended March 31st, 2007-08, 2008-09 and 2009-10 were ₹ 4.98 Lacs, ₹ 18.90 Lacs and ₹ 41.80 Lacs, respectively. However, no commission out of profits of our Company were paid for the financial year March 31st, 2010-11 to either the Managing Director or any other Executive Directors pursuant to the resolution passed by the shareholders in their Extra-ordinary general meeting held on August 2, 2010, with regard to re-appointing of Executive Directors for 3 years period w.e.f October 1, 2010, which approved compensation without payment of commission out of profits. Details of calculation of commission for preceeding three financial years are as follows:

Particulars	₹ In Lacs		
	F.Y. 2008-09 (Audited)	F.Y. 2009-10 (Audited)	F.Y. 2010-11 (Audited)
Profit as per Profit & Loss Account	443.38	1032.81	Nil
Add: Managerial Remuneration	24.00	56.80	Nil

Directors Sitting Fee	Nil	Nil	Nil
Depreciation as per books of account	106.35	112.30	Nil
Sub-Total (a)	573.73	120.20	Nil
Less: profit on sale of assets	(6.14)	1.84	Nil
Depreciation as specified u/sec. 350	106.35	112.30	Nil
Sub-Total (b)	100.21	114.15	Nil
Profit U/S 198 (1) of the Companies Act, 1956 (a-b)	473.52	1087.77	Nil
Commission @ 4% of the above (Restricted to ₹ 41.80 Lacs)	18.90	41.80	Nil

INTEREST OF DIRECTORS

All the Directors of our Company may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or Committee thereof as well as to the extent of other remuneration and/or reimbursement of expenses payable to them as per the applicable laws, and the Articles of Association.

The Directors may also be regarded as interested in the Equity Shares and dividend payable thereon, if any, held by or that may be subscribed by and allotted/transferred to them or the companies, firms and trust, in which they are interested as Directors, Members, partners and/or trustees. All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any Company in which they hold Directorships or any partnership firm in which they are partners as may be declared in their respective declarations.

The Managing Director and Executive Directors of our Company are interested to the extent of remuneration paid to them for services rendered as officer or employee of our Company. Further, the Directors are also interested to the extent of Equity Shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to them, out of the present Issue in terms of this Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as stated otherwise in this Prospectus, our Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of the Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

CHANGES IN BOARD OF DIRECTORS IN LAST 3 YEARS

Sr. No.	Name	Nature of Change	Date of Change	Reasons for Change
1	Mr. Pana Chhind Jain	Additional Directors	July 21, 2010	Appointment
2	Dr. Padamprakash Bhatnagar	Additional Directors	July 21, 2010	Appointment
3	Mr. Santosh Kumar	Additional Directors	July 21, 2010	Appointment
4	Mr. Pawan Kumar Jain	Additional Directors	July 21, 2010	Appointment
5	Mr.Suresh Patodia	Additional Directors	May 14, 2007	Resignation

COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

Our Company has taken necessary steps to implement the provisions of the Corporate Governance in the spirit of listing of its equity shares on the Stock Exchange. Our Company has complied with the requirements of Corporate Governance contained in the Equity Listing Agreement, particularly those relating to composition of Board of Directors and constitution of Committees. Our Company has already constituted the following committees:

- a. Audit Committee
- b. Remuneration Committee
- c. Shareholders/Investor Grievance Committee
- d. Share Transfer Committee

CORPORATE GOVERNANCE

The provisions of the Listing Agreement to be entered into with BSE and NSE with respect to corporate governance and the SEBI (ICDR) Regulations, 2009 in respect of corporate governance will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the Stock Exchanges and our Company shall comply with the same. Our Company undertakes to adopt the Corporate Governance Code as per Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges on listing (Clause 49). The requirements pertaining to broad basing of the Board of Directors and the constitution of the committees such as the Audit Committee, Shareholder/ Investor Grievance Committee have already been complied with. The Board of Directors consists of 8 directors of which 4 are independent directors (as defined under Clause 49), which constitutes 50% of the Board of Directors. This is in compliance with the requirements of Clause 49. In terms of the Clause 49, our Company has already appointed Independent Directors and constituted the following committees:

1. Audit Committee

Our Company had formed the Audit Committee vide Resolution of the Board of Director dated 21/07/2010. The constituted Audit Committee comprises following members and the committee shall meet at least 4 times a year:

Audit Committee		
Name of the Director	Status in Committee	Nature of Directorship
Mr. Santosh Kumar	Chairman	Independent Director
Mr. Pawan Kumar Jain	Member	Independent Director
Dr. Padam Prakash Somprakash Bhatnagar	Member	Independent Director

The Compliance Officer of our Company shall act as a Secretary to the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to furnish clarifications to the shareholders in any matter relating to accounts.

The scope and function of the Audit Committee is in accordance with Section 292A of the Companies Act and Clause 49 of the Listing Agreement and its terms of reference include the following:

B. Tenure:

The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

C. Meetings of the Committee:

The committee shall meet at least four times in a year and not more than four months shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two members at each meeting. Meeting of the Audit Committee shall be called by atleast seven day's notice in advance.

D. Role and Powers

The Role of Audit Committee together with its powers shall be as under:

- a) Reviewing with the management, the annual *Audited Financial Statements, as restated* before submissions to the Board for approval, focusing primarily on:-
 - 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 judgement by management.
 - Qualifications in draft audit report.
 - Significant adjustments made in the *Audited Financial Statements, as restated*, arising out of audit findings.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
- b) 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.
- c) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor, the fixation of audit fees and approval of payment for any other services rendered by them.
- d) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- e) 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, frequency of internal audit.
- f) Discussions with internal auditors any significant findings and follow up thereon.
- g) 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.
- h) Discussions 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.
- i) Reviewing, with the management, the quarterly, half-yearly and annual *Audited Financial Statements, as restated*, before submissions to the Board for approval.
- j) Reviewing, with the management, the statement of uses/ application of funds raised through an issue, the statement of funds utilized for purposes other than those stated in the offer

document/prospectus/notice, the report submitted by the monitoring agency, and making appropriate recommendations to the Board to take up steps in this matter.

- k) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividend) and creditors.
- l) The Audit Committee shall mandatorily review the following information:
 - i) Management discussion and analysis of financial condition and results of operations;
 - ii) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - iii) Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - iv) Internal audit reports relating to internal control weaknesses; and
 - v) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee
- m) It shall have authority to investigate into any matter specified under section 292A of the Companies Act, 1956 or referred to it by the Board and for this purpose, shall have full access to information contained in the records of the Company and external professional advice, if necessary.
- n) It shall have authority to invite such of the executives, as it considers appropriate to be present at the meetings of the Committee. The Finance Manager, head of internal audit and statutory auditor shall be the permanent invitees for the meetings of the audit committee.
- o) Reviewing the Company's financial and risk management policies.
- p) It shall ensure compliance of internal control systems.
- q) The recommendation of the Audit Committee shall be placed before the Board. However, where such recommendations are not accepted by the Board, the reasons for the same shall be recorded in the minutes of the Board meeting or communicated to the shareholders.
- r) It shall have power to seek information from any employee, obtain outside legal or other professional advice. It can also secure attendance of outsiders with relevant expertise, if it considers necessary.
- s) Approval of appointment of Finance Manager or any other person heading the finance function after assessing the qualifications, experience and background etc. of the candidate.
- t) To review the functioning of the Whistle Blower Mechanism, in case the same is existing.

2. Remuneration Committee

Our Company had formed the Remuneration Committee vide Resolution of the Board of Directors dated 21/07/2010. The constituted Remuneration Committee comprises following members and the Chairman:

Remuneration Committee		
Name of the Director	Status in Committee	Nature of Directorship
Mr. Pana Chand Jain	Chairman	Independent Director
Mr. Santosh Kumar	Member	Independent Director
Dr. Padam Prakash Somprakash Bhatnagar	Member	Independent Director

Role and functions of Remuneration/ Compensation Committee:

A. Tenure:

The Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

B. Meetings :

The committee shall meet as and when the need arise for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. Meeting of the Audit Committee shall be called by atleast seven day's notice in advance.

C. Terms of Reference:

The terms of reference of the Remuneration Committee shall be as under:

- a) Determine the Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights.
- b) Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors.
- c) Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- d) Decide the amount of Commission payable to the Whole0time Directors.
- e) Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc.
- f) To formulate and administer the Employee Stock Option Scheme.

3. Shareholders' / Investors' Grievance Committee

Our Company had formed the Shareholders'/ Investors' Grievance Committee vide Resolution of the Board of Director dated 21/07/2010. The constituted Shareholders'/ Investors' Grievance Committee comprises following members and the Chairman:

Shareholders' / Investors' Grievance Committee		
Name of the Director	Status in Committee	Nature of Directorship
Mr. Padamprakash Somprakash Bhatnagar	Chairman	Independent Director
Mr. Santosh Kumar	Member	Independent Director
Mr. Pawan Kumar Jain	Member	Independent Director

Role and Responsibilities of Shareholders' / Investors' Grievance Committee

A. Tenure:

The Investors Grievance Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

B. Meetings :

The committee shall meet atleast two times a year. However, it may meet as and when the need arise for review of Investors Grievances. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher.

C. Terms of Reference:

The terms of reference of the Investors Grievance Committee shall be as under:

1. Review and approve transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn,

destroyed, lost or defaced or where the cages in the reverse for recording transfers have been fully utilized.

2. Review the process and mechanism of redressal of investor grievance and suggest measures of improving the system of redressal of investor grievances.
3. Review and resolve the investors complaints about transfer of shares, non-receipt of share certificate(s), non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
4. Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
5. Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Probation of insider Trading) Regulations, 1992 as amended from time to time..

4. Share Transfer Committee

Share Transfer Committee		
Name of the Director	Status in Committee	Nature of Directorship
Mr. Alok Jain Tijaria	Chairman	Managing Director
Mr. Vikas Jain Tijaria	Member	Executive Director (Marketing)
Mr. Vineet Jain Tijaria	Member	Executive Director (Projects)

The committee shall meet at least once in a month. However, it may meet as and when required. The quorum of the meeting shall be one third of the total strength or two directors whichever is more. Meeting of the Committee shall be called by at least two day's notice in advance.

Terms of Reference:

The terms of reference of the Share Transfer Committee shall be as under:

- a) Review and approve request for transfer of shares from time to time.
- b) Review and ensure timely transfer of shares by the Registrar and Share Transfer Agent appointed by the company;
- c) Review and analyse various share accounting reports generated by the Registrar and Share Transfer Agent from time to time ; Review movements in shareholdings and ownership structure of the company;
- d) Review and approve various other request of the shareholders with respect to following issues :
 - i. Transmission of shares,
 - ii. Nomination in folios,
 - iii. Consolidation of folios,
 - iv. Split and consolidation of share certificates,
 - v. Dematerializations and rematerialisation of shares,
 - vi. Issue of Duplicate Share Certificates;
 - vii. Renewal of Share Certificates;
 - viii. Change of Address and Shareholders' detail;
 - ix. Any other such requests by shareholders

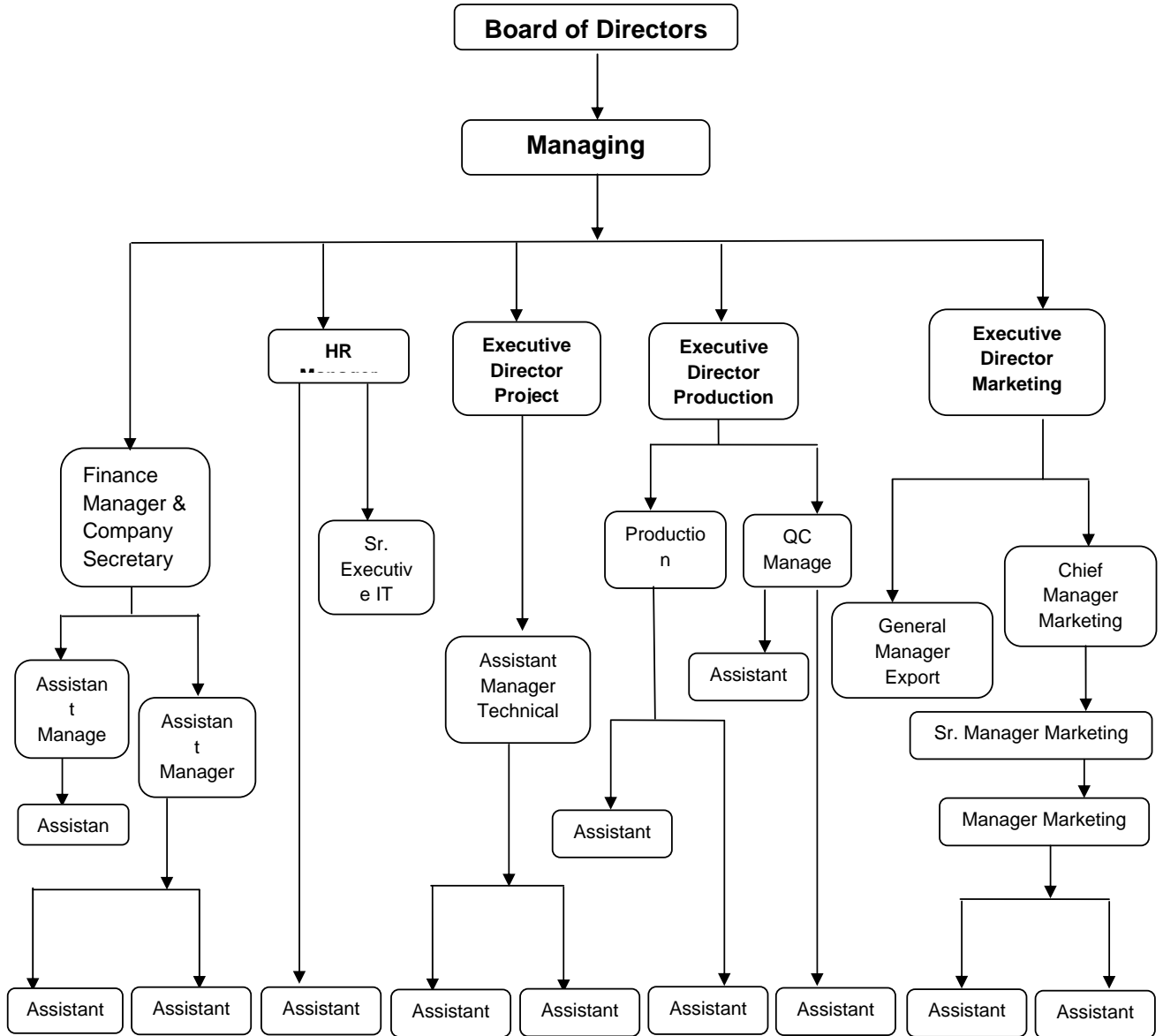
Policy on Disclosures and Internal Procedure for Prevention of Insider Trading

The provisions of Regulation 12(1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchanges. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 1992 on listing of Equity Shares on stock exchanges. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public issue.

Mr. Tej Kumar Jain, Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

Organization Chart

The following chart depicts our Management Organization Structure:



Key Managerial Personnel

The Company is supported by a well-laid team of experts and professionals having good exposure to various operational aspects of the industry. A brief about the key managerial personnel of the Company, consultants and other important external agencies associated with the proposed project of the Company is given below:

Name	Age	Date of joining	Academic qualification	Designation	Overall experience (in years)	Previously employed	Gross Compensation paid for FY 2010-11 (₹ in Lacs)
Mr. Tej Kumar Jain	48 years	28.05.2010	ACA,ACS	Finance Manager & CS	20.0 years	Sumatex Ltd. Bhilwara	7.20
Mr. Mahesh Kumar Jain	63 years	01.04.2007	Mechanical Engineer	General Manager (Exim)	43.0 years	Metal Refiners India Pvt. Ltd, Kandla	2.85
Ms. Shilpa Sharma	28 years	01.01.2010	MBA	Operations Manager	6.0 Years	Derewala Jewellery	2.46
Mr. Pankaj Jha	30 Years	06.04.2009	MBA	HR Manager	8.0 Years	Indiabulls Ltd. Jaipur	2.24
Dharam Singh	45 Years	21.07.2006	CIPET	Production Manager	25.0 Years	Gwalior Polypipes Ltd. Kota	2.40
Ram Swaroop Rajora	53 Years	21.07.2006	B.Sc	Senior Manager (Marketing)	28.0 Years	Vikas Traders, Kota	2.46
Sri Chand Singh	44 Years	21.07.2006	B.Sc, CIPET	Manager (QC)	15.0 Years	Modi Sprinkler. Sholapur	2.44
Anil Vijay	43 Years	21.07.2006	B.Com	Assistant Manager (Finance)	15.0 Years	Vikas Traders, Kota	1.60
Mr. Rajeev Kumar Thakur	49 Years	25.04.2011	B.Tech Textiles	A.V.P.	27.0 Years	Terram Geosynthetics Pvt. Ltd.	12.00
Mr. B.K.Mittal	58 Years	18.04.2011	B.Sc. LLB	GM-Marketing	17.0 Years	Rungta Irrigation Ltd.	5.64
Mr. Rajesh Gawande	46 Years	26.11.2010	B.Tech	GM-Production & Quality	23.0 Years	Alliance Fibers Ltd.	4.50

Name	Age	Date of joining	Academic qualification	Designation	Overall experience (in years)	Previously employed	Gross Compensation paid for FY 2010-11 (₹ in Lacs)
Mr. Sanjay Kumar Tripathi	43 Years	27.12.2010	Diploma – Electronics Eng.	Manager – Electrical & Instrumentation	19.0 Years	Him-Chem Ltd.	4.20
Mr. Laxman Singh Shekhawat	42 Years	17.01.2011	B.E.	Manager – Mechanical & Utility	18.0 Years	Eagle Group of Industries	5.40
Mr. Punit Gupta	27 Years	04.05.2011	C.A.	Manager – Accounts	4.0 years	Carnation Auto India Pvt. Ltd., Jaipur	2.40
Mr. Rakesh Gupta	28 Years	06.06.2011	C.A.	Manager – Accounts	3.0 Years	S.C. & Associates, Chartered Accountants	3.36
Mr. Anil Sharma	30 Years	15.11.2010	MCSE	Sr. Executive-IT	5.5 Years	Trimax Computers	1.80

1. All the persons named as our Key Managerial Personnel are the permanent employees of our Company.
2. There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned personnel have been recruited.
3. None of the above mentioned Key Managerial Personnel are related to each other.
4. No benefit in kind was paid to any of the above mentioned Key Managerial Personal during the previous financial year ended March 31, 2011

BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

MR. TEJ KUMAR JAIN, Finance Manager & Company Secretary

Mr. Tej Kumar Jain, S/o Late Shri Gyan Chand Jain is 48 years of age. He has over 20 years of experience in handling portfolios relating to Finance, Accounts and Secretarial Department. He has wide exposure to the various facets related to listing compliances, financial facade and various other compliances.

MR. MAHESH KUMAR JAIN
General Manager (EXIM)

Mr. M.K Jain, S/o Lt. Shri G. C. Jain is 63 years of age and has a notably wide experience of 43 years in the field of Plastic and Non Ferrous Extrusion Plant, CR Mill, SEZ, Exim with ability to conquer all the aspects of export & import and handling projects by way of erection, commissioning and implementation of machineries with latest technology. He has worked with the companies like Multimetals Limited, Kota, Alcobex Ltd., Jodhpur, Hathwa Metals & Tubes Pvt. Ltd., Jasidih (B. Devghar), Bihar, Om Metals Pvt. Ltd., Kota and Modisons Pvt. Ltd., Silvassa during his entire tenure of professional exposure.

Changes in the key managerial personnel in last three year

There have been no changes in the Key Managerial Personnel in our Company during the last three year except as stated below:

Name of the Employee	Designation	Date of Appointment/ Resignation	Reasons
Tej Kumar Jain	Finance Manager & Company Secretary	28.05.2010	Appointment
Shilpa Sharma	Operations Manager	01.01.2010	Appointment
Khushboo Pandya	Manager finance & Administration	03.08.2009/04.12.2009	Appointment /Resignation
Pankaj Kumar Jha	HR Manager	06.04.2009	Appointment
Ram Bilas Baheti	Assistant Manager	04.08.2009	Resigned
Anshul Bansal	Sale & Marketing Manager	29.06.2009/21.04.2010	Appointment /Resignation
Dheerendra Dubey	CEO	19.09.2009/22.12.2009	Appointment /Resignation
Deepak Dashora	V P-Marketing	19.09.2009/31.12.2009	Appointment /Resignation
Ramji Lal Surolia	Senior Marketing Manager	03.04.2009/27.01.2011	Appointment/Resignation
Sohan Lal	Senior Marketing Manager	11.05.2009/31.12.2009	Appointment /Resignation
Devasia Enthone	Chief Marketing Officer	01.04.2009 / 11.09.2010	Appointment / Resignation
R.S.Rajora	Senior Marketing Manager	21.07.2006	Appointment
M.K.Jain	GM- Import & Export	01.04.2008	Appointment
Santhos Kumar Meher	Plant Manager	15.06.2009/22.12.2009	Appointment /Resignation
Dharam Singh	Shift In charge	21.07.2006	Appointment
Rajeev Kumar Thakur	A.V.P.	25.03.2011	Appointment
B. K. Mittal	General Manager – Marketing	18.04.2011	Appointment
Rajesh Gawande	GM – Production & Quality	26.11.2010	Appointment
Sanjay Kumar Tripathi	Manager– E&I	27.12.2010	Appointment
Laxman Singh Shekhawat	Manager– Mechanical & Utility	17.01.2011	Appointment

Punit Gupta	Manager – Accounts	04.05.2011	Appointment
Anil Sharma	Sr.Executive – IT	15.11.2010	Appointment
Ramji Lal Surolia	Senior Marketing Manager	03.04.2008 / 27.01.2011	Appointment /Resignation
Mohit Tiwari	Sr. Executive – IT	24.08.2009 / 01.12.2010	Appointment /Resignation
Narendra Rathore	Assistant Manager (Accounts)	13.09.2006 / 15.12.2010	Appointment /Resignation
Sampat Rao Chavan Shivaji	Assistant Manager Production	26.5.2009 / 28.09.2010	Appointment /Resignation
Mr. Yashwant Narayan Rathi	Project Engineer	02.08.2010/ 30.11.2010	Appointment /Resignation
Srichand Singh	Assistant Manager-Quality control	21.07.2006	Appointment

Details of shareholding of our key managerial personnel in Our Company

None of the key managerial personnel in our Company hold any shares of our Company as on the date of filing of this Prospectus.

Interest of key managerial personnel in Our Company

The key managerial personnel of our Company do not 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 and to the extent of the equity shares held by them, if any.

Except as stated otherwise in this Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 years from the date of this Prospectus in which the key managerial personnel are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

Bonus or profit sharing plan for the key managerial personnel

Our Company does not have any bonus/profit sharing plan for any of the key managerial personnel.





Employees Share Purchase Scheme / Employees Stock Option Scheme to Employees

Presently, we do not have ESOP/ESPS scheme for our employees.

Other benefits to our key managerial personnel

There is no other benefit payable to our Key Managerial Personnel other than listed above.

4.6 - OUR PROMOTERS AND THEIR BACKGROUND

	<p>Mr. Alok Jain Tijaria (Promoter, Managing Director) Age: 43 years Qualification: Graduate (Commerce) Experience: More than 25 years in Plastic Industry Occupation: Business PAN: ABJPJ3116C Passport No: H4465501 Voter ID: LHR/2896041 Bank Account No: 663410110000233 Name of the Bank: Bank of India, Vidhyadhar Nagar, Jaipur</p>
	<p>Mr. Vikas Jain Tijaria (Promoter, Executive Director- Marketing)* Age: 41 years Qualification: Graduate (Commerce) Experience: More than 20 years in Plastic Industry Occupation: Business PAN: ABTPJ8056D Passport No: H4679082 Voter ID: LHR/2896942 Bank Account No: 663410110000232 Name of the Bank: Bank of India, Vidhyadhar Nagar, Jaipur</p>
	<p>Mr. Praveen Jain Tijaria (Promoter, Executive Director - Production)* Age: 40 years Qualification: Graduate Experience: More than 19 years in Plastic Industry Occupation: Business PAN: ABTPJ8112G Passport No: H3086510 Voter ID: TZV/0129700 Bank Account No: 663410110000231 Name of the Bank: Bank of India, Vidhyadhar Nagar, Jaipur</p>
	<p>Mr. Vineet Jain Tijaria (Promoter, Executive Director - Projects)* Age: 37 years Qualification: Post Graduate (Commerce) Experience: More than 16 years in Plastic Industry Occupation: Business PAN: ABTPJ8166C Passport No: H2557318 Voter ID: LHR/2896637 Bank Account No: 663410110000250 Name of the Bank: Bank of India, Vidhyadhar Nagar, Jaipur</p>

*Executive Directors are the Whole time Directors of the Company.

We confirm that the Permanent Account Number, Bank Account Number and Passport Number of all the above Promoters have been submitted to Bombay Stock Exchange Limited and The National Stock Exchange of India Limited.

Interest of Promoters

Our Promoters viz. Mr. Alok Jain Tijaria, Mr. Vikas Jain Tijaria, Mr. Praveen Jain Tijaria and Mr. Vineet Jain Tijaria are interested to the extent of their shareholding in our Company. Further, Mr. Alok Jain Tijaria (Managing Director), Mr. Vikas Jain Tijaria, Mr. Praveen Jain Tijaria and Mr. Vineet Jain Tijaria, are also the Executive Directors of our Company may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them.

Further, Mr. Praveen Jain Tijaria, has entered into two rent agreements with Our Company viz. one for the premises at 112, First Floor, Krishna Square, Subhash Nagar, Near Doodhmandi, Jaipur – 302016 dated September 23, 2010. Another premise taken on rent at Hemkunt Chamber, 89, Nehru Palace, New Delhi – 19 dated October 1, 2009 for the purposes of the business of the Company which has expired and is yet to be renewed, and to that extent may be deemed to be interested for the rent received / receivable against such premises. The Company also entered into a similar Rent Agreement with a group entity Tijaria Vinyl Private Limited for the premises situated at A – 130 (H), Road No. 9D, VKI Area, Jaipur dated November 30, 2009.

Further, Mr. Alok Jain Tijaria, Mr. Vikas Jain Tijaria, Mr. Praveen Jain Tijaria and Mr. Vineet Jain Tijaria are also Director in our Promoter Group entities and they may be deemed to be interested to the extent of payments made by our Company, if any, to these Promoter Group entities. For the transactions with our Promoter Group entities, please refer to section titled “Related Party Transactions” on Page No. 200 of this Prospectus.

Except as mentioned hereinabove, our Promoters do not have any other interest in any property acquired by our Company in a period of two years before filing of this Prospectus or proposed to be acquired by us as on date of filing the Prospectus with RoC.

Except as stated in "Related Party Transactions" beginning on Page No. 200 of the Prospectus, and as stated therein, our Promoters or any of the Promoter Group Entities do not have any other interest in our business.

Payment or Benefit to Promoters of Our Company

For details of payments or benefits paid to our promoters, please refer to the paragraph “Compensation of Executive Director” in the chapter titled ‘Our Management’ on Page No. 149 of this Prospectus. Also refer Annexure VIII on “Related Parties Transactions” on Page No. 200 forming part of “Financial Information of the Company” and Paragraph on “Interest of Promoters” on Page No. 165 of this Prospectus.

4.7 - OUR PROMOTER GROUP COMPANIES / ENTITIES

In addition to the Promoters named above, the following natural persons are part of our Promoter Group.

Name	Relationship
Relatives of Mr. Alok Jain Tijaria, Mr. Vikas Jain Tijaria, Mr. Praveen Jain Tijaria and Mr. Vineet Jain Tijaria	<i>Brothers of Each Other</i>
Mrs. Anu Jain Tijaria	W/o Alok Jain Tijaria
Mrs .Reema Jain Tijaria	W/o Vikas Jain Tijaria
Mrs .Purnima Jain Tijaria	W/o Praveen Jain Tijaria
Mrs .Sonal Jain Tijaria	W/o Vineet Jain Tijaria

Entities forming part of our Promoter Group

The details of the entities which are part of our Promoter Group are as follows:

- 1) TIJARIA VINYL PRIVATE LIMITED
- 2) TIJARIA INDUSTRIES LIMITED
- 3) TIJARIA INTERNATIONAL LIMITED
- 4) TIJARIA PUBLICATION PRIVATE LIMITED

TIJARIA VINYL PRIVATE LIMITED

Nature of Activity	Manufacturing, processing, repairing etc. of all kinds of plastic and made of plastic including plastic films, plastic pipe, plastic threads, packing materials etc		
Date of Incorporation	October 11,1994		
Company Registration No	U2520RJ1994PTC008903		
PAN Card no.	AACCT0896J		
Registered Office address	A-130(H), Road No. 9D, VKI Area, Jaipur - 302013		
Name of the Directors	Mr. Alok Jain Tijaria, Mr. Vikas Jain Tijaria, Mr. Praveen Jain Tijaria, Mr. Ramesh Jain Tijaria and Mr. Vineet Jain Tijaria		
Audited Financial Information	2010-11	2009-10	2008-09
	(₹ in lacs)		
Other Income	1.20	1.20	1.20
Profit after Tax	0.01	(0.30)	(0.37)
Equity Capital	12.50	12.50	12.50
Reserve & Surplus	29.06	29.05	29.35
Basic Earning per Shares (EPS) (₹)*	0.09	Nil	Nil
Diluted Earning per Shares (EPS) (₹)*	0.09	Nil	Nil
Net Asset Value (NAV) (₹)	331.69	330.84	332.48

*Face value of equity share is ₹ 100/- each

Shareholding as of July 4, 2011

Sr.No	Name of Shareholder	Number of Equity Shares of Rs 100 each	% of shares
1	Alok Jain Tijaria	250	2.00%
2	Vikas Jain Tijaria	250	2.00%
3	Praveen Jain Tijaria	250	2.00%
4	Vineet Jain Tijaria	250	2.00%
5	Ramesh Jain Tijaria	8000	64.00%
6	M/s Sahej Finvest Pvt Ltd	3500	28.00%
	TOTAL	12500	100.00%

TIJARIA INDUSTRIES LIMITED

Nature of Activity	Manufacturing and processing of synthetic, blended and natural polymers and a myriad of plastic, PVC, HDPE Pipes, manufacturer of conventional/non-conventional energies and dealing in all types of minerals, metals, chemicals etc.		
Date of Incorporation	May 16,2006		
Company Registration No	U25209RJ2006PLC022498		
PAN Card no.	AACCT7668J		
Registered Office address	A-130(E), Road No. 9D, VKI Area, Jaipur-302013		
Name of the Directors	Mr. Alok Jain Tijaria, Mr. Vikas Jain Tijaria, Mr. Praveen Jain Tijaria, Mr. Vineet Jain Tijaria, Mrs. Anu Jain Tijaria, Mrs. Reema Jain Tijaria, Mrs. Purnima Jain Tijaria and Mrs. Sonal Jain Tijaria.		
Audited Financial Information	2010-11	2009-10	2008-09
			(₹ in lacs)
Other Income	65.04	65.04	17.34
Profit after Tax	62.39	63.86	15.40
Equity Capital	200.88	200.88	200.88
Reserve & Surplus	1174.87	1112.48	1097.07
Basic Earning per Shares (EPS) (₹)*	3.11	3.27	1.54
Diluted Earning per Shares (EPS) (₹)*	3.11	3.27	1.54
Net Asset Value (NAV) (₹)	53.23	50.77	50.74

*Face value of equity share is ₹ 10/- each

Shareholding as of July 4, 2011:

Sr.No	Name of Shareholder	Number of Equity Shares of ₹ 10 each	% of shares
1	Alok Jain Tijaria	36500	1.42%
2	Vikas Jain Tijaria	31000	1.20%
3	Praveen Jain Tijaria	46000	1.78%
4	Vineet Jain Tijaria	44500	1.73%

5	Ramesh Jain Tijaria	100	0.00%
6	Anu Jain Tijaria ¹	490100	19.00%
7	Purnima Jain Tijaria	353100	13.69%
8	Maya Jain Tijaria ²	684000	26.52%
9	Sonal Jain Tijaria ³	375000	14.54%
10	Reema Jain Tijaria	519000	20.12%
	TOTAL	2579300	100.00%

¹ Number of Equity shares includes 347,000 shares of Face value ₹ 10/- each, partly paid-up ₹ 5/- each

² Number of Equity shares includes 684,000 shares of Face value ₹ 10/- each, partly paid-up ₹ 5/- each

³ Number of Equity shares includes 110,000 shares of Face value ₹ 10/- each, partly paid-up ₹ 5/- each

TIJARIA INTERNATIONAL LIMITED

Nature of Activity	Manufacturing, produce and processing of synthetic, blended and natural polymers and a myriad of plastic, PVC, HDPE Pipes etc		
Date of Incorporation	FEBRUARY 13, 2009		
Company Registration No	U25209RJ2009PLC028311		
PAN Card No.	AADCT1166C		
Registered Office address	A-130(E), Road No. 9D, Vishwakarma Industrial Area, Jaipur		
Name of the Directors	Mr. Alok Jain Tijaria, Mr. Vikas Jain Tijaria, Mr. Praveen Jain Tijaria and Mr. Vineet Jain Tijaria.		
Audited Financial Information	2010-11	2009-10	2008-09
	(₹ in lacs)		
Sales	0.00	0.00	N/A
Profit after Tax	(0.14)	(0.10)	N/A
Equity Capital	5.00	5.00	N/A
Reserve & Surplus	(0.24)	(0.10)	N/A
Basic Earning per Shares (EPS) (₹)*	Nil	Nil	N/A
Diluted Earning per Shares (EPS) (₹)*	Nil	Nil	N/A
Net Asset Value (NAV) (₹)	4.82	5.10	N/A

*Face value of equity share is ₹ 10/- each

Shareholding as of July 4, 2011:

Sr.No	Name of Shareholder	Number of Equity Shares of ₹ 10 each	% of shares
1	Alok Jain Tijaria	7500	15.00%
2	Vikas Jain Tijaria	7500	15.00%
3	Praveen Jain Tijaria	7500	15.00%
4	Vineet Jain Tijaria	7500	15.00%
5	Anu Jain Tijaria	5000	10.00%
6	Purnima Jain Tijaria	5000	10.00%
7	Sonal Jain Tijaria	5000	10.00%
8	Reema Jain Tijaria	5000	10.00%
	TOTAL	50000	100.00%

TIJARIA PUBLICATION PRIVATE LIMITED

Nature of Activity	To carry on business as printers, publishers of any newspaper, magazines and other literary works. Also to carry on the business of advertising, publicity agents, contractors in the area of publicity, advertising and print media. The business is yet to commence.		
Date of Incorporation	June 17, 2011		
Company Registration No	U22219RJ2011PTC035556		
PAN Card No.	AADCT8774C		
Registered Office address	112, Krishna Square, Subhash Nagar, Jaipur - 302016		
Name of the Directors	Mrs. Anu Jain Tijaria , Mrs. Purnima Jain Tijaria, Mrs. Reema Jain Tijaria, and Mr. Ramesh Jain Tijaria.		
Audited Financial Information	2010-11	2009-10	2008-09
	(₹ in lacs)		
Sales	N/A	N/A	N/A
Profit after Tax	N/A	N/A	N/A
Equity Capital	N/A	N/A	N/A
Reserve & Surplus	N/A	N/A	N/A
Basic Earning per Shares (EPS) (₹)*	N/A	N/A	N/A
Diluted Earning per Shares (EPS) (₹)*	N/A	N/A	N/A
Net Asset Value (NAV) (₹)	N/A	N/A	N/A

*Face value of equity share is ₹ 10/- each

Shareholding as of July 4, 2011:

Sr.No	Name of Shareholder	Number of Equity Shares of ₹ 10 each	% of shares
1	Anu Jain	2500	25.00%
2	Purnima Jain	2500	25.00%
3	Reema Jain	2500	25.00%
4	Ramesh Jain Tijaria	2500	25.00%
	TOTAL	10,000	100.00%

None of the above mentioned Group Companies is listed at any Stock Exchange. It has not come out with any public or right issue in the preceding three years. It has not become a sick Company within the meaning of SICA and is not under winding up.

None of the above mentioned Group Companies is sick or has applied to BIFR nor a listed Company nor restrained by any SEBI Order and there are no litigations against them.

No group Company has ever become defunct.

Details of Promoter group companies whose names have been struck off from Registrar of Companies

The following promoter group Company has been struck off by the Registrar of Companies, Rajasthan as on August 5, 2010

- 1) Tijaria Buildestate private Limited
- 2) Jaichanda Coloniesers Private Limited

Undertaking / confirmations

Our Promoters and promoter group entities have confirmed that they have not been detained as willful defaulters by the RBI or any other Government authority. Additionally, there are no violations of securities laws committed by them in the past or are pending against them and none of our promoters or persons in control of body corporate forming part of our Promoter Group have been restricted from accessing the capital markets for any reasons, by SEBI or any other authorities.

Common Pursuits/Conflict of Interest

Our Promoter Group Entities viz. Tijaria Vinyl Private Limited, Tijaria Industries Limited and Tijaria International Limited have principle business similar to our line of business. To this extent there may be a potential conflict of interest in the entities of the group. Except for this there are no common pursuits amongst the entities in the promoters' group.

There are no transactions relating to sales or purchases between our Company and any of our Promoter Group entities exceeding 10% of the sales or purchases of our Company.

4.8 - DIVIDEND POLICY

Dividends other than interim dividends will be declared at the Annual General Meeting of share holders based on the recommendations of the Board of Directors. The Articles of Association provide that the dividend declared by the shareholders at the Annual General Meeting shall not exceed the amount recommended by the Board of Directors. The Board may, at its discretion, recommend dividends to be paid to the Company's shareholders. Generally, the factors that may be considered by the Board of Directors before making any recommendations for dividends include, but not limited to, Company's future expansion plans and capital requirements, profits earned during the financial year, cost of raising funds, liquidity position, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time and general market conditions. The Board may also from time to time pay interim dividends. All dividend payments are made in cash to the shareholders of the Company in time.

Our Company was incorporated on 20th July, 2006. During the first year of its operation, dividend @ 5% was declared and paid. For the financial year 2007-08, the Company paid interim dividend @ 7% and final dividend @ 8%. Thereafter upto the financial year 2010-11, the Company has paid dividend @ 15%. The Company believes in paying dividend to the investors. However, any future declaration of dividends is subject to the availability of profits and other financial and economic considerations.

The Company paid dividend on equity shares as follows:

(₹ in Lacs)

Year ended on	Share Capital	Rate of Dividend	Amount of Dividend
31 st March 2007	650.03	5%	10.18
31 st March 2008	410.51	Interim – 7% Final – 8%	61.58
31 st March 2009	821.03	15%	123.15
31 st March 2010	821.03	15%	123.15
31 st March 2011	1362.62	15%	204.39

SECTION V – FINANCIAL INFORMATION OF THE COMPANY

5.1 – FINANCIAL STATEMENTS OF THE COMPANY

AUDITORS' REPORT ON RESTATED FINANCIAL STATEMENTS

To,

**The Board of Directors,
Tijaria Polypipes Limited,
A-130 (E), Road No. 9D, VKI Area,
JAIPUR.**

Dear Sir,

We have audited the restated accounts of M/s Tijaria Polypipes Limited (the company), the summarized statements of which annexed to this report have been prepared in accordance with the requirements of:

- i) Paragraph B(1) of Part II of Schedule II to the Companies Act, 1956 (the Act)
- ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the Regulation) issued by the Securities and Exchange Board of India (SEBI) and amendments made thereto from time to time in pursuance of section 11 of the Securities and Exchange Board of India Act, 1992; and
- iii) The instructions received from the Company, requesting to examine the financial information referred to above and proposed to be included in the Offer Document of the Company in connection with its proposed initial public offer of equity shares.

Financial Information of the Company:

- 1 We have examined the attached 'Summary Statement of Assets and Liabilities, as restated' of the Company as at March 31, 2007, 2008, 2009, 2010 and 2011 (**Annexure-I**) and the accompanying 'Summary Statement of Profit and Losses, as restated' (**Annexure-II**) and "Summary Statement of Cash Flows, as restated' (**Annexure-XIV**) of the Company for the financial year(s) ended on March 31, 2007, 2008, 2009, 2010 and 2011 and the significant accounting policies and notes to accounts, as restated (**Annexure-VI**) together referred to as 'Restated Summary Statements' as prepared by the Company and approved by the Board of Directors. Both the auditor firms jointly carried out audit of the financial statements for the financial year ended on March 31, 2011 whereas audit for the financial years ended on March 31, 2010, 2009, 2008 and 2007 was carried-out by M/s G. K. Mittal & Associates, Chartered Accountants, being the auditors of the Company for those years. These restated financial statements reflect the assets and liabilities and profit and losses for each of the relevant years as extracted from the Financial Statements, after making therein the disclosures and adjustments (**Annexure-XV**) required to be made in accordance with the provisions of Schedule VIII Part A (IX) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 including re-audit of financial statements by M/s S. Misra & Associates, Chartered Accountants for the financial years 2006-07, 2007-08, 2008-09, 2009-10 and 2010-11 for the purpose of certification to the re-stated financial statements.
2. Based on the examination of these Restated Summary Statements, we confirm that the restated profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments and regrouping as in our opinion are appropriate.

3. The Company paid dividend on equity shares as follows:

Rs in Lacs

Year ended on	Share Capital	Rate of Dividend	Amount of Dividend
31 st March 2007	650.03	5%	10.18
31 st March 2008	410.51	Interim – 7% Final – 8%	61.58
31 st March 2009	821.03	15%	123.15
31 st March 2010	821.03	15%	123.15
31 st March 2011	1362.62	15%	204.39

4. We have examined the following regrouped/rearranged restated financial information for the financial year(s) ended on March 31, 2007, 2008, 2009, 2010 and 2011, listed below, which is proposed to be included in the Offer Document, as approved by the Board of Directors of the Company and attached to this report:

- i) Statement of secured loans taken by the Company **(Annexure-III)**;
- ii) Statement of principal terms and conditions of secured loans and assets charged as security **(Annexure-IV)**;
- iii) Statement of sundry debtors showing age-wise analysis **(Annexure-V)**;
- iv) Statement of other Incomes & Statement of dividend paid **(Annexure-VII)**;
- v) Related party's disclosures under Accounting Standard-18 **(Annexure-VIII)**;
- vi) Summary of accounting ratios based on restated profits/losses, relating to earnings per share, net assets value per share and return on net worth **(Annexure-IX)**;
- vii) Statement of Capitalization as at March 31, 2011 (pre-issue) and as adjusted for this issue (post issue) subject to reliance being placed on management representation in respect of post issue figures contained in the Statement of Capitalization **(Annexure-X)**;
- viii) Statement of unsecured loans taken by the Company **(Annexure-XI)**;
- ix) Statement of Tax Shelter **(Annexure-XII)**;
- x) Statement of loans & advances and other current assets **(Annexure-XIII)**;
- xi) Statement of adjusted cash flow **(Annexure-XIV)**;
- xii) Statement of brief audited financials of groups companies **(Annexure- XVI)**.

5. This report is intended solely for your information and for the inclusion in the Offer Document in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For S. MISRA & ASSOCIATES
 CHARTERED ACCOUNTANTS
 FRN - 004972C

For G.K. MITTAL & ASSOCIATES
 CHARTERED ACCOUNTANTS
 FRN – 05842C

(SACHINDRA MISRA)
 PARTNER
 M. No.-073776

(JOGENDRA SINGH SHEKHAWAT)
 PARTNER
 M. No.- 079348

DATE : JUNE 29, 2011
 PLACE : JAIPUR

ANNEXURE I
Statement of Adjusted Assets and Liabilities, As Restated

(₹ In Lacs)

		As at 31-Mar- 07	As at 31-Mar- 08	As at 31-Mar- 09	As at 31-Mar- 10	As at 31-Mar- 11
	Particulars					
A	Fixed Assets:					
	Gross Block	399.39	680.72	951.04	1056.76	2388.41
	Less: Depreciation	60.51	89.71	178.31	287.17	371.51
	Net Block	338.88	591.01	772.73	769.59	2016.90
	Add: Capital Work in Progress (including advances)	0.00	114.80	104.23	299.65	1277.24
	Total	338.88	705.81	876.96	1069.24	3294.14
B	Investments:	0.00	0.50	0.50	0.00	0.00
C	Current Assets, Loans & Advances:					
	Inventories	307.83	980.01	685.18	1083.67	857.53
	Sundry Debtors	820.30	1257.64	2199.56	2870.75	3245.39
	Cash & Bank Balances	140.28	177.04	216.13	250.00	307.63
	Other Current assets, Loans & Advances	122.30	371.32	288.78	272.40	835.27
	Total	1390.71	2786.01	3389.65	4476.82	5245.82
D	Liabilities & Provisions:					
	Secured Loans	483.05	1126.86	1342.86	1363.86	3067.53
	Unsecured Loans	1.51	0.63	53.24	0.00	174.45
	Current Liabilities & Provisions	955.07	734.89	1083.29	1879.06	1720.20
	Total	1439.63	1862.38	2479.39	3242.92	4962.18
E	Deferred Tax Liability:	8.63	35.46	16.75	3.01	2.26
F	Net Worth (A+B+C-D-E):	281.33	1594.48	1770.97	2300.13	3575.52
G	Represented by:					
	Share Capital	203.71	410.51	821.03	821.03	1362.62
	Reserves & Surplus	81.11	1186.59	953.69	1481.47	2250.63
	Less: Miscellaneous Expenses not w/off	3.49	2.62	3.75	2.37	37.73
	Net Worth	281.33	1594.48	1770.97	2300.13	3575.52

N.B.: 1. Up to the F.Y. 2005-06, the status of the company was that of a partnership firm under the name and style of "Tijaria Overseas Vinyl". The conversion of firm into company took place during the F.Y.2006-07 under the provisions of part IX of the Companies Act, 1956 and the Accounts of the firm for the period 2005-06 were restated in accordance with the provisions of Schedule VI of the Companies Act 1956, and the accounting standards of the ICAI.

