



Tulsi Extrusions Limited

(Our Company was incorporated as Tulsi Extrusions Private Limited on September 16, 1994 and was converted into a Public Limited Company on June 5, 1995)

Registered Office: N-99, MIDC Area, Jalgaon – 425003; **Tel.:** 91-257-2272732, 2212276; **Fax:** 91-257-2210052;

(The registered office of our Company was changed from G-52, MIDC Area, Jalgaon, Maharashtra to present address with effect from July 21, 1995)

Corporate Office: 512, Janki Centre 29, Shah Industrial Estate, Off. Veera Desai Road, Andheri (West), Mumbai – 400 053

Tel.: 91-22-26742090; **Fax:** 91-22-26742073; **Contact person:** Mr. Sudarshan Taparia, Finance Controller & Compliance Officer;

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PUBLIC ISSUE OF 57,00,000 EQUITY SHARES OF RS 10/- EACH FOR CASH AT A PRICE OF RS. [•] PER EQUITY SHARE, AGGREGATING RS [•] LAKHS (THE “ISSUE”). THE ISSUE COMPRISES A RESERVATION OF 1,00,000 EQUITY SHARES OF RS. 10/- EACH AGGREGATING RS. [•] LAKHS FOR ELIGIBLE EMPLOYEES (THE “EMPLOYEE RESERVATION PORTION”), AND NET ISSUE OF 56,00,000 EQUITY SHARES OF RS. 10/- EACH AGGREGATING RS. [•] LAKHS. THE ISSUE WOULD CONSTITUTE 45.62% OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF OUR COMPANY.

PRICE BAND: RS [•] TO [•] PER EQUITY SHARE OF FACE VALUE OF RS 10/- EACH

THE ISSUE PRICE IS [•] TIMES THE FACE VALUE AT THE LOWER END OF THE PRICE BAND AND [•] TIMES THE FACE VALUE AT THE HIGHER END OF THE PRICE BAND

This Issue is being made through a 100% Book Building Process wherein not more than 50% of the Net Issue to Public shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (“QIBs”). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Net Issue to Public shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net Issue to Public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

In case of revision in the Price Band, the Bidding/Issue Period shall be extended for 3 additional working days after such revision, subject to the Bidding / Issue Period not exceeding 10 working days. Any revision in the Price Band, and the revised Bidding/Issue Period, if applicable, shall be widely disseminated by notification to the Bombay Stock Exchange Limited and The National Stock Exchange of India Limited, by issuing a press release and by indicating the change on the websites of the Book Running Lead Manager (“BRLM”) and the terminals of the member of the Syndicate.

RISK IN RELATION TO THE FIRST ISSUE

This being the first issue of the Equity Shares of Tulsi Extrusions Limited (“our Company”), there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares of our Company is Rs. 10/- per share and the Issue Price of Rs. [•] per share is a [•] times of the face value of the Equity Shares of our Company. The Issue Price (as has been determined and justified by the Book Running Lead Manager and our Company 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 Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled ‘Risk Factors’ beginning on page iii of this Draft Red Herring Prospectus.

ISSUER’S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring 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 Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring 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 Draft Red Herring 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 [•] and [•], respectively. BSE shall be the Designated Stock Exchange for the purpose of this Issue.

GRADING

The Issue has been graded by CARE. CARE has assigned “IPO GRADE [•]” to the Initial Public Offering of our Company. For more information on IPO Grading please refer to page no. [•] of this Draft Red Herring Prospectus.

BOOK RUNNING LEAD MANAGER

REGISTRAR TO THE ISSUE



ALMONDZ GLOBAL SECURITIES LIMITED
(Formerly Allianz Securities Limited)
33, Vaswani Mansion, 6th Floor
Dinshaw Vachha Road, Churchgate, Mumbai-400020
Phone: +91-22-2287 0580
Fax: +91-22 2287 0581
Website: www.almondzglobal.com
Email: tulsi.ipo@almondz.com
Contact Person: Mr. Sunit Shangle
Registration No. : INM000000834



INTIME SPECTRUM REGISTRY LIMITED
C-13 Pannalal Silk Mills Compound, LBS Marg,
Bhandup West, Mumbai – 400078
Tel: 022-2596 0320 (9 lines)
Fax: 022-2596 0329
E-mail: tulsiipo@intimespectrum.com
Website: www.intimespectrum.com
Contact person: Mr. Sachin Achar
Registration No. : INR000003761