2. Investment shown in F.Y. 2007-08 and 2008-09 represents NSCs (National Savings Certificates) for pledging the same with PHED, Rajasthan State.

ANNEXURE II
Statement of Adjusted Profits and Losses, as Restated

(₹ In Lacs)

Particulars		Year ended 31-Mar-07	Year ended 31-Mar-08	Year ended 31-Mar-09	Year ended 31-Mar-10	Year ended 31-Mar-11
INCOMES:	-					
Sales:						
Of Products manufactured by the Company		3098.90	4754.28	8752.25	6449.98	11658.88
Of Products traded in by the Company		0.00	0.00	0.00	4490.95	0.00
Of products not normally dealt in by the Company (Grapes)		0.00	0.00	0.00	94.56	200.97
Total Sales:		3098.90	4754.28	8752.25	11035.49	11859.85
Other Income (As per Annexure-VII)		37.40	30.88	88.28	69.45	68.86
Increase / (Decrease) in Inventories		144.77	300.43	(285.71)	625.69	(212.35)
Total:		3281.07	5085.59	8554.82	11730.63	11716.36
EXPENDITURES:	-					
Material consumed		2497.03	3565.75	5930.06	9048.38	8689.06
Manufacturing Expenses		454.72	788.89	1165.88	618.83	921.16
Staff Costs		25.49	61.26	129.97	163.58	167.45
Administrative Expenses		47.32	75.00	119.98	128.50	128.24
Selling & Distribution Expenses		34.68	179.21	326.28	402.96	417.16
Interest and other finance charges		76.12	109.78	332.92	223.27	247.55
Depreciation		28.40	63.50	106.35	112.30	107.12
Total:		3163.76	4843.39	8111.44	10697.82	10677.74
Net Profit before tax & extra-ordinary items:		117.31	242.20	443.38	1032.81	1038.62
Taxation (including current, deferred, FBT & MAT credit entitlement):						
- Current Tax		35.77	68.12	134.49	372.50	349.06
- Fringe Benefit Tax		1.06	2.19	2.52	0.00	0.00
- Deferred Tax Liability / (Asset)		8.63	26.84	(18.72)	(13.74)	(0.75)
Net Profit before extra-ordinary items:		71.85	145.05	325.09	674.05	690.31
Prior period items		0.00	7.67	0.00	1.27	0.00
Net Profit after tax as per Audited Financial Statements:	A	71.85	137.38	325.09	672.78	690.31
Adjustments on account of restatements (As per Annexure XV) :	B	(7.16)	6.13	(3.39)	(0.92)	5.99
Net Profit as restated (A+B):		64.69	143.51	321.70	671.86	696.30
Profit available for appropriation as restated:		64.69	143.51	321.70	671.86	696.30
Appropriations:						
- Transferred to General Reserve		0.00	0.00	23.12	33.64	34.52
- Transferred to Capital Account		4.92	0.00	0.00	0.00	0.00
- Proposed Dividend		10.18	61.58	123.15	123.15	204.39

- Tax on Dividend	1.73	10.46	20.93	20.93	33.16
Total Appropriations:	16.83	72.04	167.20	177.72	272.07
Balance Profit after Appropriation:	47.86	71.47	154.50	494.14	424.23
Balance brought forward from last year:	(1.75)	46.11	117.58	272.08	766.22
Balance carried forward to Balance Sheet as restated:	46.11	117.58	272.08	766.22	1190.45

N.B.: Up to the F.Y. 2005-06, the status of the Company was that of a partnership firm under the name and style of "Tijaria Overseas Vinyl". The conversion of firm into company took place during the F.Y.2006-07 under the provisions of part IX of the Companies Act, 1956. When the status was partnership firm, the depreciation had been provided at the rates applicable as per Income Tax Rules, 1962. However, after incorporation of Company, the depreciation has been provided at the rates applicable as per Companies Act, 1956. It has resulted into change of depreciation rates under WDV Method. In compliance with AS - 6, the balance unamortised value of fixed assets is being charged to depreciation in the remaining useful life of the fixed assets.

ANNEXURE III
Statement of Secured Loans Borrowed

(₹ In Lacs)

Name of the Lender	Nature of loan	As at 31-Mar-07	As at 31-Mar-08	As at 31-Mar-09	As at 31-Mar-10	As at 31-Mar-11
A. Term Loans:						
From Bank of India:						
Account No.1		120.77	87.84	58.56	29.28	0.03
Account No.2	Rupee	65.44	75.73	59.06	42.40	26.02
Account No.3	Loan	0.00	166.29	155.18	121.85	77.22
Account No.4		0.00	0.00	149.95	130.75	96.84
Account No.(5) :						
- Rupee Loan		0.00	0.00	0.00	0.00	377.24
- Buyers Credit		0.00	0.00	0.00	0.00	116.46
		186.21	329.86	422.75	324.28	693.81
B. Working Capital Facilities:						
From Bank of India						
	Cash Credit	271.98	774.35	886.48	1015.45	1500.10
		271.98	774.35	886.48	1015.45	1500.10
C. Vehicle Loans:						
From Bank of India						
		15.76	19.35	18.34	14.26	30.87
From HDFC Bank Limited	Rupee	0.00	0.00	12.09	8.03	4.05
From Sundaram Finance Limited	Loan	0.00	0.00	3.20	1.84	0.28
From ICICI Bank Limited		9.10	3.30	0.00	0.00	0.00
		24.86	22.65	33.63	24.13	35.20
D. Deferred Development Charges:						
From Rajasthan State Industrial Development & Investment Corporation Ltd. :						
- Industrial Plot No. SP-1-2316		0.00	0.00	0.00	0.00	347.24
- Industrial Plot No. SP-1-2315		0.00	0.00	0.00	0.00	435.76
- Industrial Plot No. F - 2243		0.00	0.00	0.00	0.00	55.42
		0.00	0.00	0.00	0.00	838.42
Total Secured Loans:		483.05	1126.86	1342.86	1363.86	3067.53

ANNEXURE IV
Statement of Principal Terms & Conditions of Secured Loans outstanding as on 31.3.2011

(₹ In Lacs)

Name of Lender	Nature of Loan	Loan Sanctioned	Loan outstanding as at 31.03.2011	Rate of Interest as at 31.03.2011
1. Bank of India	Term Loans:			
	Account No. 1	131.76	0.03	12.50%
	Account No. 2	100.00	26.02	12.50%
	Account No. 3	200.00	77.22	12.50%
	Account No. 4	150.00	96.84	12.50%
	Account No. 5	4000.00 (**)		12.50%
	Within Account No. 5:			
	- Rupee Loan		377.24	LIBOR plus 140 BPS i.e. 1.84281%
	- Buyers Credit		116.46	
	Working Capital:			
	(a) Fund based:			
	CC Limit	1500.00	1500.10	12.50%
	(b) Non-Fund Based:			
	Letter of Credit	1000.00	913.59 (*)	
	Bank Guarantee	1000.00	586.87	
	Buyer's Credit	250.00		
	Maximum (b) restricted to ₹ 1000.00 Lacs	1000.00		
	Vehicle Loan:			
	Loan - I	9.00	5.77	11.75%
	Loan - II	3.80	2.79	12.50%
	Loan - III	3.50	3.33	12.50%
	Loan - IV	7.00	6.02	13.00%
	Loan - V	7.15	6.02	12.50%
	Loan - VI	7.10	6.94	13.00%
2. HDFC Bank Ltd.	Vehicle Loan	12.09	4.05	11.50%
3. Sundaram Finance Ltd.	Vehicle Loan	4.16	0.28	15.00%
4. Rajasthan State Industrial Development & Investment Corporation Ltd.	Deferred Development Charges:			

Industrial Plot No. SP - 1 - 2316	412.35	347.24	
Industrial Plot No. SP - 1 - 2315	435.76	435.76	12.00%
Industrial Plot No. F - 2243	65.81	55.42	

(*) includes LC for Capital Goods ₹ 561.46 lacs.

(**) By way of supplemental sanction letter no. JMCB:C&IC:10-11:AKT:320 dt. 3.02.2011, the bank has sanctioned disbursement of ₹ 3000.00 lacs out of total term loan sanction of ₹ 4000.00 lacs.

I. Bank of India:

(i) Term Loan Account No.-1:

a) Repayment Schedule:

(₹ in Lacs)			
Year	No. of installments	Amount of Installments	Total Amount
Oct 2006-Mar 2007	6	2.44	14.64
Apr 2007-Mar 2008	12	2.44	29.28
Apr 2008-Mar2009	12	2.44	29.28
Apr2009-Mar 2010	12	2.44	29.28
Apr 2010-Mar 2011	12	2.44	29.28
Total	54		131.76

b) Rate of Interest:

3.00% Over Base Rate, presently effective 12.50% p.a.

c) Margin: 25.00%

Purpose of Term Loans: Purchase of land, plant & machineries and construction of building

(ii) Term Loan Account No.-2

a) Repayment Schedule

(₹ in Lacs)			
Year	No. of installments	Amount of Installments	Total Amount
Nov 2006-Mar 2007	5	1.39	6.94
Apr 2007-Mar 2008	12	1.39	16.67
Apr 2008-Mar2009	12	1.39	16.67
Apr2009-Mar 2010	12	1.39	16.67
Apr 2010-Mar 2011	12	1.39	16.67
Apr 2011-Mar 2012	12	1.39	16.67
Apr 2012-Oct 2012	7	1.39	9.71
Total	72		100.00

b) Rate of Interest:

3.00% Over Base Rate, presently effective 12.50% p.a.

c) Margin: 25.00%

Purpose of Term Loans: to Install additional plant & machineries and purchase new D.G. Set.

(iii) Term Loan Account No.-3:

a) Repayment Schedule:

(₹ in Lacs)

Year	No. of installments	Amount of Installments	Total Amount
Dec 2007-Mar 2008	4	2.78	11.11
Apr 2008-Mar 2009	12	2.78	33.33
Apr 2009-Mar 2010	12	2.78	33.33
Apr 2010-Mar 2011	12	2.78	33.33
Apr 2011-Mar 2012	12	2.78	33.33
Apr 2012-Mar 2013	12	2.78	33.35
Apr 2013-Oct 2013	8	2.78	22.22
Total	72		200.00

b) Rate of Interest:

3.00% Over Base Rate, presently effective 12.50% p.a.

c) Margin: 26.49%

Purpose of Term Loans: Expansion in existing line of HDPE Pipes.

(iv) Term loan Account No.-4:

a) Repayment Schedule:

(₹ in Lacs)

Year	No. of installments	Amount of Installments	Total Amount
Jan 2009-Mar 2010	4	2.08	8.32
Apr 2010-Mar 2011	12	2.08	24.96
Apr 2011-Mar 2012	12	2.08	24.96
Apr 2012-Mar 2013	12	2.08	24.96
Apr 2013-Mar 2014	12	2.08	24.96
Apr 2014-Mar 2015	12	2.08	24.96
Apr 2015-Dec 2015	8	2.08	16.88
Total	72		150.00

b) Rate of Interest:

3.00% Over Base Rate, presently effective 12.50% p.a.

c) **Margin:** 29.24%

Purpose of Term Loans: Pet washing and Pet Strapping plan.

(iv) **Term loan Account No.-5:**

a) **Repayment Schedule:**

(₹ in Lacs)			
Year	No. of installments	Amount of Installments	Total Amount
Apr, 2012-Mar 2013	12	56	672
Apr 2013-Mar 2014	12	56	672
Apr 2014-Mar 2015	12	56	672
Apr 2015-Mar 2016	12	56	672
Apr 2016-Mar 2017	12	56	672
Apr 2017-Feb 2018	11	56	616
March, 2018	1	24	24
Total	72		4000

b) **Rate of Interest:**

On Rupee Loan : 3.00% Over Base Rate, presently effective 12.50% p.a.

On Buyers Credit: LIBOR plus 140 BPS i.e. 1.84281% p.a. for a period of six months upto 6.5.11.

c) **Margin:** 29.34%

Purpose of Term Loans: The aforesaid terms loans were borrowed for purchasing Plant & Machineries.

Security for Term Loans (Primary & Collateral):

- Equitable mortgage of the property in the name of M/s Tijaria Polypipes Ltd. situated at Plot No. A-130(E), Road No. 9 D, VKI Area, Jaipur.
- Equitable mortgage of land & building in the name of M/s Tijaria Vinyl Pvt. Ltd. situated at Plot No. A-130(H), Road No. 9 D, VKI Area, Jaipur.
- Simple deposit of title deeds of agricultural land in the name of M/s Tijaria Polypipes Ltd and M/s Tijaria Industries Ltd. situated at Khasra No. 1356 village Daulatpura, Teh Amer, Jaipur
- Equitable Mortgage of residential house situated at F-32, Ghiya Marg, Bani Park, Jaipur
- Hypothecation of all plant & machineries, miscellaneous fixed assets, furniture & fixtures of the Company

Guarantees:

a) **Corporate guarantee:** Corporate guarantee, jointly & severally, of two group companies, M/s Tijaria Industries Ltd., M/s Tijaria Vinyl Pvt. Ltd.

b) **Personal Gurantees :** Personal Guarantee, jointly & severally, of Mr. Alok Jain Tijaria, Mr. Vikas Jain Tijaria, Mr. Praveen Jain Tijaria, Mr. Vineet Jain Tijaria, Smt. Anu Jain, Smt. Reema Jain, Smt. Poornima Jain, Smt. Sonal Jain and Mr. Ramesh C. Jain.

(v) Working Capital Loan:

a) Sanctioned Limit and Repayment Terms

(₹ in Lacs)

Nature of Facility	Sanctioned Limit	Margin (%)	Repayment Terms
Fund Based :			
- Cash Credit Facility	1500	Stock - 25.00% Book Debts - 30.00%	Annual Review
Non-Fund Based : *			
- Bank Guarantee	1000		
- Letter of Credit	1000	20%	Annual Review
- Buyer's Credit	250		

* Note: The maximum outstanding restricted in non-fund based limits is ₹ 1000 lacs.

b) Security (Primary & Collateral):

- Hypothecation of stocks and book debts of the Company.
- Pledge of TDRs available with bank against margin of Letter of Credits / Bank Guarantees.
- Extension of charge of all securities available for term loans.

c) Guarantees:

a) Corporate guarantee: Corporate guarantee, jointly & severally, of two group companies, M/s Tijaria Industries Ltd., M/s Tijaria Vinyl Pvt. Ltd.

b) Personal Guarantees : Personal Guarantee, jointly & severally, of Mr. Alok Jain Tijaria, Mr. Vikas Jain Tijaria, Mr. Praveen Jain Tijaria, Mr. Vineet Jain Tijaria, Smt. Anu Jain, Smt. Reema Jain, Smt. Poornima Jain, Smt. Sonal Jain and Mr. Ramesh C. Jain.

d) Rate of Interest:

2.25% over Base Rate with monthly rests i.e present effective rate is 12.25% p.a.

Other Conditions of Term Loans and Working Capital Facility:

- All assets charged to the bank to be kept fully insured at all times against all risks & original insurance covers to be lodged with the bank.
- Company to make necessary arrangement for inspection as and when demanded by the bank.
- Company to submit all bills/receipts etc. as application to project expenditure. Any escalation in the project cost to be met by the Company from own resources.
- Penal interest of 2.00% p.a. on the overdue amount for the period account remains overdrawn due to irregularities such as non payment of interest/installments, reduction in DP, invocation of guarantee etc.
- Any default in complying with the terms of sanction within stipulated time will attract penal interest of 1.00% p.a. from the date of expiry of suchtime.

- The Bank reserve its right to appoint its nominee on Company's Board of Directors - part time / full time to oversee the functioning of the Company / to look after bank's interests.
- The Company shall provide term deposit towards 20% margin on BG / LC limit.

vi) Vehicle Loan I:

a) Repayment Schedule:

(₹ in Lacs)

Year	No. of installments	Amount of Installments	Total Amount
Aug 2008-Mar 2009	8	0.13	1.00
Apr 2009-Mar 2010	12	0.13	1.50
Apr 2010-Mar 2011	12	0.13	1.50
Apr 2011-Mar 2012	12	0.13	1.50
Apr 2012-Mar 2013	12	0.13	1.50
Apr 2013-Mar 2014	12	0.13	1.50
Apr 2014-July 2014	4	0.13	0.50
Total	72		9.00

b) Purpose : Auto Loan for purchase of Innova Car

c) Security:

Hypothecation of respective Innova Car.

d) Rate of Interest :11.75%

vi) Vehicle Loan II:

a) Repayment Schedule:

(₹ in Lacs)

Year	No. of installments	Amount of Installments	Total Amount
Sept 2010-Mar 2011	7	0.13	0.89
Apr 2011-Mar 2012	12	0.13	1.52
Apr 2012-Feb 2012	11	0.13	1.39
Total	30		3.80

b) Purpose : Auto Loan for purchase of Maruti Swift VXi Car,

c) Security:

Hypothecation of respective Maruti Swift VXi Car

d) Rate of Interest :12.50%

vi) Vehicle Loan III:

a) Repayment Schedule

(₹ in Lacs)

Year	No. of installments	Amount of Installments	Total Amount
Mar-11	1	0.15	0.15
Apr 2011-Mar 2012	12	0.15	1.75
Apr 2012-Feb 2013	11	0.15	1.60
Total	24		3.50

b) Purpose : Auto Loan for purchase of Hyundai I 10,

c) Security:

Hypothecation of respective Hyundai I 10 Car

d) Rate of Interest :12.50%

vi) Vehicle Loan V:

a) Repayment Schedule

(₹ in Lacs)

Year	No. of installments	Amount of Installments	Total Amount
Oct 2010-Mar 2011	6	0.19	1.17
Apr 2011-Mar 2012	12	0.19	2.33
Apr 2012-Mar 2013	12	0.19	2.33
Apr 2013-Sept 2013	6	0.19	1.17
Total	36		7.00

b) Purpose : Auto Loan for purchase of Verna SX

c) Security:

Hypothecation of respective Verna SX Car

d) Rate of Interest :13.00%

vi) Vehicle Loan VI:

a) Repayment Schedule

(₹ in Lacs)			
Year	No. of installments	Amount of Installments	Total Amount
Aug 2010-Mar 2011	8	0.20	1.59
Apr 2011-Mar 2012	12	0.20	2.38
Apr 2012-Mar 2013	12	0.20	2.38
Apr 2013-July 2013	4	0.20	0.80
Total	36		7.15

b) Purpose : Auto Loan for purchase of Honda City

c) Security:

Hypothecation of respective Honda City Car

d) Rate of Interest :12.50%

vi) Vehicle Loan VII:

a) Repayment Schedule

(₹ in Lacs)			
Year	No. of installments	Amount of Installments	Total Amount
Mar-11	1	0.20	0.20
Apr 2011-Mar 2012	12	0.20	2.37
Apr 2012-Mar 2013	12	0.20	2.37
Apr 2013-Feb 2013	11	0.20	2.16
Total	36		7.10

b) Purpose : Auto Loan for purchase of Vento

c) Security:

Hypothecation of respective Vento Car

d) Rate of Interest :13.00%

II. HDFC Bank Limited:

Vehicle Loan:

a) Repayment Schedule:

Vehicle loan of ₹ 12.09 lacs which is repaid by down payment of ₹ 0.78 lacs and balance in 36 monthly installments of ₹ 0.39 lacs each (including interest) beginning from May 2009 to Feb 2012.

b) Purpose : Auto Loan for purchase of Laura (Skoda) Car

c) Security:

Hypothecation of respective Laura (Skoda) Car.

d) Rate of Interest :11.50%

II. Sundaram Finance Ltd.

Vehicle Loan

a) Repayment Schedule:

Vehicle loan of ₹ 4.16 lacs which is repayable in 36 monthly installments of ₹ 0.14 lacs each (including interest) beginning from Aug 2008 to May 2011.

b) Purpose : Auto Loan (Pick-up)

c) Security:

Hypothecation of respective vehicle.

d) Rate of Interest :15.00%

4. Rajasthan State Industrial Development & Investment Corporation Limited

Deferred Development Charges

(₹ in Lacs)

Particulars	Plot No. SP-1-2316	Plot No. SP-1-2315	Plot No. F-2243
Deferred Development Charges	412.35	435.76	65.81
Repayment Schedule	19 Qtly instalment of ₹ 21.70 lacs w.e.f. 30.9.10	19 Qtly instalment of ₹ 22.93 lacs w.e.f. 31.03.11	19 Qtly instalment of ₹ 3.46 lacs w.e.f. 30.9.10
Rate of Interest	a) Nil rate upto 30.9.11; b) 12% p.a. w.e.f. 1.10.11	12% p.a. w.e.f. 20.10.10	a) Nil rate upto 30.9.11; b) 12% p.a. w.e.f. 1.10.11

Purpose : This is against industrial plot for setting up diversification cum expansion project.

Security : Secured against respective industrial plots.

Note:

1. The term loan outstanding is lower than the amount as per the repayment schedule due to excess payment of instalments during the tenure.
2. The vehicle loan outstanding is higher than the amount as per the repayment schedule due to impact of changes in the rate of interest.

ANNEXURE V

Age Wise Analysis of Sundry Debtors

(₹ In Lacs)

Particulars	As at 31-Mar- 07	As at 31-Mar- 08	As at 31-Mar- 09	As at 31-Mar- 10	As at 31-Mar- 11
Sundry Debtors (Unsecured, considered good)					
Debtors outstanding for a period exceeding:					
- six months	16.96	331.59	431.18	274.24	566.41
- others	803.34	926.05	1768.38	2596.51	2678.98
TOTAL	820.30	1257.64	2199.56	2870.75	3245.39
Amount outstanding from Promoters / Promoter Group / Group Companies / Directors / Relatives of Directors	Nil	Nil	Nil	Nil	Nil

ANNEXURE VI

Significant Accounting Policies and Notes to Accounts

I. SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of Preparation of Financial Statements:

These Financial statements have been prepared comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified under section 211 (3C) of the Companies Act, 1956, the relevant provision of the Companies Act, 1956 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (The "ICDR Regulations") and the related clarification thereto issued by the Securities and Exchange Board of India.

2. Accounting Standard-9: Revenue Recognition:

Sales are net of returns, discounts and sales tax. However, Turnover Discount and other non-recurring discounts and Excise Duty have been accounted for separately and have not been netted from Sales. Government grants are recognised on receipt / upon reasonable certainty of ultimate collection thereof. Incomes and expenditures are recognised on accrual basis. However, customers' claims are accounted for as and when arise/settled on the basis of final settlement.

3. Accounting Standard-10 & 6: Fixed Assets and Depreciation:

Fixed Assets are stated at cost less accumulated depreciation. The cost includes taxes, duties, freight, installation and other directly attributable costs of bringing the assets in its working condition for its intended use. Long term lease hold land is stated at cost.

Depreciation on Plant & Machinery is provided at the rates prescribed under the Schedule XIV under Written down Value Method. Depreciation on other assets is provided on Written down Value Method in accordance with the provisions of the Companies Act, 1956 at the rates and in the manner specified in Schedule XIV of the said Act.

Capital Work-in-progress and Pre-Operative Expenses towards Expansion cum Diversification Project is disclosed separately below the Gross Block of Assets. Such expenditures are allocated on the respective assets in the year of installation.

4. Accounting Standard-2: Inventories:

Inventories have been uniformly valued as under:

Raw Material	:	At Cost
Packing Material, Stores, Spares & Fuel	:	At Cost
Finished Goods	:	At lower of Cost or Net Realisable Value
Stock in Trade (Including Stock in Transit)	:	At Landed Cost
Work In progress	:	At Cost of Material plus Conversion Cost

5. Accounting Standard-16: Borrowing Cost:

Borrowing costs that are attributable to the acquisition of qualifying assets are capitalised as a part of cost of such assets. All other borrowing costs are charged to revenue.

6. Preliminary Expenses:

Preliminary expenses incurred by the company are subject to amortization over a period of 5 years equally.

7. Accounting Standards-22: Taxes on Income:

Provision for current tax is made in the accounts on the basis of estimated tax liability as per the applicable provisions of the Income Tax Act, 1961.

Deferred tax effect of timing differences between tax profit and book profit is accounted for using the tax rates and laws that have been enacted or subsequently enacted as on the Balance Sheet date. Deferred tax assets are recognised to the extent there is reasonable certainty that these assets can be realised in future.

8. Accounting Standards-15: Employees' Benefits:

Employees' benefits in the form of contribution towards Provident Fund, ESI are considered as defined contribution plan and the contributions to recognised funds are charged to the Profit and Loss Account of the year when the contributions are due, as per the provisions of respective statutes.

Leaves lying in credit of the employees are not paid as the Company follows practice of granting leaves as and when demanded by the employees. These leaves are non-accumulating and the un-availed leaves automatically lapse at the year-end. Hence, no provision for the same is required to be made.

Gratuity is a post employment benefit and is in the nature of defined benefit plan. The defined benefit/obligation is calculated by Life Insurance Corporation of India, an independent Actuary using the projected unit credit method.

9. Accounting Standard-11: Foreign Currency Transactions:

Exchange rate difference arising from foreign currency transactions relating to import/export of goods are dealt with in the Profit & Loss Account. Foreign Currency assets and liabilities are restated at the rates ruling at the end of the year and exchange difference arising out of such transactions is given effect to relevant assets.

10. Accounting Standard-3: Cash Flow Statement:

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

11. Accounting Standard-13: Accounting for Investments:

Investments which are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of investments.

12. Accounting Standard-17: Segment Reporting:

The accounting policies applicable to the reportable segments are same as those used in the preparation of the financial statements. However, items of income and expenditures, assets and liabilities which are not directly attributable / identifiable / allocable on a reasonable basis to a business segment are shown as unallocated.

13. Accounting Standard-20: Earning Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they

are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

14. Accounting Standard-26: Intangible Assets:

Intangible asset is stated at the cost of acquisition less accumulated amortization and impairment loss.

15. Accounting Standard-28: Impairment of Assets:

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 recognized wherever the carrying amount of an asset exceeds its recoverable amount. The same is charged to the Profit and Loss Account. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

16. Accounting Standard-29: Provisions, Contingent Liability and Contingent Assets:

A provision is recognised when there is a present obligation as a result of past event that there is possibility of an outflow of resources to settle the obligation and in respect of which reliable estimate can be made. Provision is determined based on the best estimate required to settle the obligation at the year end date. These are reviewed at each year end and adjusted to reflect the best current estimates.

Contingent liabilities are not provided for in the accounts and are separately shown in the Notes on Accounts. Contingent Assets are neither recognised nor provided or disclosed in the financial statements.

II. NOTES TO ACCOUNTS:

1. Contingent Liabilities:

The following contingent Liabilities have not provided for in respect of:

- a. Letter of Credit for ₹ 913.59 lacs (Previous Year ₹ 135.03 lacs).
- b. Bank Guarantees for ₹ 586.87 lacs (Previous Year ₹ 467.65 lacs).
- c. Export Obligations Liability (excluding interest & penalty as may be imposed) in case of failure to meet export obligation within the specified time period under EPCG Scheme – ₹ 72.97 lacs (Previous Year ₹ 29.92 lacs).
- d. The following litigations filed against the company to counter the litigations filed by others are pending as on date:

Sl. No.	Name of Party/Department	Nature	Amount involved (₹ In Lacs)	Pending before
1.	M/s Gateway Carrying	Petition pending for hearing before the Hon'ble High	37.14	High Court, Jaipur

	Corporation, Delhi	Court, Jaipur under Section 433(e), 434 & 439(1) of the Companies Act, 1956.		
2.	Mr. Badri Kesarvilas, Mr. Nand Lal Gurjar, Mr. Ram Prasad Mal and Mr. Suja	Claim against supply of alleged inferior quality of goods	3.05	District Consumers' Redressal Forum, Tonk.
3.	Excise Appeal No. 51 of 2009 against show cause notice no. V(39) 15/off./9/05/2525 dated 03.04.2006	Against the order of CESTAT, New Delhi imposing penalty on the Company	1.93	High Court, Jaipur

2. Installments of Term Loan payable within one year are ₹ 309.53 lacs (Previous Year ₹ 104.24 lacs).
3. The Company has acquired three pieces of industrial land situated at RIICO Industrial Area, Sitapura (Extn.), Ram Chandra Pura, Jaipur on Deferred Payment basis from RIICO. Out of these, Bank of India has issued Letter of Comfort to RIICO in respect of two plots (plot no. SP-1-2316 & F-2243) and created their equitable mortgage over the same in respect of the term loan sanctioned for the new project. Apart from it, another plot No. SP-1-2315 is secured under lease agreement executed with RIICO. Therefore, the Deferred Payments of RIICO have been accordingly classified under Secured Loans.
4. The company has not received any intimation from its suppliers being registered under Micro, Small and Medium Enterprises Development Act, 2006. Hence, the disclosure relating to amount unpaid as at the year end together with interest paid/payable under this Act have not been disclosed separately.
5. Closing Stocks have been valued as per the Accounting Policies of the Company and includes Excise Duty, wherever applicable. There was no Process Stocks (W.I.P.) as on 31.3.2011.
6. In the opinion of the Directors, Loans & Advances, Sundry Debtors and other Current Assets, if realised in the ordinary course of business, have the value at which they are stated in the Balance Sheet.
7. The company has charged 1/5th of total preliminary expenses ₹ 1.37 lacs (Previous Year ₹ 1.37 lacs) during the year. The amortization of the same commenced w.e.f. the Financial Year 2006-07.
8. The company incurred pre-operative expenses amounting to ₹ 208.98 lacs (Previous Year ₹ 38.52 lacs) till the end of the current year for its expansion cum diversification project which is proposed to come up at RIICO Industrial Area, Sitapura, Jaipur. The pre-operative expenses comprises of travelling expenses, salaries & consultancy charges. A legitimate part of the Directors remuneration has also been allocated under this head since Directors have devoted much time towards planning this project. Apart from it, bank charges, interest on term loan and other expenses which are attributable directly to project have also been booked under this head. The Company will capitalise the same upon commencement of the project.
9. The Company has given advances for purchase of goods to certain suppliers and others towards expenses etc., which are in the general course of business and not in the nature of loans or advances attracting provisions of Section 295/372A of the Companies Act, 1956.
10. At the year-end financial year 2010-11, there were unsecured Loans aggregating to ₹ 174.45 lacs were left unpaid in the books of the Company. The loans appearing during the year in the books

were borrowed from shareholders, directors and corporate bodies. These advances did not fall within the meaning of the expression "Deposit" as defined in rule 3(B) of the Companies (Acceptance of Deposits) Rules, 1975.

11. Sales during the F.Y ended March 31, 2010 included trading sales amounting to ₹ 4490.95 Lacs and grapes sales of ₹ 94.56 Lacs as compared to ₹ Nil relating to trading and grapes sales respectively during the corresponding previous year.

The company had substantial trading sales during the F.Y ended March 31, 2010 on account of bulk supplying orders received. However, during the F.Y ended March 31, 2011, due to paucity of orders, the company had no trading sales while sale of grapes increased to ₹ 200.97 due to better order book position.

12. The Company's manufacturing sales increased substantially during the F.Y ended March 31, 2009 to ₹ 8752.25 Lacs from ₹ 4754.28 Lacs comparing to the corresponding previous year on account of better order book position.
13. Purchase of raw material includes trading goods purchases of HDPE Pipes ₹ NIL (F.Y. 2009-10 : ₹ 3763.47 lacs) and Grapes (Including packing material) ₹47.09 lacs (F.Y. 2009-10 : ₹ 229.03 lacs).
14. The Company has a defined benefit gratuity plan in accordance with the Accounting Standard - 15. Every employee who has completed five years of more of service gets a gratuity on departure at 15 days last drawn salary for each completed year of service. The scheme is funded with LIC in the form of a qualifying insurance policy. Gratuity expense ₹ 1.24 lacs, ₹ 1.54 lacs, ₹ 2.12 lacs, ₹ 2.19 lacs and ₹ 2.20 lacs have been provided in the financial year ended March 31, 2007, March 31, 2008, March 31, 2009, March 31, 2010 and March 31, 2011 as per actuarial valuation made by the LIC under projected unit credit method.

Leaves lying in credit of the employees are not paid as the Company follows practice of granting leaves as and when demanded by the employees. These leaves are non-accumulating and the un-availed leaves automatically lapse at the year-end. Hence, no provision for the same has been made.

15. Deferred Tax liability/Asset in view of Accounting Standard – 22: "Accounting for Taxes on Income" as at the end of the year is as under:

Calculation of Deferred Tax liability/Assets of previous year and preceding four years:

(₹ In lacs)

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
<u>Timing Differences on account of:</u>					
Deferred Tax Liability:					
Opening Balance	--	8.63	35.46	16.75	3.01
Add: Depreciation on Assets	8.63	26.83	(18.71)	(13.74)	(0.75)
Deferred Tax Assets	Nil	Nil	Nil	Nil	Nil
Deferred Tax Liability (Net)	8.63	35.46	16.75	3.01	2.26

16. Research & Development Expenditures :

(₹ In lacs)

Particulars		2006-07	2007-08	2008-09	2009-10	2010-11
a.	Capital Expenditures	--	--	--	--	5.62
b.	Revenue Expenditures	--	--	--	0.31	8.60
Total		--	--	--	0.31	14.22

17. Remuneration to Executive and Non-Executive Directors:

(₹ In lacs)

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Salary & Allowances	12.80	21.60	24.00	24.00	60.00
Commission	--	4.98	18.90	41.80	---
Sitting Fees	--	--	--	--	0.34
Total	12.80	26.58	42.90	65.80	60.34

18. Auditors' Remuneration:

(₹ In lacs)

Particulars		2006-07	2007-08	2008-09	2009-10	2010-11
a.	Statutory Audit Fees	0.17	0.39	0.55	0.83	1.27
b.	Tax Audit Fees	0.17	0.23	0.28	0.39	0.44
c.	In Other Capacity	--	0.15	0.12	0.16	0.22
Total		0.34	0.77	0.95	1.38	1.93

19. Earnings Per Share :

Earnings Per Share has been calculated as under:

Sl. No.	Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
A	Number of Shares at the beginning of the year	-	2037124	4105134	8210268	8210268
	Shares issued during the year:					

	- Allotment - Bonus Issue	2037124	2068010	- 4105134	- -	1310770 4105134
B	Total Number of equity shares outstanding at the end of the year	2037124	4105134	8210268	8210268	13626172
C	Weighted average number of shares out of Share Application Money	178801	-	-	14120	--
D	Weighted average number of equity shares outstanding during the year -Allotted Shares - Bonus Shares	1370625 8210268 *	2394068 8210268 *	8210268 4105134 *	8210268 4105134 *	13130349 -
E	Net profit after tax available for equity shareholders as restated (₹ In lacs)	64.69	143.51	321.70	671.86	696.30
F	Basic earnings per share (₹)	0.68	1.35	2.61	5.46	5.30
G	Diluted earnings per share (₹)	0.66	1.35	2.61	5.45	5.30

(*) The effect of bonus shares issued in the year 2008-09 & 2010-11 have been given in the prior years, in order to make the EPS comparable.

20. Additional information pursuant to provisions of paragraphs 3 & 4 of Schedule VI of the Companies Act, 1956.

(A) Particulars of Capacity:

Particulars	Installed (in MT per annum)	Licensed (in MT)
HDPE Pipes	20664 #	NA
PVC Pipes	7392 #	NA
PET Flakes	3600	NA
PET Granules	3600	NA

As certified by DIC, Govt. Of Rajasthan, as per their certificate dt. 25.01.11

- (B)** The Ministry of Corporate Affairs, Government of India vide notification no S.O 301 E dated 8th February, 2011 has exempted to disclose quantitative details required under paras 3(i)(a) and 3(ii)(a) of Part II, Schedule VI to the Companies Act, 1956. The Board of Directors has passed necessary resolution in this regard and accordingly, the value of those goods which form less than 10% of the total value of turnover, consumption of raw material has not been shown separately.

(C) Details of raw material consumption:

(Value In lacs)

Material Description	Unit	Current Year		Previous Year	
		Qty	Value	Qty	Value
HDPE Granules	Kg	5217827	3810.32	4303689	2582.21
LDPE Granules	Kg	120855	87.28	653414	431.25
PVC Resins	Kg	2725941	1723.34	1693854	762.23
Master Batch	Kg	67790	44.90	105205	136.76
PVC Chemicals	Kg	76227	24.56	--	--
Calcium	Kg	287982	26.55	187365	13.77
TBLS	Kg	--	--	66258	96.07
HDPE Dana Exempted	Kg	2789977	2072.28	1397245	838.34
Pet Bottles	Kg	336383	133.19	--	--
Trading HDPE/PVC Pipe & PLB Duct	Mtrs.	--	--	986620	2984.68
Trading SPR Pipe & Fittings	Nos.	--	--	562634	778.79
Others	--	--	766.64	--	424.25
Total	--	--	8689.06	--	9048.38

(D) Detail of Production:

Product	Unit	Current Year	Previous Year
HDPE Pipes	Mtrs.	4922915	4138668
PVC Rigid Pipes	Mtrs.	2348818	1702773
HDPE Scrap	Kgs.	95922	72916
PVC Conduit/Fittings	Nos.	125864	54571
PVC Scrap	Kgs.	45583	29009
Sprinkler Pipes & Fittings	Nos.	729970	597905
Pet Bottles flakes	Kgs.	264368	154001
Pet Sheet	Kgs.	2810	-
Pet Scrap	Kgs.	41	-
Anti Febs	Kgs.	--	1000
Master Batch	Kgs.	--	750
Anti Feb Scrap	Kgs.	--	45
Master Batch Scrap	Kgs.	--	285
DWC Pipe	Mtrs.	12324	--

(E) Detail of Net Sales:

(Value In lacs)

Particulars	Unit	Current Year		Previous Year	
		QTY	Value	QTY	Value
Pipes	Mtrs.	7233743	6879.33	6410282	4537.80
Sprinkler Pipe & Fittings	Nos.	979549	3678.22	446864	1419.84
Pet Bottles Flex	Kgs	158325	90.93	190680	52.08
Trading HDPE/PVC Pipe & PLB Duct		0	0	986620	3560.28
Trading SPR Pipe & Fittings	Nos.	0	0	562634	930.67
Others		-	567.60	-	197.91
Total			11216.08		10698.58

(F) Detail of Finish Stocks:

Particulars	2010-11	2009-10
	QTY (In M.T.)	QTY (In M.T.)
Opening Stock:		
LDPE Pipes (in Kg.)	-	-
HDPE Pipes (in Mtrs.)	65419	610343
PVC Pipes (in Mtrs.)	34291	58208
HDPE Scrap (in Kg.)	3025	10749
LDPE Scrap (in Kg.)	-	-
PVC Conduit/Fittings (Nos)	-	3139
PVC Scrap (in Kg.)	2442	4533
Sprinkler Irrigation systems	391	406
Plastic Strips (in Kg.)	-	14360
PVC Fittings SWRs (Nos.)	843	242
Sprinkle Fittings	156581	5525
HDPE Fittings (Nos.)	17091	22413
Pet Bottles	6982	43661
AntiFebs	900	
Masterbatchs	750	
AntiFebScrap	45	
Masterbach Scrap	285	
Grapes (In Kg.)	401566	
Closing Stock:		
LDPE Pipes (in Kg.)	-	-
HDPE Pipes (in Mtrs.)	107652	65419
PVC Pipes (in Mtrs.)	107411	34291
HDPE Scrap (in Kg.)	3194	3025
LDPE Scrap (in Kg.)	-	-
PVC Conduit/Fittings (Nos)	78786	-
PVC Scrap (in Kg.)	3192	2442
Sprinkler Irrigation systems	16011	391
Plastic Strips (in Kg.)	-	-
PVC Fittings SWRs (Nos.)	88276	843
Sprinkle Fittings	282161	156581
HDPE Fittings (Nos.)	21940	17091
Pet Bottles, Pet flex, Pet flakes	99915	6982
AntiFebs (in Kg.)	-	900
Masterbatchs (in Kg.)	-	750
AntiFebScrap(in Kg.)	-	45
Masterbach Scrap(in Kg.)	-	285
DWC Pipe (in Mtrs.)	1320	-
Grapes (In Kg.)	-	401566
Pet sheet (in Kg.)	1353	-

Pet scrap (in Kg.)	41	
Opening Stock (in lacs)	806.49	180.80
Closing Stock (in lacs)	594.14	806.49

(G) Details regarding Imported and Indigenous materials consumed during the year:

(Value In lacs)

Particulars	Imported		Indigenous	
	% to total consumption	Value	% to total consumption	Value
Raw Material –				
Current Year	38.94%	3383.64	61.06%	5305.42
Previous Year	19.19%	1736.48	80.81%	7311.89
Store & Spares –				
Current Year	0	0	100%	25.12
Previous Year	0	0	100%	22.98

(H) C.I.F. Value of Imports:

(₹ In lacs)

Particulars	2010-11	2009-10
Raw Material	3383.65	1736.48
Capital Goods	311.55	33.34
Total	3695.20	1769.83

(I) Earnings in Foreign Exchange:

(₹ In lacs)

Particulars	2010-11	2009-10
Export of Goods on FOB basis	211.82	128.12
Others	--	0.83

(J) Expenditure in Foreign Currency:

(₹ In lacs)

Particulars	Current Year	Previous Year
Interest	0.85	--
Other Matters :		
Overseas Consignee Expenses	139.19	32.52

21. All the figures are rounded off to the nearest rupee.

22. Previous year's figures have been rearranged and regrouped wherever practicable and considered necessary.

ANNEXURE VII

Statement of Other Income

(₹ in Lacs)

Particulars	Year ended 31-Mar-07	Year ended 31-Mar-08	Year ended 31-Mar-09	Year ended 31-Mar-10	Year ended 31-Mar-11
Job Work Income	11.60	20.88	68.45	47.35	32.33
Interest Income	3.07	8.66	19.83	19.42	22.25
Currency Fluctuation	0.00	0.49	0.00	0.83	0.00
Total Recurring Income (A)	14.67	30.03	88.28	67.60	54.58
Profit on Sale of Fixed Assets	10.13	0.00	0.00	1.84	4.24
Freight Outwards Recovered	2.68	0.00	0.00	0.00	0.00
Provisions Written Back	0.49	0.85	0.00	0.00	0.00
Subsidy	0.00	0.00	0.00	0.00	4.75
Other/Misc. Incomes	9.43	0.00	0.00	0.01	5.29
Total Non Recurring Income (B)	22.73	0.85	0.00	1.85	14.28
Total Other Income (A+B)	37.40	30.88	88.28	69.45	68.86

ANNEXURE-VII (CONT'D)

STATEMENT SHOWING DIVIDEND PAID BY COMPANY ON EQUITY SHARES

(₹ in Lacs)

Particulars	Year ended 31-Mar-07	Year ended 31-Mar-08	Year ended 31-Mar-09	Year ended 31-Mar-10	Year ended 31-Mar-11
Share Capital	650.03	410.51	821.03	821.03	1362.62
Rate of Dividend	5%	Interim – 7% Final – 8%	15%	15%	15%
Amount of Dividend	10.18	61.58	123.15	123.15	204.39

ANNEXURE VIII

Statement of Related Party Transactions

1. For the period ended 31st March 2011:

(a) Names of the related parties with whom transactions were carried out during the year and description of relationship*:

1. Companies under the same management:

- | | | |
|----------------------------------|---|---------------|
| a) Tijaria Industries Limited | - | Group Company |
| b) Tijaria International Limited | - | Group Company |
| c) Tijaria Vinyl Private Limited | - | Group Company |

2. Key Management Personnel:

- | | |
|--------------------------------------------------|---------------------------------------------------|
| a) Mr. Alok Jain Tijaria - Managing Director | b) Mr. Vikas Jain Tijaria - Whole Time Director |
| c) Mr. Vineet Jain Tijaria - Whole Time Director | d) Mr. Praveen Jain Tijaria - Whole Time Director |

3. Relatives to key management personnel:

- | | |
|----------------------------|------------------------------|
| a) Mrs. Anu Jain Tijaria | b) Mrs. Purnima Jain Tijaria |
| c) Mrs. Reema Jain Tijaria | d) Mrs. Sonal Jain Tijaria |
| e) Mr. Ramesh Jain Tijaria | f) Mrs. Maya Jain |
| G) MrS. Kunti Jain | |

* We have place reliance on the management of the company regarding the detail of related parties.

(b) The following transactions were carried out with the related parties in the ordinary course of business:

(i) Companies under the same management:

(₹ in lacs)

Name	Bonus Shares Issued	Rent Paid	Loans & Advances granted	Loans & Advances received back	Share Application Money Received	Equity Shares Issued at Premium *	Outstanding Loans & advances (Cr)	Dividend Paid
Tijaria Industries Limited	216.80		51.60	90.00			95.12	65.04
Tijaria International Limited			0.06	0.00			44.96	
Tijaria Vinyl Private Limited		1.20	2.05	25.00	102.00	852.00	25.00	
Total	216.80	1.20	53.71	115.00	102.00	852.00	165.08	65.04

*Equity shares of ₹ 10 each issued at a premium of ₹ 55 each

(ii) Key Management Personnel:

(₹ in lacs)

Name	Directors' Remuneration	Bonus Shares Issued	Unsecured Loan repaid	Unsecured Loan Accepted	Rent paid	Outstanding Unsecured Loan (Cr)	Dividend Paid
Mr. Alok Jain Tijaria	15.00	53.22	28.81	47.53		18.72	15.97
Mr. Vikas Jain Tijaria	15.00	50.74	19.83	47.31		27.49	15.22
Mr. Vineet Jain Tijaria	15.00	43.20	20.56	46.08		25.52	12.96
Mr. Praveen Jain Tijaria	15.00	46.51	37.33	50.61	3.60	13.27	13.95
Total	60.00	193.67	106.53	191.53	3.60	85.00	58.10

(iii) Relatives of Key Management Personnel:

(₹ in lacs)

Name	Loans & Advances granted	Loans & Advances received back	Bonus Shares Issued	Unsecured Loans accepted	Unsecured Loan repaid	Outstanding Unsecured Loan (Cr)	Dividend Paid
Anu Jain Tijaria			0.01	16.00	5.51	10.49	0.003
Purnima Jain Tijaria			0.01	17.00	8.51	8.49	0.003
Reema Jain Tijaria			0.01	19.00	1.76	17.24	0.003
Sonal Jain Tijaria			0.01	16.00	4.76	11.24	0.003
Ramesh Jain Tijaria	6.71	8.00					
Maya Jain				15.00	0.50	14.50	
Kunti Jain				2.50		2.50	
Total	6.71	8.00	0.04	85.50	21.04	64.46	0.012

2. For the year ended 31st March 2010:

(a) Names of the related parties with whom transactions were carried out during the year and description of relationship*:

1. Companies under the same management:

- | | | |
|----------------------------------|---|-----------------|
| a) Tijaria Industries Limited | - | Holding Company |
| b) Tijaria International Limited | - | Group Company |
| c) Tijaria Vinyl Private Limited | - | Group Company |

2. Key Management Personnel:

- | | |
|--------------------------------------------------|---------------------------------------------------|
| a) Mr. Alok Jain Tijaria - Managing Director | b) Mr. Vikas Jain Tijaria - Whole Time Director |
| c) Mr. Vineet Jain Tijaria - Whole Time Director | d) Mr. Praveen Jain Tijaria - Whole Time Director |

3. Relatives to key management personnel:

- | | |
|----------------------------|------------------------------|
| a) Mrs. Anu Jain Tijaria | b) Mrs. Purnima Jain Tijaria |
| c) Mrs. Reema Jain Tijaria | d) Mrs. Sonal Jain Tijaria |
| e) Mr. Ramesh Jain Tijaria | f) Mrs. Maya Jain |
| g) Mrs. Kunti Jain | |

* We have place reliance on the management of the company regarding the detail of related parties.

(b) The following transactions were carried out with the related parties in the ordinary course of business:

(i) Companies under the same management:

(₹ in lacs)

Name	Dividend paid	Rent Paid	Loans & Advances granted	Loans & Advances received back	Share Application Money Received	Loans & advances accepted	Loans & advances repaid	Outstanding Share Application money	Outstanding Loans & advances (Cr)
Tijaria Industries Limited	65.04	-	188.57	301.80	-	-	-	-	56.72
Tijaria International Limited	-	-	0.05	45.07	-	-	-	-	45.02
Tijaria Vinyl Private Limited	-	1.20	-	-	750.00	-	-	750.00	2.05
Total	65.04	1.20	188.62	346.87	750.00	0.00	0.00	750.00	103.79

(ii) Key Management Personnel:

(₹ in lacs)

Name	Directors' Remuneration	Dividend paid	Loans & Advances granted	Loans & Advances received back	Rent paid	Loans & Advances accepted	Loans & Advances repaid	Outstanding loans & advances (Cr)	Outstanding loans & advances (Dr)
Mr. Alok Jain Tijaria	16.45	15.95	43.92	16.00	-	-	-	9.17	-
Mr. Vikas Jain Tijaria	16.45	15.22	49.62	27.00	-	-	-	9.17	-
Mr. Vineet Jain Tijaria	16.45	8.46	65.83	38.50	-	-	-	8.16	-
Mr. Praveen Jain Tijaria	16.45	13.95	67.09	33.51	2.10	-	-	10.79	-
Total	65.80	53.58	226.46	115.01	2.10	0.00	0.00	37.29	0.00

(iii) Relatives of Key Management Personnel:

(₹ in lacs)

Name	Dividend paid	Loans & Advances granted	Loans & Advances received back	Unsecured Loans granted	Unsecured Loans accepted	Unsecured Loan repaid	Outstanding loans & advances (Cr)	Outstanding loans & advances (Dr)

Anu Jain Tijaria	0.003	-	-	-	16.25	22.73	-	-
Purnima Jain Tijaria	0.003	-	-	-	12.50	19.35	-	-
Reema Jain Tijaria	0.003	-	-	-	20.25	26.89	-	-
Sonal Jain Tijaria	0.003	-	-	-	11.00	17.97	-	-
Ramesh Jain Tijaria	-	1.78	1.78	-	-	-	-	1.28
Maya Jain	-	-	-	-	6.00	9.66	-	-
Kunti Jain	-	-	-	-	-	0.50	-	-
Total	0.012	1.78	1.78	0.00	66.00	97.10	0.00	1.28

3. For the year ended 31st March 2009:

(a) Names of the related parties with whom transactions were carried out during the year and description of relationship*:

1. Companies under the same management:

- | | | |
|----------------------------------|---|-----------------|
| a) Tijaria Industries Limited | - | Holding Company |
| b) Tijaria Vinyl Private Limited | - | Group Company |

2. Key Management Personnel:

- | | |
|--------------------------------------------------|---------------------------------------------------|
| a) Mr. Alok Jain Tijaria - Managing Director | b) Mr. Vikas Jain Tijaria - Whole Time Director |
| c) Mr. Vineet Jain Tijaria - Whole Time Director | d) Mr. Praveen Jain Tijaria - Whole Time Director |

3. Relatives to key management personnel:

- | | |
|----------------------------|------------------------------|
| a) Mrs. Anu Jain Tijaria | b) Mrs. Purnima Jain Tijaria |
| c) Mrs. Reema Jain Tijaria | d) Mrs. Sonal Jain Tijaria |
| e) Mr. Ramesh Jain Tijaria | f) Mrs. Maya Jain |
| g) Mrs. Kunti Jain | |

* We have place reliance on the management of the company regarding the detail of related parties.

(b) The following transactions were carried out with the related parties in the ordinary course of business:

(i) Companies under the same management:

(₹in lacs)

Name	Dividend paid	Rent Paid	Loans & Advances granted	Loans & Advances received back	Bonus shares issued	Outstanding Share Application money	Outstanding loans & advances (Dr)	Outstanding loans & advances (Cr)
Tijaria Industries Limited	32.52	-	51.90	53.24	216.80	-	56.51	56.51
Tijaria Vinyl Private Limited	-	1.20	0.35	-	-	-	-	0.85
Total	32.52	1.20	52.25	53.24	216.80	0.00	56.51	57.36

(ii) Key Management Personnel:

(₹in lacs)

Name	Directors' Remuneration	Dividend paid	Bonus shares issued	Loans & Advances granted	Loans & Advances received back	Rent paid	Loans & Advances accepted	Loans & Advances repaid	Outstanding loans & advances (Cr)
Mr. Alok Jain Tijaria	10.72	7.98	53.22	31.33	24.74	0.45	-	-	16.91
Mr. Vikas Jain Tijaria	10.73	7.61	50.75	28.03	22.35	-	-	-	11.61
Mr. Vineet Jain Tijaria	10.72	6.48	43.20	24.7	18.57	-	-	-	15.29
Mr. Praveen Jain Tijaria	10.73	6.98	46.51	28.58	22.33	-	-	-	19.37
Total	42.90	29.05	193.68	112.64	87.99	0.45	0.00	0.00	63.18

(iii) Relatives of Key Management Personnel:

(₹ in lacs)

Name	Dividend paid	Loans & Advances granted	Loans & Advances received back	Bonus shares issued	Unsecured Loans granted	Unsecured Loans accepted	Unsecured Loan repaid	Outstanding loans & advance (Cr)	Outstanding loans & advance (Dr)	Outstanding Unsecured loans (Cr)
Anu Jain Tijaria	0.0015	-	-	0.01	-	9.90	3.46	-	-	6.48
Purnima Jain Tijaria	0.0015	-	-	0.01	-	9.90	3.10	-	-	6.85
Reema Jain Tijaria	0.0015	-	-	0.01	-	9.90	3.10	-	-	6.64
Sonal Jain Tijaria	0.0015	-	-	0.01	-	9.90	2.97	-	-	6.97
Ramesh Jain Tijaria	-	4.35	3.68	-	-	-	-	-	1.28	-
Maya Jain	-	-	-	-	-	5.70	2.04	-	-	3.66
Kunti Jain	-	-	-	-	-	-	-	-	-	0.5
Total	0.006	4.35	3.68	0.04	0.00	45.30	14.67	0.00	1.28	31.10

4. For the year ended 31st March 2008:

(a) Names of the related parties with whom transactions were carried out during the year and description of relationship*:

1. Companies under the same management:

- | | | |
|----------------------------------|---|-----------------|
| a) Tijaria Industries Limited | - | Holding Company |
| b) Tijaria Vinyl Private Limited | - | Group Company |

2. Key Management Personnel:

- | | |
|--------------------------------------------------|---------------------------------------------------|
| a) Mr. Alok Jain Tijaria - Managing Director | b) Mr. Vikas Jain Tijaria - Whole Time Director |
| c) Mr. Vineet Jain Tijaria - Whole Time Director | d) Mr. Praveen Jain Tijaria - Whole Time Director |

3. Relatives to key management personnel:

- | | |
|----------------------------|------------------------------|
| a) Mrs. Anu Jain Tijaria | b) Mrs. Purnima Jain Tijaria |
| c) Mrs. Reema Jain Tijaria | d) Mrs. Sonal Jain Tijaria |
| e) Mr. Ramesh Jain Tijaria | f) Mrs. Kunti Jain |

* We have place reliance on the management of the company regarding the detail of related parties.

(b) The following transactions were carried out with the related parties in the ordinary course of business:

(i) Companies under the same management:

(₹in lacs)

Name	Dividend paid	Rent Paid	Loans & Advances granted	Loans & Advances received back	Equity shares issued	Share Application money received	Share Application money refunded	Outstanding Share Application money	Outstanding loans & advance (Cr)	Outstanding loans & advance (Dr)	Share Premium received
Tijaria Industries Limited	0.50	-	57.85	-	206.80	932.49	98.00	-	-	57.85	1034
Tijaria Vinyl Private Limited	-	1.20	1.01	-	-	-	-	-	-	-	-
Total	0.50	1.20	58.86	0.00	206.80	932.49	98.00	0.00	0.00	57.85	1034.00

(ii) Key Management Personnel:

(₹in lacs)

Name	Directors' Remuneration	Dividend paid	Loans & Advance granted	Loans & Advance received back	Loans & Advance accepted	Outstanding loans & advance (Dr)	Outstanding loans & advance (Cr)
Mr. Alok Jain Tijaria	6.65	2.66	16.36	9.51	-	0.11	-
Mr. Vikas Jain Tijaria	6.64	2.54	17.02	13.19	-	0.56	-
Mr. Vineet Jain Tijaria	6.65	2.16	9.10	4.80	-	0.12	-
Mr. Praveen Jain Tijaria	6.64	2.32	9.86	5.61	-	0.004	-
Total	26.58	9.68	52.34	33.11	0.00	0.794	0.00

(iii) Relatives of Key Management Personnel:

(₹. in lacs)

Name	Dividend paid	Loans & Advances granted	Loans & Advances received back	Unsecured Loans accepted	Unsecured Loan repaid	Outstanding loans & advance (Cr)	Outstanding loans & advance (Dr)	Outstanding Unsecured Loan (Cr)	Outstanding Unsecured Loan (Dr)
Anu Jain Tijaria	0.0005	-	-	-	-	-	-	0.044	-
Purnima Jain Tijaria	0.0005	-	-	-	-	-	-	0.044	-
Reema Jain Tijaria	0.0005	-	-	-	0.20	-	-	-	0.16
Sonal Jain Tijaria	0.0005	-	-	-	-	-	-	0.044	-
Ramesh Jain Tijaria	-	1.84	2.50	-	-	-	0.61	-	-
Kunti Jain	-	-	-	0.50	-	-	-	0.50	-
Total	0.002	1.84	2.50	0.50	0.20	0.00	0.61	0.63	0.16

5. For the year ended 31st March 2007:

(a) Names of the related parties with whom transactions were carried out during the year and description of relationship*:

1. Companies under the same management:

- | | |
|----------------------------------|-----------------|
| a) Tijaria Industries Limited | Holding Company |
| b) Tijaria Vinyl Private Limited | Group Company |

2. Key Management Personnel:

- | | |
|--------------------------------------------------|---------------------------------------------------|
| a) Mr. Alok Jain Tijaria - Managing Director | b) Mr. Vikas Jain Tijaria - Whole Time Director |
| c) Mr. Vineet Jain Tijaria - Whole Time Director | d) Mr. Praveen Jain Tijaria - Whole Time Director |

3. Relatives to key management personnel:

- | | |
|----------------------------|------------------------------|
| a) Mrs. Anu Jain Tijaria | b) Mrs. Purnima Jain Tijaria |
| c) Mrs. Reema Jain Tijaria | d) Mrs. Sonal Jain Tijaria |
| e) Mr. Ramesh Jain Tijaria | f) Mrs. Maya Jain |

* We have place reliance on the management of the company regarding the detail of related parties.

(b) The following transactions were carried out with the related parties in the ordinary course of business:

(i) Companies under the same management:

(₹. in lacs)

Name	Dividend paid	Rent Paid	Loans &	Loans & Advances received back	Equity shares issued	Loans & advances accepted	Loans & advances repaid	Share Application money received	Share Application money refunded	Outstanding loans & advances (Dr)	Share Premium received
			Advances granted								
Tijaria Industries Limited	-	-	-	1.58	10.00	-	-	477.90	26.58	-	35.00
Tijaria Vinyl Private Limited	-	1.20	6.16	6.23	-	-	-	-	-	1.01	-
Total	0.00	1.20	6.16	7.81	10.00	0.00	0.00	477.90	26.58	1.01	35.00

(ii) Key Management Personnel:

(₹. in lacs)

Name	Directors' Remuneration	Rent paid	Dividened paid	Unsecured Loan accepted	Unsecured Loan repaid	Equity shares issued	Loans & Advances granted	Loans & Advances received back	Loans & Advances accepted	Outstanding loans & advances (Cr)
Mr. Alok Jain Tijaria	4.31	-	-	2.00	-	53.22	9.38	-	-	-
Mr. Vikas Jain Tijaria	4.31	-	-	-	-	50.75	10.70	1.53	-	-
Mr. Vineet Jain Tijaria	4.31	-	-	-	-	43.2	8.31	-	-	-
Mr. Praveen Jain Tijaria	4.31	-	-	-	-	46.51	10.51	1.03	-	-
Total	17.24	0.00	0.00	2.00	0.00	193.68	38.90	2.56	0.00	0.00

(iii) Relatives of Key Management Personnel:

(₹. in lacs)

Name	Dividend paid	Loans &	Loans & Advances received back	Equity shares issued	Unsecured Loans granted	Unsecured Loans accepted	Unsecured Loan repaid	Outstanding unsecured loan (Cr)	Outstanding loans & advances (Dr)
		Advances granted							
Anu Jain	-	-	-	0.01	-	-	0.005	0.044	-

Tijaria									
Purnima Jain Tijaria	-	-	-	0.01	-	-	0.005	0.044	-
Reema Jain Tijaria	-	-	-	0.01	-	-	0.005	0.044	-
Sonal Jain Tijaria	-	-	-	0.01	-	-	0.005	0.044	-
Ramesh Jain Tijaria	-	11.30	-	-	-	-	-	-	1.27
Maya Jain	-	-	-	-	-	-	3.51	-	-
Total	0.00	11.30	0.00	0.04	0.00	0.00	3.53	0.177	1.27

ANNEXURE IX

Mandatory Accounting Ratios

Particulars	As at	As at	As at	As at	As at
	31-Mar-07	31-Mar-08	31-Mar-09	31-Mar-10	31-Mar-11
Net profit attributable to Equity Shareholders:					
(i) Earnings Per Share (in ₹)					
- Basic [a/b - i]	0.68	1.35	2.61	5.46	5.30
- Diluted [a/b-ii]	0.66	1.35	2.61	5.45	5.30
(ii) Return on Net Worth (in %) [a/d]	22.99%	9.00%	18.17%	29.21%	19.47%
(iii) Net Assets Value per Share (in ₹) [e/c]	13.81	38.84	21.57	28.02	26.24

Notes:

(a) Net profit available for appropriation as restated (₹ in lacs)	64.69	143.51	321.70	671.86	696.30
(b) Weighted Average No. of equity shares outstanding during the year					
(i) For calculating Basic Earning Per Share	9580893	10604336	12315402	12315402	13130349
(ii) For calculating Diluted Earning Per Share	9759694	10604336	12315402	12329522	13130349
(c) No. of Equity Shares outstanding at the end of the year	2037124	4105134	8210268	8210268	13626172

(d) Net Worth (₹ in lacs)	281.33	1594.48	1770.97	2300.13	3575.52
(e) Net Assets (₹ in lacs)	281.33	1594.48	1770.97	2300.13	3575.52

Notes:

1. The above ratios are calculated as under:
 - a. Earnings per Share = Net profit available for appropriation, as restated / Weighted average number of Equity shares at year end
 - b. Return on Net Worth (%) = Profit available for appropriation, as restated / Net worth as restated at year end
 - c. Net Asset Value (₹) = Net worth as restated / Number of Equity Shares at year end
2. The figures disclosed above are based on the restated financial information of the Company.
3. Earnings per Share (EPS) is calculated in accordance with the Accounting Standard 20 "Earnings per Share" prescribed under the Companies (Accounting Standards) Rules, 2006.

ANNEXURE X

Capitalization Statement

(₹ In Lacs)

Particulars	Pre-issue As At 31-Mar-11	As Adjusted for Issue (Post Issue)
<u>Debt Fund:</u>		
Short Term Debt	1809.63	1809.63
Long Term Debt	1257.90	4764.20
Unsecured Loan	174.45	174.45
Total Debt	3241.98	6748.28
<u>Shareholders' Fund (Equity):</u>		
Share Capital	1362.62	2362.62
Reserves & Surplus	2250.63	7250.63

Less: Miscellaneous Expenditure not written off	(37.73)	(37.73)
Total Shareholders' Fund (Equity)	3575.52	9575.52
<u>Total Capitalisation:</u>		
Long Term Debt/Equity	0.35	0.50
Total Debt/Equity	0.91	0.70

Notes:

1. Short term debts represent which are due within 12 months and is inclusive of payments due to RIICO within one year.
2. Long term debts represent debts other than short term debts as defined above.
3. Long term debt funds comprise the balance as per last audited restated financial statements plus residual disbursement which is scheduled post-issue.
4. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 31st March, 2011. However, the post-issue figures of share capital and reserve & surplus have been reflected as per the audited balance sheet as at 31.03.2011 plus the proposed quantum of issue proceeds to be mobilised through the IPO.

ANNEXURE XI

Statement of Unsecured Loans

(₹ In Lacs)

Particulars	As at	As at	As at	As at	As at
	31-Mar-07	31-Mar-08	31-Mar-09	31-Mar-10	31-Mar-11
From Promoters, Group Companies etc.	1.51	0.63	31.10	0.00	174.45
From Kotak Mahindra Bank	0.00	0.00	22.14	0.00	0.00
TOTAL:	1.51	0.63	53.24	0.00	174.45

Notes:

1. Terms and Conditions of unsecured loan taken from Kotak Mahindra Bank:
 - a. Rate of Interest: 14.25% p.a.

- b. Loan amount ₹ 35.00 lacs repayable in 12 monthly instalments commencing from 15th January, 2009.
2. Except the unsecured loan borrowed from Kotak Mahindra Bank, all other loans are interest free and repayable on demand.

ANNEXURE XII

Statement of Tax Shelter

(₹ In Lacs)

Particulars	Year ended 31-Mar-07	Year ended 31-Mar-08	Year ended 31-Mar-09	Year ended 31-Mar-10	Year ended 31-Mar-11
Tax at Normal Rates	39.07	81.80	149.98	349.94	345.00
Adjustments:					
Difference between book depreciation & tax depreciation	(15.50)	(58.10)	(54.65)	1.58	13.06
Other adjustments	0.02	12.65	6.93	3.46	(0.83)
Losses set off during the year	0.00	0.00	0.00	0.00	0.00
Net adjustment	(15.48)	(45.45)	(47.72)	5.04	12.23
Tax savings thereon	(5.21)	(15.45)	(16.22)	1.71	4.06
Tax as per normal provisions	39.07	81.80	149.98	351.65	349.06
Tax as per MAT	12.08	26.57	50.23	175.53	207.00
Provision for Current Tax	35.77	68.12	134.49	372.50	349.06
Deferred Tax Liability/ (Asset)	8.63	26.84	(18.72)	(13.74)	(0.75)
FBT Provision	1.06	2.19	2.52	0.00	0.00

NOTE: The Statement of Tax Shelter is based on the Income Tax returns filed by the Company with the Income Tax Authorities. However, the Income tax return for the A.Y. 2011-12 is still pending to be filed, therefore, the shelter has been worked out on the basis of liability of income tax provided in the audited balance sheet of the company for the F.Y. 2010-11.

ANNEXURE XIII
Statement of Loans and Advances and Other Current Assets

(₹ In Lacs)

Particulars	As at	As at	As at	As at	As at
	31-Mar-07	31-Mar-08	31-Mar-09	31-Mar-10	31-Mar-11
Advances recoverable in cash or kind or for value to be received	75.25	117.95	63.63	50.60	509.96
Security Deposits	14.81	52.98	68.56	65.64	145.98
Duties & Taxes	21.90	121.15	82.39	132.17	140.19
Prepaid Expenses	1.44	19.45	9.88	4.10	14.72
Other Advances	8.90	59.79	64.32	19.89	24.42
TOTAL	122.30	371.32	288.78	272.40	835.27
Other Advances Includes:					
Advances to Companies under the same management	-	57.85	56.51	-	-
Amount outstanding from Promoter Directors / Relatives thereof	5.56	1.56	1.28	1.28	-

ANNEXURE XIV
Cash Flow Statement

(₹ In Lacs)

Particulars	Year ended	Year ended	Year ended	Year ended	Year ended
	31-Mar-07	31-Mar-08	31-Mar-09	31-Mar-10	31-Mar-11
1. Cash Flow From Operating Activities:					
Net Profit before tax	117.31	242.20	443.38	1032.81	1038.62
<i>Adjustments for:</i>					
Depreciation	28.40	63.50	106.35	112.30	84.35
Preliminary expenses W/o / (provided)	0.87	0.87	1.37	1.37	1.37

Interest Paid	59.87	91.38	205.78	202.59	247.55
Prior Period Items	0.00	(7.67)	0.00	(1.27)	0.00
Profit transferred to partners' capital account	(4.92)	0.00	0.00	0.00	0.00
(Profit)/Loss on sale of Fixed Assets	(10.14)	4.70	6.15	(1.83)	(4.25)
Interest Received	(3.07)	(8.66)	(19.83)	(19.42)	(22.25)
Operating Profit before Working Capital Changes	188.32	386.32	743.20	1326.55	1345.39
<i>Adjustments for:</i>					
Inventories	(236.78)	(672.18)	294.83	(398.49)	226.13
Debtors	(573.16)	(437.34)	(941.92)	(671.19)	(374.64)
Loans & Advances	(117.12)	(249.02)	82.54	16.38	(562.87)
Trade Payables	372.38	188.82	191.46	(306.01)	547.68
Other Liabilities	469.58	(428.23)	30.50	878.24	48.70
Cash Generated from Operation	103.22	(1211.63)	400.61	845.48	1230.39
Tax paid during the year	(9.85)	(71.45)	(119.61)	(149.88)	(348.31)
Net Cash from Operating Activities	93.37	(1283.08)	281.00	695.60	882.08
2. Cash Flow From Investing Activities:					
Fixed Assets Purchased	(168.47)	(324.43)	(322.00)	(117.35)	(1331.65)
Capital work in progress	0.00	(114.80)	10.57	(195.42)	(977.59)
Sale of Fixed Assets	30.09	4.10	27.78	10.03	4.25
Interest Received	3.07	8.66	19.83	19.42	22.25
Increase in Fixed Deposits for Margin Money	(27.61)	(89.24)	(42.55)	(26.42)	(38.08)
Investments (made)/sold	0.00	(0.50)	0.00	0.50	0.00
Net Cash from Investing Activities	(162.92)	(516.21)	(306.37)	(309.24)	(2320.82)
3. Cash Flow From Financing Activities:					

Proceeds from Secured Loans	237.16	643.81	216.00	21.00	1703.67
Proceeds from Unsecured loans	(75.74)	(0.88)	52.61	(53.24)	174.45
Proceeds from issue of shares	10.00	206.80	0.00	0.00	541.59
Proceeds from securities premium	35.00	1034.00	0.00	0.00	310.41
Proceeds from increase in partners' capital	(13.18)	0.00	0.00	0.00	0.00
Decrease in Share Application Money	0.00	0.00	0.00	0.00	(750.00)
Increase in Miscellaneous Expenditure	(3.04)	0.00	(2.50)	0.00	(36.73)
Interest paid	(59.87)	(91.38)	(205.78)	(202.59)	(247.55)
Dividend paid (incl. CDT)	0.00	(45.54)	(38.42)	(144.08)	(237.55)
Net Cash from Financing Activities	130.33	1746.81	21.91	(378.91)	1458.29
Net Increase/ (Decrease) in Cash & Cash Equivalents	60.78	(52.48)	(3.46)	7.45	19.55
Cash & Cash Equivalents at the beginning of the year	7.14	67.92	15.44	11.98	19.43
Cash & Cash Equivalents at the end of the year	67.92	15.44	11.98	19.43	38.98
Components of Cash & Cash Equivalents:					
Cash & cheques on hand	10.87	15.44	6.38	17.59	13.95
Balances with scheduled banks					
- On Current Accounts	57.05	0.00	5.60	1.84	25.03
	67.92	15.44	11.98	19.43	38.98

Notes :

1. Cash & Cash Equivalents at the end of the Year:					
a. Cash & Bank Balances as per the Balance Sheet	140.28	177.04	216.13	250.00	307.63
b. Less: Fixed Deposit placed with Bank towards margin money against BG and LC Limit	(72.36)	(161.60)	(204.15)	(230.57)	(268.65)
	67.92	15.44	11.98	19.43	38.98
2. Promoter's funds aggregating to ₹ 852.00 Lacs brought in by way of share capital and premium thereof were infused towards deployment under new project during the year 2009-10 & 2010-11.					

ANNEXURE XV
Statement of Adjustments / Re-Groupings / Impact of Prior period items in the Financial Statements

(₹ In Lacs)

Particulars		Year ended	Year ended	Year ended	Year ended	Year ended
		31-Mar-07	31-Mar-08	31-Mar-09	31-Mar-10	31-Mar-11
Net Profit after tax but before adjustments:	A	71.85	137.38	325.09	672.78	690.31
Adjustments on account of:						
Add: Prior Perod Items		0.00	7.67	0.00	1.27	7.09
Less: Provision for Gratuity		(1.24)	(1.54)	(2.12)	(2.19)	(1.10)
Less: Provision for others		(5.92)	0.00	(1.27)	0.00	0.00
Total	B	(7.16)	6.13	(3.39)	(0.92)	5.99
Adjusted Profit / (Loss) (A + B)		64.69	143.51	321.70	671.86	696.30

ANNEXURE XVI
BRIEF AUDITED FINANCIAL INFORMATION OF GROUP COMPANIES
1. TIJARIA INDUSTRIES LIMITED
Date of Incorporation: 16th May 2006

Nature of Activities: The Company is yet to start any commercial activity. However, the other income reflected in the financial statements of the company comprises dividend income received from Group Company.

(₹ In Lacs)

Particulars	Year ended	Year ended	Year ended	Year ended
	31-Mar-08	31-Mar-09	31-Mar-10	31-Mar-11
Other Income	15.68	17.34	65.04	65.04
Profit After Tax	13.34	15.40	63.86	62.39
MAT Tax Reversal	0.00	0.00	1.77	0.00

Profit available for appropriation	13.34	15.40	65.63	62.39
Equity Share Capital	97.88	200.88	200.88	200.88
Reserves & Surplus/ (Loss)	669.67	1097.07	1112.48	1174.87
Net Worth	1277.74	1308.79	1309.51	1372.86
Basic Earnings per Share (in ₹)*	6.37	1.54	3.27	3.11
Diluted Earnings per Share (in ₹)*	6.37	1.54	3.27	3.11
Net Assets Value	82.47	50.74	50.77	53.23
Weighted average number of shares	209395	1001314	2008800	2008800
Total no. of shares outstanding	1549300	2579300	2579300	2579300

*Face value of equity share is ₹ 10/-.

2. TIJARIA VINYL PRIVATE LIMITED

Date of Incorporation: 11th October 1994

Nature of Activities: The Company is yet to start any commercial activity. The income received is rental income.

(₹ In Lacs)

Particulars	Year ended 31-Mar-08	Year ended 31-Mar-09	Year ended 31-Mar-10	Year ended 31-Mar-11
Other Income	1.20	1.20	1.20	1.20
Profit / (Loss) After Tax	(0.18)	(0.37)	(0.30)	0.01
Equity Share Capital	9.00	12.50	12.50	12.50
Reserves & Surplus/ (Loss)	(1.78)	29.35	29.05	29.06
Net Worth	41.94	41.56	41.36	41.46
Basic Earnings per Share (₹)*	NIL	NIL	NIL	0.09
Diluted Earnings per Share (₹)*	NIL	NIL	NIL	0.09
Net Assets Value	466.00	332.48	330.84	331.69
Weighted average number of shares	9000	12490	12500	12500
Total no. of shares outstanding	9000	12500	12500	12500

*Face value of equity share is ₹ 100/-.

3. TIJARIA INTERNATIONAL LIMITED

Date of Incorporation: 13th February 2009

Nature of Activities: The Company is yet to start any commercial activity.

(₹ In Lacs)

Particulars	Year ended 31-Mar-10	Year ended 31-Mar-11
Sales	0.00	0.00
Profit / (Loss) After Tax	(0.10)	(0.14)
Equity Share Capital	5.00	5.00

Reserves & Surplus /(Loss)	(0.10)	(0.24)
Net Worth	2.55	2.41
Basic Earnings per Share (₹)*	NIL	NIL
Diluted Earnings per Share (₹)*	NIL	NIL
Net Assets Value	5.10	4.82
Weighted average number of shares	50000	50000
Total no. of shares outstanding	50000	50000

*Face value of equity share is ₹ 10/-

4. TIJARIA PUBLICATION PRIVATE LIMITED

Date of Incorporation: 17th June, 2011

Nature of Activities: The Company is yet to start any commercial activity.

5.2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS BASED UPON AUDITED FINANCIAL STATEMENTS, AS RESTATED.

The following discussion of our financial condition and results of operations should be read in conjunction with our restated summary statements as of and for the financial years ended March 31, 2007, 2008, 2009, 2010 and 2011, including the schedules and notes thereto and the reports thereon, which appear in the section titled "Financial Statements of the Company" on Page No. 172 of this Prospectus. The Audited Financial Statements, as restated, presented and discussed herein have been prepared to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of the Companies Act, 1956 and SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are to the twelve-month period ended on March 31 of that year. The forward-looking statements contained in this discussion and analysis are subject to a variety of factors that could cause actual results to differ materially from those contemplated by such statements. Factors that may cause such a difference include, but are not limited to, those discussed in "Forward-Looking Statements" and "Risk Factors", beginning on Page No. 7 of this Prospectus.

Overview

Indian Plastic industry

The Indian Pipe Industry with presence across all categories of pipes is among the top three manufacturing hubs after Japan and Europe. India is also becoming a major export hub to countries like USA, Europe and Middle East.

Pipes are essential for transporting fluids like oil, water, etc and gases across the country. Pipe transportation is an economical mode of transport compared to traditional modes of rail, road and sea transport. It helps in saving scarce natural energy resources and time taken for transportation. Despite these advantages, India with its large geographical area has very low pipe penetration levels at 32% compared to global average of 79% in oil and gas transport. The pipeline network of India for oil and gas transport stood at 13,517 kms as on April 06. Sanitation levels are also lower at 33% compared to 91% in Sri Lanka and 100% in France. Of 140 mn hectares of cultivable land, only 40% land is irrigated. The lower penetration levels offer a huge scope for Indian pipe companies.

A positive trend in the pipe industry is expected to continue in the coming years on the back of good economic growth, more oil and gas discoveries, infrastructure focus by government, booming real estate market and low penetration levels. Indian companies with their ability to produce export quality products at competitive price coupled with locational advantage are well poised to cater to the US and Middle East markets.

The Company

Tijaria Polypipes Ltd., an ISO 9001 : 2000 Certified Company, is a closely held public limited Company, based at Jaipur, manufacturing various kinds of high grade plastic based pipes viz HDPE, MDPE, LDPE, LLDPE, uPVC, PP-R Pipes and Sprinkler systems under the brand name of "TIJARIA" and "VIKAS". The Company is a winner of 'NATIONAL AWARD-2008' for Quality Production (Special Recognition Award) awarded by the Ministry of Micro, Small & Medium Enterprises, Govt. of India. Our Company is recipient of 'RASHTRIYA UDYOG RATNA AWARD' in the Year 2010, by Center for Educational Development Research for excellence in their respective field. The Company was initially started as a Partnership firm under the name of "Tijaria Overseas Vinyl" in the year 2000 which was later on converted into a Private Limited Company on July 17, 2006 on continuous basis under Part IX of The Companies Act, 1956 and was subsequently converted into a Public Limited Company w.e.f. July 20, 2006. The Company through its vision of learning and constant innovation, has become a premier name in the industrial, agricultural, infrastructure, domestic and telecommunication fields.

The Company under the leadership of Mr. Alok Jain Tijaria, the Managing Director along with other Promoter Directors Mr. Vikas Jain Tijaria, Mr. Praveen Jain Tijaria and Mr. Vineet Jain Tijaria have made Tijaria Polypipes Ltd. a successful and quality oriented Company in the cosmic market. The Company has consistently registered growth in turnover and profitability over the previous years and now proposes to further expand and diversify in other polymer products as detailed in Section titled “Objects of the Issue” beginning on Page No. 57 of this Prospectus.

Our Company in its pursuit to explore newer opportunity in the marketing / dealing in agricultural produce, the Board of directors of the our Company proposed to enter into the business of agricultural products on trial basis and passed the enabling resolution and thereafter it obtained the shareholders approval for dealing in agriculture produce at the meeting held on 2nd day of September, 2009 and amended the main object clause by inserting new clause no. 3. Our Company entered into a Consignment Sale Agreement with an overseas consignee M/s Independent Fruit Trade B.V. situated at Barbizonlaan 87, 2908 ME Capelle ad Ijssel, Holland for sale of Indian Grapes. Our Company got registration from the Agricultural and Food Products Export Development Authority, Ministry of Commerce, Govt. of India. The company purchased grapes from the various farmers in the State of Maharashtra and sold under the said consignment agreement to the overseas consignee. The entire consignment has been sold and export proceeds have been realized. The business of trading in grapes is not the main line of business and accounts for just ₹ 94.56 Lacs, which constitutes 0.86% of the total sales of the Company as on March 31, 2010 and ₹ 200.97 lacs during the Financial Year ended March 31, 2011, which constitutes 1.69% of the total sales turnover for the said period.

Currently, the Company has manufacturing facilities at two places in the Vishwakarma Industrial Area, one of the fastest growing and developed industrial areas of Jaipur. Lately, the Company has decided to diversify its products with a view to broad base the activities of the Company and making it more resilient. The proposed project is an expansion cum diversification project which aims at expansion of the current set-up and manufacturing facilities of HDPE, PVC and a wide range of high quality pipes and secondly, to venture into the manufacturing of Partially Oriented Yarn (popularly known as POY), Draw Texturised Yarn (DTY), Monofilament Yarn, Polyester Zippers Long Chains, Mink Blankets and Pet Sheets.

The Company shall be the first Company to pioneer in manufacturing of POY yarn, DTY yarn, Monofilament yarn and assembling of Zippers along with the manufacturing facilities for Pet Sheets and Mink Blankets, all under one roof. The Company shall be self-sufficient in terms of the requirements of materials and the time gap between the sourcing of material and transit shall be annulled.

Existing Works

A-130 (E), Road No. 9-D, Vishwakarma Industrial Area (VKI), Jaipur – 302 013.

F-532, Road No. 6-D, Vishwakarma Industrial Area (VKI), Jaipur – 302 013.

Proposed Works (Additional)

SP-1 - 2316, RIICO Industrial Area, Ramchandrapura, Sitapura (Extn.), Jaipur – 302022.

F-2243, RIICO Industrial Area, Ramchandrapura, Sitapura (Extn.), Jaipur – 302 022

Factors affecting our results of Operations

Our results of operations could potentially be affected by the following factors:

Volatility in the prices of Raw Materials

The prices of our major raw materials will remain volatile on account of their basic nature of being dependent on petroleum products. Further, any adverse changes in the EXIM policy affecting petroleum products like changes in import duty, imposition of anti-dumping duties or changes in sea-freight, clearing charges, etc. also impact our raw material cost, which in turn could adversely affect our business and financial operations.

Timely Execution of Projects

The expansion of our proposed project is to be funded partly by way of Promoters' contribution, partly from the proceeds of this issue and partly from Term loan. Hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute the expansion project within the given time frame, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our growth plans and profitability.

Timely payment from Customers

On an average basis, the Company gives a credit period of three-odd months to its customers. If a client defaults in making its payment on a project to which we have devoted resources, it could also affect our profitability and liquidity and decrease the capital resources that are otherwise available for other uses. There can be no assurance that the payments will be remitted by our customers to us on a timely basis.

Dependence on few Customers

Our top 10 customers had contributed to around 70% of our total sales volume during the financial year 2009-10. Although, during the financial year ended March 31, 2011, our top 10 customers have contributed only around 48.33% of our total sales volumes, our key customers continue to contribute significantly towards our total turnover. Further, the Company sells its products to various government contractors either directly or through our dealer network. These government contractors, if disqualified for any reason whatsoever for any specific project by government authorities may also lead to disqualification of these dealers for all other projects they are executing. If the Company has supplied any finished products in any of the projects where these government contractors were subsequently disqualified, the payment from those government contractors may get delayed or it may not be able to recover payment from those government contractors which in turn would adversely impact the cash flow position.

Competition in our Business

The competitors of the Company are Kisan Irrigation Ltd., Kriti Industries, Jain Irrigation, Finolex, Supreme, Duroline India (P) Ltd. etc. Any rapid change in our customers' expectation on account of changes in technology or introduction of new product or any other reason and failure on our part to meet their expectation could adversely affect our business, results of operations and financial condition.

Government policy including taxes and duties

Regulatory changes relating to business segments in which we operate in India can have a bearing on our business. Each State in India has different local taxes and levies which may include value added tax, sales tax and octroi. Changes in these local taxes and levies may impact our profits and profitability. Any negative changes in the regulatory conditions in India or our other geographic markets could adversely affect our business operations or financial conditions.

Slowdown in the World Economy

Our performance and growth are dependent on the health of the Indian economy and other economies directly or indirectly. These economies could be adversely affected by various factors, such as political and regulatory action including adverse changes in liberalization policies, any adverse development in the World economy, 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 to operate in or succeed in obtaining all requisite regulatory approvals in the future for our operations which could have an adverse impact on our business, financial condition and results of operations.

Compliance with necessary Regulatory norms

Till July, 2006, we were operating as a partnership firm. We have very limited regulatory experience in managing corporate disclosure and compliance requirements applicable to widely held companies in India and would have to acclimatise ourselves to the new regulatory environment and build-up in-house expertise and resources for the same. If we fail to do so, we may face regulatory actions against us.

Critical Accounting Policies

Management's discussion and analysis of our financial condition and results of operations are based upon our Audited Financial Statements, as restated which have been prepared to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of the Companies Act, 1956, the Indian GAAP and SEBI (ICDR) Regulations, 2009. The Audited Restated Financial Statements have been prepared under the historical cost convention on an accrual basis. We have applied the accounting policies consistently. The preparation of these Audited Restated Financial Statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities, related disclosure of contingent assets and liabilities at the date of the Audited Financial Statements, as restated, and the reported amounts of revenues and expenses during the reporting period. We continually evaluate our estimates and judgments, the most critical of which are those related to revenue recognition. We base our estimates and judgments on historical experience and other factors that we believe to be reasonable under the circumstances. Materially different results can occur as circumstances change and additional information becomes known. Our significant accounting policies are more fully described under the notes to restated summary statements in the section titled "Financial Statements of the Company" on Page No. 187 of this Prospectus. We have identified the following critical accounting policies.

Basis of Preparation of Financial Statements:

These Financial statements have been prepared comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified under section 211 (3C) of the Companies Act, 1956, the relevant provision of the Companies Act, 1956 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (The "ICDR Regulations") and the related clarification thereto issued by the Securities and Exchange Board of India.

Accounting Standard-9: Revenue Recognition:

Sales are net of returns, discounts and sales tax. However, Turnover Discount and other non-recurring discounts and Excise Duty have been accounted for separately and have not been netted from Sales. Government grants are recognised on receipt / upon reasonable certainty of ultimate collection thereof. Incomes and expenditures are recognised on accrual basis. However, customers' claims are accounted for as and when arise/settled on the basis of final settlement.

Accounting Standard-10 & 6: Fixed Assets and Depreciation:

Fixed Assets are stated at cost less accumulated depreciation. The cost includes taxes, duties, freight, installation and other directly attributable costs of bringing the assets in its working condition for its intended use. Long term lease hold land is stated at cost.

Depreciation on Plant & Machinery is provided at the rates prescribed under the Schedule XIV under Written down Value Method. Depreciation on other assets is provided on Written down Value Method in accordance with the provisions of the Companies Act, 1956 at the rates and in the manner specified in Schedule XIV of the said Act.

Capital Work-in-progress and Pre-Operative Expenses towards Expansion cum Diversification Project is disclosed separately below the Gross Block of Assets. Such expenditures are allocated on the respective assets in the year of installation.

Accounting Standard-2: Inventories:

Inventories have been uniformly valued as under:

Raw Material	:	At Cost
Packing Material, Stores, Spares & Fuel	:	At Cost
Finished Goods	:	At lower of Cost or Net Realisable Value
Stock in Trade (Including Stock in Transit)	:	At Landed Cost
Work In progress	:	At Cost of Material plus Conversion Cost

Accounting Standard-16: Borrowing Cost:

Borrowing costs that are attributable to the acquisition of qualifying assets are capitalised as a part of cost of such assets. All other borrowing costs are charged to revenue.