BID/ISSUE PROGRAMME

BID/ISSUE OPENS ON	[•]	BID/ISSUE CLOSING ON	[•]
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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

DEFINITIONS

Term	Description
“Tulsi Extrusions Limited” or “TEL” or “the Company” or “Our Company”	Tulsi Extrusions Limited, a public limited company incorporated under the Companies Act, 1956 with its registered office at N-99, MIDC Area, Jalgaon – 425 003, INDIA.
“We” or “us” or “our”	Unless the context otherwise require, refers to Tulsi Extrusions Limited

General / Conventional Terms

Terms	Description
Articles / Articles of Association	Articles of Association of Tulsi Extrusions Limited
Auditors	The statutory auditors of Tulsi Extrusions Limited viz., M/s. K.K.Kabra & Co., Chartered Accountants, Panjrapol Shopping Complex, Opp. Neri Naka, Jalgaon 425 001.
Board of Directors / Board	The Board of Directors of Tulsi Extrusions Limited, including all duly authorised committee 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 Tulsi Extrusions Limited, unless otherwise specified
Equity Shares	Equity Shares of our Company of face value of Rs. 10 each unless otherwise specified in the context thereof
GIR Number	General Index Registry Number
HUF	Hindu Undivided Family
Indian GAAP	Generally Accepted Accounting Principles in India
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Tulsi Extrusions 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) 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
Promoters	Mr. Pradip Mundhra, Mr. Sanjay Kumar Taparia, Ms. Chitra S.Taparia, Ms. Nandini S. Taparia, Ms. Shrikanta D. Rathi and Gopal Extrusions Private Limited.
Promoter Group	Ms. Kiran P. Mundhra, Tulsi Plastics SA (Proprietary) Limited, Kiran Polyvinayel Private Limited, M/s. Tulsi Pipe Industries, Narvada Sales Corporation, Narvada Industries, Dinesh Plastics and Dinesh Polymers
Registered Office	N-99, MIDC Area, Jalgaon – 425003, Maharashtra, India at 100, Everest, Marine Lines, Mumbai-400002.
RoC / Registrar of Companies	The Registrar of Companies, Mumbai, Maharashtra
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992

Terms	Description
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Guidelines	SEBI (Disclosure and Investor Protection) Guidelines, 2000 issued by SEBI on January 27, 2000, 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 The National Stock Exchange of India Limited

Issue Related Terms

Terms	Description
Almondz	Almondz Global Securities Limited (formerly Allianz Securities Limited)
Allotment / Allot/ Allocation	Unless the context otherwise requires, the issue and the allotment/ allocation of Equity Shares pursuant to this Issue
Allottee	The successful Bidder to whom the Equity Shares are issued
Banker(s) / Escrow Bankers to the Issue	[●]
Bid	An indication to make an offer during the Bidding / Issue Period by a prospective investor to subscribe to our Equity Shares at a price within the Price Band, including all revisions and modifications thereto.
Bid Amount	The highest value of the optional Bids indicated in the Bid-cum-Application Form and payable by the Bidder on submission of the Bid in the Issue.
Bid/Issue Closing date	The date after which the Syndicate Members will not accept any Bids for the Issue, which shall be notified in an English National Newspaper, a Hindi National Newspaper and a Marathi Newspaper with wide circulation.
Bid/Issue Opening Date	The date on which the Syndicate Members shall start accepting Bids for the Issue, which shall be the date notified in an English National Newspaper, Hindi National Newspaper and a Marathi Newspaper with wide circulation.
Bid- cum- Application Form	The form in terms of which the Bidder shall make an offer to purchase Equity Shares of our Company, and which will be considered as the application for Allotment in terms of this Draft Red Herring Prospectus.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of this Draft Red Herring Prospectus and the Bid cum Application Form.
Bidding Period/ Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids.
Book Building Process	Book Building route as provided in Chapter XI of the SEBI Guidelines, in terms of which the Issue is being made.
BRLM/Book Running Lead Manager	Book Running Lead Manager to the Issue, in this case being Almondz Global Securities Limited (formerly Allianz Securities Limited).
CAN / Confirmation of Allocation Note	The note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process.
Cap Price	The upper end of the Price Band, above which the Issue Price will not be finalized and above which no Bids will be accepted.
Cut-off Price	The Issue Price finalized by our Company in consultation with the BRLM and it shall be any price within the price band. Only Retail Individual Bidders are entitled to bid at Cut-off Price, for a Bid Amount not exceeding Rs.1, 00,000. Qualified