Preliminary Expenses:

Preliminary expenses incurred by the company are subject to amortization over a period of 5 years equally.

Accounting Standards-22: Taxes on Income:

Provision for current tax is made in the accounts on the basis of estimated tax liability as per the applicable provisions of the Income Tax Act, 1961.

Deferred tax effect of timing differences between tax profit and book profit is accounted for using the tax rates and laws that have been enacted or subsequently enacted as on the Balance Sheet date. Deferred tax assets are recognised to the extent there is reasonable certainty that these assets can be realised in future.

Accounting Standards-15: Employees' Benefits:

Employees' benefits in the form of contribution towards Provident Fund, ESI are considered as defined contribution plan and the contributions to recognised funds are charged to the Profit and Loss Account of the year when the contributions are due, as per the provisions of respective statutes.

Leaves lying in credit of the employees are not paid as the Company follows practice of granting leaves as and when demanded by the employees. These leaves are non-accumulating and the un-availed leaves automatically lapse at the year-end. Hence, no provision for the same is required to be made.

Gratuity is a post employment benefit and is in the nature of defined benefit plan. The defined benefit/obligation is calculated by Life Insurance Corporation of India, an independent Actuary using the projected unit credit method.

Accounting Standard-11: Foreign Currency Transactions:

Exchange rate difference arising from foreign currency transactions relating to import/export of goods are dealt with in the Profit & Loss Account. Foreign Currency assets and liabilities are restated at the rates ruling at the end of the year and exchange difference arising out of such transactions is given effect to relevant assets.

Accounting Standard-3: Cash Flow Statement :

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

Accounting Standard-13: Accounting for Investments:

Investments which are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of investments.

Accounting Standard-17: Segment Reporting:

The accounting policies applicable to the reportable segments are same as those used in the preparation of the financial statements. However, items of income and expenditures, assets and liabilities which are not directly attributable / identifiable / allocable on a reasonable basis to a business segment are shown as unallocated.

Accounting Standard-20: Earning Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Accounting Standard-26: Intangible Assets:

Intangible asset is stated at the cost of acquisition less accumulated amortization and impairment loss.

Accounting Standard-28: Impairment of Assets:

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 recognized wherever the carrying amount of an asset exceeds its recoverable amount. The same is charged to the Profit and Loss Account. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Accounting Standard-29: Provisions, Contingent Liability and Contingent Assets:

A provision is recognised when there is a present obligation as a result of past event that there is possibility of an outflow of resources to settle the obligation and in respect of which reliable estimate can be made. Provision is determined based on the best estimate required to settle the obligation at the year end date. These are reviewed at each year end and adjusted to reflect the best current estimates.

Contingent liabilities are not provided for in the accounts and are separately shown in the Notes on Accounts. Contingent Assets are neither recognised nor provided or disclosed in the financial statements.

Selected Financial Information										
(₹ In lacs)										
	Years Ended March 31,									
	2011	% of Total Income	2010	% of Total Income	2009	% of Total Income	2008	% of Total Income	2007	% of Total Income
Income										
Income from Operations										
Sales of Manufactured Goods	11,658.88	99.51	6,449.98	54.98	8,752.25	102.31	4,754.28	93.49	3,098.90	94.45
Trading Sales	0.00	0.00	4,490.95	38.28	-	-	-	-	-	-
Products not normally dealt in by the Company	200.97	1.71	94.56	0.81	-	-	-	-	-	-
Sub Total	11,859.85	101.22	11,035.49	94.07	8,752.25	102.31	4,754.28	93.49	3,098.90	94.45
Other Income										
Job Work Income	32.33	0.28	47.35	0.40	68.45	0.80	20.88	0.41	11.60	0.35
Interest	22.25	0.19	19.42	0.17	19.83	0.23	8.66	0.17	3.07	0.09
Profit on Sale of Fixed Asset	4.24	0.03	1.84	0.02	-	-	-	-	10.13	0.31
Miscellaneous	10.04	0.09	0.83	0.01	-	-	1.34	0.03	12.60	0.38
Sub Total	68.86	0.59	69.45	0.60	88.28	1.03	30.88	0.60	37.40	1.14
Increase / Decrease in Stock	(212.35)	(1.81)	625.69	5.33	(285.71)	(3.34)	300.43	5.91	144.77	4.41
TOTAL	11,716.36	100.00	11,730.63	100.00	8,554.82	100.00	5,085.59	100.00	3,281.07	100.00
Expenditure										
Consumption of material	8,689.06	74.16	5,055.88	43.10	5,930.06	69.32	3,565.75	70.12	2,497.03	76.10
Purchases	-	-	3,992.50	34.03	-	-	-	-	-	-
Manufacturing Expenses	921.16	7.86	618.83	5.28	1,165.88	13.63	788.89	15.51	454.72	13.86
Administrative Expenses	126.87	1.08	128.40	1.10	112.46	1.32	77.10	1.52	46.45	1.42
Personnel Expenses	167.45	1.43	163.58	1.39	129.97	1.52	61.26	1.20	25.49	0.78
Selling and Distribution Expenses	417.16	3.56	402.96	3.44	326.28	3.81	179.21	3.52	34.68	1.06
Financial Expenses	247.55	2.11	223.27	1.90	332.92	3.89	109.78	2.16	76.12	2.32

Selected Financial Information										
(₹ In lacs)										
	Years Ended March 31,									
	2011	% of Total Income	2010	% of Total Income	2009	% of Total Income	2008	% of Total Income	2007	% of Total Income
Depreciation	107.12	0.92	112.30	0.96	106.35	1.24	63.50	1.25	28.40	0.86
Preliminary expenses written off	1.37	0.01	1.37	0.01	1.37	0.02	0.87	0.02	0.87	0.03
Loss on sale of fixed assets	-	-	-	-	6.15	0.07	4.70	0.09	-	-
Prior period	(5.99)	(0.05)	0.92	-	3.39	0.04	(6.13)	(0.12)	7.16	0.22
TOTAL	10,671.75	91.08	10,700.01	91.21	8,114.83	94.86	4844.93	95.26	3,170.92	96.64
Profit before Tax	1,044.61	8.92	1,030.62	8.79	439.99	5.14	240.66	4.73	110.15	3.36
Tax Expense	348.31	2.97	358.76	3.06	118.29	1.38	97.15	1.91	45.46	1.39
Profit after Tax	696.30	5.95	671.86	5.73	321.70	3.76	143.51	2.82	64.69	1.97

Comparison of Performance and Analysis of Developments for Financial year ended 31st March 2011 vis-à-vis financial years ended 2010, 2009, 2008 and 2007 based upon Audited Financial Statements, as restated.

Sales

During the financial year 2010-11, the Company achieved Net Sales of ₹ 11859.85 Lacs as compared to ₹11035.49 lacs, 8752.25 Lacs, ₹ 4754.28 Lacs and ₹ 3098.90 lacs during the financial year 2009-10, 2008-09, 2007-08 and 2006-07 respectively registering a growth of 7.47% in FY 2011, 26.09% in FY 2010, 84.09% in FY 2009 and 53.42% in FY 2008.

Operating and administrative expenses

During the financial year 2010-11, operating and administrative expenses were ₹ 10317.08 Lacs compared to ₹ 10364.44 Lacs, ₹ 7675.56 Lacs, ₹ 4671.65 Lacs and ₹ 3066.40 lacs during the financial year 2009-10, 2008-09, 2007-08 and 2006-07 respectively registering an increase of (0.46%) in FY 2011, 35.03% in FY 2010, 64.30% in FY 2009 and 52.35% in 2008.

Interest & Financial Charges

During the financial year 2010-11, interest & financial expenses were ₹ 247.55 Lacs as compared to ₹ 223.27 Lacs, ₹ 332.92 Lacs, ₹ 109.78 Lacs and ₹ 76.12 lacs during the financial year 2009-10, 2008-09, 2007-08 and 2006-07 respectively registering an increase of 10.87% in FY 2011, (32.94%) in FY 2010, 203.26% in FY 2009 and 44.22% in FY 2008.

Depreciation

During the financial year 2010-11, depreciation was ₹107.12 Lacs compared to ₹ 112.30 Lacs, ₹ 106.35 Lacs, ₹ 63.50 Lacs and ₹ 28.40 lacs during the financial year 2009-10, 2008-09, 2007-08 and 2006-07 respectively registering an increase of (4.61%) in FY 2011, 5.60% in FY 2010, 67.48% in FY 2009 and 123.59% in FY 2008.

Profit after tax

During the financial year 2010-11, profit after tax was ₹696.30 Lacs compared to ₹ 671.86 Lacs, ₹ 321.70 Lacs, ₹ 143.51 Lacs and ₹ 64.69 Lacs during the financial year 2009-10, 2008-09, 2007-08 and 2006-07 respectively registering a growth of 3.64% in FY 2011, 108.85% in FY 2010, 124.16% in FY 2009 and 121.84% in FY 2008.

Risk Analysis

As explained in the table below, various critical risk factors for the project have been addressed and adequate risk sharing/mitigation measures have been put in place to ensure smooth implementation and operation of the project.

Risk Description	Risk mitigation
Implementation Risk	
Cost increase and price escalation	To mitigate the risk a contingency provision for the project cost should be made.
Completion Delay	The project will be professionally managed by project consultant, who in the past has successfully implemented similar large size projects.
Non political force majeure/damage/destruction	Commercial insurance is to be taken by Company to cover such risks.
Post Implementation Operation Risk	
Raw Material risk	The proposed diversification plans shall be self sufficient to a great extent; hence the availability of the raw materials is not a constraint especially in view of established supplier network and the growing trends of the industry.
Equipment Defects	All the plants and machinery are being sourced from the reputed equipment suppliers in the textile sector. Further the machinery are purchased with an agreement to rectify the defect if any arising during the period of one year.
Technology risk	The technology considered is proven, well established, tried and tested. The Company is installing state of the art imported machines for the project.
Post Implementation Selling Risk	
Revenue risk	The multi segment and multi market presence mitigates the risk of downturn in demand from any particular segment/market.
Competition risk	Company has a steady market for its products and has established significant brand goodwill in the market segment, in which it operates. The diversified lines of business with modern machinery and ability to deliver at the shortest possible time places the Company at a distinct competitive advantage over other players in the industry.

Financial Position

As on March 31, 2011 our net worth was ₹ 3575.52 lacs. which increased from ₹ 2300.13 lacs, ₹ 1770.97 lacs, ₹ 1594.48 lacs and ₹ 281.33 lacs in 2009-10, 2008-09, 2007-08 and 2006-07 respectively, registering a growth of 55.45% in FY 2011, 29.88% in FY 2010, 11.07% in FY 2009 and 466.76% in FY 2009 annually.

Assets

The following discussion compares our financial position as of March 31, 2011, 2010, 2009, 2008 and 2007
(₹ in lacs)

Particulars	As of March 31,				
	2011	2010	2009	2008	2007
Fixed Assets (Net Block)	2,016.90	769.59	772.73	591.01	338.88
Capital Work in progress	1,277.24	299.65	104.23	114.80	-
Investments	-	-	0.50	0.50	-
Inventory	857.53	1,083.67	685.18	980.01	307.83
Sundry Debtors	3,245.39	2,870.75	2,199.56	1,257.64	820.30
Cash and Bank balances	307.63	250.00	216.13	177.04	140.28
Loans and Advances	835.27	272.40	288.78	371.32	122.30
Total Assets	8,539.96	5,546.06	4,267.11	3,492.32	1,729.59

Fixed Assets

The increase in our fixed assets has been primarily due to additions to the gross block for expanding our activities.

Capital Work in Progress

The Capital work in progress shall be transferred to the gross block as and when the construction of the asset is completed.

Investments

The Company has invested a sum of ₹ 0.50 lacs in 2007-08 & 2008-09 in National Savings Certificate.

Inventory

A major portion of the Company's inventory over the years is covered by HDPE Pipes, LDPE Pipes, and PVC Pipes.

Sundry Debtors

The rise in the amount of Sundry debtors over the years is mainly attributable to the increase in our customer base and growth in the number of pilot products during the financial 2010 & 2011.

Cash and Bank Balance

Our cash and bank balance consist of cash in hand, balance with scheduled banks, Fixed deposit and accrued interest thereon.

The following table shows our cash and bank balances as of March 31, 2011, 2010, 2009, 2008, and 2007:
(₹ In Lacs)

Particulars	As of March 31,				
	2011	2010	2009	2008	2007
Cash in hand	13.95	17.59	6.37	15.44	10.87
Balance with Scheduled Banks	25.03	1.84	5.61	-	57.05
Fixed Deposit Account Including Interest	268.65	230.57	204.15	161.60	72.36
Total Assets	307.63	250.00	216.13	177.04	140.28

Loans and Advances

Our loans and advances mainly comprise of advance tax to government authorities, advances to suppliers and prepaid expenses.

The following table shows our loans and advances as of March 31, 2011, 2010, 2009, 2008 and 2007:

(₹ In Lacs)

Particulars	As of March 31,				
	2011	2010	2009	2008	2007
Advances (Recoverable in cash or kind or value to be received)	509.96	50.60	63.63	117.95	75.25
Balance with Government Authorities	140.19	132.17	82.39	121.15	21.90
Security Deposit	145.98	65.64	68.56	52.98	14.81
Other Advances	24.42	19.89	64.32	59.79	8.90
Prepaid Expenses	14.72	4.10	9.88	19.45	1.44
Total Assets	835.27	272.40	288.78	371.32	122.30

Liabilities and Provisions

The following table sets forth the principal components of our liabilities as of March 31, 2011, 2010, 2009, 2008 and 2007.

(₹ In Lacs)

Particulars	As of March 31,				
	2011	2010	2009	2008	2007
Secured Loans	3067.53	1,363.86	1,342.86	1,126.86	483.05
Unsecured Loans	174.45	-	53.24	0.63	1.51
Current Liabilities and Provisions	1720.20	1,879.06	1,083.29	734.89	955.07
Total Liabilities & Provisions	4962.18	3,242.92	2,479.39	1,862.38	1439.63

Secured and Unsecured Loans

The table set forth gives a brief summary of our secured and unsecured loans as of March 31, 2011, 2010, 2009, 2008 and 2007.

(₹ In Lacs)

Particulars	As of March 31,				
	2011	2010	2009	2008	2007
Secured Loans					
<i>Term Loans</i>	693.81	324.28	422.75	329.86	186.21
From Bank Of India. Secured by way of equitable mortgage of Land and Building.					
Working Capital Loan	1500.10	1,015.45	886.48	774.35	271.98
From Bank of India. Secured by way of hypothecation of Inventories and Book debts of the Company.					

Particulars	As of March 31,				
	2011	2010	2009	2008	2007
Vehicle Loans	35.20	24.13	33.63	22.65	24.86
From Bank of India and ICICI. Secured by way of hypothecation of respective vehicles.					
Deferred Development Charges	838.42				
From Rajasthan State Industrial Development & Investment Corporation Ltd., secured against respective industrial plots.					
Sub Total	3067.53	1,363.86	1,342.86	1,126.86	483.05
Unsecured Loans					
From shareholders and Directors and their relatives	174.45	-	31.10	0.63	1.51
From Others		-	22.14	-	-
Sub Total	174.45	-	53.24	0.63	1.51
TOTAL	3241.98	1,363.86	1,396.10	1,127.49	484.56

The increases in the secured loans were made to satisfy the financial needs of the Company as we expand our business and add new products to the Company's portfolio of products.

Share Capital

For details on the capital build up of the Company, refer "Capital Structure of the Company" on Page No. 45 of this Prospectus.

Analysis of Certain changes

Unusual or infrequent events or transactions

There are no unusual or infrequent events or transactions that have significantly affected our business.

Significant economic changes that materially affected or are likely to affect income from continuing operations.

There are no significant economic changes that materially affected Company's operations or are likely to affect income from continuing operations except for changes in government policies including changes in tax structure.

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

There are no known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations except as described in the Section titled "Risk Factors" on Page No. 7 and in "Management's Discussion and Analysis of financial condition and results of operations" appearing on Page No. 220 of this Prospectus, to Company's knowledge.

Future changes in relationship between costs and revenues

Other than as described in the Sections titled “Risk Factors” and “Management’s Discussion and analysis of financial condition and results of operations” beginning on Page No. 7 and 220 respectively of this Prospectus and elsewhere in this Prospectus, there are to our knowledge no known factors which would have a material adverse impact on the relationship between costs and income of our Company.

Increases in net sales or revenue and Introduction of new products or services or increased sales prices

Increases in revenues are by and large linked to increases in volume of plastic pipe products to be sold by our Company. Other than as described in this Prospectus, we do not have any new products or business segment.

Total turnover of each major industry segment in which Our Company operated

Our Company operates significantly in only one Industry Segment i.e. Plastic pipe products. For details, please refer to Section titled “Industry Overview” on Page No. 90 of this Prospectus.

Status of any publicly announced New Products or Business Segment

We have not announced any new products or business Segment other than those described in the existing and new project.

Seasonality of business

Business of our Company is not seasonal.

Dependence on a single or few suppliers or customers

We source the raw materials from a number of suppliers and do not have excessive dependence on any single supplier.

We depend upon a few customers for selling our products. Our top 10 customers had contributed to around 70% of our total sales volume during the financial year 2009-10. Although, during the financial year ended March 31, 2011, our top 10 customers have contributed only around 48.33% of our total sales volume, our key customers continue to contribute significantly towards our total turnover.

Competitive conditions

We believe that on account of our competitive strengths we are well positioned to enhance our position in the sector in which we operate.

Details of material developments after the date of last balance sheet

No circumstances have arisen since the date of the last audited financial statement until the date of filing of this Prospectus with SEBI, which materially and adversely affect or is likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months.

Liquidity and Capital Resources

The primary liquidity requirements are to finance the working capital needs & the capital expenditure. The requirement of working capital is to finance the purchase of raw material, make necessary advance to supplies and undertake manufacturing activities before full payment is received from the customers. To

fund these costs, we have relied on short-term and long-term borrowings, including working capital financing, term loans and flows from operating activities.

Cash Flow Position

The following table summarizes our cash flows for the financial 2011, 2010, 2009 2008 and 2007:

(₹ In Lacs)

Particulars	Year Ended March 31,				
	2011	2010	2009	2008	2007
Net cash generated from Operating Activities	882.08	695.60	281.00	(1283.08)	93.37
Net cash generated from Investing Activities	(2320.82)	(309.24)	(306.37)	(516.21)	(162.92)
Net cash generated from Financing Activities	1458.29	(378.91)	21.91	1,746.81	130.33
Net Increase / (Decrease) in Cash and Cash Equivalents	19.55	7.45	(3.46)	(52.48)	60.78

Operating Activities

Our operations resulted in Net cash outflow of ₹ 1283.08 lacs in the financial year 2007-08. There was an inflow of ₹ 93.37 lacs, ₹ 281.00 lacs, ₹ 695.60 lacs and ₹ 882.08 lacs in the financial year 2006-07, 2008-09, 2009-10 and 2010-11 respectively.

Investing Activities

Net cash outflow in Investing Activities was ₹ 2320.82 lacs, 309.24 lacs, ₹ 306.37 lacs, ₹ 516.21 lacs and ₹ 162.92 lacs in the financial year 2010-11, 2009-10, 2008-09, 2007-08 and 2006-07 respectively.

Financing Activities

Net cash inflow from financing activities was ₹ 1458.29 lacs , ₹ 21.91 lacs, ₹ 1746.81 lacs, ₹ 130.33 lacs in the financial year 2010-11, 2008-09, 2007-08 and 2006-07 respectively. There was an outflow of ₹ 378.91 lacs in the financial year 2009-10.

SECTION VI – LEGAL AND OTHER INFORMATION

6.1 - OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Our Company is involved in certain legal proceedings / claims which are incidental to our business and operations. There are outstanding litigations involving our Company, its Directors, Promoters and Group Companies. These proceedings are pending at different levels of adjudications. We can give no assurances that these proceedings would be decided in our favour. Any decision which may be against us, partly or fully would adversely affect our financial position and cash flows.

At the same time, our Company has also initiated legal proceedings against certain parties under Negotiable Instruments Act 1889 and for recovery of Company dues from such parties. Details of legal proceedings against and by the Company are given as under:

1. Cases filed against the Company:

- a. Company petition No. 7/2010 in High Court of Judicature at Jaipur, Rajasthan.

M/s Gateway Carrying Corporation has filed a company petition before High Court of Judicature, Jaipur, Rajasthan, against our Company under Section 433(e), 434 and 439(1) of the Companies Act, 1956 for recovery of pending dues with regard to defective delivery of the goods. The claim amount to the tune of ₹ 3714200/- was claimed by M/s Gateway Carrying Corporation (Principal amount to the tune of ₹ 1914200/- and interest (₹ 1800000/- @ 18%) till the date of filing of the petition i.e. 20.11.2009. The said petition is pending for hearing. The next date of hearing in the matter is September 16, 2011.

- b. Company petition No. CS (OS) 2219/ 2009 in High Court of Judicature at Delhi.

M/s Gateway Carrying Corporation has filed a company petition before High Court of Judicature at Delhi against TPL, Tijaria Overseas Vinyl and 4 other persons including Ms. Anu Jain Tijaria wife of Mr. Alok Jain Tijaria, Managing Director, Ms. Reema Jain Tijaria wife of Mr. Vikash Jain Tijaria, Smt Purnima Jain Tijaria wife of Shri Praveen Jain Tijaria and Ms. Sonal Jain, wife of Mr. Vineet Jain Tijaria for recovery of debts to the tune of ₹ 38.26 Lacs. However the notice for the same could not be served on the parties and notice was served to the company and the other Respondents through advertisement in newspaper. Through the said Advertisement the Hon'ble Delhi High Court has directed TPL and the other respondents to appear before the Joint Registrar on 14.11.2011.

- c. Consumer Complaint No. 157/2008 in District Consumer Redressal Forum at Tonk, Rajasthan.

Mr. Badri Kesarvilas, Mr. Nandlal Gujar and Mr. Ramprasad Mal filed a consumer complaint on May 02, 2008 under Section 12 of the Consumer Protection Act, 1986 before District Consumer Redressal Forum, at Tonk, Rajasthan against M/s DP Electric Machinery & Store, Deoli and Tijaria (being the manufacturer and principle supplier of the goods) for the supply of alleged inferior quality pipes. The complainants have alleged in the complaint that the material supplied by M/s DP Electric Machinery & Store was of inferior quality and therefore they have suffered from huge losses and mental agony. The complainants have claimed for the replacement of pipes or refund the purchase value along with interest and compensation for mental, physical and monetary loss amounting to the total of ₹ 3,00,000/and legal cost of ₹ 5,000/-. Our Company has filed its reply in the present matter and the matter is pending before District Consumer Redressal Forum, at Tonk, Rajasthan.

- d. Consumer Complaint No. 163/2008 in District Consumer Redressal Forum at Tonk, Rajasthan.

Mr. Suza filed a consumer complaint under Section 12 of the Consumer Protection Act, 1986 before District Consumer Redressal Forum, at Tonk, Rajasthan against M/s DP Electric Machinery & Store, Deoli and the Company (being the manufacturer and principle supplier of the goods) for the supply of alleged inferior quality pipes. The company has filed its reply in the matter and the same is pending.

- e. Excise Appeal No. 51 of 2009 filed before the High Court of Judicature at Jaipur, Rajasthan.

The above said Excise Appeal has been filed by our Company against the Impugned Order passed by Appellate Tribunal (Excise) dated December 16, 2008. The appeal related to a show cause notice bearing no. V (39)15/off./9/05/2525 dated 3.4.06 was issued. The Company deposited the excise duty and interest. Even after paying the excise duty along with interest the Excise Department issued a show cause notice. Our Company submitted its reply to the show cause on June 13, 2006. Assistant Commissioner, Central Excise passed an order imposing penalty of ₹ 1,92,833/-. TPL filed an appeal before Commissioner (Appeal –I) on September 09, 2006 challenging the order passed by Assistant Commissioner, Central Excise. Commissioner (Appeal –I) dismissed the appeal filed by TPL vide its order dated December 27, 2006. TPL preferred an appeal before Central Excise and Service Tax Appellate Tribunal, New Delhi against the order of Commissioner (Appeal –I). However the same was dismissed by Central Excise and Service Tax Appellate Tribunal, New Delhi. Now aggrieved by the order, TPL has filed an appeal before the High Court of Judicature, Jaipur, Rajasthan under Section 35 G of the Central Excise Act, 1944. The matter is pending and the next date of hearing is August 24, 2011.

2. Cases filed and Show Cause Notices issued against directors

- a. Complaint was registered with Deoli Police Station, Deoli, district, Tonk, Rajasthan. Subsequently a criminal Misc Petition 1459 of 2010 was filed before the high court of Judicature at Jaipur, Rajasthan

Smt. Meena Vijay Agrawal lodged a complaint against TPL any under Section 420 and 120B of the Indian Penal Code, 1860 with Deoli Police Station, Deoli. The complainant alleged that Mr. Vikas Tijariya and Mr. Alok Tijariya of M/s Tijariya Overseas Vinyal Ltd., cheated the complainant by supplying inferior qualities pipes. On investigations, Police submitted negative final report no. 15/2009 on the ground that this is a case of civil nature. The complainant protested the negative final report before Judicial Magistrate, Deoli. Judicial Magistrate, Deoli returned the negative final report no. 15/2009 with the direction of reinvestigation vide his order dated April 21, 2010. Smt. Meena Vijay Agrawal filed a criminal miscellaneous petition No. 1459 of 2010 vide which she challenged the Impugned Order of Judicial Magistrate, Deoli on the ground that Impugned Order has been passed against the subject matter of case and is liable to be set aside. The matter is pending and next date of listing is October 10, 2011.

- b. Company petition No. 7/2010 in High Court of Judicature at Jaipur, Rajasthan.

M/s Gateway Carrying Corporation has filed a company petition before High Court of Judicature, Jaipur, Rajasthan, against TPL under Section 433(e), 434 and 439(1) of the Companies Act, 1956 for recovery of pending dues with regard to defective delivery of the goods. The claim amount to the tune of ₹ 3714200/- was claimed by M/s Gateway Carrying Corporation (Principal amount to the tune of ₹ 1914200/- and interest (₹ 1800000/- @ 18%) till the date of filing of the petition i.e. 20.11.2009. The said petition is pending for hearing next hearing is scheduled for September 16, 2011.

- c. A Show Cause Notice No. C.No. IV (6) 247 / AE / JPR-I/2007 / 4394 dt. 26.2.09 was issued by the Commissioner, Central Excise, Jaipur – I to the Company and its Managing Director, after conducting search on dt. 28.12.07 at the factory premises at A-130(E), Road No. 9D, VKI Area, Jaipur and residence at F-32, Ghiya Marg, Bani Park, Jaipur. Show Cause Notice was issued inter alia alleging that the Company and its Managing Director

- i. Suppressed the production of finished goods valued at ₹ 1838761/- and cleared without payment of duty clandestinely, with an intent to evade CE duty of ₹ 303028/- in contravention of provisions of Rule 4,6,8,10,11 and 12 of CE Rules, 2002. The Company has however deposited ₹ 303028/-.
- ii. Availment of Cenvat credit on raw material of ₹ 745870/- in contravention of Rule 3(1) and Rule 4(1) of the Cenvat Credit Rules, 2004. The Company has however deposited ₹ 745870/-.
- iii. Availment of Cenvat credit on improper documents to the tune of ₹ 3805815/- in contravention of Rule 9(2) of the Cenvat Credit Rules, 2004. The Company has however deposited ₹ 206000/-.
- iv. Availment of Cenvat credit to the tune of ₹ 12811678/- on the strength of invoices issued by dealers without receiving the cenvatable inputs, in contravention of Rule 3(1) and Rule 4(1) of the Cenvat Credit Rules, 2004.
- v. Penalty of equivalent to duty as aforesaid under section 11AC of the Central Excise Act, 1944.
- vi. Interest at appropriate rate on the duty amount u/sec. 11AB of the Central Excise act, 1944.
- vii. Penalty under clause a, b, c of sub rule (1) of Rule 25 of the Central Excise Rules, 2002.

The matter was heard and a decision was passed on 29.09.2010 vide which the directors have been exonerated of any personal liability.

- d. A Suit no. 74/2009 filed before the court of Civil Judge (Junior Division) and Judicial Magistrate Deoli, District Tonk.

A F.I.R. was lodged by one Mr. Badri lal Meena in regard to a dispute between him and the company. Therein a final negative report was submitted by the police. Affected by the same Mr. Badri lal Meena preferred a private complaint under the provisions of Section 190 Cr. P.C. before the court of Civil Judge (Junior Division) and Judicial Magistrate Deoli, District Tonk against Mr. Alok Jain Tijaria and Mr. Vikas Jain Tijaria under Section 406, 420, 467, 468, 471 and 120B of the Indian Penal Code alleging the two directors of selling pipes of inferior quality to him and forging of his signature on a affidavit dated 14.08. 2010. The Magistrate directed the investigating officer to send the signature of the complainant for examination to forensic science laboratory. The Hon'ble Civil Judge and the Judicial Magistrate vide order dated 08.03.2011 took cognizance of the matter and issued non-bailable warrants for securing the appearance of the directors. Aggrieved by the same the two directors of the company moved an Application in the Session court of Tonk District under Section 438 of Cr. P.C. before the Judicial Magistrate for anticipatory bail. However, the same was rejected. In furtherance of the same another Application bearing petition number 3792/2011 under Section 482 Cr. P.C. was filed before the High Court of Judicature for Rajasthan at Jaipur. The Hon'ble High Court vide its order dated 6.05.2011 converted the non bailable warrant into bailable warrant.

A criminal miscellaneous no. petition bearing no. 733/2011 was filed before the High Court of Judicature for Rajasthan at Jaipur under Section. 482 Cr. P.C. for quashing of the order dated 8.03.2011 on the ground that the matter is of civil nature and no criminal prosecution is required. However, the High Court observed that the defence has not been considered at this stage and consequently the petition was dismissed as withdrawn vide order dated 28.03. 2011.

Hence another criminal miscellaneous petition along with a stay application bearing petition no 887/2011 was filed before the High Court of Judicature for Rajasthan at Jaipur under Section. 482 Cr. P.C. for quashing of the order dated 8.03.2011 on the same grounds. The same is as on date pending and was last listed on 12.5.2011.

- e. Show cause notice issued by Additional Collector (Revenue) Jaipur bearing reference no. 970 of 2010.

A notice was issued to Mr. Alok Jain Tijaria and others by the Additional Collector (Revenue) Jaipur under Section 51 (2)(3) and Section 75 read with Section. 30 of the Rajasthan Stamp Act, 1998 for short payment of stamp duty amounting to Rs. 3.63 lacs derived on the basis of DLC rates by the authorities on the sale deed registered on 10.06.2010 with the office of the Sub Registrar which is pertaining to the property situated at C-118, Lalkothi Housing Yojna, Jaipur. Through the said notice Mr. Alok Jain Tijaria was advised to appear before the Additional Collector (Revenue) Jaipur on 27.01.2011 for hearing. A detailed reply was submitted in the same by Mr. Alok Jain Tijaria and others requesting to quash the demand on the basis of ground submitted.

3. Show Cause Notices against the Company

- a. Show Cause Notice No. C. No. IV (6) 247/AE/JPR-I/2007 4394 dt. 26.02.09

Pursuant to search conducted on 28.12.2007 at the factory premises at A-130 €, Road no. 9D, VKI Area, Jaipur and residence at F-32, Ghiya Marg, Bani Park, Jaipur a show cause notice was issued by the commissioner, Central Excise, Jaipur – 1 to the Company and its Managing Director interalia alleging as under:-

1. Suppressed the production of finished goods valued at ₹ 1838761/- and cleared without payment of duty clandestinely, with an intent to evade Central Excise Duty of ₹ 303028/- in contravention of provisions of Rule 4,6,8,10,11 and 12 of Central Excise Rules.
2. Availment of CENVAT credit on raw material of ₹ 745870/- in contravention of Rule 3(1) and Rule 4(1) of the CENVAT Credit Rules, 2004.
3. Availment of CENVAT credit on improper paper documents to the tune of ₹ 3805815/- in contravention of Rule 9(2) of the CENVAT Credit Rules, 2004.
4. Availment of CENVAT credit to the tune of ₹ 12811678/- on the strength of invoices issued by dealers without receiving the cenvatable inputs in contravention of Rule 3(1) and Rule 4(1) of the CENVAT Credit Rules, 2004.
5. Penalty of equivalent duty as aforesaid under section 11AC of the Central Excise Act, 1944.
6. Interest at appropriate rate on the duty amount u/sec. 11AB of the Central Excise Act, 1944.
7. Penalty under clause a,b,c of sub-rule (1) of Rule 25 of the Central Excise Rules 2002.

The matter was heard and a decision was passed on 29.09.2010 vide which the commissioner appeal directed as under:-

- Commissioner ordered company to pay ₹ 3,03,028 towards Central Excise duty.
- Commissioner imposed a penalty of ₹ 3,03,028 on the company subject to 25% reduced penalty if the company is able to deposit the Central Excise duty within 30 days from the date of communication of the order.
- Commissioner ordered recovery of CENVAT credit of ₹ 7,45,870/-
- Commissioner imposed a penalty of ₹ 1,00,000/-
- Penalty on other grounds was dropped.

All the penalties imposed have been duly deposited by the company as directed in the order dated 29.09.2010 and the case is now closed.

- A Show Cause Notice dated 11.5.2011 bearing reference no. U (25) – 3(398) /2007-08/ 2011 was issued by Rajasthan State Industrial Development and Investment Corporation Limited to the Company for the alleged violation of terms and conditions of allotment for plot no. SP – 1- 2315 at Industrial Area Ramchandrapura, Jaipur. Through the Show Cause Notice the Company has been called upon to reply to the Show cause notice within 30 days. Failure to deposit the amount due or submit a reply with the stipulated period will lead to a cancellation of the lease itself. However it is pertinent to mention that the Company had applied for an extension and the same was granted to it vide letter dated 11.05.2011 for a period of one month from the date of the letter.

- A Sales Tax demand notice under Section 24, 55 and 58 of the Rajasthan VAT Act, 2003 was issued to the company for the Assessment year 2007-2008. The same has been deposited/settled by the company and another application dated 30. 05. 2011 requesting the Commissioner to waive a sum of ₹ 1,15,530 payable towards interest is pending for decision by the authorities.
- Show Cause Notice dated August 23, 2010 under Section 143(2) of Income Tax Act, 1961 was issued by Income Tax Officer, Ward 4 (2), Jaipur, regarding certain clarification with regard to the Income Tax return filed by our Company for the Assessment Year 2009-2010. The matter is pending and reply is to be submitted by the Company.
- A show cause notice was issued to the company by the Additional Collector Revenue Jaipur. In view of the proceedings held therein a decision was passed on 29.06.2010 directing the company to deposit a total amount of ₹ 110000/- towards short fall of stamp duty latest by 22.09.2010. As the company did not pay the same a final demand notice was issued to the company directing it to deposit the amount due along with penalty. The company vide its letter dated 12.07.2011 has submitted its detailed reply in the matter denying the said liability. The company has objected to the same on the ground that no hearing opportunity was granted to it which is in gross violation of the principles of natural justice.
- A Sales Tax demand notice was issued to the company for the Assessment year 2006-2007. The same has been deposited/waived/settled by the company. Through its application dated 12. 07. 2010 the company has requested the Commissioner to waive a sum of Rs. 1,75,550 payable towards interest. The same is pending for decision by the authorities.

4. Cases filed by the Company

1. Writ Petition No. 19964/2010 before the High Court of Judicature of Tamil Nadu at Chennai.

A tender inviting bids for supply of 12000 Km/s. 40/33 MM PLB pipes and accessories was floated by BSNL. The company was adjudged as the fourth lowest bidder in the bid, but in spite of the same no order was given to the company. The said action of BSNL was challenged by the company before the Hon'ble High Court through the present writ petition.

On perusal of the matter the Hon'ble High Court vide its order dated 31.08.2010 passed an order of interim injunction in so far as the quantum of material in respect of Tijaria is concerned. The matter is pending before the Hon'ble High Court of Madras. However as per the company matter has become infructuous and therefore it is contemplating to withdraw the writ.

- b. Writ Petition No. 12389 /2010 before the High Court of Judicature of Tamil Nadu at Chennai.

A tender inviting bids for supply of 12000 Km/s. 40/33 MM PLB pipes and accessories was floated by Southern Telecom Projects. The last date of filing of the tender was fixed as 14.06.2010 at 2 pm. Due to changes in manner of filing tender from manual to e-tender the company requested Southern Telecom Projects for extension of time. However the same was turned down by Southern Telecom Projects. Affected by the same our company along with two other companies filed the present writ before the Hon'ble High Court of Madras. However the same was disposed off by the Hon'ble court without any relief.

c. Complaint U/s 138 of Negotiable Instrument Act, 1881.

- Mr. Anil Choudhary of M/s Hindustan Hardware Store

TPL has filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 before Additional Chief Judicial Magistrate, Jaipur for the dishonor / non-payment of cheque no. 023543 dt. 12.1.2009 of ₹ 19,874/-. The Company took this step after non-reply of its earlier notice dated 16.5.2009 regarding the payment of the pipes purchased by **M/s Hindustan Hardware Store**. The Company has claimed in its complaint dated 9.6.09 for all expenses, cheque amount along with interest and penalty for this default. Last date of hearing is 5.9.10. The last hearing in the matter was held on 25.07.2011 and subsequently the next hearing date has been fixed to be on 19.09.2011.

- Mr. Rajendra Jangid of M/s Gayatri Marketing & Services, Ajmer.

TPL has filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 before Additional Chief Judicial Magistrate, Jaipur against the dishonor / non-payment of cheque no. 047557 dt. 10.8.08 and Ch. No. 047577 dated 10.10.08 of ₹ 15,000 each. The Company took this step after non-reply of its earlier notice dated 16.12.08 regarding the payment of the pipes purchased by **M/s Gayatri Marketing & Services**. The Company has claimed in its complaint dated 12.1.09 for all expenses, cheque amount along with interest and penalty for this default. Last date of hearing is 3.9.10. The last hearing in the matter was held on 17.03.2011. However Tijaria has vide its Application dated 13.06.2011 has sought the permission of the Hon'ble court for withdraws of the matter.

- Mr. Babu Lal Jain, Proprietor M/s Royal Sanitary, Udaipur.

TPL has filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 before the Additional Chief Judicial Magistrate, Jaipur against the dishonor / non-payment of cheque no. 006515 dt. 11.11.08 of ₹ 71,224/-. The Company took this step after non-reply of its notice dated 8.12.08 regarding the payment of the pipes purchased by **M/s Royal Sanitary, Udaipur**. The Company has claimed in its complaint dated 12.1.09 for all expenses, cheque amount along with interest and penalty for this default. Last date of hearing is 8.7.10. The last hearing in the matter was held on 25. 7. 2011 and subsequently the next hearing date has been fixed to be on 19.09.2011.

- Subhash Chandra Verma, Proprietor of M/s Verma Tractors & Agencies, Badanwara, Dist. Ajmer, Rajasthan.

TPL has filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 before the Special Judicial Magistrate, N.I. Act, Jaipur against the dishonor / non-payment of cheque no. 0879213 dt. 24.4.10 of ₹ 20,000/-. The Company took this step after non-reply of its earlier notice dated 21.5.10 regarding the payment of the pipes purchased by **M/s Verma Tractors & Agencies, Badanwara, Dist. Ajmer, Rajasthan**. The Company has claimed in its complaint dated 6.7.09 for all expenses, cheque amount along with interest and penalty for this default. The last hearing in the matter was held on 07.12.2010 and subsequently the next hearing date has been fixed to be on 09.12.2011.

- Mr. Narpat Singh Bhayal, Proprietor of M/s Mahadev Enterprises, Barmer, Rajasthan.

TPL has filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 before the Special Judicial Magistrate, N.I. Act, Jaipur against the dishonor / non-payment of cheque no. 000101 dt. 03.05.10 of ₹ 2,00,000/-. The Company took this step after non-reply of its

earlier notice dated 26.5.10 regarding the payment of the pipes purchased by **M/s Mahadev Enterprises**. The Company has claimed in its complaint dated 6.7.09 for all expenses, cheque amount along with interest and penalty for this default. The last hearing in the matter was held on 07.12.2010 and subsequently the next hearing date has been fixed to be on 09.12.2011

- Mr. Dwarka Prasad Vijay, M/s. D P Electric & Machinery Store, Proprietor Smt. Meena Vijay and M/s Vijay Agencies, Proprietor Mr. Dwarka Prasad Vijay

TPL has filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 before the Additional Chief Judicial Magistrate, Jaipur against the dishonor / non-payment of cheque no. 482205 dated 20.12.07 of ₹ 2,00,000/-. The Company took this step after non-reply of its earlier notice dated 5.1.08 regarding the payment of the pipes purchased by **M/s. D P Electric & Machinery Store and M/s Vijay Agencies**. The Company has claimed in its complaint dated 2.2.08 for all expenses, cheque amount along with interest and penalty for this default. Last date of hearing was May 15, 2010. The date of previous hearing was attended by the Company on 04.11.2011 and next date of hearing is scheduled to be on 20th August, 2011.

- Mr. Prem Dadich, Proprietor of M/s Hindustan Stone & Tiles, Jodhpur

TPL has filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 before Special Judicial Magistrate, N.I. Act, Jaipur against the dishonor / non-payment of cheque no. 0559330 dated 05.4.10 of ₹ 47,168/-. The Company took this step after non-reply of its earlier notice dated 26.5.10 regarding the payment of the pipes purchased by **M/s Hindustan Stone & Tiles, Jodhpur**. The Company has claimed in its complaint dated 6.7.10 for all expenses, cheque amount along with interest and penalty for this default. The last hearing in the matter was held on 28.02.2011 and subsequently the next hearing date has been scheduled to be on 09.12.2011.

- Mr. Rajkumar Savlani, Secretary and Smt. Shivangna, Chairman of J D College for Computer Hardware & Networking, Jaipur.

TPL has filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 before the Additional Chief Judicial Magistrate, Jaipur against the dishonor / non-payment of cheque no. 968521 dt. 29.09.08 of ₹ 22,049/-. The Company took this step after non-reply of its earlier notice dated 26.11.08 regarding the payment of the pipes purchased by **J D College for Computer Hardware & Networking**. The Company has claimed in its complaint dated 12.1.09 for all expenses, cheque amount along with interest and penalty for this default. Last date of hearing was July 08, 2010. The last hearing in the matter was held on 17.03.2011. The matter was dismissed by the learned Magistrate as the claimant did not wish to stress on the matter.

- Mr. Bal Kishan Kumawat, Proprietor M/s Kumawat Electricals, Rajsamand

TPL has filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 before the Additional Chief Judicial Magistrate, Jaipur against the dishonor / non-payment of cheque no. 0849506 dt. 10.02.08 of ₹ 20,300; Cheque no. 0849510 dated 27.2.08 of ₹ 15,000; cheque no. 0849511 dated 8.3.08 of ₹ 20,000/- and Cheque no. 0849512 dated 20.3.08 of ₹ 20,000/- i.e amounting to total of ₹ 75,300/-. The Company took this step after non-reply of its earlier notice dated 29.07.08 regarding the payment of the pipes purchased by **M/s Kumawat Electricals**. The Company has claimed in its complaint dated 18.9.08 for all expenses, cheque amount along with interest and penalty for this default. Last date of hearing was August 28, 2010. The last hearing was held on 04.05.2011 and although an application for withdrawal of the same has been filed.

- Mr. Govind Agarwal, Proprietor of M/s Agrel Syndicate, Gwalior.

TPL has filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 before the District Court, Jaipur against the dishonor / non-payment of cheque no. 007603 dt. 22.11.05 of ₹ 35,000/-. The Company took this step after non-reply of its earlier notice dated 7.2.06 regarding the payment of the pipes purchased by **M/s Agrel Syndicate, Gwalior**. The Company has claimed in its complaint dated 29.3.06 for all expenses, double the cheque amount along with interest and penalty for this default. Last date of hearing was August 13, 2010. The last date of hearing was 21.07.2011 and thereafter the next date of hearing has been fixed to be 29.01.2012. The matter is pending till the date of the next hearing.

- Mr. E. Shiva Shankar Reddy Authorised Signatory of M/s Rishi Projects, Hyderabad.