Terms	Description
	Institutional Buyers and Non-Institutional Bidders are not entitled to bid at Cut-off Price.
Designated Date	The date on which Escrow Collection Banks transfer the funds from the Escrow Account to the Issue Account, after the Prospectus is filed with the RoC, following which the Board of Directors shall allot Equity Shares to successful Bidders
Depositories Act	The Depositories Act 1996, as amended from time to time
Depository	A body corporate registered under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time
Depository Participant	A Depository Participant as defined under the Depositories Act
Designated Stock Exchange	Bombay Stock Exchange Limited.
Draft Red Herring Prospectus/Draft RHP/DRHP	The Draft Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars on the price at which the Equity Shares are offered and size of this Issue. It will become a Red Herring Prospectus after filing with the Registrar of Companies, Maharashtra at least three days before the opening of this Issue. It will become a Prospectus after filing with the Registrar of Companies, Maharashtra, after the Pricing Date.
Eligible Employees	Permanent Employees of our Company who are Indian nationals based in India as on the Bid / Issue Opening Date and are present in India on the date of submission of the Bid-cum-Application Form, including whole time directors of our Company, who are Indian national, except any Promoter or members of the Promoter Group as of Bid Issue/Opening Date and based and present in India.
Employee Reservation Portion	The portion of the issue being upto 1,00,000 Equity Shares available for allocation to Eligible Employees.
Equity Shares	Equity shares of our Company of face value of Rs.10/- each, unless otherwise specified
Escrow Account	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement entered into amongst our Company, the Registrar, the Escrow Collection Bank(s), the BRLM and the Syndicate Members for collection of the Bid Amounts and for remitting refunds (if any) of the amounts collected, to the Bidders
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Bankers to the Issue at which the Escrow Account will be opened.
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalized and below which no Bids will be accepted
IPO	Initial Public Offering
Issue Price	The final price at which the Equity Shares will be allotted in terms of this Draft Red Herring Prospectus, as determined by our Company in consultation with BRLM on the Pricing Date
Issue Account	Account opened with the Banker(s) to the Issue to receive monies from the Escrow Account for the Issue on the Designated Date.
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, which may be 10% or 100% of the Bid Amount, depending on the category of the Bidder.
Mutual Funds	Mutual funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996.
Mutual Funds Portion	5% of the QIB portion or 1,40,000 Equity Shares available for allocation to Mutual Funds only, out of the QIB Portion

Terms	Description
NEFT	National Electronic Funds Transfer
Net Issue	The Issue of Equity Shares other than Equity Shares included in the Employee Reservation Portion aggregating to 56,00,000 Equity Shares
Non-Institutional Portion	The portion of this Net Issue being at least 8,40,000 Equity Shares, available for allocation to Non Institutional Bidders.
Non-Institutional Bidders	All Bidders that are not eligible Qualified Institutional Buyers for this Issue, including affiliates of BRLM and Syndicate Members, or Retail Individual Bidders and who have bid for an amount more than Rs. 100,000.
Pay-in-Date	Bid / Issue Closing Date or the last date specified in the CAN sent to Bidders, as applicable
Pay-in-Period	Means: (i) with respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/ Issue Opening Date and extending until the Bid/Issue Closing Date; and (ii) with respect to QIBs, whose Margin Amount is 10% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date.
Price Band	Price band of a minimum price of Rs. [•] per Equity Share (Floor Price) and the maximum price of Rs. [•] per Equity Share (Cap Price), both inclusive and includes revisions thereof.
Pricing Date	The date on which our Company, in consultation with the BRLM, finalizes the Issue Price
Prospectus	The Prospectus to be filed with the RoC containing, inter alia, the Issue Price that is determined at the end of the Book Building process, the size of the Issue and certain other information.
Public Issue/Issue	Public Issue of 57,00,000 Equity Shares of Rs 10/- each for cash at a Price of Rs. [•] Per Equity Share, aggregating Rs. [•] Lakhs (The “Issue”). The Issue comprises a reservation of 1,00,000 Equity Shares aggregating Rs. [•] Lakhs for Eligible Employees (The “Employee Reservation Portion”), and Net Issue of 56,00,000 Equity Shares aggregating Rs. [•] Lakhs. The Issue would constitute 45.62% of the fully diluted post issue paid-up capital of our Company. The net Issue would constitute 44.82% of the fully diluted post issue paid-up capital of our Company
Public Issue Account	Account opened with Bankers to the Issue to the purpose of transfer of monies from Escrow Account on or after the Bid / Issue Opening Date
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, FIIs registered with SEBI, scheduled commercial banks, mutual funds registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2500 lakhs and pension funds with minimum corpus of Rs. 2500 lakhs
QIB Margin Amount	An amount representing at least 10% of the Bid Amount that QIBs are required to pay at the time of submitting their Bid.
QIB Portion	The portion of the Net Issue being not more than 28,00,000 Equity Shares of Rs. 10/- each available for allocation to QIB Bidders
Red Herring Prospectus or RHP	The document issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at which the Equity Shares are issued and the size of Issue. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/Issue Opening Date and will become a

Terms	Description
	Prospectus after filing with the RoC after Pricing Date.
Refund Account	Account opened with an Refund Bank(s), from which refunds of the whole or part of the Bid Amount, if any, shall be made.
Refund Bank(s)	[•]
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS, Direct Credit, RTGS or NEFT as applicable
Registrar/ Registrar to the Issue	Intime Spectrum Registry Limited
Retail Individual Bidders	Individual Bidders (including HUFs and NRIs) who have made their bid for Equity Shares for a cumulative amount of not more than Rs. 100,000.
Retail Portion	The portion of the Net Issue being 19,60,000 Equity Shares available for allocation to Retail Individual Bidder(s)
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid-cum-Application Forms or any previous Revision Form(s).
RTGS	Real Time Gross Settlement
Syndicate Agreement	Agreement to be entered into among our Company and Syndicate Member(s) in relation to the collection of Bids in the Issue.
Syndicate Members	[•]
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate Member to the Bidder as proof of registration of the Bid.
Underwriters	The BRLM and the Syndicate Members
Underwriting Agreement	The Agreement among the Underwriters and our Company to be entered into on or after the Pricing Date.

Company Related Terms

Gopal Extrusions Private Limited or “GEPL”	Gopal Extrusions Private Limited, a private limited company incorporated in the year 1993 under the Companies Act, 1956. By a Memorandum of Understanding dated January 2, 2007, the specified assets and liabilities of Gopal Extrusions Private Limited were taken over by Tulsi Extrusions Limited. Gopal Extrusions Private Limited is a Promoter of our Company.
Narvada Industries or “NI”	A Proprietorship concern of the Promoter viz. Mr. Pradip Mundhra who formed the concern in the year 1992. By a Memorandum of Understanding dated January 2, 2007, the specified assets and liabilities of Narvada Industries were taken over by Tulsi Extrusions Limited. Narvada Industries is a Promoter Group entity.
M/s. Tulsi Pipe Industries or “TPI”	A partnership firm formed in the year 2000. By a Memorandum of Understanding dated December 19, 2005, the specified assets and liabilities of M/s. Tulsi Pipe Industries were taken over by Tulsi Extrusions Limited. M/s. Tulsi Pipe Industries is a Promoter Group entity.
Unit I Production facility	Plot No N-99/100/109, M.I.D.C Area, Jalgaon-425003
Unit II Production facility	Plot No H-16 M.I.D.C Area, Jalgaon-425003(By virtue of takeover of M/s. Tulsi Pipe Industries)
Unit III Production facility	Plot No G-51 & G-52 M.I.D.C Area, Jalgaon-425003(By virtue of takeover of Gopal Extrusions Private Limited & Narvada Industries)

Technical and Industry Related Terms

ASTM	American Society for Testing & Materials
BIS	Bureau of Indian Standards
CI	Casting Iron
C&F	Carry & Forward
DG	Diesel Generator
DIC	District Industries Centre
GIS	German Industrial Standard
GI	Galvanised Iron
HDPE	High Density Polyethylene
Kgf/cm ²	Kilograms of force per square centimetre
KVA	Kilo Volt Ampere
LLDPE	Linear low density Polyethylene
mm	milli meters
MS	Mild Steel
Potable	Fit to drink
PE	Polyethylene
PP	Poly Propylene
PVC	Poly Vinyl Chloride
SSI	Small Scale Industries
SWR	Soil Waste and Rain Water
UPVC	Unplasticised Poly Vinyl Chloride

Abbreviations

Abbreviation	Full Form
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
AGM	Annual General Meeting
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CEO	Chief Executive Officer
CIN	Company Identification Number
DIN	Director Identification Number
DRHP	Draft Red Herring Prospectus
ECS	Electronic Clearing System
EPS	Earning 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
FIIs	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

Abbreviation	Full Form
GoI/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
MIDC	Maharashtra Industrial Development Corporation
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
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
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 Unites States of America

SECTION II – RISK FACTORS

CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL AND MARKET DATA

In this Draft Red Herring Prospectus, unless the context otherwise requires, all references to one gender also refers to the other gender. All references to “India” contained in this Draft Red Herring Prospectus are to the Republic of India.