TPL has filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 before the District Court, Jaipur against the dishonor / non-payment of cheque no. 124651 dt. 21.09.09 of ₹ 12,00,000/-. The Company took this step after non-reply of its earlier notice dated 22.12.09 regarding the payment of the pipes purchased by **M/s Rishi Projects, Hyderabad**. The Company has claimed in its complaint dated 30.1.10 for all expenses, cheque amount along with interest and penalty for this default. The Company has however, received payment of ₹ 10,00,000/- and therefore the total amount has reduced to ₹ 2,00,000/-.

- Mr. Pukhraj Tank, Proprietor M/s Jeetu Electric Works, Nagore

TPL has filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 before Additional Chief Judicial Magistrate, Jaipur against the dishonor / non-payment of cheque no. 927853 dt. 21.11.08 of ₹ 3,14,479/-. The Company took this step after non-reply of its earlier notice dated 5.1.08 regarding the payment of the pipes purchased by **M/s Jeetu Electric Works, Nagore**. The Company has claimed in its complaint dated 5.2.09 for all expenses, cheque amount along with interest and penalty for this default. The next date of hearing is 17th August, 2011.

- Mr. Yogesh Goyal, Proprietor M/s Kaveri Exports, New Delhi

TPL has filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 before Additional Chief Judicial Magistrate, Jaipur against the dishonor / non-payment of cheque no. 112703 dt. 14.8.2007 of ₹ 2,00,000/-. The Company took this step after non-reply of its earlier notice dated 1.12.07 regarding the payment of the pipes purchased by **M/s Kaveri Exports, New Delhi**. The Company has claimed in its complaint dated 2.1.08 for all expenses, cheque amount along with interest and penalty for this default. The next date of hearing was 11.10.2010. The last hearing was held on 04.03.2011 and accordingly the next date of hearing has been scheduled on 12.10.2011.

- Mr. Naresh Gehlot, Proprietor of M/s Gehlot Machinery Stores, Pali

TPL has filed a complaint under section 138 of the Negotiable Instruments Act, 1881 before Additional Chief Judicial Magistrate, Jaipur against dishonor/ nonpayment of cheque no. 020983 dt. 27.12.2010 of ₹ 1,07, 494/-. The next hearing is on 30.04.2011. The matter is pending for hearing dated September 20, 2011.

- Mr. Balbir Singh Parihar of M/s. Parihar Pipes and Paints, Jodhpur.

TPL has filed a complaint under section 138 of the Negotiable Instruments Act, 1881 before Metropolitan Magistrate, Jaipur for nonpayment of cheque no. 038758 dt. 24.02.2011 of ₹ 29,216/- by giving his instructions of stop payment. The date of hearing is September 20, 2011.

- Mr. Shravan Gupta of M/s Krishna Dieseld, Varanasi

TPL has filed a complaint under section 138 of the Negotiable Instruments Act, 1881 before Additional Chief Judicial Magistrate, Jaipur against dishonor/ non payment of cheque no. 038012 dt. 19.01.2009 of ₹ 1,50,000. The matter would be pending till the next date of hearing which is scheduled on 16.09.2011.

5. Cases filed by Tijaria Vinyl Pvt. Ltd. (Group company)

- M/s Gila Irrigation, Proprietor Mr. Bhanvarlal Gila, Sikar.

Tijaria Vinyl Pvt. Ltd. has filed a recovery suit under Civil Procedure Code, 1908, before District and Session Judge, Jaipur for the recovery of ₹ 3,10,000/- regarding the payment of goods supplied by Tijaria Vinyl Pvt. Ltd.. The Company took this step after non-reply of its earlier notice dated 8.05.06 regarding the recovering of the amount due from **M/s Gila Irrigation**. The Company has claimed in its complaint recovery of ₹ 3,10,000/- along with interest at the rate of 2% per month and other legal costs. The last hearing in matter was held on 27.07.2011 and accordingly the next date of hearing has been scheduled for 23.08.2011.

- Mr. Mahendra Kumar Mantri, Proprietor Ms/ Sumangalam Building Materials, Bundi.

Tijaria Vinyl Pvt. Ltd. has filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 before Additional Chief Judicial Magistrate, Jaipur against the dishonor / non-payment of cheque no. 872918 dt. 20.12.2007 of ₹ 12,760/-. The Company took this step after non-reply of its earlier notice dated 12.1.08 regarding the payment of the pipes purchased by **Ms/ Sumangalam Building Materials**. The Company has claimed in its complaint dated 7.2.08 for all expenses, cheque amount along with interest and penalty for this default. The matter is pending and the next date of hearing is July 18, 2011.

6.2 - GOVERNMENT APPROVALS

The Approvals and Licenses received by our Company from government authorities listed below enable us to carry out our present business activities. Unless otherwise stated herein below, these approvals are valid and subsisting as on the date of this Prospectus. It must, however, be distinctly understood that in granting the above approvals, the Government and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed.

The licenses, permissions and approvals obtained by our Company under various Central and State Laws for carrying out its business are enlisted below

APPROVALS MATERIAL TO OUR CURRENT BUSINESS ACTIVITIES

INCORPORATION AND OTHER STATUTORY COMPLIANCES

Certificate of Incorporation

TPL was incorporated on July 17th, 2006 as evidenced by the Certificate of Incorporation issued by the Registrar of Companies, Rajasthan, Jaipur.

Certificate of Incorporation consequent to the Change of Name

Pursuant to a special resolution of the members of TPL, on 18/07/2006 the name of TPL was changed to its present name i.e. Tijaria Polypipes Limited as evidenced by the Certificate of Change of Name dated July 20th, 2006 from the Asst. Registrar of Companies, Rajasthan, Jaipur. Our Company Identification Number (CIN) of our Company is **U25209RJ2006PLC022828**.

Importer-Exporter Code (IEC)

Our Company's IEC (Importer-Exporter Code) No. is 1305008031 issued on 10th August, 2004, as contained in the Certificate of Importer-Exporter Code from the Office of the Joint Director General of Foreign Trade, Ministry of Commerce And Industry, Jaipur, dated October 14, 2009 issued from file No. 13/04/130/00802/AM05 and updated vide letter dated January 5, 2011.

Permanent Account Number (PAN)

Our Company's PAN (Permanent Account Number) issued by Income Tax Department, Government of India is AACCT4796M.

Tax Deduction Account Number (TAN)

Our Company's Tax Deduction Account Number (TAN) as per Income Tax Act, 1961 is JPRT01691E.

Central Excise Number

TPL has been registered as Manufacturer of Excisable goods as evidenced by Central Excise Registration Certificate issued under Rule 9 of the Central Excise Rules, 2002 Form RC bearing Registration Number :

Factory Unit	Central Excise No.
A-130 (E), Road No. 9-D, Vishwakarma Industrial Area (VKI), Jaipur – 302 013, Rajasthan.	AACCT4796MXM001
SP-1-2316 & 2315, Ramchandrapura Industrial Area, Sitapura Extension, Jaipur.	AACCT4796MEM004

Note: Central Excise certificate no. AACCT4796MXM002 for factory unit located at F-532, Road No. 6 D, Vishwakarma Industrial Area (VKI), Jaipur – 302 013, Rajasthan surrendered vide letter acknowledged by the concerned authorities on March 3, 2011. However, production of non-excisable goods continues in the said premises.

Tijaria Polypipes Limited is operating a Warehouse of Excisable Goods at plot no.20 Umber Khed Road, Adinath Nagar, Niphad, Nashik, Maharashtra, bearing registration no AACCT4796MEM003 with Central Excise & Custom, Nashik, Division-III.

Service Tax Registration Number

Service Tax Registration Certificate bearing no. AACCT4796MST001 dated August 29, 2007 issued by the Superintendent, Central Excise Division-I, Jaipur for A-130 (E) & 130 (H) Road No. 9D, VKI Area, Jaipur (Rajasthan) for payment of service tax on the services of Transport of Goods by Road and Business Auxiliary Services.

Service Tax Registration Certificate bearing no. AACCT4796MST002 dated July 2, 2008 issued from the Office of the Assistant Commissioner, Service Tax Division, Jaipur for F-532, Road No. 6 D, VKI Area, Jaipur (Rajasthan) for payment of service tax on the services of Transport of Goods by Road.

Service Tax Registration Certificate bearing no. AACCT4796MSD003 dated January 11, 2011 issued from the Office of the Superintendent, Service Tax Division, Jaipur for SP-1-2315 & 2316, Sitapura Extn., Ramchandrapura Industrial Area, Sitapura, Jaipur for payment of service tax on the services of Transport of Goods by Road, Business Auxiliary Services and Erection, Commissioning & Installation.

Certificate issued by Central Sales Tax Departments

TPL has been registered as a dealer within the State of Rajasthan situated at A-130 (E), Road No. 9(D) VKI Area, Jaipur, Rajasthan under Section 7(1)/7(2) of the Central Sales Tax Act, 1956 vide Certificate of Registration no. 08421662853 (Central) dated 24th July, 2006 and amended certificate issued on 15th December, 2010.

TPL has been registered as a dealer within the State of Maharashtra under the Central Sales Tax Act, 1956 vide Certificate of Registration No. 27650728012C effective with effect from 30th September, 2009.

TPL has been registered as a dealer within the State of Gujarat situated at B-27, IIIrd Floor, Ghanshyam Avenue, Opp. C.U. Shah College, Income Tax, Ashram Road, Ahmedabad – 380 014 under Rule 5(1) of the Central Sales Tax (Registration & Turnover) Rules, 1957 having Certificate of Registration no. 24574204729 dated 05/09/2009 effective from 11/08/2009.

TPL has been registered as a dealer within the State of Uttar Pradesh situated at House no-18, Sector-11, Indira Nagar, Lucknow under Section 7(1) and 7 (2) of the Central Sales Tax Act, 1956 Serial TIN No. 09552305851 (Central) dated 17/10/2007 issued under the Central Sales Tax (Registration & Turnover) Rules, 1957.

TPL has been registered as a dealer within the State of Haryana situated at Adarsh Colony, Railway Road, Mahendergarh under Section 7(1) and 7 (2) of the Central Sales Tax Act, 1956. Our Company TIN No. 06452410497 issued vide certificate of registration dated 30th September, 2010 valid from 13th August, 2010.

TPL has been registered as a dealer within the State of Madhya Pradesh situated at 111, Megh Doot Tower, 21, Machine Nagar, SCH No. 54, Indore under section 7(1) and 7 (2) of the Central Sales Tax Act, 1956 Serial TIN No. 23911204108 dated 10th January, 2007 issued under the Central Sales Tax (Registration & Turnover) Rules, 1957.

Value Added Tax Certificate

Tijaria Polypipes Limited has been registered under Rajasthan VAT Act, 2003 vide Registration No. (TIN) 08421662853 issued on dated 24th July, 2006 for office situated at A-130 (E), Road No. 9(D), VKI Area, Jaipur, Rajasthan and amended certificate issued on 15th December, 2010.

Tijaria Polypipes Limited has been registered under Maharashtra Value Added Tax Act, 2002 with effect from 30th Sept, 2009 vide VAT TIN No. 27650728012V.

Tijaria Polypipes Limited has been registered under Andhra Pradesh Value Added Tax Act, 2005, dated on 1st May, 2008 vide (TIN) registration no. 28497801403 situated at Lad Bazar Circle, 11th Floor, Gaganvihar Complex, Opp. Gandhi Bhavan, M J Road, Nampally, Hyderabad - 500001. The same is registered under CST Act with the State of Andhra Pradesh.

Tijaria Polypipes Limited has been registered under Gujarat Value Added Tax Act, 2003 vide Certificate of Registration No. 24074204729 issued on 05/09/2009 effective from 08/08/2009 situated at B-27, IIIrd Floor, Ghanshyam Avenue, Opp. C.U. Shah College, Income Tax, Ashram Road, Ahmedabad – 380 014.

Tijaria Polypipes Limited has been registered as a dealer within the State of Madhya-Pradesh situated at No.111, Megh Doot Tower, 21, Machine Nagar, SCH-No-54 Indore under Madhya-Pradesh Value Added Tax Act, 2002, Certificate of Registration no. 23911204108 dated 07/12/2006.

TPL has been registered as a dealer within the State of Utter-Pradesh situated at House no-18, Sector-11, Indira Nagar, Lucknow. Our Company TIN No. is 09552305851 of dated 04/09/2007 issued under the Utter-Pradesh Sale Tax Act, 1948.

TPL has been registered as a dealer within the State of Haryana situated at Adarsh Colony, Railway Road, Mahendergarh under Section 11 of the Haryana Value Added Tax Act, 2003. Our Company TIN No. 06452410497 issued vide certificate of registration dated 30th September, 2010 valid from 13th August, 2010.

Provident Fund

Registration No. RJ/15868 granted by the Office of the Regional Provident Fund Commissioner vide letter no. RJ/15868/No. 5642 dated 15th September, 2006 under the Employees Provident Fund and Miscellaneous Provisions Act, 1952.

Employees State Insurance

Code No. 15/21466/24 granted by the Dy. Director, Office of the Regional Employees State Insurance Corporation vide letter no. 15/21466/24/6784 dated 6th October, 2006 under the Employees State Insurance Act, 1948.

Factory Licenses

Form No. 4 (Rule 5) Renewal of License of a Factory for the year 2009 to 2013, allowing TPL to appoint maximum of 200 workers on any one day during the year and using motive power not exceeding 1250 KVA subject to the provisions of the Factories Act, 1948 and rules made there under

Factory Unit	Factory License No.
A-130 (E), Road No. 9-D, Vishwakarma Industrial Area (VKI), Jaipur – 302 013, Rajasthan.	RJ-27315
F-532, Road No. 6-D, Vishwakarma Industrial Area (VKI), Jaipur – 302 013, Rajasthan.	Permanent Registration Vide Entrepreneurs Memorandum No. 08/012/13/06115 Part II issued on dated 18.11.2010
SP-1-2315 & 2316, RIICO Industrial Area, Sitapura Extn., Ramchandrapura, Jaipur.	RJ-29474

Certification Marks License

Our Company has been granted Certification Marks License Number CML No. 8567702 from the Bureau of Indian Standards, Jaipur for uPVC pipes for soil and waste discharge systems inside buildings including ventilation and rainwater system bearing IS 13592: 1992 which is effective upto 13th September, 2011.

Our Company has been granted Certification Marks License Number CML No. 8762595 from the Bureau of Indian Standards, Jaipur for Irrigation equipment – sprinkler pipes – part I : polyethylene pipes bearing IS 14151 : Part 1 : 1999 which is effective upto 21st November, 2012.

Our Company has been granted Certification Marks License Number CML No. 8501264 from the Bureau of Indian Standards, Jaipur for High density polyethylene pipes for potable water supplies bearing IS 4984: 1995 which is effective upto 31st July, 2012.

Our Company has been granted Certification Marks License Number CML No. 8778816 from the Bureau of Indian Standards, Jaipur for Conduits for electrical installations: part 3 rigid plain conduits of insulating materials bearing IS 9537: Part 3: 1983 which is effective upto 10th January, 2013.

Our Company has been granted Certification Marks License Number CML No. 8552786 from the Bureau of Indian Standards, Jaipur for Unplasticized PVC Pipes for Potable Water Supplies – Specification bearing IS 4985 : 2000 which is effective upto 15th July, 2012.

Our Company has been granted Certification Marks License Number CML No. 8940088 from the Bureau of Indian Standards, Jaipur for Unplasticized PVC screen and casing pipes for bore/tubewell bearing IS 12818: 1992 which is effective upto 11.06.2012.

Our Company has been granted Certification Marks License Number CML No. 8499711 from the Bureau of Indian Standards, Jaipur for Irrigation Equipment – Sprinkler Pipes – Specification Part 2 : Quick coupled Polyethylene Pipes bearing IS 14151 : Part 2 : 1999 which is effective upto 15.07.2011. An application vide letter dated 21st June, 2011 has been filed for renewal.

Our application dated 11th May, 2010 for grant of Certification Marks License under IS No. IS 14930 : Part 2 : 2001 from the Bureau of Indian Standards, Jaipur for Conduit Systems for Electrical Installations – Part 2 : Particular Requirements – Conduit Systems Buried Underground Pipes has been recorded under reference no. JBO/A-8404072 dated 1st February, 2011. The License is awaited.

Our application dated 27th August, 2010 for grant of Certification Marks License under IS No. IS 13487 : 1992 from the Bureau of Indian Standards, Jaipur for Irrigation Equipments – Emitters has been recorded under reference no. JBO/A-8404060/28 dated 5th January, 2011. The License is awaited.

Our application dated 29th December, 2009 for grant of Certification Marks License under IS No. IS 15328 : 2003 from the Bureau of Indian Standards, Jaipur for Unplasticized Non-Pressure Polyvinyl (PVC-U) Pipes for use in Underground Drainage & Sewerage Systems has been recorded under reference no. JBO/A-8403936 / 806 dated 5th August, 2010. The License is awaited.

Our application dated 27th August, 2010 for grant of Certification Marks License under IS No. IS 12786 : 1989 from the Bureau of Indian Standards, Jaipur for Irrigation Equipment – Polyethylene Pipes for Irrigation Laterals has been recorded under reference no. JBO/A-8404059/29 dated 5th January, 2011. The License is valid upto 29th June, 2012.

Our application dated 27th August, 2010 for grant of Certification Marks License under IS No. IS 13488 : 1992 from the Bureau of Indian Standards, Jaipur for Emitting Pipe Systems has been recorded under reference no. JBO/A-8404061/30 dated 5th January, 2011. The License is awaited.

Our Company has applied vide application dated 13th December, 2010 for grant of Certification Marks License under IS No. IS 14333 : 1996 from the Bureau of Indian Standards, Jaipur for HDPE Pipe - Swerage. The License is valid upto 15th June, 2012.

We further inform that we are registered under ISO for certain products, the details of which are as under:

ISO No.	Name of the Product	Validity	
		From	To
4437 : 2007	Buried PE Pipes for the Supply of gaseous Fuels.	14.06.2011	13.06.2014
4427 – 2 : 2007	PE Pipes for Water Supply	14.06.2011	13.06.2014

We further inform that we have been issued 'Technical Specification Evaluation Certificate' (TSEC) by Telecom Quality Assurance Circle, BSNL for the PLB Telecom Ducts. Details are as under:

Product Specification	Validity	
	From	To
PLB HDPE Telecom Ducts for use as underground optical fibre cable conduits – 40/33 mm.	14.06.2010	30.06.2011 (However, renewal application vide letter dated February 4, 2011 has been filed)
PLB HDPE Telecom Ducts for use as underground optical fibre cable conduits – 40/33 mm	17.05.2010	31.05.2013

Environment

Consent Order by Rajasthan State Pollution Board bearing Consent Numbers as follows:

Factory Unit	Consent No.	Issuing Authority
Existing Unit: A-130 (E), Road No. 9-D, Vishwakarma Industrial Area (VKI), Jaipur – 302 013, Rajasthan.	For Water RPCB/ROJP(N)/JP-VKIA-755/4016 dated 18/02/08 valid till 31.05.2012 F(Tech)/Jaipur(Jaipur(VKIA))/251(1)/2010-2011/1865-1866 dated 13.12.10 effective from 11.10.2010 to 30.09.2013 For Air RPCB/ROJP(N)/JP-VKIA-755/4016 dated 18/02/08 valid till 31.05.2012 F(Tech)/Jaipur(Jaipur(VKIA))/251(1)/2010-2011/1867-1868 dated 13.12.10 effective from 11.10.2010 to 30.09.2013	Regional Office (Jaipur North) Rajasthan State Pollution Board 6/244, Vidhyadhar Nagar, Opp. Road No. 5, VKIA, Sikar Road, Jaipur.
Existing Unit: F-532, Road No. 6-D, Vishwakarma Industrial Area (VKI), Jaipur – 302 013, Rajasthan.	For Water F(Tech)/Jaipur(Jaipur(VKIA))/247(1)/2010-2011/1787-1788 dated 7.12.10 effective from 20.09.2010 to 31.08.2011 under Water (Prevention & Control of Pollution) Act, 1974	Rajasthan State Pollution Board Regional Office, Opp. Road No. 5, VKIA, Sikar Road, Jaipur.

Proposed Unit 1: SP-1-2316 RIICO Industrial Area, Sitapura, Jaipur – 302 022	For Air & Water F(Tech)/Jaipur(Sanganer)/ 194(1)/ 2010-2011/2622-2623/1867 dated 10.2.11 effective from 17.1.2011 to 31.12.2013 together with corrigendum letter dated 7.4.2011	Rajasthan State Pollution Board Regional Office, Opp. Road No. 5, VKIA, Sikar Road, Jaipur.
Other: SP-1-2315 RIICO Industrial Area, Sitapura, Jaipur – 302 022	For Air & Water F(Tech)/Jaipur(Sanganer)/ 194(1)/ 2010-2011/2622-2623/1867 dated 10.2.11 effective from 17.1.2011 to 31.12.2013 together with corrigendum letter dated 7.4.2011	Rajasthan State Pollution Board Regional Office, Opp. Road No. 5, VKIA, Sikar Road, Jaipur.

Shop & Establishment License

Nasik Branch office has been issued license under Maharashtra Shops & Establishment Act, 1948 with effect from 2.12.10 vide NSK No. 0151936

Ahmedabad Branch office has been issued license under Gujarat Shops & Establishment Act, 1948 with effect from 28.12.10 vide Registration No. PII/EL/09/0001320.

Indore Branch office has been issued license under Indore Municipal Corporation Shops & Establishment Act, 1956 with effect from 01.04.2010 vide License No. 21906/012011/260. Renewal application vide receipt no. 132956 dated April 30, 2011 has been made.

Haryana Branch office has been issued license under Punjab Shops and Commercial Establishments Act, 1958 with effect from 16.12.10 vide Registration No. PSA/REG/MGH/Li-RWR-3/0040808.

Lucknow Branch office has been issued registration under Shop & Establishment by the labour Commissioner Organisation, Uttar Pradesh with effect from 3rd February, 2011 valid upto 31.03.2015.

Hyderabad Branch Office has been issued Trade License Certificate by the Greater Hyderabad Municipal Corporation for the financial year 2011-12 vide certificate no. 13446/HL/GHMC/2011 dated 10th June, 2011.

INTELLECTUAL PROPERTY RIGHTS

VIKAS

A manufacturing concern continuously used since 31/12/1987 which had expired on June 22, 2007, We have made an application dated August 6, 2010, acknowledged on August 17, 2010 for the renewal of our trademark “VIKAS” in Class-17 in respect of All Kinds of Pipes made of PVC and Parts thereof included in Class-17 with respective authorities. Renewal certificate is yet to be received.

TIJARIA

We use the brand name “Tijaria” and invest our resources in building our brand. We have applied with the Registry for Trade Marks, Ahmedabad for registration of our trade mark / logo, “Tijaria”. As on the date of this Prospectus, the application for trade mark registration is pending. The same has been filed under class 16 and 17 of the trademark Act with the respective authority.

Approval for setting up the Proposed Project

As regards the approval for setting up the Expansion cum diversification proposed project, we have received an acknowledgement no. 2537/SIA/IMO/2010 dated July 30, 2010 for expansion of HDPE Double Wall Corrugated Pipes (2520.00 MT), Drip Irrigation System (1080.00 MT), PET Sheet (2268.00 Ton), PET Flakes/ Chips((3600.00 MT), PET Granules (2880.00 MT), PVC Pipes (6336.00 MT), HDPE pipes (16848.00 MT) and received an acknowledgement no. 2454/SIA/IMO/2010 dated July 21, 2010 for diversification of Polyester Yarn((10092.00 MT), Monofilament (2880.00 Ton), Zipper(2304.00 MT), Mink Blanket(2400.00 Ton) the proposed project from Public Relation & Complaints Section; Secretariat for Industrial Assistance; Ministry of Commerce & Industry; Govt. of India.

The proposed construction of factory building at location SP-1-2316, Industrial Area, Ramchandrapura, (Sitapura Extn.), Jaipur bears the approval of Airport Authority of India, Northern Region, New Delhi vide their letter Ref No. AAI/NOC/2011/79/501 dated March 3, 2011 for height of 60 mtrs. above ground level so that the top of the proposed structure when erected shall not exceed 346 mtrs. (site elevation) plus 60 mtrs. (height of structure) = 406 mtrs. above mean sea level.

Permanent registration vide entrepreneurs memorandum no. 08/12/13/06115 Part II recorded on May 20, 2011 in the office of the District Industries Centre, Govt. of Rajasthan, Jaipur.

Agreement with Jaipur Vidyut Vitran Nigam Ltd. in Form II vide agreement dated June 29, 2011 for supply of electrical energy up to maximum demand of 1550 KVA (referred to as contract demand) for the proposed project

Authorisation issued by Director General of Foreign trade, Jaipur, Ministry of Commerce and Industry under Export Promotion Capital Goods Scheme

1. EPCG Concessional Duty 03% granted on 06.08.2008.

Our company has been granted a duty concession of Rs. 2,098,421.00 under the EPCG Concessional Duty 03% scheme on item no. 84741090, HDPE/PP Washing line with Standard parts and accessories and item no. 84440090, Reciprocating Kneading and extruding system with Standard parts vide authorisation letter no. 1330001895 dated August 06, 2008.

The Company is under an obligation to fulfil export obligation worth US \$ 394,532.73 on a FOB basis within a period of eight years, for which an undertaking has been furnished by executing Bond of ₹ 52,50,000/- along with a bank guarantee of Rs. 1,77,000/-. In case of failure to fulfil the same within the specified period, the company is bound to pay the exempted custom duty along with 15% interest.

2. EPCG Concessional Duty 03% granted on 25.04.2008.

Our company has been granted a duty concession of ₹ 1,176,730.00 under the EPCG Concessional Duty 03% scheme on PET BOTTLE CHIPS vide authorisation letter no. 1330001833 dated April 25, 2008.

The Company is under an obligation to fulfil export obligation worth US \$ 232,727.81 on a FOB basis within a period of eight years, for which an undertaking has been furnished by executing Bond of ₹ 29,87,500/- along with a bank guarantee of ₹ 1,80,000/-. In case of failure to fulfil the same within the specified period, the company is bound to pay the exempted custom duty along with 15% interest.

3. Zero Duty EPCG Scheme granted on 03.11.2010.

Our company has been granted a duty concession of Rs. 4,304,220.48 under Zero Duty EPCG Scheme on WSJP75 – 1000 TWIN SCREW PET SHEET EXTRUDER WITH CHINESE GEAR PUMP and a Natural Cooling Unit vide authorisation letter no. 1330002806 dated November 3, 2010.

The Company is under an obligation to fulfil export obligation worth US \$ 575, 174.22 on a FOB basis within a period of six years, for which an undertaking has been furnished by executing Bond of ₹ 96,00,000/- along with a bank guarantee of Rs. 15,00,000/-. In case of failure to fulfil the same within the specified period, the company is bound to pay the exempted custom duty along with 15% interest.

4. Zero Duty EPCG Scheme granted on 1.02.2011.

Our company has been granted a duty concession of ₹ 16,487,136.41 under Zero Duty EPCG Scheme on Polyester POY Spinning Plant and Pet Flakes/Chips Conveying and Drying Equipment vide authorisation letter no. 1330002899 dated February 1, 2011.

The Company is under an obligation to fulfil export obligation worth US \$ 2,203,180.81 on a FOB basis within a period of six years, for which an undertaking has been furnished by executing Bond of ₹ 3,15,00,000/-. In case of failure to fulfil the same within the specified period, the company is bound to pay the exempted custom duty along with 15% interest.

5. Advance Authorisation Scheme granted on 01.02.2011

Our company has been allowed to import Pet Regrinding Flakes upto 100 Metric tonnes on a concessional basis vide authorisation letter no. 1330034486 dated February 01, 2011.

The Company will be under an obligation to fulfil export obligation worth US \$ 171,000/- on FOB basis within a period of 36 months upon execution of requisite bond and bank guarantee before the appropriate authorities.

6. Advance Authorisation Scheme granted on 14.03.2011

Our company has been allowed to Import Pet Resin off grade upto 105.00 Metric tonnes on a concessional basis vide authorisation letter no. 1330034846 dated March 14, 2011.

The Company is under an obligation to fulfil export obligation worth US \$ 185,000 on a FOB basis within a period of 36 months, for which an undertaking has been furnished by executing Bond of ₹ 20,00,000/- along with a bank guarantee of ₹ 2,50,000/-. In case of failure to fulfil the same within the specified period, the company is bound to pay the exempted custom duty along with 15% interest.

7. EPCG Concessional Duty 03% granted on 06.06.2011.

Our company has been granted a duty concession of ₹ 14,96,443.52 under the EPCG Concessional Duty 03% scheme on item no. 84741090, on various machines vide authorisation letter no. 1330003028 dated June 06, 2011.

The Company is under an obligation to fulfil export obligation worth US \$ 262,246.39 on a FOB basis within a period of 8 years, for which an undertaking has been furnished by executing Bond of ₹ 41,95,000/- along with a bank guarantee of ₹ 2,25,000/-. In case of failure to fulfil the same within the specified period, the company is bound to pay the exempted custom duty along with 15% interest.

Stamp Duty Exemption

Our Company has been granted 50% exemption on stamp duty for setting up project at F-2243, Ramchandrapura Industrial Area (Sitapura Extn.), Jaipur vide Entitlement Certificate dated 2nd June, 2010.

Our Company has been granted 50% exemption on stamp duty for setting up project at SP-1-2316, Ramchandrapura Industrial Area (Sitapura Extn.), Jaipur vide Entitlement Certificate dated 21st April, 2010.

Our Company has been granted 50% exemption on stamp duty for setting up project at SP-1-2315, Ramchandrapura Industrial Area (Sitapura Extn.), Jaipur vide Entitlement Certificate dated 28th September, 2010.

ISO Certification

Our Company has been awarded in recognition of the organization's quality system which complies with ISO 9001: 2000 which is valid upto 10.12.2011. The scope of activities covered by this certificate is 'Manufacture & Supply of HDPE / LLDPE / PVC / PPR / MDPE Pipe and HDPE Sprinkler Systems.'

The Plastic Export Promotion Council

Registration Cum Membership Certificate vide Registration No. PLEPC/T/220/2008-09 issued by the Plastics Export Promotion Council valid with effect from 2nd April, 2008 till 31st March, 2013.

IT MUST, HOWEVER BE, DISTINCTLY UNDERSTOOD THAT IN GRANTING THE ABOVE-MENTIONED APPROVALS THE CENTRAL GOVERNMENT, STATE GOVERNMENT, RBI AND OTHER REGULATORY AUTHORITIES DO NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE COMPANY OR THE CORRECTNESS OF ANY OF THE STATEMENTS.

SECTION VII - OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The present Initial Public Issue of Equity Shares has been authorized by the Board of Directors of our Company at their meeting held on July 26, 2010 and was approved by the Shareholders of the Company by passing Special Resolution at the Extraordinary General Meetings held on August 02, 2010 in accordance with the provisions of Section 81(1A) of the Companies Act, 1956.

PROHIBITION BY SEBI

There is no prohibition on our Company, Promoters, Promoters Group, Directors, Group Companies for accessing the Capital Market for any reason by the Board or any other Authorities.

Neither Our Company nor any of our Promoters, Promoter Group, or Directors or Persons in Control of the Company has ever been debarred from accessing the capital market by the Board (SEBI).

Neither of our Promoters, Promoter Group, Directors or Persons in Control of the Company has ever been part of Promoters, Promoter Group, Directors or Persons in Control of any other Company which is debarred from accessing the capital market under any order or directions made by the Board (SEBI).

CONFIRMATION

None of our Directors are associated with the Securities Market.

ELIGIBILITY FOR THE ISSUE

Our Company is an unlisted Company and this Issue is being made in terms of Regulation 26 (1) of SEBI (ICDR) Regulations, 2009 wherein:

Our Company has net tangible assets of at least ₹ 300.00 Lacs in each of the preceding 3 full years (of 12 months each), of which not more than 50% is held in monetary assets;

Our Company has a track record of distributable profits in terms of Section 205 of the Companies Act, 1956, for at least three (3) out of immediately preceding five (5) years;

Our Company has a net worth of at least ₹ 100.00 Lacs in each of the preceding 3 full years (of 12 months each); and

Our Company shall ensure that the aggregate of the proposed issue and all previous issues made in the same financial year in terms of size (i.e. public issue by way of offer document + firm allotment + promoters' contribution through the offer document) does not exceed five (5) times our pre- issue net worth as per the audited balance sheet of the last financial year.

Our Company has not changed its name in the last one year.

(Consequent to conversion of the Company from Private Limited to Public Limited, The name of the Company was changed to "Tijaria Polypipes Limited" from "Tijaria Polypipes Private Limited" and a fresh Certificate of Incorporation for change in name was obtained on July 20, 2006)

Further, our post-issue face value capital shall be ₹ 2362.62 Lacs and our Company undertakes that the number of allottees in the proposed Issue shall be at least 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.

In this regard, certificate dated June 29, 2011 has been issued by Independent Chartered Accountant, M/s. Vimal Goel & Associates, Chartered Accountants, which is as follows:

(₹ in Lacs)

Particulars	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011
Net Tangible Assets	774.52	2756.93	3183.32	3667.00	6819.76
Distributable Profits	64.69	143.51	321.70	671.86	696.30
Net worth	281.33	1594.48	1770.97	2300.13	3575.52
Monetary Assets	262.58	548.36	504.91	522.40	1142.90
Monetary Assets/Net Tangible Assets (%)	33.90%	19.89%	15.86%	14.25%	16.76%

DISCLOSURE

Neither the Company nor its Promoters, Group Companies, Relatives (as defined under Companies Act, 1956) of Promoters and Group Companies are identified as willful defaulters by the Reserve Bank of India or any other Authority.

SEBI DISCLAIMER CLAUSE.

AS REQUIRED COPY OF THIS DRAFT PROSPECTUS HAS BEEN SUBMITTED TO SEBI "IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, HEM SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER HEM SECURITIES LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 27, 2010 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 MATERIALS IN CONNECTION WITH THE FINALISATION OF THE DRAFT PROSPECTUS PERTAINING TO THE SAID ISSUE;
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH ISSUER COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, 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 COMPANY, WE CONFIRM THAT:
 - a. THE DRAFT PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

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 PROSPECTUS:
 - a. AN UNDERTAKING FROM THE ISSUER COMPANY THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE SHARES OF THE COMPANY AND
 - b. AN UNDERTAKING FROM THE COMPANY 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 OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE ,ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

The filing of the offer document does not, however, absolve the Company from any liabilities under Section 63 or section 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 offer document."

All legal requirements pertaining to the issue will be complied with at the time of registration of the Prospectus with the ROC in terms of Sections 60 of the Companies Act, 1956

DISCLAIMER STATEMENT FROM THE COMPANY AND THE LEAD MANAGER

Our Company, its Directors and the Lead Manager accepts no responsibility for statements made otherwise than in this Prospectus or in the advertisement or any other material issued by or at instance of the Company and that anyone placing reliance on any other source of information, including our website www.tijaria-pipes.com, would be doing so at his or her own risk.

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into between the Lead Manager viz. Hem Securities Limited and the Company dated August 17, 2010. All information shall be made available by the Lead Manager and the Company to the public and investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever including road show presentations, research or sales reports or at collection centers or elsewhere.

CAUTION

The Our Company and the Lead Manager accepts no responsibility for the statements made otherwise than in this Prospectus or in the advertisement or in any other material issued by or at the instance of the

Company and the Lead Manager and any one placing reliance on any other source of information would be doing so at his/her/their own risk.

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, Hindu Undivided Families, Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian Financial Institutions,

Commercial Banks, Regional Rural Banks, Co-operative Banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other Trust law and who are authorized under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to NRIs on non-repatriable basis and FII's registered with SEBI. This Prospectus does not, however, constitute an Issue to sell or an invitation to subscribe to 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 this Prospectus comes into is required to inform himself about and to observe any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Jaipur only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Prospectus has been filed with SEBI for observations and SEBI has given its observations and the final Prospectus has been filed with ROC as per the provisions of the Act. Accordingly, the Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company i.e. Tijaria Polypipes Limited since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

DISCLAIMER CLAUSE OF DESIGNATED STOCK EXCHANGE – BSE LIMITED, MUMBAI

As required, a copy of this Prospectus has been submitted to Bombay Stock Exchange Ltd., to use BSE's name in this Prospectus as one of the stock exchanges on which this Company's securities are proposed to be listed. BSE has given vide its letter no. DCS/IPO/HS/IPO-IP/1320/2010-11 Dated November 10, 2010 permission to our Company to use BSE's name in this Prospectus as the stock exchange on which our further securities are proposed to be listed. The BSE has scrutinized this Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. BSE does not in any manner:

- i. Warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus;
- ii. warrant that our Company's securities will be listed or will continue to be listed on the respective exchanges;
- iii. take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of our Company; and it should not for any reason be deemed or construed that this Prospectus has been cleared or approved by the BSE. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

DISCLAIMER CLAUSE OF THE NSE

As required, a copy of Prospectus had been submitted to the NSE. The Disclaimer Clause as intimated by the NSE to us, post scrutiny of the Prospectus is as follows:

“As required, a copy of this Prospectus has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter ref: NSE/LIST/157077-4 dated January 25, 2011, permission to the Issuer to use the Exchange’s name in this Prospectus as one of the stock exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized the Prospectus for its limited purpose of deciding on the matter of granting the aforesaid permission to the Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer’s securities will be listed or continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its Promoters, its Management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”

Disclaimer clause of RBI

RBI does not accept any responsibility or guarantee about the present position as to financial soundness of the company or correctness of any of the statements or representations made or opinions expressed by the Company and for repayment of deposits or discharge of liabilities by the Company.

DISCLAIMER CLAUSE OF IPO GRADING AGENCY – ICRA LIMITED

Notwithstanding anything to the contrary: An ICRA IPO Grade is a statement of the current opinion of ICRA and is not a statement of appropriateness of the graded security for any of the investors. Such a grade is assigned with due care and caution on the basis of analysis of information and clarifications obtained from the issuer concerned and also other sources considered reliable by ICRA. However, ICRA makes no representation or warranty, express or implied as to the accuracy, authenticity, timeliness or completeness of such information. An ICRA IPO Grade is not (a) comment on the present or future price of the security concerned (b) a certificate of statutory compliance and/or (c) a credit rating. Further, the ICRA IPO Grade is not a recommendation of any kind including but not limited to recommendation to buy, sell or deal in the securities of such any issuer nor can it be considered as an authentication of any of the financial statements of the company, and ICRA shall not be liable for any losses incurred by users from any use of the grade in any manner. It is advisable that the professional assistance be taken by any prospective investor in the securities of the company including in the fields of investment banking, tax or law while making such investment. All services and information are provided by ICRA on an “as is” basis, without representations and warranties of any nature

ICRA IPO Grade

This Issue has been graded by ICRA Limited and has been assigned “IPO GRADE 2” which indicates below average fundamentals. Pursuant to Regulation 26 clause 7 of the SEBI (ICDR) Regulations 2009, the rationale / description furnished by the credit rating agency, a copy of which is attached as Annexure to this Prospectus and will be updated at the time of filing this Prospectus with the Registrar of Companies and will be available for inspection at our Registered Office from 11.00 a.m. to 4.00 p.m. on Business Days during the Issue period.

FILING

A copy of the Prospectus has been filed with the Corporation Finance Department of SEBI at Plot No. C4/A, G - Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051

Also the Prospectus is filed with the designated Stock Exchanges:

- **Bombay Stock Exchange Limited**
P.J. Towers, Dalal Street,
Fort, Mumbai – 400 001.
- **National Stock Exchange of India Limited**
Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (E)
Mumbai - 400 051.

A copy of the Prospectus, along with the documents required to be filed under Section 60 of the Companies Act, will be delivered to the Registrar of Companies, Jaipur, Rajasthan situated at Corporate Bhavan, G/6-7, Second Floor, Residency Area Civil Lines, Jaipur-302001.

LISTING

The Equity Shares to be issued through this Prospectus are proposed to be listed on BSE and NSE and listing application will be made to BSE and NSE for permission to list the Equity Shares and for an official quotation of the Equity Shares of our Company. Bombay Stock Exchange Ltd. will be the Designated Stock Exchange.

In case the permission for listing of the Equity Shares and for official quotation of the Equity Shares is not granted by the above mentioned Stock Exchanges, the Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of this Prospectus and if such money is not repaid within eight days after the day from which our Company becomes liable to repay it, then our Company and every director of our Company who is an officer in default shall, on and from the expiry of 8 days, be jointly and severally liable to repay the money with interest prescribed under Section 73 of the Companies Act 1956.

Tijaria Polypipes Limited has received in-principle approval from

BSE vide its letter no. DCS/IPO/HS/IPO-IP/1320/2010-11, dated November 10, 2010

NSE vide its letter no. NSE/LIST/157077-4, dated January 25, 2011

The Company with the assistance of the Lead Manager shall ensure that all steps for the completion of necessary requirements for listing and commencement of trading at the Stock Exchanges mentioned above are taken within twelve working days of issue closing date.

CONSENTS

Consents in writing of the Board of Directors of our Company, Statutory Auditors of the Company, Company Secretary / Compliance Officer of the Company, Lead Manager to the Issue, Registrar to the Issue, Banker's to the Company, Legal Advisor to the Company to act in their respective capacities obtained and filed along with a copy of the Prospectus with the Registrar of the Companies, Rajasthan, Jaipur under Section 60 of the Companies Act, 1956 and such consents will not be withdrawn upto the time of delivery of the Prospectus for registration with RoC.

The Company has appointed Axis Bank Limited and IndusInd Bank Limited as Bankers to the issue. Axis Bank Limited will be Refund Banker to the issue.

EXPERT OPINION

Except the report of ICRA in respect of IPO Grading of this Issue annexed herewith, our Company has taken expert opinions from the Auditors of the Company M/s. G.K. Mittal & Associates, Chartered Accountants, and M/s. S. Misra & Associates, Chartered Accountants with regard to the Statement of Tax Benefits, Auditor's Report, Audited Financial Statements, as restated and the Restated Summary Statements for the financial years ended March 31st, 2007, 2008, 2009, 2010 and 2011 respectively. There are no other expert opinions obtained by the Company, apart from these.

PUBLIC ISSUE EXPENSES

The expenses of this Issue which includes fees payable to the Lead Manager to the Issue, Registrars to the Issue, Legal Advisors to our Company, Auditors, Escrow Banker's charges, Printing and Stationery, Advertisement Expenses and all other incidental and miscellaneous expenses for listing of the Equity Shares on the Stock Exchanges. The total estimated expenses are ₹ 480.00 Lacs which is 8 % of the Issue size. The details of the expenses are as given below:

Sr. No	Description	₹ in lacs	% of Total Issue Expenses	% of Total Issue Size
1	Lead Manager's Fees	60.00	12.50	1.00
2	Registrar's Fees	10.00	2.08	0.17
3	IPO Grading Expenses	5.00	1.04	0.08
4	Printing, Stationery, Postage and dispatch	50.00	10.42	0.83
5	Issue advertisement and Publicity expenses	75.00	15.63	1.25
6	Brokerage and Selling Commissions	180.00	37.50	3.00
7	Other Expenses including (Legal Fee, Listing Fee, SEBI, BSE, NSDL CDSL etc.)	10.00	2.08	0.17
8	Miscellaneous Expenses	40.00	8.33	0.67
9	Contingencies	50.00	10.42	0.83
	Total	480.00	100.00	8.00

The expenses for this Issue includes issue management fees, selling commission, distribution expenses, legal fees, fees to advisors, stationery costs, advertising expenses and listing fees payable to the Stock Exchanges, among others. The total expenses for this Issue are estimated at ₹ 480.00 Lacs and will be met out of the proceeds of the present issue. The details of fee payable are estimated as follows:

Fees Payable to the Lead Manager

The total fees payable to the Lead Manager including for the Issue will be as per the Memorandum of Understanding executed between the Company and the Lead Manager August 17, 2010 of which is available for inspection at the Registered Office of the Company.

Fees Payable to the Registrar

The total fees payable to the Registrar to the Issue will be as per the Memorandum of Understanding executed between the Company and the Registrar to the Public Issue dated August 10, 2010 copy of which is available for inspection at the Registered Office of the Company. Adequate funds will be provided to the Registrar to the Issue to enable them to send refund order(s) or allotment advice by registered post or speed post or under certificate of posting.

Fees Payable to the IPO Grading Agency

The total fees payable to the IPO Grading Agency for the Issue is as per the Engagement Letter between the Company and the IPO Grading Agency copy of which is available for inspection at the Registered Office of the Company.

Underwriting Commission

The present issue is not being underwritten and hence no underwriting commission is payable.