Fiscal year of our Company commences on April 1 and ends on March 31, so all references to a particular “fiscal year” or “Fiscal” are to the twelve-month period ended March 31 of that year, unless otherwise specified. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

For additional definitions, see the section titled ‘Definitions and Abbreviations’ beginning on page a of this Draft Red Herring Prospectus.

In the sections titled ‘Main Provisions of Articles of Association of our Company’, ‘Statement of Tax Benefits’, and ‘Financial Statements’ beginning on page nos. 194, 41 and 100 respectively of this Draft Red Herring Prospectus, defined terms have the meaning given to such terms of our Company in the sections titled ‘Statement of Tax Benefits’ and ‘Financial Statements’ respectively. Market data used throughout this Draft Red Herring Prospectus has been obtained from industry publications and internal company reports. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by our Company to be reliable, have not been verified by any independent source.

FORWARD-LOOKING STATEMENTS

Statements included in this Draft Red Herring 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 the expectations include, among others: -

- General economic and business conditions in India and other countries
- Regulatory changes relating to the plastic pipe industry in India and its ability to respond to them
- Ability to successfully implement Company’s strategy, growth and expansion, technological changes, Company’s exposure to market risks that have an impact on its business activities or investments.
- The monetary and fiscal 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, taxes and changes in competition in industry.
- Changes in the value of the Rupee and other currencies.
- The occurrence of natural disasters or calamities
- Changes in political condition in India

For further discussion of factors that could cause actual results to differ, see the section titled “Risk Factors” beginning on page no. iii of this Draft Red Herring 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 the members of the syndicate or 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 Book Running 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.

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all of the information in this Draft Red Herring Prospectus, including the risk and uncertainties described below, before making an investment in our equity shares. If any of the following risk actually occurs, our business, results of our operations and financial condition could suffer, the trading price of our equity shares could decline, and you may lose all or part of your investment.

This Draft Red Herring Prospectus also contains forward looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus.

Unless specified or quantified in the relevant risk factors mentioned below, our Company is not in a position to ascertain the financial and other implications of any of the risks mentioned below.

INTERNAL RISK FACTORS

1. *We and our Promoter Group entity are involved in legal proceedings, and any unfavorable outcome of the proceedings may adversely impact our / their business and financial conditions.*

We and our Promoter Group entity are involved in legal proceedings and claims in India in relation to certain matters. 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 / it by appellate courts or tribunals, we or this entity may need to make provisions in our / its financial statements, which could increase our / its expenses and current liabilities.

The summary of the cases is as follows:-

Type	Total Number of Cases	Amount (Rs. in lakhs)	Nature of Case
Cases filed against our Company			
Civil Cases	1	3.14	M/s. S. B. Gosai & Company placed an order for supply of pipes with our Company, through a dealer of our Company. Subsequently M/s. S. B. Gosai & Company cancelled the order for supply of pipes within 10 days of issuing the said order and requested our Company to refund a sum of Rs. 2.30 lakhs. M/s. S. B. Gosai & Company filed a Special Civil Suit for a recovery of Rs. 3.14 lakhs with interest against our Company
Central Excise & Customs	1	1.62	Show-cause notice dated December 7, 1998 issued by Commissioner of Central Excise & Customs, Aurangabad demanding a duty amounting to Rs. 1.62 lakhs. On August 23, 1999, the Joint Commissioner Central Excise and Customs, Aurangabad confirmed the demand and also imposed equal penalty under section 11AC of Central Excise Act, 1944. The Bombay High Court dismissed the appeal by the Commissioner of Central Excise & Customs, Nasik and now Commissioner of Central Excise & Customs have filed a petition for special leave to appeal in Supreme Court of India.
Cases filed by our Company			
Criminal Cases	2	2.08	Case 1: Our Company filed a criminal complaint against