Brokerage and Selling Commission

The Brokerage for the Issue will be paid not more than 1.00% of the Issue Price of the Equity Shares by Tijaria Polypipes Limited on the basis of the allotments made against the applications bearing the stamp of a member of any recognized Stock Exchange in India in the Broker column. Brokerage at the same rate will also be payable to the Bankers to the Issue in respect of the allotments made against applications procured by them provided the respective forms of application bear their respective stamp in the Broker column. In case of tampering or over- stamping of Brokers / Agents codes on the application form, the Company's decision to pay brokerage in this respect will be final and no further correspondence will be entertained in this matter. The Company, at its sole discretion, may consider payment of additional incentive in the form of kitty or otherwise to the performing brokers on such terms and mode as may be decided by the Company.

Others

The total fees payable to the Legal Advisor, Auditor and Tax Auditor will be as per their respective engagement letters.

PREVIOUS ISSUE DETAILS

Our Company has not made any issue of equity shares to the public prior to the present Public Issue.

COMMISSION AND BROKERAGE ON PREVIOUS ISSUES

No sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the equity shares since its inception.

ISSUE OTHERWISE THAN FOR CASH

The Company has not issued any shares for consideration other than cash.

Notes:

- Our Company has issued 41,05,134 equity shares on August 18, 2008 and 41,05,134 equity shares on July 21, 2010 as Bonus Issue in the ratio of 1:1 and 1:2 respectively through capitalization of Reserves during the last 5 years.
- Up to the F.Y. 2005-06, the status of the Company was that of a partnership firm under the name and style of "Tijaria Overseas Vinyl" which was converted into a Private Limited Company on July 17, 2006 under the Part IX of the Companies Act, 1956 under the name of "Tijaria Polypipes Private Limited" and the business was taken over on continuous basis. The Company was later on converted into a Public Limited Company on July 20, 2006 and the name of the Company was changed to "Tijaria Polypipes Limited".

PROMISE VIS-À-VIS PERFORMANCE

Our Company has not made any issue of equity shares to the public prior to the present Public Issue.

COMPANIES UNDER THE SAME MANAGEMENT

There are no listed companies under the same management within the meaning of Section 370(1B) of the Act.

OUTSTANDING DEBENTURES, BONDS AND PREFERENCE SHARES

As of date, our Company does not have any outstanding Debentures, Bonds or Preference shares.

STOCK MARKET DATA FOR SHARES OF OUR COMPANY

The equity shares of our Company are not listed on any stock exchange.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The agreement between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least one year from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

DISPOSAL OF INVESTORS' GRIEVANCES

Our Company or the Registrar to the Issue shall redress routine investor grievances within seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

The Board of Directors of TPL has constituted a Shareholder/Investor Grievance Committee which, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with securities transfers and other processes.

The Committee also looks into redressal of shareholders' complaints related to transfer of shares, non-receipt of declared dividend, etc. The Committee oversees performance of the R&TA and recommends measures for overall improvement in the quality of investor services. The summary statement of investor related transactions and details are also considered by the Board of Directors of TPL.

Our Company assures that the Board of Directors in respect of the complaints, if any; to be received shall adhere to the following schedule:

Sr. No.	Nature of Complaints	Time Table for Redressal
1	Non-receipt of Refund	Within 7 working days of receipt of complaint subject to production of satisfactory evidence(s)
2	Non-receipt of Share Certificate / Demat Credit	Within 7 working days of receipt of complaint subject to production of satisfactory evidence(s)
3	Any other complaint w.r.t. the Issue	Within 7 working days of receipt of complaint with all relevant papers / evidence(s)

As of June 30, 2011, there were no investor complaints pending with/ against Tijaria Polypipes Limited.

Our Company has appointed Mr. Tej Kumar Jain, Finance Manager and Company Secretary of our Company, as Compliance Officer who would directly deal with SEBI with respect to implementation /compliance of various laws, regulations and other directives issued by SEBI and matters related to investor Complaints. The investor may contact the Compliance Officer in case of any pre issue/ post issue related problems. The Compliance Officer can be contacted at the following address:

Tijaria Polypipes Limited

A-130 (E) Road No 9 - D
 Vishwa Karma Industrial Area
 Jaipur - 302013. (INDIA)
 Tel. No.: +91-141-2333722, 23, 3219300, 3218100, 4010800;
 Fax No: +91-141-2332342
 Email: info@tijaria-pipes.com
 Website: www.tijaria-pipes.com

Changes in Auditors

There has been no change in the Auditors of the Company during the last three years. However, , 3 – C, IIIrd Floor, Tilak Bhawan, Tilak Marg, C-Scheme, Jaipur, have been appointed as a 'Joint Auditor' on July 26, 2010 by a Board Resolution passed in the meeting of Board of Directors of the Company. Also, appointed in the EGM held on August, 2, 2010 for the financial year ended March 31, 2011. The Auditors were re-appointed for the F.Y. 2011-12 in the AGM held on May 26, 2011.

Capitalization of Reserves or Profits (during the last five years)

Our Company has issued 41,05,134 equity shares on August 18, 2008 as Bonus in the ratio of 1:1 and further bonus issue of 41,05,134 shares on July 21, 2010 in the ratio of 1:2 through capitalization of Reserves during the last 5 years.

Revaluation of Assets (during the last five years)

Our Company has not revalued its assets during the last five years.

SECTION VIII – ISSUE RELATED INFORMATION

8.1 TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009 our Memorandum and Articles of Association, the terms of the Prospectus, 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.

Authority for the Issue

The present Initial Public Offer of Equity Shares has been authorized by the Board of Directors of our Company at their meeting held on July 26, 2010 and was approved by the Shareholders of the Company by passing Special Resolution at the Extraordinary General Meetings held on August 02, 2010 in accordance with the provisions of Section 81(1A) of the Companies Act, 1956.

Ranking of Equity Shares

The Equity Shares being offered 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 in respect of the rights 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. This is in accordance with the Special Resolution passed in the Extra-Ordinary General Meeting held on dated August 02, 2010.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, 1956.

Face Value and Issue Price

The Equity Shares having a Face Value of ₹ 10/- each are being offered in terms of this Prospectus at the price of ₹ 60/- per Equity Share. The Company in consultation with the Lead Manager believes that the issue price of ₹ 60/- per equity share i.e Equity Shares of the Face Value ₹ 10/- each at a Premium of ₹ 50/- per Share for the Public Issue is justified in view of the above parameters.

At any given time, there shall be only one denomination of Equity Shares.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;

- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the listing agreements with the Stock Exchange 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 voting rights, dividend, forfeiture and lien and / or consolidation / splitting, etc., please refer to Section titled "Main Provisions of Articles of Association" beginning on Page No. 290 of this Prospectus.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialized form. In terms of existing SEBI (ICDR) Regulations, 2009 the trading in the Equity Shares shall only be in dematerialized form for all investors. Since trading of the Equity Shares will be in dematerialized mode, the tradable lot is one Equity Share. Allocation and allotment of Equity Shares through this Offer will be done only in electronic form in multiples of 1 Equity Share subject to a minimum allotment of 100 Equity Shares to the successful investors.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicant, 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 the Registered Office of our Company 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 Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Notwithstanding anything stated above, since the Allotment in the Issue will be made only in dematerialized mode, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Period of operation of subscription list of public issue

Issue Opens on	Tuesday, September 27, 2011
Issue Closes on	Thursday, September 29, 2011

Minimum Subscription

If our Company does not receive the minimum subscription of ninety per cent of the offer through offer document on the date of closure of the issue, or if the subscription level falls below ninety per cent after the closure of issue on account of cheques having being returned unpaid or withdrawal of applications, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company shall pay interest as per section 73 of the Companies Act, 1956.

Further, in accordance with clause 26(4) of the SEBI (ICDR) Regulations, 2009, our Company shall ensure that the number of prospective allottees to whom the Equity shares will allotted will not be less than 1,000 (One Thousand)

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialized form only; the market lot for our Equity Shares will be one, no arrangements for disposal of odd lots are required.

Restrictions, if any, on transfer and transmission of shares or debentures and on their consolidation or splitting

Except for the lock-in of the pre-Issue Equity Shares and Promoters minimum contribution in the Issue as detailed in the section "Capital Structure of our Company" on page no. 45 of this Prospectus, there are no restrictions on transfers and transmission of Equity Shares. There are no restrictions on transmission of shares/debentures and on their consolidation / splitting, except as provided in the Articles, for which please refer sub-heading "Main Provisions of the Articles of Association" appearing on Page No. 290 of this Prospectus.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Issue.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Jaipur, Rajasthan, India.

8.2 ISSUE PROCEDURE

This section applies to all Applicants. Please note that all Applicants can participate in the Issue through the ASBA process. ASBA Applicants should note that the ASBA process involves application procedures that are different from the procedure applicable to Applicants other than the ASBA Applicants. Applicants 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 the Applicants are required to make payment of the full Application Amount along with the Application Form.

SEBI Circulars with regard to ASBA Process

1. Vide SEBI Circular (no. CIR/CFD/DIL/2/2010) dated April 06, 2010 SEBI has decided to extend the ASBA facility to QIBs in all public issues opening on or after May 1, 2010.
2. Vide SEBI Circular (no. CIR/CFD/DIL/1/2011) dated April 29, 2011, SEBI has decided that non-retail investors i.e. Qualified Institutional Buyers and Non-Institutional Investors, making application in public issue shall mandatorily make use of ASBA facility.

Fixed Price Issue Procedure

The Issue is being made under Regulation 26(1) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via Fixed Price Process. Applicants are required to submit their Applications to the Selected Branches / Offices of the Bankers to the Issue who shall duly submit to them the Registrar of the Issue. In case of QIB Applicant, the Company in consultation with the LM may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicant and Retail Individual Applicant, our Company would have a right to reject the Applications only on technical grounds.

All Applicants other than the ASBA Applicants are required to submit their Applications through the Bankers to the Issue. ASBA Applicants are required to submit their Applications to the SCSBs.

Investors should note that the Equity Shares will be allotted to all successful Applicants only in dematerialized form. Applicants will not have the option of being Allotted Equity Shares in physical form. The Application Forms which do not have the details of the Applicants' depository account, including the DP ID Numbers and the beneficiary account number shall be treated as incomplete and rejected. Application Forms which do not have the details of the Applicants' PAN, (other than Applications made on behalf of the Central and the State Governments, residents of the state of Sikkim and official appointed by the courts) shall be treated as incomplete and are liable to be rejected. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchange. However, the investors/shareholders may get the specified securities rematerialized subsequent to allotment.

Application Form

Applicants (other than ASBA Applicants) are required to submit their Applications through the Bankers to the Issue. Such Applicants shall only use the specified Application Form bearing the stamp of the Bankers to the Issue for the purpose of making an Application in terms of the Prospectus. ASBA Applicants shall submit an ASBA Application Form either in physical or electronic form to the SCSB or the Designated Branches of the SCSBs authorizing blocking of funds that are available in the bank account specified in the ASBA Application Form only ("ASBA Account"). The ASBA Application Form will also be available on the websites of the Stock Exchanges at least one day prior to the Issue Opening Day. The LM and the SCSBs will provide the hyperlink to BSE or NSE websites on their websites.

The SCSBs shall block an amount equal to the Application Amount in the ASBA Account specified in the ASBA Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the 'Basis of Allocation' and consequent transfer of the Application Amount against the allocated Equity Shares to the Issue Account, or until withdrawal/failure of Allocation is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the concerned SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful ASBA Applicants to the Issue Account. In case of withdrawal/failure of this Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Upon completion and submission of the Application Form to the Bankers to the Issue/SCSBs/Designated Branches, the Applicant or the ASBA Applicant is deemed to have authorized the Company to make the necessary changes in the Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Applicants or the ASBA Applicants.

SEBI Circulars with regard to ASBA Process

- 1) Vide SEBI Circular (no. CIR/CFD/DIL/2/2010) dated April 06, 2010 SEBI has decided to extend the ASBA facility to QIBs in all public issues opening on or after May 1, 2010.**
- 2) Vide SEBI Circular (no. CIR/CFD/DIL/1/2011) dated April 29, 2011, SEBI has decided that non-retail investors i.e. Qualified Institutional Buyers and Non-Institutional Investors, making application in public issue shall mandatorily make use of ASBA facility.**

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour of Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA as well as non ASBA Applicants)	White
Eligible NRIs, FIIs or Foreign Venture Capital Funds, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis (ASBA as well as non ASBA Applicants)	Blue

Who can Apply?

- Indian nationals resident in India who are not minors in single or joint names (not more than three);
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of Sole or First Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorized 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 Regulations, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Applicants category;
- Venture Capital Funds 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 authorized under their constitution to hold and invest in equity shares;
- Scientific and/or industrial research organizations authorized to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority;
- Provident Funds with minimum corpus of ₹ 250 million and who are authorized under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of ₹ 250 million and who are authorized under their constitution to hold and invest in equity shares;
- Foreign Venture Capital Investors registered with SEBI;
- Multilateral and bilateral development financial institutions;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;
- Insurance funds set up and managed by army, navy or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, India and;
- Persons otherwise eligible to invest under all applicable laws, rules, regulations and guidelines.

Applications not to be made by:

- Minors
- Partnership firms or their nominees
- Foreign Nationals (except NRIs)
- Overseas Corporate Bodies

Participation by Associates of LM

The LM shall not be allowed to subscribe to this Issue in any manner. However, associates and affiliates of the LM may subscribe to or purchase Equity Shares in the Issue, where the allocation is on a proportionate basis.

Availability of Prospectus and Application Forms

The Memorandum Form 2A containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, LM to the Issue, Registrar to the Issue and the collection Centers of the Bankers to the Issue, as mentioned in the Application Form.

Option to subscribe in the Issue

- Investors will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to allotment.
- The equity shares, on allotment, shall be traded on stock exchange in demat segment only.
- A single application from any investor shall not exceed the investment limit/maximum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines

Application by Indian Public including eligible NRI's applying on Non-Repatriation

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and NOT in the names of Minors, Foreign Nationals, Non-Residents (except for those applying on non-repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, partnership firms or their nominees. In case of HUF's application shall be made by the Karta of the HUF.

An applicant in the Net Public Category cannot make an application for that number of securities exceeding the number of securities offered to the public.

Application by Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made. In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly Indicate the scheme concerned for which the Application has been made.

Applications by Insurance Companies

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

Applications by Provident Funds / Pension Fund

In case of Applications made by provident funds / pension fund with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with minimum corpus of ₹ 25 Crores, a certified copy of certificate from a Chartered Accountant certifying the corpus of the provident fund / pension fund must

be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

Applications by Eligible NRIs/FII's/FVCF's on Repatriation Basis

Application Forms have been made available for Eligible NRIs at our Registered Office, Bankers to the Issue and the Registrar to the Issue.

Applications and revision to Applications must be made in the following manner:

1. On the Application Form or the Revision Form, as applicable, and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
2. In a single name or joint names (not more than three and in the same order as their Depository Participant Details).
3. Applications on a repatriation basis shall be in the names of individuals, or in the name of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Eligible NRI Applicant may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians.

Applications by Eligible NRIs for an Application Amount of up to ₹ 2,00,000/- would be considered under the Retail Portion for the purposes of allocation and Application for an Application Amount of more than ₹ 2,00,000/- would be considered under Non-Institutional Portion for the purposes of allocation.

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 2,36,26,172 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.

In accordance with the foreign investment limits, the aggregate FII holding in our company cannot exceed 24% of our total issued capital. With the approval of the board and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as on this date, no such resolution has been recommended to the shareholders of the company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended (the "SEBI FII Regulations"), an FII, as defined in the SEBI FII Regulations, or its sub-account may issue, deal or hold, offshore derivative instruments (defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by a foreign institutional investor against securities held by it that are listed or proposed to be listed on any recognized 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 or subaccount 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 FII Regulations. Associates and affiliates of LM and the Bankers to the Issue 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 or claim or claim on or an interest in the Company.

In case of FII's in NRI/FII Portion, number of Equity Shares applied shall not exceed issue size.

Applications 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) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI.

Accordingly, whilst the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund, a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one company. Further, Venture Capital Funds and Foreign Venture Capital Investors can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only at the rate of exchange prevailing at the time of remittance and net of bank charges and/or commission. In case of Applicants who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Applicants so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Application Form. Our Company will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

The above information is given for the benefit of the Applicant. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of filing of this Prospectus. Applicant are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

MAXIMUM AND MINIMUM APPLICATION SIZE

a. For Retail Individual Applicant:

The Application must be for a minimum of 100 Equity Shares and in multiples of 100 Equity Share thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000.

(b) For Other Applicant (Non-Institutional Applicant and QIBs):

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds ₹ 2,00,000 and in multiples of 100 Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. A QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay the full Application Amount upon submission of the Application.

Applicant are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.

Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/ or bye laws must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- a. In case of Applications made pursuant to a power of attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.
- b. In case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserve the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.
- c. In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made by provident funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with minimum corpus of ₹ 25 Crores, a certified copy of certificate from a Chartered Accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. The Company in its absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that the Company and the LM may deem fit.

Information for the Applicant:

- Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
- The LM will circulate copies of the Prospectus along with the Application Form to potential investors. The SCSBs shall ensure that a copy of the Prospectus is made available on their websites.
- Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our registered office or from the corporate office of the LM or from any of the Bankers to the Issue.
- Applicants who are interested in subscribing for the Equity Shares should approach the LM or the Bankers to the Issue or their authorized agent(s) to register their Applications. Applicants who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their Applications.
- Applications made in the Name of Minors and/or their nominees shall not be accepted.
- The Applications should be submitted on the prescribed Application Form only. Application Forms (other than ASBA Application Form) should bear the stamp of the Bankers to the Issue. Application Forms, which do not bear the stamp of the Bankers to the Issue, will be rejected. Applications by ASBA Applicant shall be accepted by the Designated Branches of the SCSBs in accordance with the SEBI Regulations and any circulars issued by SEBI in this regard.

- Applicants applying through the ASBA process also have an option to submit the ASBA Application Form in electronic form, which will also be available on the websites of the Stock Exchanges at least one day prior to the Issue Opening Date.
- Applicants are requested to mention the application form number on the reverse of the instrument to avoid misuse of instrument submitted along with the application for shares. Applicants are advised in their own interest, to indicate the name of the bank and the savings or current a/c no in the application form. In case of refund, the refund order will indicate these details after the name of the payee. The refund order will be sent directly to the payee's address

Instructions for Completing the Application Form

Applications must be:

- a. Made only in the prescribed Application Form or Revision Form, as applicable.
- b. Completed in full, in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form or in the Revision Form. Applications/Revisions not so made are liable to be rejected. Application Forms should bear the stamp of the LM. Application Forms, which do not bear the stamp of the LM will be rejected. Applicants should note that the Bankers to the Issue and / or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Application Forms or Revision Forms.
- c. For Retail Individual Applicants, the Application must be for a minimum of 100 Equity Shares and in multiples of 100 thereafter subject to a maximum Application Amount of ₹ 2,00,000.
- d. For Non-Institutional Applicants and QIB Applicants, Applications must be for a minimum of such number of Equity Shares that the Application Amount exceeds or equal to ₹ 2,00,000 and in multiples of 100 Equity Shares thereafter. Applications cannot be made for more than the Issue. Applicants are advised to ensure that a single Application from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.
- e. Eligible NRIs applying at a Application Price of up to ₹ 2,00,000 would be considered under the Retail Portion for the purposes of allocation and Applications for an Application Price of more than ₹ 2,00,000 would be considered under Non-Institutional Portion for the purposes of allocation.
- f. Applications by Eligible NRIs, FIIs, eligible/permitted Sub-Accounts etc. on a repatriation basis shall be in the names of individuals, or in the names of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding Eligible NRIs) or their nominees.
- g. Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/or commission. In case of Applicants who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Applicants so desire, will be credited to their NRE or FCNR accounts, as the case may be, details of which should be furnished in the space provided for this purpose in the Application Form. Our Company will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.
- h. In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

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

Applicant residing at places where the designated branches of the Banker to the Issue are not located may submit/mail their applications at their sole risk along with Demand Draft payable at Mumbai only payable to “TIJARIA POLYPIPES LIMITED – Public Issue” to the Registrar, in this case being Sharex Dynamic (India) Pvt. Ltd.

Applicant’s PAN, Depository Account and Bank Account Details

Applicant should note that on the basis of PAN of the Applicant, Depository Participant’s name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicant bank account details, MICR code and occupation (hereinafter referred to as ‘Demographic Details’). These Bank Account details would be used for giving refunds to the Applicant or unblocking of ASBA Account. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds, unblocking of ASBA accounts, to Applicant at the Applicant sole risk and neither the LM or the Registrar or the Collection Banks or the SCSBs nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicant should carefully fill in their Depository Account details in the Application Form.

IT IS MANDATORY FOR ALL THE APPLICANTS TO GET THEIR EQUITY SHARES IN DEMATERIALIZED FORM. ALL APPLICANTS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT’S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE 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 APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Applicant including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, PAN of the Applicants (including the order of names of joint holders), the Depository Participant’s identity (DP ID) and the beneficiary’s identity, then such Applications are liable to be rejected.

Refunds

In case of Applicant receiving refunds through electronic transfer of funds, delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Applicant (other than ASBA Applicants) in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Applicant sole risk and neither the Company, the Registrar, Collection Bank(s) nor the LM shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches three parameters, namely, PAN of the Applicant (including the order of names of joint holders), the Depository Participant’s identity (DP ID) and the beneficiary’s identity, then such Applications are liable to be rejected. The Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/ CANs/ allocation advice/ refunds through electronic transfer of funds, the Demographic

Details given on the Application Form should be used (and not those obtained from the Depository of the Applicant). In such cases, the Registrar shall use Demographic Details as given in the Application Form instead of those obtained from the depositories.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/or commission. In case of Applicant who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Applicant so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Application Form. The Company will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

As per the RBI regulations, OCBs are not permitted to participate in the Issue.

There is no reservation for Non Residents, NRIs, FII and foreign venture capital funds and all Non Residents, NRI, FII and Foreign Venture Capital Funds Applicant will be treated on the same basis with other categories for the purpose of allocation.

Basis of Allotment

Allotment will be made in consultation with the BSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

- a. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Applicant in the category x number of Shares applied for).
- b. The number of Shares to be allocated to the successful Applicant will be arrived at on a proportionate basis (i.e. Total number of Shares applied for into the inverse of the oversubscription ratio). For applications where the proportionate allotment works out to less than 100 equity shares the allotment will be made as follows:
 - each successful applicant shall be allotted 100 equity shares; and
 - the successful Applicant out of the total Applicant for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- c. If the proportionate allotment to an applicant works out to a number that is not a multiple of 100 equity shares, the applicant would be allotted Shares by rounding off to the nearest integer subject to a minimum allotment of 100 equity shares.
- d. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Applicant in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Applicant in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of Applicant applying for the minimum number of Shares g. If as a result of the process of rounding off to the nearest integer, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, upto 110% of the size of the offer specified under the Capital Structure mentioned in this Prospectus.

- e. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual Applicant as described below:
- A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
 - The balance net offer of shares to the public shall be made available for allotment to individual Applicant other than retails individual investors and other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
 - The unsubscribed portion of the net offer to any one of the categories specified in (i) or (ii) shall/may be made available for allocation to Applicant in the other category, if so required.

Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000/-.

Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the Designated Stock Exchange. The drawal of lots (where required) to finalize the basis of allotment shall be done in the presence of a public representative on the governing board of the Designated Stock Exchange.

The Executive Director / Managing Director of the Designated Stock Exchange in addition to LM and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

TERMS OF PAYMENT / PAYMENT INSTRUCTIONS

The entire issue price of ₹ 60/- per share is payable on application. In case of allotment of lesser number of Equity shares than the number applied, The Company shall refund the excess amount paid on Application to the Applicant

All non-retail investors i.e. Qualified Institutional Buyers and Non-Institutional Investors, making application in public issue shall mandatorily make use of ASBA facility.

Payment Procedure for Applicants other than ASBA Applicants

The Company and the LM shall open Escrow Accounts with one or more Collection Bank(s) in whose favour the Applicants shall make out the cheque or demand draft in respect of his or her Application. Cheques or demand drafts received for the full Application Amount from Applicants in a certain category would be deposited in the Escrow Account.

The Collection Banks will act in terms of the Prospectus and the Agreement entered with the Bankers to the Issue. The Collection Bank (s) for and on behalf of the Applicant shall maintain the monies in the Escrow Account. The Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Applicants.

After the Closure of the Issue and upon allotment of shares, the Collection Bank(s) shall transfer the balance funds to the Refund Account. Payments of refund to the Applicants shall also be made from the Refund Account as per the terms of the Agreement and the Prospectus.

The Applicant should note that the mechanism is not prescribed by SEBI and has been established as an arrangement between the Company, the LM, the Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Applicants.

Each Applicant shall draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the amount payable on the allocation/Allotment as per the following terms:

Payment into Account for Applicants other than ASBA Applicants

1. All Applicants would be required to pay the full Application Amount at the time of the submission of the Application Form.
2. Applicants shall, with the submission of the Application Form, draw a payment instrument for the Application Amount in favour of the Escrow Account and submit the same to the Bankers to the Issue. If the payment is not made favouring the Escrow Account along with the Application Form, the Application of the Applicant shall be rejected.
3. The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - a. In case of Resident Retail and Non-Institutional Applicants: “TIJARIA POLYPIPES LIMITED – Public Issue –R”
 - b. In case of Non-Resident Retail and Non-Institutional Applicants: “TIJARIA POLYPIPES LIMITED – Public Issue –NR”
4. In case of Applications by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a Non-Resident Ordinary (NRO) Account of a Non-Resident Applicant applying on a non-repatriation basis. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Applicant applying on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account. In case of Applications by Eligible NRIs applying on non-repatriation basis, the payments must be made out of NRO account.
5. In case of Application by FIIs/FVCIs/multilateral and bilateral financial institutions, 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.
6. The monies deposited in the Escrow Account will be held for the benefit of the Applicants.
7. On the Designated Date, the Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Agreement into the Escrow Account with the Bankers to the Issue.
8. On the Designated Date and no later than 10 days from the Issue Closing Date, the Collection Bank shall also refund all amounts payable to unsuccessful Applicants (other than ASBA Applicants) and also the excess amount paid on Application, if any, after adjusting for allocation/Allotment to the Applicants.
9. Payments should be made by cheque, or 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 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.
10. The ASBA Applicants shall specify the bank account number in the ASBA Application Form and the SCSB shall block an amount equivalent to the Application Amount in the bank account specified in the ASBA Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the ASBA Application or receipt of instructions from the Registrar to unblock the Application Amount. In the event of withdrawal or rejection of the ASBA Application Form or for unsuccessful ASBA Application Forms, the Registrar shall give instructions to the SCSB to unblock the application money in the relevant bank account within one day of receipt of

such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Escrow Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Application, as the case may be.

Payment by Stock invest

In terms of the Reserve Bank of India Circular Numbers DBOD Numbers FSC BC 42/ 24.47.00/ 2003-04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Submission of Application Form

All Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the Bankers to the Issue at the time of submission of the Application. With respect to the ASBA Applicants, the ASBA Application Form or the ASBA Revision Form shall be submitted to the Designated Branches of the SCSBs.

No separate receipts shall be issued for the money payable on the submission of Application Form or Revision Form. However, the collection centre of the Bankers to the Issue will acknowledge the receipt of the Application Forms or Revision Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.

GENERAL INSTRUCTIONS

Do's:

1. Check if you are eligible to apply having regard to applicable laws, rules, regulations, guidelines and approvals and the terms of this Prospectus;
2. Read all the instructions carefully and complete the applicable Application Form;
3. Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
4. Ensure that the Applications that submitted are forms bearing the stamp of the LM;
5. Each of the Applicant should mention their Permanent Account Number (PAN) allotted under the IT Act;
6. Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
7. Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form.

Don'ts:

1. Do not apply for lower than the minimum Application size;
2. Do not apply at a Price different from the Price mentioned herein or in the Application Form;

3. Do not apply on another Application Form after you have submitted an Application to the Bankers of the Issue.
4. Do not pay the Application Amount in cash, by money order or by postal order or by stock invest;
5. Do not send Application Forms by post; instead submit the same to the Selected Branches / Offices of the Banker to the Issue. Do not submit the Application without the full Application Amount through the Application Form;
6. Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
7. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
8. Do not apply for Allotment of shares in physical form.

Additional Instructions for ASBA Applicants only

Do's:

- a. Ensure that you use the ASBA Form specified for the purposes of ASBA.
- b. Read all the instructions carefully and complete the ASBA Form.
- c. Ensure that the details of your Depository Participant and beneficiary account are correct and that your beneficiary account is activated, as Equity Shares will be allotted in dematerialized form only.
- d. Ensure that your ASBA Form is submitted at a Designated Branch, with a branch of which the ASBA Applicant or a person whose bank account will be utilized by the ASBA Applicant for applying has a bank account and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to our Company or the Registrar to the Issue or the LM.
- e. Ensure that the ASBA Form is signed by the account holder in case the applicant is not the account holder.
- f. Ensure that you have mentioned the correct ASBA Account number in the ASBA Form.
- g. Ensure that you have funds equal to the number of Equity Shares applied for in your ASBA Account before submitting the ASBA Form to the respective Designated Branch.
- h. Ensure that you have correctly checked the authorization box in the ASBA Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for the Designated Branch to block funds equivalent to the Application Amount mentioned in the ASBA Form in your ASBA Account maintained with a branch of the concerned SCSB.
- i. Ensure that you receive an acknowledgement from the Designated Branch for the submission of your ASBA Form.
- j. Ensure that the name(s) given in the ASBA Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the ASBA 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 ASBA Form.

Don'ts:

- a. Do not apply on another ASBA Form or on Application Form after you have submitted an ASBA Application to a Designated Branch.
- b. Payment of Application Amounts in any mode other than blocked amounts in the ASBA Accounts shall not be accepted under ASBA.
- c. Do not send your physical ASBA Form by post; instead submit the same to a Designated Branch.

OTHER INSTRUCTIONS**Joint Applications in the case of Individuals**

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Applications

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

After applying on an ASBA Application Form either in physical or electronic mode, where such ASBA Application has been submitted to the Designated Branches of SCSBs and uploaded with the Stock Exchanges, an ASBA Applicant cannot apply, either in physical or electronic mode, on another ASBA Application Form or a Application Form. Submission of a second application form, whether an ASBA Application Form, to either the same or to another Designated Branch of the SCSB, or a Application Form to the Bankers to the Issue, will be treated as multiple Applications and will be liable to be rejected either before entering the Applications into the electronic application system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the ASBA Applications can revise the Application through the Revision Form.

More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs shall not accept a total of more than five ASBA Application Forms from such ASBA Applicants with respect to any single ASBA Account.

The Company reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories. A check would be carried out for the same PAN, in cases where the PAN is same; such Applications would be treated as multiple Applications.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications.
- Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.

- Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of “know your client” norms by the depositories.

The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

Permanent Account Number or PAN

Pursuant to the circular MRD/DoP/Circ-05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (“PAN”) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Applications without this information will be considered incomplete and are liable to be rejected.

It is to be specifically noted that Applicant should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

RIGHT TO REJECT APPLICATIONS

In case of QIB Applicant, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicant, Retail Individual Applicant who applied, the Company has a right to reject Applications based on technical grounds.

With respect to ASBA Applications, the Designated Branches of the SCSBs shall have the right to reject ASBA Applications if at the time of blocking the Application Amount in the Applicant’s bank account, the respective Designated Branch of the SCSB ascertains that sufficient funds are not available in the Applicant’s bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Application by the SCSB, the Company would have a right to reject the ASBA Application only on technical grounds.

Consequent refunds shall be made as described in the Prospectus and will be sent to the Applicant's address at the Applicant's risk.

GROUND FOR TECHNICAL REJECTIONS

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the value of Equity Shares applied for;
- Bank account details (for refund) are not given;
- Age of First Applicant not given;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;

- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of The Issue;
- Applications for number of Equity Shares which are not in multiples of 200;
- Category not ticked;
- Multiple Applications as defined in this Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash; Signature of sole and/ or joint Applicant is missing. With respect to ASBA Applications, the ASBA Application form not being signed by the account holders, if the account holder is different from the Applicant;
- Submission of more than five ASBA Application Forms per bank account;
- Multiple Applications as defined in this Prospectus;
- Application Forms does not have Applicant's depository account details;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicant (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications where clear funds are not available in the Escrow Account as per the final certificate from the Collection Bank(s);
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulations or —qualified institutional buyers|| as defined in Rule 144A under the Securities Act;
- Applications not duly signed by the sole/ joint Applicant;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by QIBs not submitted through the LM or their affiliates or in case of ASBA Applications for QIBs not intimated to the LM;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals.

Signing of Underwriting Agreement and RoC Filing

The issue is not underwritten and therefore the Company has not signed any underwriting agreement.

Filing of the Prospectus with the ROC

The Company will file a copy of the Prospectus with the RoC in terms of Section 56 and Section 60 of the Companies Act.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, the Company shall, after registering the Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation at the place where the registered office of the issuer is situated.

Advertisement regarding Issue Price and Prospectus

The Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. 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 the Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Confirmation of Allocation Note ("CAN")

1. Upon approval of the basis of Allotment by the Designated Stock Exchange, the LM or the Registrar to the Issue shall send to the Bankers to the Issue a list of their Applicants who have been allocated/allotted Equity Shares in the Issue. The approval of the basis of Allotment by the Designated Stock Exchange for QIB Applicants may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Applicants. However, investors should note that the Company shall ensure that the date of Allotment of the Equity Shares to all investors in this Issue shall be done on the same date;
2. The LM or Bankers to the Issue will then dispatch a CAN to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant to pay the entire Issue Price for all the Equity Shares allocated to such Applicant. Those Applicants who have not paid the entire Application Amount into the Escrow Account at the time of application shall pay in full the amount payable into the Escrow Account by the Pay-in Date specified in the CAN;
3. Applicants who have been allocated/allotted Equity Shares and who have already paid the Application Amount into the Escrow Account at the time of application shall directly receive the CAN from the Registrar to the Issue subject, however, to realization of his or her cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant to pay the entire Issue Price for the Allotment to such Applicant.

Issuance of CAN with respect to ASBA Applicants

Upon approval of the basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send the Controlling Branches, a list of the ASBA Applicants who have been allocated Equity Shares in the Issue, along with:

- The number of Equity Shares to be allotted against each successful ASBA;
- The amount to be transferred from the ASBA Account to the Escrow Account, for each successful ASBA;

- The date by which the funds referred to in sub-para (ii) above, shall be transferred to the Escrow Account; and
- The details of rejected ASBA Forms, if any, along with reasons for rejection and details of withdrawn (except in case of QIB applying through an ASBA Form) or unsuccessful ASBA Forms, if any, to enable SCSBs to unblock the respective ASBA Accounts.

ASBA Applicants should note that our Company shall ensure that the instructions by our Company for demat credit of the Equity Shares to all investors in this Issue shall be given on the same date; and

The ASBA Applicants shall directly receive the CANs from the Registrar. The dispatch of a CAN to an ASBA Applicant shall be deemed a valid, binding and irrevocable contract with the ASBA Applicant.

Allotment of Equity Shares

The Company will ensure that the Allotment of Equity Shares is done within 10 working days of the Issue Closing Date, the Company would ensure the credit to the successful Applicant depository account. Allotment of the Equity Shares to the Applicants shall be within two working days of the date of Allotment. **In accordance with the SEBI Regulations, Equity Shares will be issued, and Allotment shall be made only in the dematerialized form to the Applicants.** Applicants will have the option to re-materialize the Equity Shares, if they so desire, 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.

PAYMENT OF REFUND

Applicant (other than ASBA Applicants) must note that on the basis of name of the Applicant, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Application Form, the Registrar will obtain, from the Depositories, the Applicant's bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Applicant's sole risk and neither the Company, the Registrar, Collection Bank(s), Bankers to the Issue nor the LM shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

Mode of making refunds for Applicants other than ASBA Applicants

The payment of refund, if any, for Applicants other than ASBA Applicants would be done through various modes as given hereunder:

1. **NECS** – Payment of refund would be done through NECS for Applicant having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for Applicant having a bank account at any of such centres, except where the applicant, being eligible, opts to receive refund through NEFT, direct credit or RTGS.
2. **Direct Credit** – Applicant having bank accounts with the Refund Banker(s), as mentioned in the Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.
3. **RTGS** – Applicant having a bank account at any of the centres where such facility has been made available and whose refund amount exceeds ₹ 50.00 Lacs, have the option to receive refund through RTGS. Such eligible Applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the application Form. In the event the same is not provided,

refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the Applicant.

4. **NEFT** – Payment of refund shall be undertaken through NEFT wherever the Applicant's bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicant have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Applicant through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.
5. For all other Applicant, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched under certificate of posting for value up to ₹ 1,500 and through Speed Post/Registered Post for refund orders of ₹ 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Collection Banks and payable at par at places where Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicant.

Mode of making refunds for ASBA Applicants

In case of ASBA Applicants, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the ASBA Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 9 working days from the Issue Closing Date.

Letters of Allotment or Refund Orders or instructions to SCSBs

The Company shall give credit to the beneficiary account with depository participants within two working Days from the date of the finalization of basis of allocation. Applicant residing at centres where clearing houses are managed by the RBI and other banks, will get refunds through NECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit & RTGS.

The Company shall ensure dispatch of refund orders, if any, of value up to ₹ 1,500 by "Under Certificate of Posting", and shall dispatch refund orders above ₹ 1,500, if any, by registered post or speed post at the sole or First Applicant's sole risk within 10 days of the Issue Closing Date. Applicant to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 10 days of the Issue Closing Date.

In case of ASBA Applicants, the Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the ASBA Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 8 working days of the Issue Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure the dispatch of Allotment advice, refund orders (except for Applicant 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 within ten working days of date of the Issue Closing Date.

In case of Applicant who receives refund through NECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 10 days from the Issue Closing Date. A suitable communication shall be sent to the Applicant receiving refunds through this mode within 10 days of Issue Closing Date, giving

details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at BSE where the Equity Shares are proposed to be listed are taken within 12 working days of Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, the Company further undertakes that:

- a. Allotment of Equity Shares shall be made only in dematerialized form within 10 (ten) working days from the Issue Closing Date;
- b. With respect to Applicants other than ASBA Applicants, 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(ten) working days from the Issue Closing Date would be ensured. With respect to the ASBA Applicants, instructions for unblocking of the ASBA Applicant's Bank Account shall be made within 12 working days from the Issue Closing Date; and
- c. The Company shall pay interest at 15% p.a. for any delay beyond the 10 (ten) working days from the Issue Closing Date as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/ or demat credits are not made to investors within the 8 (eight) working days time prescribed above.

UNDERTAKINGS BY OUR COMPANY

The Company undertakes the following:

1. That the complaints received in respect of this Issue shall be attended to by us expeditiously;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within 12 working days of the Issue Closing Date;
3. That funds required for making refunds to unsuccessful Applicant as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer;
4. That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 10 working days of the Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. That the certificates of the securities/ refund orders to the non-resident Indians shall be dispatched within specified time; and
6. That the certificates of the securities/ refund orders to the non-resident Indians shall be dispatched within specified time;
7. That no further issue of Equity Shares shall be made till the Equity Shares offered through this Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc;
8. The Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
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.

10. If Our Company withdraws the Issue, after its closure, we shall be required to file a fresh Draft Offer document with the Board (SEBI).

Utilization of Issue Proceeds

Our Board certifies that:

1. All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
2. Details of all monies utilized out of the Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilized;
3. Details of all unutilised monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilised monies have been invested;

The Board of Directors further certifies that:

- The utilisation of monies received under Promoter Contribution shall be disclosed under an appropriate head in the balance sheet of the Company, indicating the purpose for which such monies have been utilized; and
- The details of all unutilised monies out of the funds received under Promoter Contribution and the shall be disclosed under a separate head in the balance sheet of the Company, indicating the form in which such unutilized monies have been invested.

WITHDRAWAL OF THE ISSUE

Our Company, in consultation with the LM reserves the right not to proceed with the Issue at any time, including after the Issue Closing Date but before the Allotment of Equity Shares. In such an event the Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the Issue Closing Date, providing reasons for not proceeding with the Issue. The Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment. In terms of the SEBI Regulations, QIB Applicant shall not be allowed to withdraw their Application after the Issue Closing Date.

EQUITY SHARES IN DEMATERIALIZED 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 de-materialized form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among the Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated September 14, 2010 between NSDL, the Company and the Registrar to the Issue;
- Agreement dated August 24, 2010 between CDSL, the Company and the Registrar to the Issue

All Applicants can seek allotment only in dematerialized mode. Applications from any Applicant without relevant details of his or her depository account are liable to be rejected.

An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.

The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.

Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.

Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

If incomplete or incorrect details are given under the heading 'Applicant Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.

The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis-à-vis those with his or her Depository Participant.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.

The trading of the Equity Shares of the Company would be in dematerialized form only for all investors in the demat segment of the respective Stock Exchanges.

COMMUNICATIONS

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicant Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted or the Designated Branch of the SCSBs where the Application was submitted and cheque or draft number and issuing bank thereof and a copy of the acknowledgement slip or with respect to ASBA Application, bank account number in which the amount equivalent to the Application Amount was blocked.

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 Applications submitted to the Designated Branches of the SCSBs, the Applicants can contact the Designated Branches of the SCSBs.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of GoI and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment limit is allowed up to 100% under automatic route in our Company.

By way of Circular Numbers 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

Transfers of equity shares previously required the prior approval of the FIPB. However, vide a RBI circular dated October 4, 2004 issued by the RBI, the transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the

investee company are under the automatic route under the foreign direct investment (FDI) Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (ii) the non-resident shareholding is within the sectoral limits under the FDI policy, and (iii) the pricing is in accordance with the regulations / guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

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 transactions exempt from the registration requirements of the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulations 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 applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicant. The Company and the LM'S are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicant are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

SECTION IX: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

SHARE CAPITAL

Article 3 provides that,

- (A) The Authorized Capital of the Company shall be as per Capital Clause i.e. clause V of the Memorandum of Association of the Company with power to increase or reduce the capital of the Company and/or the nominal value of the shares and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions with or without voting rights as may be determined by or in accordance with the Articles of Association of the Company or as may be decided by the Board of Directors or by the Company in General Meeting, as applicable, in conformity with the provisions of the Act, and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions and to consolidate or sub-divide the shares and issue shares of higher or lower denominations.
- (B) Subject to the rights of the holders of any other shares entitled by the terms of issue to preferential repayment over the Equity Shares in the event of winding up of the Company, the holders of the Equity Shares shall be entitled to be repaid the amounts of capital paid up or credited as paid up on such Equity Shares and all surplus assets thereafter shall belong to the holders of the Equity Shares in proportion to the amount paid up or credited as paid up on such Equity Shares respectively at the commencement of the winding up.
- (C) The Company may issue shares and quasi equity instruments with differential rights as to dividend, voting or otherwise in accordance with such rules as may be prescribed and / or applicable, from time to time and the resolutions authorizing such issue shall prescribe the terms and conditions of the issue.

PREFERENCE SHARES

Article 4 provides that,

- (A) Redeemable Preference Shares

The Board shall subject to the provisions of the Act and the consent of the Company have power to issue on a cumulative or non-cumulative basis Preference Shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption of such Shares on such terms including the right to redeem at a premium or otherwise as they deem fit.

- (B) Convertible Redeemable Preference Shares

The Board shall subject to the provisions of the Act and the consent of the Company have power to issue on a cumulative or non-cumulative basis, with or without option of fully or partly conversion, Redeemable Preference Shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption at a premium or otherwise and/or conversion of such Shares into such Securities on such terms as they may deem fit.

POWER OF COMPANY TO PURCHASE ITS OWN SHARES

Article 10 provides that,

Pursuant to a resolution of the Board of Directors, the Company may purchase its own Shares by way of a buy-back arrangement, in accordance with Section 77A of the Act and the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998, subject to compliance with all applicable Requirements of Law.

REDUCTION OF SHARE CAPITAL

Article 09 provides that,

The Company may (subject to the provisions of Sections 78, 80 and 100 to 105 [both inclusive] of the Act), from time to time by Special Resolution, reduce its Capital, any Capital Redemption Reserve Account and the Securities Premium Account in any manner for the time being authorized by law, and in particular, Capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate any power the Company would have, if it were omitted.

ALTERATION OF SHARE CAPITAL

Articles 08 provides that,

- (A) The Company may, by Ordinary Resolution in General Meeting from time to time alter the conditions of its Memorandum as follows, that is to say, it may:
- (a) Increase its Share Capital by such amount as it thinks fit and expedient by issuing new Shares of such amount as may be deemed expedient and the new Shares shall be issued on such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct and if no direction be given, the Board of Directors shall determine, and in particular such Shares may be issued with a preferential right to Dividends and in the distribution of the assets of the Company;
 - (b) consolidate and divide all or any of its Share Capital into Shares of larger amount than its existing Shares;
 - (c) convert all or any of its fully Paid up Shares into stock and reconvert that stock into fully Paid up Shares of any denomination
 - (d) sub-divide its 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;
 - (e) Cancel Shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the Shares so cancelled. A cancellation of Shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.
- (B) The Board will have power, from time to time, to divide or classify any unclassified shares forming part of the authorized capital for the time being into several classes and to attach thereto respectively such equity, preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may be for the time being be provided in the Articles of Association of the Company.

POWER TO MODIFY RIGHTS

Articles 11 provides that,

Where, the Capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of Shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any Person purporting to contract on behalf of that class, provided the same is affected with the sanction of a Special Resolution passed at a separate meeting of the holders of the issued Shares of that class and all the provisions hereafter contained as to General Meetings (including the provisions relating to quorum at such meetings) shall mutatis mutandis apply to every such meeting.

SHARES AND CERTIFICATES

Articles 12 provides that,

- (A) The Shares in the Capital shall be numbered progressively according to their denominations, provided however, that the provisions relating to progressive numbering shall not apply to the Shares of the Company which are dematerialized or may be dematerialized in future or issued in future in a dematerialized form. Except in the manner hereinbefore mentioned, no Share shall be sub-divided. Every forfeited or surrendered Share held in material form shall continue to bear the number by which the same was originally distinguished.
- (B) The Company shall be entitled to dematerialize its existing Shares, rematerialize its Shares held in the Depository and/or to offer its fresh Shares in a dematerialized form pursuant to the Depositories Act, 1996, and the rules framed thereunder, if any.
- (C) The Company shall cause to be kept a Register and Index of Members in accordance with Sections 150 and 151 of the Act and Register and Index of Debenture-holders in accordance with Section 152 of the Act. The Company shall also be entitled to keep in any State or Country outside India, a foreign register or a branch Register of Members and Debenture-holders in accordance with Section 157 of the Act. The Board may make and vary such regulations as it may think fit respecting the keeping of any such register(s).

FURTHER ISSUE OF SHARES

Articles 13 provides that,

- (A) The Share Capital of the Company shall be in accordance with requirements of Law, as in force from time to time. Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by the allotment of further shares then:
 - (a) Such further shares shall be offered to the person who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid-up on those shares at that date;
 - (b) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;
 - (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (b) shall contain a statement of this right;
 - (d) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the Company.

Notwithstanding anything contained above, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to above in any manner whatsoever”

- (i) If a special resolution to that effect is passed by the Company in general meeting, or;
- (ii) Where no such resolution is passed, if the votes cast (whether on a show of hands or poll as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an

application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.

Nothing in sub-clause (c) hereof shall be deemed:

- (i) To extend the time within which offer should be accepted; or
- (ii) To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued by the Company:

- (i) To convert such debentures or loans into shares in the Company; or
- (ii) To subscribe for shares in the Company;

Provided that the terms of issue of such debentures or terms of such loans include a term providing for such options and such term:

- (i) Either has been approved by the central Government before the issue of debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and
 - (ii) In the case of debentures or loans or other than debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf, has been approved by the special resolution passed by the Company in General Meeting before the issue of the loans.
- (B) Any increase in the subscribed Capital of the Company by allotment of further Shares, whether out of un-issued Share Capital or out of increased Share Capital or otherwise, shall be effected in accordance with the applicable requirements of Law.
- (C) Any acquisition of Shares or other Securities of the Company by the persons who can acquire Securities of a Company incorporated in India, shall be in compliance with any applicable laws, regulations or guidelines or any requirements of Law.

SHARES AT THE DISPOSAL OF THE DIRECTORS

Articles 14 provides that,

- (A) Subject to the provisions of Section 81 of the Act, if applicable, and these Articles, the Shares in the Capital of the Company for the time being (including any Shares forming part of any increased Capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such Persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of Section 78 and 79 of the Act) at such time as they may from time to time think fit and with the sanction of the Members to give to any Person or Persons the option or right to apply for any Shares either at par or premium or at a discount 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 however, notwithstanding the foregoing, the option or right to call on Shares shall not be given to any Person or Persons without the sanction of the Company in the General Meeting.
- (B) In addition to and without derogating from powers for that purpose conferred on the Board under these Articles, the Members may, subject to the provisions of Section 81 of the Act, determine that any Shares (whether forming part of the original capital or of any increased Capital of the Company), shall be offered to such Persons, (whether Members or holders of Debentures or any other Securities or not), in such proportion and on such terms and conditions and either (subject to compliance with

the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount, as the Members shall determine and with full power to give any person, (whether a Member or holders of Debentures or any other Securities or not), the option to call for or be allotted Shares of any class of the Company, either (subject to compliance with the provisions of Sections 78 and 79 of the Act), at a premium or at par or at a discount, such option being exercisable at such time and for such consideration as may be directed by the Members or the Members make any other provision whatsoever for the issue, allotment Or disposal of any Shares.

- (C) Any application signed by or on behalf of an applicant for Shares in the Company, followed by an allotment of any Shares therein, shall be an acceptance of Shares within the meaning of these Articles and every person who thus or otherwise accepts any Shares and whose name is on the Register of Members shall for the purposes of these Articles be a Member.
- (D) The money, (if any), which the Board shall, on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them, shall immediately on the insertion of the name of the allottee, in the Register of Members as the name of the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
- (E) Every Member, or his heirs, Executors, or Administrators shall pay to the Company, the portion of the Capital represented by his Share or Shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Articles require or fix for the payment thereof.
- (F) If any Share stands in the names of two or more Members, the Member first named in the Register of Members shall as regards receipt of Dividends or bonus, or service of notices and all or any other matters connected with the Company except voting at Meetings and the transfer of Shares, be deemed the sole holder thereof, but the joint holders of a Share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such Shares, and for all incidents thereof according to these Articles.
- (G) Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall be entitled to treat the Member whose name appears on the Register of Members as the holder of any Share or whose name appears as the Beneficial Owner of Shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognize any benami, trust or equity or equitable, contingent or other claim to or interest in such Share on the part of any other Person whether or not he shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any Shares in the joint names of any two or more Persons or the survivor or survivors of them.

ISSUE OF SHARE CERTIFICATES

Articles 15 provides that,

- (A) The issue of certificates of shares or of duplicate or renewal of certificates of shares shall be governed by the provisions of Section 84 and other provisions of the Act, as may be applicable and by the Rules or notifications or orders, if any, which may be prescribed or made by competent authority under the Act or Rules or any other law. The certificate of title to shares shall be issued under the Seal of the Company and shall be signed by such Directors

Provided that, notwithstanding what is stated above, the Directors shall comply with such rules or regulations or requirements of any stock exchange or the rules made under the Act or the rules made under the Securities Contracts (Regulation) Act, 1956 or any other act or rules applicable in this behalf.

- (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, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within one month from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month 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 more than one certificate and delivery of a certificate of shares to one or several joint holders shall be sufficient delivery to all such holder.

- (C) 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 and further it is 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 guidelines or requirement of any Stock Exchange or the rules or regulation or guidelines made under the Act or made under Securities Contracts (Regulation) Act, 1956 or Securities and Exchange Board of India Act, 1992 or any other such relevant Act or law applicable thereof in this behalf.

- (D) The provisions of this Article shall mutatis mutandis apply to Debentures and other Securities of the Company.

INTEREST OUT OF CAPITAL

Articles 17 provides that,

Where any Shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provision of any plant, which cannot be made profitable for a lengthy period, the Company may with the previous sanction of the Central Government, pay interest on so much of that Share Capital as is for the time being Paid up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act, and may charge the same to Capital as part of the cost of construction of the work or building or the provision of plant.

CALLS

Articles 18 provides that,

- (A) Subject to the provisions of Section 91 of the Act, the Board may, from time to time, subject to the terms on which any Shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, (and not by circular resolution), make such call as it thinks fit upon the Members in respect of all moneys unpaid on the Shares held by them respectively and each Member shall pay the amount of every call so made on him to the Person or Persons and at the times and places appointed by the Board. A call may be made payable by installments.
- (B) Thirty days notice in writing at the least of every call (otherwise than on allotment) shall be given by the Company specifying the time and place of payment and if payable to any Person other than the Company, the name of the person to whom the call shall be paid, provided that before the time for payment of such call the Board may by notice in writing to the Members revoke the same.
- (C) A call shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed and may be made payable by the Members whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board.
- (D) A call may be revoked or postponed at the discretion of the Board.
- (E) The joint holder of a Share shall be jointly and severally liable to pay all installments and calls due in respect thereof.

- (F) The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Members, but no Members shall be entitled to such extension save as a matter of grace and favour.
- (G) If any Member or allottee fails to pay the whole or any part of any call or installment, due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board.
- (H) Any sum, which by the terms of issue of a Share or otherwise, becomes payable on allotment or at any fixed date or by installments at a fixed time whether on account of the nominal value of the Share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue or otherwise the same became payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.
- (I) On the trial or hearing of any action or suit brought by the Company against any Member or his Legal Representatives for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the Member in respect of whose Shares the money is sought to be recovered appears entered on the Register of Members as the holder, or one of the holders at or subsequently to the date at which the money sought to be recovered is alleged to have become due on the Shares in respect of which such money is sought to be recovered; that the resolution making the call is duly recorded in the minute book; and that notice of such call was duly given to the Member or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.
- (J) Neither a judgment or decree in favour of the Company for calls, nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his Shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.
- (K) 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 same, the whole or any part of the amounts due upon the Shares held by him beyond the sums actually called up, and upon the amount so paid or satisfied in advance or upon so much thereof as from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the Shares in respect of which such advance has been made, the Board may pay interest, as the Member paying such sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member Fifteen days notice in writing. Provided that the money paid in advance of calls on any Shares may carry interest but shall not in respect thereof confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.
- (L) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same become payable.
- (M) The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company.

COMPANY'S LIEN ON SHARES:

Articles 19 provides that,

- (A) The Company shall have a first and paramount lien upon all the Shares/Debentures (other than fully paid-up Shares/Debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/Debentures and no equitable interest in any Share shall be created except upon the condition that this Article will have full effect, and such lien shall extend to all Dividends and bonuses from time to time declared in respect of such Shares and interest in respect of Debentures. Unless otherwise agreed, the registration of a transfer of Shares/Debentures shall operate as a waiver of the Company's lien, if any, on such Shares/Debentures. The Directors may at any time declare any Shares/Debentures wholly or in part to be exempt from the provisions of this Article.
- (B) For the purpose of enforcing such lien the Board may sell the Shares subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Shares and may authorize one of their number to execute a transfer thereof on behalf of and in the name of such Member. No sale shall be made until such period as aforesaid shall have elapsed and until notice in writing of the intention to sell shall have been served on such Member or his Legal Representative, and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.
- (C) The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue if any shall (subject to a like lien for sums not presently payable as existed upon the Shares before the sale) be paid to the Person entitled to the Shares at the date of the sale.

FORFEITURE OF SHARES

Articles 20 provides that,

- (A) If any Member fails to pay any call or installment or any part thereof or any money due in respect of any Shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys remain unpaid or a judgment or decree in respect thereof remain unsatisfied, give notice to him or his Legal Representatives 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.
- (B) The notice shall name a day, (not being less than fourteen days from the date of the notice), and a place or places on or before which such call or installment or such part or other moneys as aforesaid and interest thereon, (at such rate as the Board shall determine and payable from the date on which such call or installment ought to have been paid), 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 the call was made or installment is payable, will be liable to be forfeited.
- (C) If the requirements of any such notice as aforesaid shall not be complied with, any Share in respect of which such notice has been given, may at any time thereafter before payment of all calls, installments, other moneys due in respect thereof, interest and expenses as aforesaid, be forfeited by a Resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other moneys payable in respect of the forfeited Share and not actually paid before the forfeiture.
- (D) When any Share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture or if any of his Legal Representatives or to any of the Persons entitled to the Shares by transmission, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

- (E) Any Share so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of either to the original holder thereof or to any other Person upon such terms and in such manner as the Board shall think fit.
- (F) Any Member whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, amounts, installments, interest and expenses and other moneys owing upon or in respect of such Shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce, (if it thinks fit), payment thereof as if it were a new call made at the date of forfeiture.
- (G) The forfeiture of a Share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the Company, in respect of the Share and all other rights incidental to the Share, except only such of these rights as by these Articles are expressly saved.
- (H) A declaration in writing that the declarant is a Director or Secretary of the Company and that a Share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the Shares.
- (I) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some Person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
- (J) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the related Shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said Shares to the person or persons entitled thereto.
- (K) 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.

TRANSFER AND TRANSMISSION OF SHARES

Articles 21 provides that,

- (A) The Company shall keep a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any Share, Debenture or other Security held in a material form.
- (B) Every instrument of transfer of Shares shall be in writing in the usual common form or in such form as may be prescribed under Section 108 of the Act and shall be delivered to the Company within such time as may be prescribed under the Act.
- (C)
 - (a) An application for the registration of a transfer of the Shares in the Company may be made either by the transferor or the transferee.
 - (b) Where the application is made by the transferor and relates to partly paid Shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.

- (D) Every such instrument of transfer shall be executed both by the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such Share until the name of the transferee shall have been entered in the Register of Members in respect thereof.
- (E) The Board shall have power on giving not less than seven days previous notice by advertisement in a newspaper circulating in the city, town or village in which the Office of the Company is situated to close the transfer books, the Register of Members and/or Register of Debenture-holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days (45) in each year, as it may deem expedient.
- (F) Subject to the provisions of Sections 111 and 111A of the Act, or any statutory modification of the said provisions for the time being in force and any other Requirements of Law, the Board may, at its own absolute and uncontrolled discretion and without assigning any reason, decline to register or acknowledge any transfer of Shares and in particular may so decline in any case in which:
 - (a) the proposed transferee is a Person who is not permitted by any applicable law, regulation or guideline or any Requirements of Law, to acquire securities of the Company, or
 - (b) if the Company has a lien upon the Shares, or
 - (c) Whilst any moneys in respect of the Shares desired to be transferred or any of them has remained unpaid or not or unless the transferee is approved by the Board and such refusal shall not be affected by the fact that the proposed transferee is already a Member. But in such cases it shall, within one month from the date on which the instrument of transfer was lodged with the Company send to the transferee and the transferor notice of refusal to register such transfer. The registration of a transfer shall be conclusive evidence of the approval of the Board of the transferee. Provided that 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.
- (G) Subject to the provisions of the Act and these Articles, the Directors shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transmission to any Shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of Shares upon which the Company has a lien.
- (H) Transfer of Shares in whatever lot should not be refused, and there would be no objection to the Company in splitting a share certificate into several certificates of any small denominations or to consider a proposal for transfer of Shares comprised in a share certificate to several Members, involving such splitting, if on the face of it such splitting/transfer appears to be reasonable or with a genuine need. The Company should not, therefore, refuse transfer of Shares in violation of the stock exchange listing requirements on the ground that the number of Shares to be transferred is less than any specified number.
- (I) In the case of the death of any one or more of the Members named in the Register of Members as the joint-holders of any Share, the survivors shall be the only Member or Members 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 joint -holder from any liability on Shares held by him jointly with any other Person.
- (J) The Executors or Administrators or holder of the Succession Certificate or the Legal Representatives of a deceased Member, (not being one of two or more joint-holders), shall be the only Members recognized by the Company as having any title to the Shares registered in the name of such Member, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representatives unless such Executors or Administrators or Legal Representatives shall have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be, from a duly constituted court in the Union of India, provided that the Board may in its absolute discretion dispense with production of Probate or Letters of Administration or Succession Certificate, upon such terms as to indemnity or otherwise as the Board may in its

absolute discretion deem fit and may under these Articles register the name of any Person who claims to be absolutely entitled to the Shares standing in the name of a deceased Member, as a Member.

- (K) The Board shall not knowingly issue or register a transfer of any share to a minor or insolvent or Person of unsound mind.
- (L) Subject to the provisions of Articles, any Person becoming entitled to Shares in consequence of the death, lunacy, bankruptcy of any Member or Members, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board, (which it shall not be under any obligation to give), 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, either be registered himself as the holder of the Shares or elect to have some Person nominated by him and approved by the Board, registered as such holder; provided nevertheless, that if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Shares.
- (M) A Person becoming entitled to a Share by reason of the death or insolvency of a Member shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the Shares, except that he shall not, before being registered as a Member in respect of the Shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company; PROVIDED THAT the Directors shall, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares, and if the notice is not complied with within ninety days, the Directors may thereafter withhold payment of all Dividends, bonuses or other moneys payable in respect of the Shares until the requirements of the notice have been complied with.
- (N) Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the Shares and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.
- (O) In case of transfer and 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 any electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.
- (P) Before the registration of a transfer, the certificate or certificates of the Share or Shares to be transferred must be delivered to the Company along with (save as provided in Section 108 of the Act) a properly stamped and executed instrument of transfer.
- (Q) No fee shall be payable to the Company, in respect of the transfer or transmission of Shares, or for registration of any power of attorney, probate, letters of administration and succession certificate, certificate of death or marriage or other similar documents.
- (R) The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof, (as shown or appearing in the Register of Members), to the prejudice of a Person or Persons having or claiming any equitable right, title or interest to or in the said Shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.

Provided that notwithstanding what is stated in this Article above the Directors shall comply with such rules or regulation or guidelines or requirement of any Stock Exchange or the rules or regulation or guidelines made under the Act or made under Securities Contracts (Regulation) Act, 1956 or Securities

and Exchange Board of India Act, 1992 or any other such relevant Act or law applicable thereof in this behalf.

- (S) The provision of these Articles shall subject to the provisions of the Act and any requirements of law mutatis mutandis apply to the transfer or transmission by operation of law to other Securities of the Company.

DEMATERIALIZATION OF SECURITIES

Articles 22 provides that,

(A) Dematerialization:

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing Securities, rematerialize its Securities held in the Depositories and/or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, 1996 and the rules framed there under, if any.

(B) Options for Investors:

Subject to Section 68B of the Act, every Person subscribing to Securities offered by the Company shall have the option to receive security certificates or to hold the Securities with a Depository. Such a Person who is the Beneficial Owner of the Securities can at any time opt out of a Depository, if permitted by law, in respect of any Securities in a manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the Beneficial Owner the required Certificate of Securities and If a Person opts to hold his Securities with a Depository, the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.

(C) Securities in Depositories to be in fungible form:

All Securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

(D) Rights of Depositories and Beneficial Owners:

(a) Notwithstanding anything to the contrary contained in the 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.

(b) 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.

(c) Every person holding Shares 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.

(d) The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository.

(E) Service of Documents:

Notwithstanding anything contained in the Act or these Articles to the contrary, 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.

(F) Transfer of Securities:

d. Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of Securities affected by transferor and transferee both of who are entered as Beneficial Owners in the records of a Depository.

- e. 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 any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.
- (G) Allotment of Securities dealt with in a Depository:
Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant Securities thereof to the Depository immediately on allotment of such Securities.
- (H) Certificate No. of Securities in Depository:
Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.
- (I) Register and Index of Beneficial Owners:
The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

NOMINATION OF SHARES

Articles 23 provides that,

- (A) Every holder of Shares in, or holder of Debentures of, the Company may, at any time, nominate, in the manner prescribed under the Act, a Person to whom his Shares in, or Debentures of, the Company shall vest in the event of his death.
- (B) Where the Shares in, or Debentures of, the Company are held by more than one Person jointly, the joint holders may together nominate, in the manner prescribed under the Act, a Person to whom all the rights in the Shares or Debentures of the Company shall vest in the event of death of all the joint holders.
- (C) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such Shares in or Debentures of, the Company, where a nomination made in the manner prescribed under the Act, purports to confer on any Person the right to vest the Shares in, or Debentures of, the Company, the nominee shall, on the death of the Member or debenture holder of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in the Shares or Debentures of the Company or, as the case may be, all the joint holders, in relation to such Shares or Debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner under the Act.
- (D) Where the nominee is a minor, the holder of the Shares or Debentures concerned, can make the nomination to appoint in prescribed manner under the Act, any Person to become entitled to the Shares or Debentures of the Company in the event of his death, during the minority.

TRANSMISSION IN CASE OF NOMINATION

Articles 24 provides that,

- (A) Notwithstanding anything contained in other Articles, any Person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, 1956, upon the production of such evidence as may be required by the Board and subject as hereinafter provided, elect either:-
 - (a) To be registered himself as holder of the Share or Debenture, as the case may be, or
 - (b) To make such transfer of the Share or Debenture, as the case may be, as the deceased shareholder or debenture holder, as the case may be, could have made.
- (B) If the person being a nominee, so becoming entitled, elects to be registered as holder of the Share or Debenture, himself, as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased Member or debenture holder, as the case may be.

- (C) All the limitations, restrictions and provisions of the Act relating to the right to transfer and the registration of transfer of Shares or Debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the Member had not occurred.
- (D) A Person, being a nominee, becoming entitled to a Share or Debenture by reason of the death of the holder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the Share or Debenture except that he shall not, before being registered a Member in respect of his Share or Debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company. Provided that the Board may, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the Share or Debenture, 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 or Debenture until the requirements of the notice have been complied with.

NOMINATION IN CERTAIN OTHER CASES

Articles 26 provides that,

Subject to the provisions of the Act and these Articles, any person becoming entitled to Shares in consequence of the death, lunacy, bankruptcy or insolvency of any Member, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Shares or elect to have some Person nominated by him and approved by the Board registered as such holder; provided nevertheless that, if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Shares.

RESTRICTED RIGHT OF MEMBERS

Articles 27 provides that,

No Person shall exercise any rights or privileges of Members until he shall have paid all sums (whether in respect of call or otherwise) for the time being due in respect the Shares held by him or due in any manner whatsoever to the Company.

BORROWING POWERS

Articles 29 provides that

- (A) Subject to the provisions of Section 58A, 292 and 293 of the Act the Board may, from time to time at its discretion by resolution passed at the meeting of a Board:
 - (a) accept or renew deposits from Directors, their relatives, Members or the public;
 - (b) borrow moneys otherwise than on Debentures;
 - (c) accept deposits from Members either in advance of calls or otherwise; and
 - (d) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company

Provided, however, that where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such moneys without the consent of the Company in General Meeting.

- (B) Subject to the provisions of these Articles, the payment or repayment of moneys borrowed or other monies in relation thereto, as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution of the Board shall prescribe including by the issue of bonds, perpetual or redeemable Debentures or debenture-stock, or any mortgage, charge, hypothecation,

pledge, lien or other security on the property of the Company including, whole or any part of undertaking of the Company, both present and future.

Provided however that the Board shall not, except with the consent of the Company in General Meeting mortgage, charge or otherwise encumber, the Company's uncalled Capital for the time being or any part thereof and Debentures and other Securities may be assignable free from any equities between the Company and the Person to whom the same may be issued.

- (C) Any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of Shares or other Securities, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.
- (D) Subject to the provisions of the Act and these Articles, if any uncalled Capital of the Company is included in or charged by any mortgage or other security, the Board shall make calls on the Members in respect of such uncalled Capital in trust for the Person in whose favour such mortgage or security is executed, or if permitted by the Act, may by instrument under seal authorize the Person in whose favour such mortgage or security is executed or any other Person in trust for him to make calls on the Members in respect of such uncalled Capital and the provisions hereinafter contained in regard to calls shall *mutatis mutandis* apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally or either presently or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable if expressed so to be.
- (E) The Board shall cause a proper Register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company; and shall cause the requirements of Section 118, 125 and 127 to 144 (both inclusive) of the Act in that behalf to be duly complied with within the time prescribed by the said Sections or such extensions thereof as may be permitted by the Central Government, The Company Law Board, the National Company Law Tribunal, or any other authority as may be prescribed or the Court or the Registrar, as the case may be, so far as they are required to be complied with by the Board.
- (F) The Company shall, if at any time it issues Debentures, keep a Register and Index (if applicable) of Debenture-holders in accordance with Section 152 of the Act. The Company shall have the power to keep in any State or Country outside India, a Branch Register of Debenture-holders resident in that State or Country.
- (G) Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board of Directors from time to time.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

Articles 31 provides that,

- (A) The Company in General Meeting may convert any Paid-up Shares into stock and when any Shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interests, in the same manner and subject to the same regulations as those subject to which Shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may at any time reconvert any stock into Paid-up shares of any denomination.
- (B) The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividends, voting at meetings of the Company, and other matters, as if they held the Shares from which the stock arose, but no such privileges or advantages, (except participation in the Dividends and profits of the Company and in the assets on winding-up), shall be conferred by an amount of stock which would not, if existing in Shares, have conferred that privilege or advantage.

VOTES OF MEMBERS

Articles 43 provides that,

- (A) No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of Members either upon a show of hands or upon a poll in respect of any Shares registered in his name on which calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.
- (B) Subject to the provisions of these Articles, without prejudice to any special privilege or restrictions as to voting for the time being attached to any class of shares for the time being forming a part of the Capital of the Company, every Member not disqualified by the last preceding Article, shall be entitled to be present, and to speak and vote at such Meeting, and on a show of hands, every Member present in person shall have one vote and upon a poll, the voting right of such Member present, either in person or by proxy, shall be in proportion to his share of the Paid Up Share Capital of the Company held alone or jointly with any other Person or Persons.

Provided however, if any Member holding Preference Shares be present at any Meeting of the Company, save as provided in Clause (b) of Sub-Section (2) of Section 87 of the Act, he shall have a right to vote only on resolutions placed before the Meeting, which directly affect the rights attached to his Preference Shares.

- (C) On a poll taken at a Meeting of the Company, a Member entitled to more than one vote, or his proxy, or any other Person entitled to vote for him (as the case may be), need not, if he votes, use or cast all his votes in the same way.
- (D) A Member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, through a committee or through his legal guardian; and any such committee or guardian may, on a poll vote by proxy. If any Member be a minor his vote in respect of his Share(s) shall be exercised by his guardian(s), who may be selected (in case of dispute), by the Chairman of the meeting.
- (E) If there be joint registered holders of any shares, any one of such Persons may vote at any Meeting or may appoint another Person, (whether a Member or not) as his proxy in respect of such Shares, as if he were solely entitled thereto; but the proxy so appointed shall not have any right to speak at the Meeting and if more than one of such joint-holders be present at any Meeting, then one of the said Persons so present whose name stands higher in the Register of Members shall alone be entitled to speak and to vote in respect of such Shares, but the other joint- holders shall be entitled to be present at the Meeting. Several Executors or Administrators of a deceased Member in whose name Shares stand shall for the purpose of these Articles be deemed joint-holders thereof.
- (F) Subject to the provision of these Articles, votes may be given personally or by an attorney or by proxy. A body corporate, whether or not a Company within the meaning of the Act, being a Member may vote either by a proxy or by a representative duly authorized in accordance with Section 187 of the Act and such representatives shall be entitled to exercise the same right and powers, (including the right to vote by proxy), on behalf of the body corporate which he represents as that body could have exercised if it were an individual Member.
- (G) Any Person entitled to transfer any Shares of the Company may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder 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 such Shares and give such indemnity (if any) as the Board may require unless the Board shall have previously admitted his right to vote at such Meeting in respect thereof.
- (H) Every proxy, (whether a Member or not), shall be appointed in writing under the hand of the appointer or his attorney, or be signed by an officer or an attorney duly authorized by it, and any committee or guardian may appoint proxy. The proxy so appointed shall not have any right to speak at a Meeting.

- (I) An instrument of proxy may appoint a proxy either for (i) the purposes of a particular Meeting (as specified in the instrument) or (ii) for any adjournment thereof or (iii) it may appoint a proxy for the purposes of every Meeting of the Company, or (iv) of every Meeting to be held before a date specified in the instrument for every adjournment of any such Meeting.
- (J) A Member present by proxy shall be entitled to vote only on a poll.
- (K) An instrument appointing a proxy and a power of attorney or other authority (including by way of a Board Resolution, (if any),) under which it is signed or a notary certified copy of that power or authority or resolution as the case may be, shall be deposited at the Office not later than forty-eight hours before the time for holding the Meeting at which the Person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. An attorney shall not be entitled to vote unless the power of attorney or other instrument or resolution as the case may be appointing him or a notary certified copy thereof has either been registered in the records of the Company at any time not less than forty-eight hours before the time for holding the Meeting at which the attorney proposes to vote, or is deposited at the Office of the Company not less than forty-eight hours before the time fixed for such Meeting as aforesaid. Notwithstanding that a power of attorney or other authority has been registered in the records of the Company, the Company may, by notice in writing addressed to the Member or the attorney, given at least 48 hours before the Meeting, require him to produce the original power of attorney or authority or resolution as the case may be and unless the same is deposited with the Company not less than forty-eight hours before the time fixed for the Meeting, the attorney shall not be entitled to vote at such Meeting unless the Board in their absolute discretion excuse such nonproduction and deposit.
- (L) Every instrument of proxy whether for a specified Meeting or otherwise should, as far as circumstances admit, be in any of the forms set out in Schedule IX of the Act or a form as near thereto as circumstance admit.
- (M) If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at Meetings of the Company it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company.
- (N) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the Registered Office of the Company before the Meeting.
- (O) No objection shall be made to the validity of any vote, except at the Meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such Meeting or poll shall be deemed valid for all purposes of such Meeting or poll whatsoever.
- (P) The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The Chairman present at the taking of a poll shall be in the sole judge of the validity of every vote tendered at such poll.
 - (a) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such Meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.
 - (b) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each Meeting in such book shall be dated and signed by the Chairman of the same Meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorized by the Board for that purpose.
 - (c) In no case the minutes of proceedings of a Meeting shall be attached to any such book as aforesaid by pasting or otherwise.
 - (d) The Minutes of each Meeting shall contain a fair and correct summary of the proceedings thereat.

- (e) All appointments of Directors of the Company made at any Meeting aforesaid shall be included in the minutes of the Meeting.
- (f) Nothing herein contained shall require or be deemed to require the inclusion in any such Minutes of any matter which in the opinion of the Chairman of the Meeting (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interests of the Company. The Chairman of the Meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the Minutes on the aforesaid grounds.
- (g) Any such Minutes shall be evidence of the proceedings recorded therein.
- (h) The book containing the Minutes of proceedings of General Meetings shall be kept at the Registered Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Board determines, for the inspection of any Member without charge.
- (i) The Company shall cause minutes to be duly entered in books provided for the purpose of:
 - a. The names of the Directors and Alternate Directors present at each General Meeting;
 - b. All Resolutions and proceedings of General Meeting;

DIVIDEND POLICY

Article 80 provides that,

- (A) The divisible profits of the Company, subject to any special rights relating thereto being created or authorized to be created by the Memorandum or these Articles and subject to the provisions of these Articles shall be divisible among the Members in proportion to the amount of Capital Paid-up or credited as Paid-up and to the period during the year for which the Capital is Paid-up on the Shares held by them respectively. Provided always that, (subject as aforesaid), any Capital Paid-up on a Share during the period in respect of which a Dividend is declared, shall unless the Directors otherwise determine, only entitle the holder of such Share to an apportioned amount of such Dividend as from the date of payment.
- (B) Subject to the provisions of Section 205 of the Companies Act, 1956 the Company in General Meeting may declare Dividends, to be paid to Members according to their respective rights and interests in the profits but no Dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller Dividend, and may fix the time for payments not exceeding 30 days from the declaration thereof.
- (C) No Dividend shall be declared or paid otherwise than out of profits of the Financial Year arrived at after providing for depreciation in accordance with the provisions of Section 205 of the Act or out of the profits of the Company for any previous Financial Year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both provided that:
 - (j) if the Company has not provided for depreciation for any previous Financial Year or years it shall, before declaring or paying a Dividend for any Financial Year provide for such depreciation out of the profits of that Financial Year or out of the profits of any other previous Financial Year or years,
 - (i) if the Company has incurred any loss in any previous Financial Year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the Dividend is proposed to be declared or paid or against the profits of the Company for any previous Financial Year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act or against both.

- (ii) The decision of the Board as to the amount of the divisible profits shall be conclusive.
- (D) The Board may from time to time, pay to the Members such interim Dividend as in their judgment the position of the Company justifies.
- (E) Where Capital is paid in advance of calls upon the footing that the same shall carry interest, such Capital shall not whilst carrying interest, confer a right to participate in profits or Dividend.
- (F)
 - (i) Subject to the rights of Persons, if any, entitled to Shares with special rights as to Dividend, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof Dividend is paid but if and so long as nothing is Paid upon any Shares in the Company, Dividends may be declared and paid according to the amount of the Shares.
 - (ii) No amount paid or credited as paid on Shares in advance of calls shall be treated for the purpose of this regulation as paid on Shares.
 - (iii) All Dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the Dividend is paid, but if any Shares are issued on terms providing that it shall rank for Dividend as from a particular date such Shares shall rank for Dividend accordingly.
- (G) Subject to the provisions of the Act and these Articles, the Board may retain the Dividends payable upon Shares in respect of any Person, until such Person shall have become a Member, in respect of such Shares or until such Shares shall have been duly transferred to him.
- (H) Any one of several Persons who are registered as the joint -holders of any Share may give effectual receipts for all Dividends or bonus and payments on account of Dividends or bonus or sale proceeds of fractional certificates or other moneys payable in respect of such Shares.
- (I) Subject to the provisions of the Act, no Member shall be entitled to receive payment of any interest or Dividends in respect of his Share(s), whilst any money may be due or owing from him to the Company in respect of such Share(s); either alone or jointly with any other Person or Persons; and the Board may deduct from the interest or Dividend payable to any such Member all sums of money so due from him to the Company.
- (J) A transfer of Shares shall not pass the right to any Dividend declared thereon before the registration of the transfer.
- (K) Unless otherwise directed any Dividend may be paid by cheque or warrant or by a pay slip or receipt (having the force of a cheque or warrant) or Electronic transfer of funds facility and sent by post or courier or by any other legally permissible means to the registered address of the Member or Person entitled or in case of joint-holders to that one of them first named in the Register of Members in respect of the joint holding. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent and in case of joint -holders to that one of them first named in the Register of Members in respect of the joint-holding. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, or for any Dividend lost to a Member or Person entitled thereto, by a forged endorsement of any cheque or warrant or a forged signature on any pay slip or receipt of a fraudulent recovery of Dividend. If two or more Persons are registered as joint-holders of any Share(s) any one of them can give effectual receipts for any moneys payable in respect thereof. Several Executors or Administrators of a deceased Member in whose sole name any Share stands shall for the purposes of this Article be deemed to be joint -holders thereof.
- (L) No unpaid Dividend shall bear interest as against the Company.
- (M) Any General Meeting declaring a Dividend may on the recommendation of the Board, make a call on the Members of such amount as the Meeting fixes, but so that the call on each Member shall not exceed the Dividend payable to him, and so that the call will be made payable at the same time as the Dividend; and the Dividend may, if so arranged as between the Company and the Members, be set-off against such calls.

UNPAID OR UNCLAIMED DIVIDEND

Article 81 provides that,

- (A) If the Company has declared a Dividend but which has remained unpaid within 30 days from the date of declaration to any Member entitled to the payment of such dividends, the Company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in that regard with any scheduled bank called the “Unpaid Dividend of Tijaria Polypipes Limited” and transfer to the said account the total amount of Dividend which remains unpaid.
- (B) Any money so transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 years from the date of such transfer, shall be transferred by the Company to the Fund established under sub-section (1) of Section 205C of the Act, viz. “Investors Education and Protection Fund”.
- (C) No unpaid or unclaimed Dividend shall be forfeited by the Board.

SECRECY

Article 85 provides that,

- (A) Every Director, Manager, Committee Member, Auditor, Trustee, officer, servant, agent, accountant or other Person employed in the business of the Company shall, if so required by the Board before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and in matters relating thereto and shall by such declaration, pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Board or by law or by the Person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these Articles contained.
- (B) No Member, not being a Director shall be entitled except to the extent expressly permitted by the Act or these Articles to enter upon the property of the Company or to require discovery of any information respecting any details of the Company’s trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process, which may relate to the conduct of the business of the Company and which, in the opinion of the Board will be inexpedient in the interests of the Company to communicate to the public.

SEAL

Article 76 provides that,

- (A) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board, previously given.
- (B) The Company shall also be at liberty to have an official Seal(s) in accordance with Section 50 of the Act, for use in any territory, district or place outside India.
- (C) Every deed or other instrument to which the Seal of the Company is required to be affixed, shall unless the same is executed by a duly constituted attorney, be signed by a Director or the Secretary or the Manager or any other person as may be authorized by the Board / Committee of the Board may appoint for that purpose.

REQUISITION OF EXTRAORDINARY GENERAL MEETING

Article 37 provides that,

- (A) The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any Member or Members holding in the aggregate not less than one-tenth of such of the Paid-up Share Capital as at that date carries the right of voting in regard to the matter in

respect of which the requisition has been made, and such meeting shall be held at the Office of the Company or at such place and at such time as the Board thinks fit.

- (B) Any valid requisition so made by Members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists
- (C) Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within twenty-one days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the Paid-Up Share Capital held by all of them or not less than one-tenth of such of the Paid-up Share Capital of the Company as is referred to in Section 169(4) of the Act, whichever is less, may themselves call the Meeting, but in either case any Meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.
- (D) Any Meeting called under the foregoing sub-Articles by the requisitionists, shall be called in the same manner, as nearly as possible, as that in which a Meeting is to be called by the Board.
- (E) The accidental omission to give any such notice as aforesaid to any of the Members, or the non-receipt thereof, shall not invalidate any resolution passed at any such Meeting.
- (F) No General Meeting, Annual or Extraordinary shall be competent to enter into, discuss or transact any business which has not been mentioned in the notice or notices by which it was convened.

38. QUORUM FOR GENERAL MEETINGS

Article 38 provides that,

Five Members present in person shall be the quorum for general meeting. No business to be transacted in the General meeting if Quorum is not present.

QUESTIONS AT GENERAL MEETING HOW DECIDED

Article 42 provides that,

- (A) At any General Meeting, a resolution put to the vote of the Meeting shall, unless a poll is demanded, be decided on a show of hands. Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the Meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any Member or Members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution. Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.
- (B) In the case of an equality of votes, the Chairman shall both on a show of hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Member.
- (C) If a poll is demanded as aforesaid, the same shall subject to anything stated in these Articles save and except otherwise than in the Extra-Ordinary General Meeting be taken at such time, (not later than forty-eight hours from the time when the demand was made), and place within the City, Town or Village in which the Registered Office of the Company is situate and either by a show of hands or by ballot or by postal ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the Meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.

- (D) Where a poll is to be taken, the Chairman of the Meeting shall appoint two scrutinizers to scrutinize the votes given on the poll and to report thereon to him. One of the scrutinizers so appointed shall always be a Member, (not being an officer or employee of the Company), present at the Meeting provided such a Member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutinizer from office and fill vacancies in the office of scrutinizer arising from such removal or from any other cause.
- (E) Any poll duly demanded on the election of a Chairman of a Meeting or any question of adjournment, shall be taken at the Meeting forthwith.
- (F) The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a Meeting for the transaction of any business other than the question on which the poll has been demanded.
- (G) No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 193 of the Act to be contained in the Minutes of the proceedings of such Meeting.
- (H) The Members will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

DIRECTORS

Article 45 provides that,

- A. Unless otherwise determined by the Company in the General Meeting, the number of Directors shall not be less than 3 (three) and not more than such number as may be stipulated by the Act for the time being in force.
- B. On the date of adoption of these Articles following persons are the Directors of the Company:
 - 1. Shri Alok Jain Tijaria
 - 2. Shri Vikas Jain Tijaria
 - 3. Shri Praveen Jain Tijaria
 - 4. Shri Vineet Jain Tijaria
 - 5. Shri Pana Chand Jain
 - 6. Shri Pawan Kumar Jain
 - 7. Shri Santosh Kumar
 - 8. Dr. Padam Prakash Bhatnagar
- C. 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 directors by rotation. At every Annual General Meeting of the Company one third of such of the Directors for the time being as are liable to retire by rotation in accordance with the provisions of Section 255 of the Act, or if their number is not three or a multiple of three, then the number nearest to one third shall retire from office in accordance with the provisions of Section 256 of the Act. The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who become directors on the same day, those to retire shall, in absence of any agreement among themselves, be determined by lot.
- D. A person who is not a retiring director shall subject to provisions of Section 257 of the Companies Act be eligible for appointment to the office of director at any General Meeting if he or some member intending to propose him has not less than 14 days before the meeting, left at the Office of the Company 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, as the case may be along with a deposit of five hundred rupees which shall be refunded to such person or, as the case may be, to such Member, if the person succeeds in getting elected as a director. 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 the office, by serving individual notice, on the Member not less than seven days before the meeting.

Provided, that, it shall not be necessary for the Company to serve individual notices, upon the members as aforesaid if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the place where the registered office of the Company is located, of which one is published in the English language and the other in the regional language of that place.

CHAIRMAN OF THE BOARD OF DIRECTORS

Article 46 provides that,

The Board shall appoint a Chairman of its meetings and determine the period for which he is to hold office. If no such Chairman is appointed or if at any meeting of the Board the Chairman is not present within five minutes after the time appointed for holding the same, the Managing Director or the Executive Director in the order of their seniority of post shall be the Chairman of the meeting. If there be no such Managing Director or Executive Director or if at any meeting none of these Directors is present or are unwilling to act, the Directors present, shall choose someone amongst themselves to be the Chairman of such meeting. The Chairman shall preside at all meetings of the Board and the General Meetings of the Company. The Chairman shall have a casting vote in the event of a tie.

APPOINTMENT OF ALTERNATE DIRECTORS

Article 47 provides that,

Subject to Section 313 of the Act, any Director shall be entitled to nominate an alternate director to act for him during his absence for a period of not less than 3 months (subject to such person being acceptable to the Chairman). The Board may appoint such a person as an Alternate Director to act for a Director (hereinafter called "the Original Director") (subject to such person being acceptable to the Chairman) during the Original Director's absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to the State. If the term of the office of the Original Director is determined before he so returns to the State, any provisions in the Act or in these Articles for automatic re-appointment shall apply to the Original Director and not to the Alternate Director.

CASUAL VACANCY AND ADDITIONAL DIRECTORS

Article 48 provides that,

Subject to the provisions of the Act and these Articles, the Board shall have the power at any time and from time to time to appoint any qualified Person to be a Director either as an addition to the Board or to fill a casual vacancy but so that the total number of Directors shall not at any time exceed the maximum number fixed under these Articles. Any Person so appointed as an addition shall hold office only up to the date of the next Annual General Meeting. Any person appointed to fill a casual vacancy shall hold office only up to the date to which the Original Director in whose place he is appointed would have held office if it had not been vacated but shall be eligible for election.

NO QUALIFICATION SHARES FOR DIRECTORS

Article 50 provides that,

A Director shall not be required to hold any qualification Shares of the Company.

REMUNERATION OF DIRECTORS

Article 51 provides that,

- (A) Subject to the provisions of the Act, a Managing Director (s), and any other Director (s) who is/are in the whole time employment of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, subject to the limits prescribed under the Act.
- (B) Subject to the provisions of the Act, a Director (other than a Managing Director or an Executive Director) may be paid remuneration either by way of monthly, quarterly or annual payment, or by way of commission.
- (C) The remuneration payable to each Director for every Meeting of the Board Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to time by the Central Government pursuant to the first proviso to Section 310 of the Act.

SPECIAL REMUNERATION FOR EXTRA SERVICES RENDERED BY A DIRECTOR

Article 52 provide that,

If any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors), the Board may arrange for such Director such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration otherwise provided.

TRAVEL EXPENSES OF DIRECTORS

Article 53 provide that,

The Board may allow and pay to any Director who is not a bonafide resident of the place where the meetings of the Board/committee meetings are ordinarily held and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for traveling, lodging, boarding and/ or other expenses, in addition to his fee for attending such Board Meetings / committee meetings as above specified; and if any Director be called upon to go or reside out of his ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed traveling, lodging, boarding and other expenses incurred in connection with the business of the Company.

CONTINUING DIRECTORS

Article 54 provide that,

The Continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the minimum number fixed by Article 45 hereof, the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or of summoning a General Meeting, but for no other purpose.

REMOVAL OF DIRECTORS

Article 55 provide that,

Subject to provisions of the Act in this regard, the Members may by passing an Ordinary resolution remove a director, before the expiry of his period of office.