			Ambica Agency, dealer of our Company in respect of dishonour of cheque amounting to Rs. 1.26 lakhs Case 2: Our Company filed a criminal complaint against Mr. Vishnu Pore for dishonour of two cheques amounting to Rs. 0.50 lakh and Rs. 0.50 lakh.
Consumer Case	1	1.71	Our Company filed a Complaint against the Insurance Company, before the District Consumer Dispute Redressal Forum, Jalgaon for a claim amount of Rs. 1.71 lacs. The District Consumer Dispute Redressal Forum, Jalgaon dismissed the complaint filed by our Company. Aggrieved by the order, our Company has filed an Appeal before the Hon'ble Maharashtra State Consumer Disputes Redressal Commission, Mumbai, which was admitted on April 21, 2004. The last date of hearing was on August 16, 2007 which was adjourned to October 30, 2007 for hearing.
Case filed by / against M/s. Tulsi Pipe Industries (TPI) (Promoter Group entity)			
Civil	1	1.20	Civil suit filed by TPI for recovery of outstanding amount from supplier for PVC pipes supplied on credit.
Consumer Case	1	4.05	Consumer complaint filed against TPI for wrongful defective and inferior quality pipes supplied. Consumer forum by its order dated November 11, 2005 ordered TPI to either replace the pipes or refund Rs. 4.05 lakhs. TPI filed an appeal before the Maharashtra State Consumer Disputes Redressal Commission at Mumbai challenging the said order.

For more information regarding these legal proceedings, see the section titled “Outstanding Litigation, material Developments and other Disclosures” beginning on page no. 125 of this Draft Red Herring Prospectus.

2. *Our Company has experienced exceptional growth in the past, which we may not be able to sustain in the future.*

Our net sales have grown from Rs. 897.29 lakhs in fiscal 2004-05 to Rs. 1733.29 lakhs in 2005-06 and to Rs. 5915.86 lakhs in 2006-07, showing an annual increase of 93.17% and 241.31% respectively. Similarly our restated profit after tax has increased from Rs. 8.52 lakhs to Rs. 123.47 lakhs from 2004-05 to 2005-06 and to Rs. 452.92 lakhs in fiscal 2006-07, an increase of 1349.18% and 266.82% respectively. These growth levels are exceptional and we may not be able to sustain such growth in revenues and profits or maintain a similar rate of growth in the future. In addition, our growth plans are considerable and would put significant demands on our management team and other resources. The success of this exceptional growth plan will be dependent on various factors like maintenance of product quality, handling of distributors, customer satisfaction, development and improvement in our internal administrative infrastructure, internal control systems, communication systems, recruitment, training, retention of skilled manpower, and competition. Any inability on our part to manage our growth may have an adverse impact on our business and results of operations.

3. *During financial year 2006-07, 37.73% of our total income was from trading operations, some of which may be non-recurring and loss of revenue from these products in subsequent years may adversely impact our financial operations.*

During financial year 2006-07, out of total income of Rs. 6047.66 lakhs, an income of Rs. 2281.58 lakhs constituting 37.73% represents income from trading of other construction inputs like tore steel, MA angles,

MS channels, MS plates etc. These trading activities were executed to facilitate different contractors / dealers at our branches in providing all products from one point. Further, for trading in these products we are dependent on outside suppliers and their product quality, which if found inferior, would adversely affect our business and financial operations. However, these income levels are non-recurring and we do not intend to focus on trading of these items.

4. *We had negative cash flows for certain periods. Any negative cash flow in future could affect our operations and financial conditions.*

We had negative cash flow from various activities, details of which are as under:

	(Rs. in lakhs)				
	2006-07	2005-06	2004-05	2003-04	2002-03
Net Cash flow from operating activities	(46.90)	(679.00)	175.71	(86.93)	196.41
Net Cash flow from investing activities	(327.33)	(144.89)	(9.52)	(9.68)	(61.15)
Net Cash flow from financing activities	388.87	847.95	(157.50)	93.94	(147.91)
Total Net Cash flow	14.64	24.06	8.69	(2.67)	(12.65)

The net cash flow of a company is a key indicator to show the extent of cash generated from operations of the company to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

5. *Our Company has not entered in to any supply agreement for the major raw materials required for manufacturing of our products. Volatility in the prices and non availability of the raw material may have an adverse impact in our business.*

PVC resin is the primary raw material for our manufacturing operations. We procure PVC resin from various agents of petrochemical industries in domestic market as well as importing agents who imports from different overseas petrochemical companies and sell it in the domestic market. We do not have any agreement with the suppliers of raw materials. Any fluctuation in the international price of crude oil affects the price and supply of PVC resin as this is a by-product of petroleum. Therefore, any significant increase in the prices of PVC resin and our inability to pass on increased costs of raw material to our customers or reduction in demand from our customers, may adversely affect our sales and profitability. In the event of any disruption in the supply of raw materials supply in terms of requisite quantities and qualities, our production schedule may also be adversely affected.

6. *Import policies including anti-dumping duties may adversely impact our financial conditions.*

We substantially depend on imported PVC resin, which we procure from importing agents. PVC Resin constituting around 80% of the total raw material cost and is generally purchased from various agents of petrochemical industries in India and abroad. During 2006-07, we have purchased imported raw material from various importing agents to the extent of 70% of our PVC resin requirement on account of non-availability or pricing of domestic raw material. The supply and pricing of this raw material may be adversely affected due to many reasons, including fluctuation in international prices of crude oil and to any change in the EXIM policy like change in import duty, imposition of anti-dumping duties or changes in sea-freight, clearing charges, etc.

7. *Disapproval of projects where we have supplied our pipes would make us liable to take back the supplied product and in turn adversely impact our financial position.*

We are supplying our PVC pipes to various government approved water supply schemes implemented by different gram panchayats and zilla parishads. However, if these schemes are discontinued or abandoned

even after supply of our PVC pipes under these schemes either directly or to contractors executing the work, we are liable to take back the supplied product, which in turn would adversely affect our financial operations.

8. *Any inability on the part of government contractors to whom we are supplying our finished products could also adversely impact our business and financial operations.*

We sell our 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 we have supplied any finished products in any of the projects where these government contractors were subsequently disqualified, our payment from those government contractors may get delayed or we may not be able to recover payment from those government contractors which in turn would adversely impact our cash flow position.

9. *We rely significantly on our dealers for sale of our products.*

We sell our products through our network of 813 dealers across five different States. We do not enter into specific contracts / agreements with our distributors/dealers. Furthermore, 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, our market share may decline, materially affecting our results of operations and financial condition.

10. *We have not obtained any third party appraisals for our projects.*

Our funding requirements and the deployment of the proceeds of the Issue are based on management estimates and have not been appraised by any bank or financial institution. The deployment of funds is entirely at the discretion of our Board of Directors within the parameters as mentioned in the section titled “Objects of the Issue” beginning on page no. 24 of this Draft Red Herring Prospectus and is not subject to any monitoring by any independent agency. All the figures included under the section titled “Objects of the Issue” beginning on page no. 24 of this Draft Red Herring Prospectus are based on our own estimates and the quotations we have received from various suppliers.

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

The expansion of our proposed project is to be entirely funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute the expansion 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.

12. *We have yet to place orders for 38.25% of our plant & machinery, equipment, etc. for our proposed project as specified in the Objects of the Issue. Any delay in procurement of plant & machinery, equipment etc. may delay the implementation schedule which may also lead to increase in prices of these equipments, further affecting our cost, revenue and profitability.*

The net proceeds of the Issue are proposed to fund the planned expansion are explained in the section titled ‘Objects of the Issue’ beginning on page no. 24 of this Draft Red Herring Prospectus. We have placed orders for plant & machinery for an aggregate value of Rs. 1319.50 lakhs (constituting 61.75% of cost of plant & machinery), for which we have paid an advance of Rs. 761 lakhs. We have yet to place orders for 38.25% of our plant and machinery. Any delay in placing the orders or procurement of plant & machinery, equipment, etc. may delay the implementation schedule. Such delays may also lead to increase in prices of these equipments, further affecting our cost, revenue and profitability.

13. Our Company has allocated Rs. 415 Lakhs for purchase of branch offices in Mumbai, Raipur, Jaipur, Kolkata & Indore which are yet to be identified

Out of net proceeds of the Issue, Rs. 415 lakhs has been allocated for purchase of branch offices in Mumbai, Raipur, Jaipur, Kolkata & Indore, the locations of which have not yet been identified by our Company. There could be unexpected price increase in real estate or unavailability of suitable place at the designated locations or any other legal issue in getting possession of designated space. Any inability on our part to identify and get the ideal location at our terms could adversely impact our expansion plans, which in turn could adversely impact our business operations.

14. Our Company may face risks of delays / non-receipt of the requisite regulatory/statutory approvals or licenses for any of our Objects arising out of the Issue

We have neither received nor applied for any approvals for the proposed expansion. Further, we have filed renewal application for factory licenses for Unit I, II & III and Shops and Establishment License for our Corporate Office for which we have yet to receive the approval.