DIRECTORS MAY CONTRACT WITH COMPANY

Article 56 provide that,

- (A) A Director or his relative, a firm in which such Director or relative is a partner, any other Person in such firm, or a private Company of which the Director is a member or director, may enter into any contract with the Company for the sale, purchase or supply of any goods, materials or services or for underwriting the subscription of any shares in, or Debentures, of the Company, provided that the prior sanction of the Board and / or the Central Government is obtained in accordance with Section 297 of the Act.
- (B) No sanction however shall be necessary to: -
- (a) Any sale, purchase or lease of immovable property; or
 - (b) Any purchase of goods and materials from the Company, or the sale of goods or materials to the Company, by any such Director, relative, firm, partner or private Company as aforesaid for cash at prevailing market prices; or
 - (c) Any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private Company on the other, for sale, purchase or supply of any goods, materials and services, in which either the Company or the Director, relative, firm, partner or private Company, as the case may be, regularly trades or does business, where the value of the goods and materials or the cost of such services do not exceed ₹5,000 or such other sum as may be prescribed by the Central Government in this regard, in the aggregate in any year comprised in the period of the contract or contracts. Provided that in circumstances of urgent necessity, the Company may without obtaining the consent of the Board enter into any such contract or contracts with the Director, relative, firm, partner or private Company, even if the value of such goods or materials or the cost of such services exceeds ₹5,000 or such other sum prescribed, in the aggregate in any year comprised in the period of the agreement, if the consent of the Board shall be obtained to such contract or contracts at a Meeting within three months of the date on which the contract was entered into.
- (C) The Director, so contracting or being so interested shall not be liable to the Company for any profit arising by any such contract or the fiduciary relation thereby established.

DISCLOSURE OF INTEREST

Article 57 provide that,

- (A) A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a Meeting of the Board in the manner provided in Section 299 of the Act; Provided that it shall not be necessary for a Director to disclose his concern or interest in any such contract or arrangement entered into or to be entered into with any other Company where any of the Directors of the Company or two or more of them together holds or hold not more than 2 per cent of the paid-up share capital in the other Company or the Company as the case may be. A general notice given to the Board by the Director, to the effect that he is a director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the Financial Year in which it is given but may be renewed for a further period of one Financial Year at a time by a fresh notice given in the last month of the Financial Year in which it would have otherwise expired. No such general notice, and no renewal thereof shall be of effect unless, either it is given at a Meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first Meeting of the Board after it is given.

- (B) No Director shall as a Director, take any part in the discussion of, vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangements; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void; provided however that nothing herein contained shall apply to:-
- (a) Any contract or indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;
 - (b) Any contract or arrangement entered into or to be entered into with a public Company or a private Company which is subsidiary of a public Company in which the interest of the Director consists solely,
 - (c) In his being –
 - (i) a director of such Company, and
 - (ii) the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by this Company, or
- (C) In his being a member holding not more than 2 per cent of its Paid-up Share Capital.
- (D) Subject to the provisions of Section 314 and other applicable provisions, if any, of the Act, any Director of the Company, any partner or relative of such Director, any firm in which such Director or a relative of such Director is a partner, any private Company of which such Director is a director or member, and any director or manager of such private Company, may hold any office or place of profit in the Company.
- (E) The Company shall keep a Register in accordance with Section 301(1) of the Act and shall within the time specified in Section 301(2) of the Act enter therein such of the particulars as may be relevant having regard to the application thereto of Section 297 or Section 299 of the Act, as the case may be. The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the bodies corporate and firms of which notice has been given by him under Article 57 (a). The Register shall be kept at the Registered Office of the Company and shall be open to inspection at such Office, and extracts may be taken there from and copies thereof may be required by any Member of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 163 of the Act shall apply accordingly.
- (F) A Director may be or become a Director of any Company promoted by the Company, or on which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as director or shareholder of such Company except in so far as Section 309(6) or Section 314 of the Act may be applicable.

PROCEDURE, IF PLACE OF RETIRING DIRECTORS IS NOT FILLED UP

Article 58 provide that,

- (A) 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.
- (B) 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:-
- (a) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;

- (b) retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so reappointed;
- (c) he is not qualified or is disqualified for appointment;
- (d) a resolution whether special or ordinary is required for the appointment or reappointment by virtue of any provisions of the Act.
- (e) the proviso to subsection (2) of Section 263 of the Act is applicable to this case.

COMPANY MAY INCREASE OR REDUCE THE NUMBER OF DIRECTORS

Article 59 provide that,

Subject to Article 45 and Section 252, 255, 258 and 259 of the Act and these Articles, the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors, and may alter their qualifications.

REGISTER OF DIRECTORS ETC

Article 60 provide that,

- (A) The Company shall keep at its Office, a Register containing the particulars of its Directors, Managing Directors, Manager, Secretaries and other Persons mentioned in Section 303 of the Act, and shall otherwise comply with the provisions of the said Section in all respects.
- (B) The Company shall in respect of each of its Directors also keep at its Office a Register, as required by Section 307 of the Act, and shall otherwise duly comply with the provisions of the said section in all respects.

DISCLOSURE BY DIRECTOR OF APPOINTMENT TO ANY OTHER BODY CORPORATE

Article 61 provide that,

- (A) Every Director, (including a person deemed to be a Director by virtue of the Explanation to Sub-Section (1) of Section 303 of the Act), a Managing Director, Manager, or Secretary of the Company shall, within thirty days of his appointment to any of the above offices or as the case may be, relinquishment of, such offices, in any other body corporate disclose to the Company, the particulars relating to his office in the other body corporate which are required to be specified under Sub-Section (1) of Section 303 of the Act.
- (B) Every Director and every person deemed to be a Director of the Company by virtue of sub-section (10) of Section 307 of the Act, shall give notice to the Company of such matters relating to himself as may be necessary for the purposes of enabling the Company to comply with the provisions of that Section.

MANAGING DIRECTOR(S)/ EXECUTIVE DIRECTOR(S)/ MANAGER

Article 62 provide that,

Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any of its members as Managing Director/s or Manager or Executive Director(s), of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing Director/s or Manager or Executive Director(s), such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine. The terms of appointment of Managing Director/s or Manager or Executive Director(s), shall be the terms on which such persons shall be appointed by the Board. The Managing Director/s or Manager or Executive Director(s), as the case may be, so appointed, shall be responsible for and in charge of the day to day management and affairs of the Company and subject to the provisions of the Act and these Articles, the Board shall vest in such Managing Director/s or Manager or Executive Director(s), as the case may be, all the powers vested in the Board generally.

PROVISIONS TO WHICH MANAGING DIRECTOR(S)/ EXECUTIVE DIRECTOR(S)/ MANAGER ARE SUBJECT

Article 63 provide that,

Notwithstanding anything contained herein, a Managing Director(s)/ Executive Director(s)/ Manager shall subject to the provisions of any contract between him and the Company and be subject to the same provisions as to resignation and removal as the other Directors of the Company, and if he ceases to hold the office of a Director he shall ipso facto and immediately cease to be a Managing Director(s)/ Executive Director(s) / Manager, and if he ceases to hold the office of a Managing Director(s)/ Executive Director(s) / Manager he shall ipso facto and immediately cease to be a Director.

REMUNERATION OF MANAGING DIRECTOR(S) OR EXECUTIVE DIRECTOR(S) OR MANAGER

Article 64 provide that,

The remuneration of the Managing Director(s) or Executive Director(s) or Manager shall (subject to Sections 198, 269, 309, 310, 311 and other applicable provisions of the Act and of these Articles and of any contract between him and the Company) be fixed by the Board / Remuneration Committee, from time to time and may be by way of fixed salary and/or perquisites or commission or profits of the Company or by participation in such profits, or by any or all these modes or any other mode not expressly prohibited by the Act and will be approved by the members in General Meeting.

POWER AND DUTIES OF MANAGING DIRECTOR(S) OR EXECUTIVE DIRECTOR(S) OR MANAGER

Article 65 provide that,

Subject to the superintendence, control and direction of the Board, the day-to-day management of the Company shall be in the hands of the Managing Director(s) or Executive Director(s) or Manager in the manner as deemed fit by the Board and subject to the provisions of the Act, and these Articles, the Board may by resolution vest any such Managing Director(s) or Executive Director(s) or Manager with such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to the provisions of the Act, and these Articles confer such power either collaterally with or to the exclusion of or in substitution for all or any of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

PROCEDURE FOR MEETING OF THE BOARD OF DIRECTORS

Article 65A provide that,

The Board may meet for the discharge of the business, adjourn and otherwise regulate its meetings on a date, time and venue as indicated by the Chairman, provided however, the Board shall meet once in every three calendar months and at least four times in a year in accordance with Section 285 of the Act or any statutory modifications thereof.

- (a) The Company Secretary shall, as and when directed by the Chairman, convene a meeting of the Board by giving a notice in writing to every Director.
- (b) The Board of Directors may meet either at the Office of the Company, or at any other location in India or outside India as the Chairman may determine.
- (c) Prior notice of every meeting of the Board shall be given in writing to every Director for the time being at his usual address in India and in the case of a Director resident outside India, at his address outside India and to his alternate, if any in India at his usual address in India.
- (d) If permissible under applicable Requirements of Law, a Director may attend Board Meetings by any video or audio conferencing facility that permits simultaneous communication between participants.

QUORUM FOR BOARD MEETING

Article 66 provide that,

Subject to Section 287 of the Act, the quorum for a Meeting of the Board shall be presence of at least one-third of its total strength or two directors, whichever is higher provided that where at any time the number of interested directors exceeds or is equal to two thirds of the total strength, the number of the remaining directors, that is to say, the number of directors who are not interested, present at the meeting being not less than two shall be the quorum.

ADJOURNED BOARD MEETING FOR WANT OF QUORUM

Article 67 provide that,

If any duly convened Board Meeting cannot be held for want of a quorum, in terms of Article 66 67 above then such a meeting shall automatically stand adjourned till the same day in the next week, after the original Meeting at the same time and place, or if that day is a public holiday, on the next succeeding day which is not a public holiday to the same time and place Provided however, the adjourned meeting may be held on such other date and such other place as may be unanimously agreed by all the Directors. If in the event of a quorum once again not being available at such an adjourned meeting, the Directors present shall constitute the quorum and may transact business for which the meeting has been called.

QUESTIONS AT BOARD MEETINGS HOW DECIDED

Article 68 provide that,

- (A) Questions arising at any meeting of the Board, other than as specified in these Articles, if any, shall be decided by a majority vote. In the case of an equality of votes, the Chairman shall have a second or casting vote.
- (B) No regulation made by the Company in General Meeting, shall invalidate any prior act of the Board, which would have been valid if that regulation had not been made.

POWERS OF THE BOARD

Article 69 provide that,

Subject to the provisions of the Act and these Articles: -

- (A) The Board of Directors shall be entitled to exercise all such power and to do all such acts and things as the Company is authorized to exercise and do.
- (B) The Board of Directors is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company.

DELEGATION OF POWERS BY THE BOARD AND CONSTITUION OF COMMITTEES

Article 70 provide that,

- (A) Without prejudice to the powers conferred by the other Articles and so as not to in any way to limit or restrict those powers, the Board may, subject to the provisions of Section 292 of the Act, delegate any of their powers to the Managing Director(s), the Executive Director(s) or Manager or the Chief Executive Officer of the Company. The Managing Director(s), the Executive Director(s) or the Manager or the Chief Executive Officer(s) as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.
- (B) Subject to the provisions of the Act and provisions of the Listing Agreement with Stock Exchanges, any requirements of law and anything stated in these Articles the Board may delegate any of their powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes, but every Committee of the Board so formed shall in the

exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

- (C) The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors and also the provisions and guideline of the Listing Agreement, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Article

ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING INFORMAL APPOINTMENT

Article 71 provide that,

All acts done at any Meeting of the Board or of a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director and had not vacated his office or his appointment had not been terminated. Provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

RESOLUTION BY CIRCULAR

Article 72 provide that,

Subject to Sections 289 and 292 of the Act and the provisions as contained in these Articles, no resolution shall be deemed to have been passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft together with the necessary papers, if any, to all Directors, or to all members of the Committee, whether in India or not (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be), and to all other Directors or members of the Committee at their usual address in India or elsewhere, and has been approved by all such Directors or members of the Committee, or by a majority of such of them as are entitled to vote on the resolution.

CAPITALISATION OF PROFITS OR RESERVES

Article 82 provide that,

The Company in General Meeting may, upon the recommendation of the Board, resolve:

- (A) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the Company's profit and loss account or otherwise, as available for distribution, and
- (B) that such sum be accordingly set free from distribution in the manner specified herein below in sub-article (c) as amongst the Members who would have been entitled thereto, if distributed by way of Dividends and in the same proportions.
- (C) The sum aforesaid shall not be paid in cash but shall be applied either in or towards:
- (a) paying up any amounts for the time being unpaid on any Shares held by such Members respectively;
 - (b) paying up in full, un-issued Shares of the Company to be allotted, distributed and credited as fully Paid up, to and amongst such Members in the proportions aforesaid; or
 - (c) Partly in the way specified in sub-article (a) and partly in the way specified in sub-article (b).

RESOLUTION FOR CAPITALISATION OF RESERVES AND ISSUE OF FRACTIONAL CERTIFICATE

Article 83 provide that,

(A) The Board shall give effect to a Resolution passed by the Company in pursuance of this regulation.

(B) Whenever such a Resolution as aforesaid shall have been passed, the Board shall:

- (a) Make all appropriation and applications of undivided profits (resolved to be capitalized thereby), and all allotments and issues of fully paid Shares or Securities, if any; and
- (b) Generally do all acts and things required to give effect thereto.

(C) WINDING UP

- (a) If the Company shall be wound up, the Liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide amongst the Members, in specie or kind the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not. The Liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.
- (b) If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the shares held by them respectively. If in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the paid up capital at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital paid up or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

(D) DIRECTORS' AND OTHERS' RIGHTS TO INDEMNITY

Subject to the provisions of Section 201 of the Act, every Director, Manager and other officer or employee of the Company shall be indemnified by the Company against any liability incurred by him and it shall be the duty of the Directors to pay out of the funds of the Company all costs, losses and expenses which any Director, Manager, officer or employee may incur or become liable to by reason of any contract entered into by him on behalf of the Company or in any way in the discharge of his duties and in particular, and so as not to limit the generality of the foregoing provision, against all liabilities incurred by him as such Director, Manager, officer or employee in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted by the Court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the Members over all claims.

DIRECTORS ETC. NOT LIABLE FOR CERTAIN ACTS

Article 84 provide that,

Subject to the provisions of Section 201 of the Act, no Director, Manager, officer or employee of the Company shall be liable for the acts, defaults, receipts and neglects of any other Director, Manager, officer or employee or for joining in any receipts or other act for the sake of conformity or for any loss or expenses happening to the Company through the insufficiency, or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any Person with whom any moneys, Securities or effects shall be deposited or for any loss occasioned by an error of judgment or oversight on his part, or for any other loss, damage or misfortune whatsoever which shall happen in the execution thereof unless the same shall happen through his own negligence, default, misfeasance, breach of duty or breach of trust.

ACCOUNTS

Article 77 provide that,

- (A) The Company shall keep at its Office or at such other place in India as the Board thinks fit proper books of account in accordance with Section 209 of the Act with respect to –
 - (a) All sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place;
 - (b) All sales and purchase of goods by the Company;
 - (c) The assets and liabilities of the Company.
- (B) Where the Board decides to keep all or any of the books of account at any place other than the Office of the Company, the Company shall within seven days of the decision file with the Registrar, a notice in writing giving the full address of that other place.
- (C) The Company shall preserve in good order the books of account relating to a period of not less than eight years preceding the current year.
- (D) When the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns made up to dates at intervals of not more than three months, are sent by the branch office to the Company at its registered office or at the other place in India, at which the Company's books of account are kept as aforesaid.

AUDIT

Article 78 provide that,

- (A) In every financial year, the books of account of the Company shall be examined by one or more Auditor or Auditors. Every account of the Company when audited shall be approved by a General Meeting and shall be conclusive.
- (B) The appointment, powers, rights, remuneration and duties of the Auditors including the first Auditor of the Company shall be regulated by Section 224 to 233 of the Act.

SECTION X – MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

I. MATERIAL CONTRACTS

- (1) Memorandum of Understanding dated August 17, 2010 entered into by the Company – Tijaria Polypipes Limited with the Lead Manager to the Issue – Hem Securities Limited.
- (2) Memorandum of Understanding dated August 10, 2010 entered into by the Company with Sharex Dynamics Private Limited, to act as the Registrar to the Issue.
- (3) Escrow Agreement dated July 12, 2011 between Escrow Collecting Banks, Refund Banker, the Lead Manager, the Registrar and the Our Company.
- (4) Tripartite Agreement dated September 14, 2010 between the NSDL, the Our Company and the Registrar.
- (5) Tripartite Agreement dated August 24, 2010 between the CDSL, the Our Company and the Registrar.
- (6) Resolution dated August 2, 2010 between TPL and Mr. Alok Jain Tijaria to re-appoint him as Managing Director of the Company.

II. DOCUMENTS

- (1) Memorandum and Articles of Association of our Company as amended.
- (2) Memorandum and Articles of Associations of our Group Companies as amended from time to time.
- (3) Certificate of Incorporation issued by the Registrar of Companies, Rajasthan, Jaipur issued to our Company.
- (4) Certificates of Incorporation issued by the Registrar of Companies, Rajasthan, Jaipur issued to our Group Companies.
- (5) Copy of the Special Resolution passed at Extra Ordinary General Meeting of the Board held on August 2, 2010 approving the terms of compensation to be paid to the Managing Director and Executive Directors.
- (6) Copy of the Resolution passed at Board Meeting held on July 26, 2010 and copies of the Special Resolutions passed at the Extra Ordinary General Meetings of the Company held on August 2, 2010 under Section 81, 81(1A) of the Companies Act, 1956 for authorizing the Issue.
- (7) Copies of the Annual Reports of our Company for the years ended March 31, 2007; March 31, 2008, March 31, 2009; March 31, 2010 and March 31, 2011.
- (8) Copies of the Annual Reports of our Group Companies for three years ended March 31, 2009; March 31, 2010 and March 31, 2011.
- (9) Consents of the Directors, Finance Manager and Compliance Officer, Auditors including Joint Auditors, Lead Manager to the Issue, Legal Advisor, Banker to the Company, Bankers to the Issue, Refund Banker, Experts, IPO Grading Agency, and Registrars to the Issue to include their names in this Prospectus, to act in their respective capacities.
- (10) Copy of the Tax Benefits Certificate dated June 29, 2011 by M/s. S. Misra & Associates, Chartered Accountants and M/s. G.K. Mittal & Associates, Chartered Accountants.
- (11) Copy of the Chartered Accountant Certificate dated August 08, 2011 by G.K.Mittal & Associates, Chartered Accountants, regarding the sources and deployment of funds.

- (12) Copy of Auditor's Report dated June 29, 2011 by M/s S. Misra & Associates, Chartered Accountants and M/s. G.K. Mittal & Associates, Chartered Accountants on Audited Restated Financial Statements as restated, of the Our Company.
- (13) A Copy of the Project Report for the expansion cum diversification project of the Company.
- (14) Copy of Resolution passed at the Board Meeting held on July 21, 2010 for the formation of the Audit Committee, Investor Grievance Committee, Share Transfer Committee and Remuneration Committee.
- (15) Copies of Resolutions for appointment of the Executive Directors of the Company.
- (16) Lease Deed dated August 17, 2006 entered between the Our Company and RIICO for Factory Land situated at A- 130 (E), Road No. 9D, VKI Area, Jaipur – 302013.
- (17) Rent Agreement dated November 30, 2009 entered between the Our Company and Tijaria Vinyl Private Limited for the land situated at A – 130 (H), Road No. 9D, VKI Area, Jaipur – 302013
- (18) Lease Deed for rent dated November 1, 2008 between the Our Company and the Bajrang Ball Industries Private Limited for land situated at F-532, Road no. 6D, VKI Area, Jaipur – 302013
- (19) Lease Deed dated April 19, 2010 entered between the Our Company and RIICO for factory land situated at SP – 1 – 2316, RIICO Industrial Area, Ramchandrapura, Sitapura (Extension), Jaipur – 302022.
- (20) Lease Deed dated May 21, 2010 entered between the Our Company and RIICO for factory land situated at F - 2243, RIICO Industrial Area, Ramchandrapura, Sitapura (Extension), Jaipur – 302022.
- (21) Lease Deed dated December 1, 2010 entered between the Our Company and RIICO for factory land situated at SP – 1 – 2315, RIICO Industrial Area, Ramchandrapura, Sitapura (Extension), Jaipur – 302022. (not a part of the proposed expansion-cum-diversification project).
- (22) Due Diligence Certificate dated on September 27, 2010 from Lead Manager – Hem Securities Limited, Mumbai.
- (23) Due Diligence Certificate and Report vide their lettet no. MSL/IPO/Tijaria/001/2010 dated September 27, 2010 from Legal Advisors to the Company, Mindspright Legal, Mumbai
- (24) In-principle listing approval received from BSE vide its letter Ref: DCS/IPO/HS/IPO-IP/1320/2010-11, dated November 10, 2010.
- (25) In-principle listing approval received from NSE vide its letter Ref: NSE/LIST/157077-4 dated, January 25, 2011.
- (26) SEBI observation letter no.CFD/DILISSIONS/SK/RAI4580/2011 dated February 8, 2011
- (27) Copy of the Board Resolution passed at meeting of Board of Directors held on September 12, 2011 for approving the Prospectus.
- (28) Copy of the in-principle approval from Bank of India vide Letter No. BOI/JMCB/AKT/69 dated September 27, 2010 for the term loan of ₹ 4000.00 Lacs.
- (29) Copy of the final sanction letter from Bank of India vide Letter Ref No. BOI/JMCB:C&IC:10-11:AKT:105 dated 12.10.2010 for the term loan of ₹ 4000.00 lacs and the Supplemental Sanction Letter to the original sanction letter bearing Ref No. JMCB: C&IC: 10-11:AKT:320 dated 03.02.2011.
- (30) Letter for IPO Grading dated May 20, 2011 and Report of the IPO Grading Agency, ICRA Limited, dated June 20, 2011 furnishing the rationale for their grading as annexed to the Prospectus.
- (31) Copy of the Certificate dated Vimal Goel & Associates, Chartered Accountants, dated June 29, 2011 with regard to recomputation of the Net Tangible Assets, Monetary Assets, Distributable Profits,

Network etc. as restated in accordance with SEBI (ICDR) Regulations, 2009 and Accounting Standards issued by ICAI.

Any of the contracts or documents mentioned in the Prospectus may be amended or modified at any time if so required in the interest of the Company or if required by other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

III. Time and place at which the contracts, together with documents, will be available for inspection from the date of Prospectus until the date of closing of the subscription list at the Registered Office of the Company

Tijaria Polypipes Limited
A – 130 (E), Road No. 9 – D,
Vishwakarma Industrial Area (VKI),
Jaipur – 302013, Rajasthan
Tel. No. 91-141-2333722/23, 3219300, 3218100 ,4010800
Fax No. 91-141-2332342

On all working days i.e. from Monday to Friday from 11.00 A.M. till 4.00 P.M.

SECTION XI - DECLARATION

We, certify that all relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the Regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or the rules made there under or Regulations issued, as the case may be. We further certify that all the statements in this Prospectus are true and correct.

Signed by the Board of Directors and Finance Manager & Company Secretary of the Company:

Alok Jain Tijaria
Managing Director

Vikas Jain Tijaria
Executive Director (Marketing)

Praveen Jain Tijaria
Executive Director (Production)

Vineet Jain Tijaria
Executive Director (Project)

Pana Chand Jain
Non-Executive, Independent Director

Santosh Kumar
Non-Executive, Independent Director

Padamprakash Somprakash Bhatnagar
Non-Executive, Independent Director

Pawan Kumar Jain
Non-Executive, Independent Director

Tej Kumar Jain
Finance Manager & Company Secretary

Place: Jaipur
Date: September 12, 2011

**ANNEXURE
(IPO GRADING REPORT)**



ICRA Limited
An Associate of Moody's Investors Service

Ref: D/RAT/2011-12/T-29/1

Date: May 20, 2011

Mr. Alok Jian Tijaria
Managing Director
Tijaria Polypipes Limited
A-130 (E), Road No. 9-D,
V.K.I. Area,
Jaipur

Dear Sir,

Re : ICRA Grading of Initial Public Offer of 10,000,000 nos. Equity Shares of Rs. 10 each with a premium of Rs. 50 per share aggregating Rs. 60 crores to be issued by Tijaria Polypipes Limited to the Public ("IPO")

Please refer to your mandate letter dated 30th August 2010 for grading the Rs. 60 crore IPO of Tijaria Polypipes Limited. The Rating Committee of ICRA, after due consideration, has assigned the "ICRA IPO Grade 2" (pronounced ICRA IPO grade two) grading to the captioned IPO programme. This grading indicates below average fundamentals.

In any of your publicity material or other document wherever you are using the above grading, it should be stated as ICRA IPO Grade 2. We would appreciate if you can sign on the duplicate copy of this letter and send it to us as a token of your confirmation about the use of this letter. The rationale for assigning the above grading will be sent to you in due course.

This grading is specific to the terms and conditions of the proposed IPO issue as was indicated to us by you and any change in the terms or size of the IPO would require the grading to be reviewed by us. If there is any change in the terms and conditions or size of the rated IPO, as above, the same must be brought to our notice before the issue of the IPO. If there is any such change after the grading is assigned by us, it would be subject to our review and may result in change in the grading assigned.

ICRA reserves the right to suspend, withdraw or revise the above grading at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the aforesaid grading assigned to you.

The grading, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the Equity Shares to be issued by you. If the issue graded, as above, is not placed by you within a period of 6 months from date of this letter communicating the grading, the same would stand withdrawn unless revalidated before the expiry of 6 months.

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You are required to keep us forthwith informed of any developments (including any default or delay in repayment of interest or principal amount of any debt instruments/ borrowing or proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts) which may have a direct or indirect impact on the grading assigned to the aforesaid IPO programme.

In determining the grading, ICRA has relied on the information available/made available to it by your company and ICRA does not guarantee the completeness or accuracy of such information on which the rating is based

We thank you for your kind cooperation extended during the course of the grading exercise. Should you require any clarification, please do not hesitate to get in touch with us.

With kind regards,

Yours sincerely,
for ICRA Limited

A handwritten signature in black ink, appearing to read 'Vibha Batra', is written over a faint circular stamp.

Vibha Batra
(Senior Vice President)

A handwritten signature in black ink, appearing to read 'Prashant Vasishth', is written over a faint circular stamp.

Prashant Vasishth
(Senior Analyst)



ICRA Limited

An Associate of Moody's Investors Service

FOR IMMEDIATE RELEASE

June 20, 2011

ICRA assigns IPO Grade 2 to the proposed Initial Public Offering of Tijaria Polypipes Limited

ICRA has assigned an 'IPO Grade 2', indicating below average fundamentals, to the proposed Initial Public Offering (IPO) of Tijaria Polypipes Limited (TPL). ICRA assigns IPO grading on a scale of IPO Grade 5 to IPO Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals.

TPL proposes to come out with an Initial Public Offering (IPO) of 10 million equity shares of face value Rs 10/- each, amounting to Rs. 60 Crore through the fixed price route. The issue will constitute approx. 42.32% of the fully diluted post issue capital of the company. The IPO proceeds are intended to be used to finance the construction and development of the company's expansion cum diversification project at Jaipur in the State of Rajasthan, besides general corporate purposes.

The IPO Grade 2 assigned by ICRA has favourably factored in the well-diversified product portfolio of Tijaria Polypipes Limited, comprising high density polyethylene (HDPE) pipes, polyvinyl chloride (PVC) pipes and sprinkler systems; its moderate financial risk profile and the strong profiles of its customers. The grading is, however, constrained by intense competition, given the fragmented nature of the industry and vulnerability of profitability to fluctuations in raw material prices. ICRA also notes that the company is executing an expansion cum diversification project that is very large in relation to its current size and would be associated with various execution level risks, it being a new area of business.

Entity Profile

Tijaria Polypipes Limited (TPL) was incorporated in 2006 by the conversion of a partnership firm (named Tijaria Overseas Vinyl), which was started on 27 July 2000. The company is promoted by Tijaria Jain family, which started the business in 1982 with trading activities. In 1987, the family ventured into manufacturing of plastic pipes and fittings at Kota, in the State of Rajasthan. Since 2004-05, its operations are based in Jaipur, in the State of Rajasthan.

TPL is engaged in the manufacturing of pre-lubricated HDPE pipes (PLB HDPE), PVC & SWR pipes, sprinkler pipes and systems, flat tubes, fittings and PET straps with a total production capacity of 25163 million tonnes per annum (MTPA). The company expanded its capacity to 12 extrusion lines from 3-4 extrusion lines in 2001. The company markets most of its products under the brand names 'Vikas' and 'Tijaria'.

In FY 2010-11, TPL reported a Profit after Tax (PAT) of Rs. 6.90 Crore on an Operating Income (OI) of Rs. 112.29 Crore while in FY 2009-10, it reported a PAT of Rs. 6.74 Crore on an OI of Rs. 107.46 Crore.

June 2011

For further details please contact:

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PRESS RELEASE

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TIJARIA POLYPIPES LIMITED

Issue Details

Tijaria Polypipes Limited (TPL) proposes to come out with an Initial Public Offering (IPO) of 10 million equity shares of face value Rs 10/- each, amounting to Rs. 60 Crore through the fixed price route. The issue will constitute approx. 42.32% of the fully diluted post issue capital of the company. No part of the total issue is reserved for Qualified Institutional Buyers (QIBs). Post the IPO, the shares will be listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

Proposed Use of IPO Proceeds

The primary uses of the issue proceeds are:

1. To finance the construction and development of the company's expansion cum diversification project at Jaipur in the State of Rajasthan
2. To fund the expenditure for general corporate purposes

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IPO Grading

ICRA has assigned an IPO Grade 2, indicating below average fundamentals, to the proposed Initial Public Offering of Tijaria Polypipes Limited (TPL). ICRA assigns IPO gradings on a scale of IPO Grade 5 through IPO Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals.

An ICRA IPO Grade is a symbolic representation of ICRA's current assessment of the fundamentals of the issuer concerned. The fundamental factors assessed include among others business and competitive position, financial position and prospects, management quality, corporate governance and history of compliance and litigation.

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Strengths

- Well-diversified product portfolio comprising high density polyethylene (HDPE) pipes, polyvinyl chloride (PVC) pipes, fittings and sprinkler systems catering to telecommunications, water supply, sewerage and other applications
- Strong profiles of customers including leading companies like Bharat Sanchar Nigam Limited (BSNL), Larsen & Toubro (L&T) and Gujarat Water Supply & Sewerage Board (GWSSB)
- Favorable growth prospects driven by positive growth expected in drip irrigation and government's impetus on infrastructure development
- Adequate marketing and distribution network to cater to retail sales in the domestic market
- Moderate financial profile characterised by moderate gearing levels and comfortable RoNW and RoCE

Concerns

- Relatively smaller player in the plastic pipes business which exposes the company to intense competition
- Vulnerability of profitability to fluctuations in crude oil prices, as the major raw materials are petroleum derivatives
- Execution risk associated with substantial capex for diversification project, it being a new area of business for the company
- Stressed cash flows due to high business growth and large working capital requirements

Grading Rationale

The IPO Grade 2 assigned by ICRA has favourably factored in the well-diversified product portfolio of Tijaria Polypipes Limited (TPL), comprising high density polyethylene (HDPE) pipes, polyvinyl chloride (PVC) pipes and sprinkler systems; its moderate financial risk profile and the strong profiles of its customers. The grading is, however, constrained by intense competition, given the fragmented nature of the industry and vulnerability of profitability to fluctuations in raw material prices. ICRA also notes that the company is executing an expansion cum diversification project that is very large in relation to its current size and would be associated with various execution level risks, it being a new area of business.

Entity Profile

Tijaria Polypipes Limited (TPL) was incorporated in 2006 by the conversion of a partnership firm (named Tijaria Overseas Vinyl), which was started on 27 July 2000. The company is promoted by Tijaria Jain family, which started the business in 1982 with trading activities. In 1987, the family ventured into manufacturing of plastic pipes and fittings at Kota, in the State of Rajasthan. Since 2004-05, its operations are based in Jaipur, in the State of Rajasthan.

TPL is engaged in the manufacturing of pre-lubricated HDPE pipes (PLB HDPE), PVC & SWR pipes, sprinkler pipes and systems, flat tubes, fittings and PET straps with a total production capacity of 25163 million tonnes per annum (MTPA). The company expanded its capacity to 12 extrusion lines from 3-4 extrusion lines in 2001. The company markets most of its products under the brand names 'Vikas' and 'Tijaria'.

Table 1: Snapshot of Current and Proposed Capacities of TPL

Particulars	Manufacturing Capacity		
	Current	Proposed	Post expansion
HDPE Pipes	9944	3600	13544
PVC Pipes	4300	-	4300
PET Flakes	3600	-	3600
POY Plant	-	10092	10092
DTY Plant	-	5650	5650
Monofilament Plant	-	2880	2880
Zipper Assembling Plant	-	2304	2304
Zipper Tapes	-	565	565

PET Sheets	-	2268	2268
Mink Blankets	-	4860	4860

Note: Manufacturing capacity in tonnes per day (TPD)
Source: DRHP

Promoters and Management

Mr. Alok Jain Tijaria, Managing Director, Mr. Praveen Jain Tijaria, Director, Mr. Vineet Jain Tijaria, Director and Mr. Vikas Jain Tijaria, Director are the promoters of the company. The management control of the company is relatively centralised, with the overall management being looked after by the promoters. Currently, Tijaria Industries Limited, a group company, holds about 52.81% of the shareholding of TPL while the remainder is held within the Tijaria family.

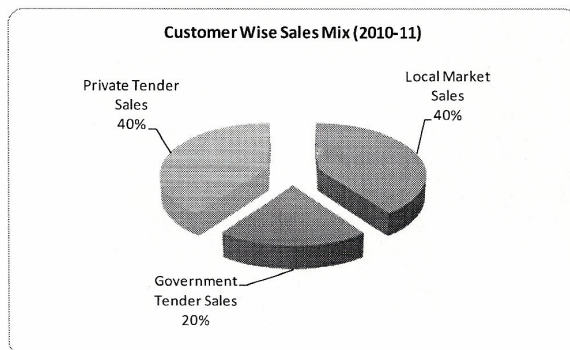
Corporate Governance

The Board of Directors of TPL is constituted by four executive/promoter directors and four independent directors. In order to meet the corporate governance requirements under Clause 49 of Securities and Exchange Board of India (SEBI) for listed companies, TPL has constituted four committees: Audit, Remuneration, Shareholder's/Investor's Grievance and Share Transfer committees.

Business and Competitive Position

Favourable Revenue Growth: The product mix of the company constitutes pre-lubricated HDPE pipes (PLB HDPE), PVC & SWR pipes, sprinkler pipes and systems, flat tubes, fittings and PET straps. The company has witnessed strong growth in revenues over 2006-10 primarily led by favourable demand environment and capacity expansion. The sales of the company are essentially divided into three major segments -- Government sales, private tender sales and local market sales. The sales break-up into different categories for 2010-11 is shown in Chart 1.

Chart 1: Customer Wise Sales Mix of TPL



Source: Company Data

Relatively smaller company in the plastic pipes business, which exposes the company to intense competition: TPL is a relatively small company and is, therefore, exposed to intense competition from major industry participants. The major competitors of the company's products are Jain Irrigation Systems Ltd, Supreme Industries Ltd, Finolex Industries Ltd, Duraline and a large number of companies in the unorganised sector. In addition, the products of the company are neither technology driven nor capital intensive and have relatively low entry barriers.

Well-diversified product profile: TPL has a well-diversified product portfolio, comprising various products in the PVC and HDPE segments. This mitigates the risk associated with any single product segment.

Favourable growth prospects driven by positive growth expected in drip irrigation and government impetus on infrastructure development: TPL supplies its products to a number of industries like telecommunications, farming and infrastructure. The demand outlook in most of the product segments of TPL remains favourable driven by government impetus on infrastructure development, road development and metro projects. Sprinkler systems are also gaining popularity within the farming community on the strength of government subsidies.

Robust marketing and distribution network to cater to retail sales in the domestic market: TPL has established a strong presence in the Rajasthan market for its products, where it enjoys a market share of about 25%. The company has two brands, namely, "Tijaria" and "Vikas". In Rajasthan, the company has established a network of 350 dealers among whom about 150 are exclusive dealers. The company has opened branch offices in five states, namely, Madhya Pradesh, Gujarat, Delhi, Uttar Pradesh and Andhra Pradesh.

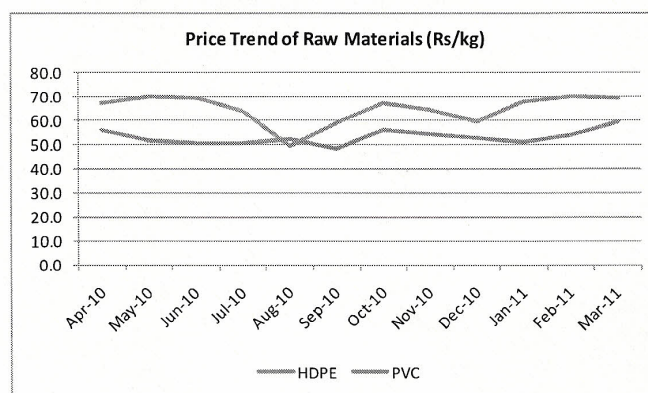
Strong customer profile and order-book position: TPL has a strong customer base comprising leading companies in the telecommunications and infrastructure projects. The company has obtained approvals and enlisted itself as an approved supplier in various public sector undertakings (PSUs). Some of the key customers include BSNL, Reliance Communications, GAIL, Adicorp Mundra SEZ Infrastructure Pvt. Ltd, Indraprastha Gas Limited and Public Health Engineering Department. The company has a strong order book position on the back of repeat business from several customers.

Raw material price risk: As TPL derives almost 60-70% of its sales from fixed price contracts with a monthly delivery schedule spanning 1-6 months, the company remains exposed to raw material price risk as the price increase cannot be passed to the customers. However, the company procures 75-80% of the raw material as soon as it receives an order and the balance within the next 15-30 days so as to minimise its price risk.

Location disadvantage by virtue of being present in the interior of the country: The production facilities of TPL are located at Jaipur, which is distant from its raw material suppliers. Also, the company does not enjoy any fiscal benefits that would enable the company in competitive pricing of products.

Chart 2: Price Trends of Raw Materials of TPL

Vulnerability to fluctuations in crude oil prices, as the major raw materials are petroleum derivatives: The major raw materials of TPL are petroleum derivatives such as HDPE and PVC. The company is thus exposed to the risk associated with cyclicalities.



Source: Company Data

Weak bargaining power with suppliers as well as customers: The major raw materials of TPL are PVC and HDPE, which are sourced from leading companies such as Reliance Industries Limited, Gas Authority of India Limited and Haldia Petrochemicals Limited. Additionally, the corporate and institutional customers of the company are also large in relation to the company. This translates to weak bargaining power of the company with suppliers as well as customers and also affects its working capital position.

New Project: Risks and prospects

TPL plans to utilise the IPO proceeds for setting up an expansion cum diversification project.

Table 2: Breakdown of Future Investments and IPO Proceeds

Promoter's Funds	8.52
Public Issue (IPO)	60.00
Bank Loans	40.00
Total	108.52

Note: Amounts in Rs. Crores

Source: DRHP

TPL is in the process of implementing an expansion cum diversification project for the manufacture of partially oriented yarn, zippers and mink blankets. Its capital expenditure is mainly targeted towards exploiting the growing demand and domestic deficit in the aforementioned products. The company plans to use polyethylene terephthalate (PET) flakes recycled from used PET bottles, jars and utensils for the manufacture of these products. The total capital investment of about Rs. 108.52 Crores is envisaged in the expansion cum diversification project. The project is coming up at a new location purchased from Rajasthan State Industrial Development and Investment Corporation near Jaipur in the State of Rajasthan. The company plans to implement the project in two phases. If the company is not able to float its IPO due to adverse market conditions, the Phase I of the project (also called mini project) will be implemented with the bank loans and equity contribution of the promoters. If the IPO is successful, the second phase of the project will be implemented. In phase I, the company shall implement the facilities indicated in Table 3:

Table 3: Facilities Implemented under the Mini-Project

Units	Capacity
POY Plant	10092 MTPA
DTY Plant	5650 MTPA
PET Sheet	2268 MTPA
HDPE DWC Pipes	2520 MTPA

Source: Company Data

The project cost for the mini project is Rs. 45.52 Crore and is being financed from the promoter's contribution of Rs. 8.52 Crore, bank loans of Rs. 30.00 Crore and the balance from internal accruals. Phase I is expected to be complete by July 2010 (except DTY plant) and commercial production is expected to commence from July 2011. The balance plants will be implemented in Phase II, which is expected to be complete by September 2011 and commence commercial production from October 2011. ICRA expects TPL to face challenges in managing the project, as it is very large as compared to the existing size of the company. ICRA also expects TPL to be faced with difficulties in market risk, as it is a new area of business for the company. Moreover, it could be challenging for the company to sustain the current high returns on an expanded capital base in light of competitive pressures prevalent in the industry and lack of marketing experience in the new range of products in the near term. Besides, high growth would challenge the working capital management of the company, which has remained stressed in the past.

Financial Position

Strong revenue growth and healthy operating margins: The net sales growth has averaged at about 47% (CAGR) over 2006-11, while operating margins have improved on account of better product mix and higher realisations. Nevertheless, ICRA expects the operating margins of TPL to improve due to higher realisations from the new line of products and use of cheaper raw materials such as polyethylene terephthalate (PET) waste from bottles and jars. The improving profitability has enabled TPL to report high return on networth, which in ICRA's view may be difficult to sustain on an expanded equity base (post IPO).

Table 4: Key Profitability Indicators of TPL

	2006-07	2007-08	2008-09	2009-10	2010-11
OI	23.08	42.10	80.03	107.46	112.29
OPBDIT	1.76	4.11	8.72	13.48	13.58
PAT	0.67	1.45	3.25	6.74	6.90
NCA	0.84	1.37	2.89	6.44	5.61
EPS (Rs/share)	3.28	3.53	3.96	5.46	5.26
OI/GB	789%	802%	921%	891%	447%
OPBDITA/OI	7.63%	9.76%	10.90%	12.54%	12.09%
PAT/OI	2.90%	3.45%	4.06%	6.27%	6.15%

ROCE	18.22%	17.65%	26.63%	34.84%	26.61%
RONW	14.20%	12.43%	19.27%	27.89%	20.81%

Note: Amounts in Rs. Crores

Source: DRHP, Company Data and ICRA Analysis

High working capital intensity results in tight liquidity position: The working capital intensity of TPL has remained high and has resulted in negative cash flows from operations, with Net working capital/Operating Income ranging between 28% and 48% in the rapid growth phase from 2006 to 2011. The debtor days have remained high on account of a high percentage of sales from government clients with a credit period of 90-120 days, thereby stressing its liquidity position.

Table 5: Key Working Capital Indicators of TPL

	2006-07	2007-08	2008-09	2009-10	2010-11
Debtors days	115	97	92	95	100
Days Inventory	55	101	37	45	34
Days Payables	71	58	46	19	42
NWC/OI	33%	48%	28%	30%	31%

Source: DRHP, Company Data and ICRA Analysis

Moderate gearing: The gearing levels of TPL have remained moderate because its debt is mostly short-term in nature due to the high working capital incidence in the business. With improved profitability, the coverage indicators have remained moderate.

Table 6: Key Capital Structure Indicators of TPL

	2006-07	2007-08	2008-09	2009-10	2010-11
Total Debt	4.85	11.27	13.96	13.64	32.42
Tangible Net Worth	7.37	15.97	17.77	30.57	35.77
TD/TNW (times)	0.66	0.71	0.79	0.45	0.91
OPBDIT/ Interest (times)	3.47	3.74	2.61	6.04	5.49
PBDIT/ Interest (times)	3.74	3.79	2.65	6.14	5.63
NCA/Total Debt (times)	17%	12%	21%	47%	17%

Note: Amounts in Rs. Crore

Source: DRHP, Company Data and ICRA Analysis

Compliance and Litigation History

Litigation History: TPL is involved in a large number of litigations. However, the total value of litigation cases against the company is small at Rs. 0.42 Crore.

Contingent Liabilities: The total contingent liabilities of TPL are in the normal course of business and are substantial in relation to its networth (44% of networth).

Table 7: Contingent Liabilities of TPL

Contingent Liabilities	31-Mar-11
Letter of Credit	9.14
Bank Guarantee	5.87
Export Obligations Liability	0.73
Total Contingent Liabilities	15.74
Contingent Liab/TNW	44%

Note: Amounts in Rs. Crore
Source: Company Data

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