The following licenses / approvals are pertaining to our Promoter and Promoter Group entities which are not valid as on date. We have yet to make fresh applications for these licenses, which we are required to make by virtue of takeover of specified assets and liabilities of the Promoter and Promoter Group entities viz. Gopal Extrusions Private Limited, M/s. Tulsi Pipe Industries and Narvada Industries:

Sr. No.	Name of the license/ approval/ certificate	Issuing Authority
1.	Maharashtra Pollution Control Board consent under the Section 25/26 of the Air (Prevention and Control of Pollution) Act, 1981, Water (Prevention and Control of Pollution) Act, 1974 under Rule 5 of the Hazardous Wastes (Management and Handling Rules, 1989) at Unit II, Jalgaon	Sub Regional Officer, Jalgaon on behalf of Maharashtra Pollution Control Board
2.	Maharashtra Pollution Control Board consent under the Section 25/26 of the Air (Prevention and Control of Pollution) Act, 1981, Water (Prevention and Control of Pollution) Act, 1974 under Rule 5 of the Hazardous Wastes (Management and Handling Rules, 1989) at Unit III, Jalgaon	Sub Regional Officer, Jalgaon on behalf of Maharashtra Pollution Control Board

The application will be accepted by Maharashtra Pollution Control Board only after the change of name of the plot no. H-16 (Unit-II), G-51/G-52(Unit III) in the M.I.D.C. records. Our Company will apply the same after change of name of plots in the name of our Company in M.I.D.C records.

Any delay in receipt or non-receipt of licenses or approvals that may be required for the existing project and proposed expansions could result in cost and time overrun, and accordingly adversely affecting our operations and profitability. For details, please refer to section titled “Government Approvals and Licenses” beginning on page 129 of this Draft Red Herring Prospectus.

15. We have planned capital expenditure, which may not yield the benefits intended.

We are embarking upon a major expansion to meet the growing demand of domestic buyers in the PVC pipe sector. We are incurring capital expenditure of Rs. 2724.37 lakhs for expansion, as detailed in the section titled “Objects of the Issue” beginning on page no. 24 of this Draft Red Herring Prospectus. In the past, we have not undertaken capital expenditure of such size and our inability to manage capital expenditure may adversely effect our operations. We cannot assure that we will be able to get the benefits of the generally growing demand in this sector and accordingly the benefits accruing to us from the planned expansion may be less than what is anticipated.

16. *Immovable leasehold properties acquired by virtue of takeover are yet to be registered in our name and any delay in getting it registered could adversely impact our business operations.*

Pursuant to the takeover of specified assets and liabilities of Promoter and Promoter Group entities viz. Gopal Extrusions Private Limited, Narvada Industries and M/s. Tulsi Pipe Industries we have yet to register the transfer of leasehold interest in immovable properties in our name. In respect of takeover of Gopal Extrusions Private Limited and Narvada Industries, we have made an application to District Industrial Centre and West Maharashtra Development Corporation respectively for transfer of leasehold interest in properties held by them on lease vide our letters dated February 2, 2007. After receipt of consents from the respective regulatory authorities, we are required to enter into a tripartite agreement between Maharashtra Industrial Development Corporation (MIDC), our Company and the respective Promoter Group entity for transfer of property in our name.

Further regarding transfer of leasehold interest in immovable properties of M/s. Tulsi Pipe Industries, vide order dated January 10, 2007, M.I.D.C, Nasik has consented for the transfer and assignment of the lease rights in favour of our Company subject to the execution of the Deed of Assignment between M/s. Tulsi Pipe Industries and our Company. Our Company has to enter in to a Supplementary Agreement with M.I.D.C and M/s. Tulsi Pipe Industries for transfer of lease rights in the name of our Company as per the said M.I.D.C order dated January 10, 2007. The execution of deed of assignment and supplementary agreement is pending at our Company's side and we intend to complete all formalities after receiving approval for all applications made in relation to leasehold properties in the name of Gopal Extrusions Private Limited and Narvada Industries as well. Any failure on our part to get the desired consent from the respective regulatory authorities or execute tripartite agreement or complete registration formalities would have a material adverse impact on our business operations.

17. *Our Company has not tied-up part of the additional working capital requirements needed for the Objects of the Issue*

Our additional working capital requirement from banks for our expansion programme is Rs. 1766.33 lakhs, which is not tied up. We are using Rs. 1213.60 lakhs as long term working capital requirements from the Issue proceeds. Our inability to arrange for this additional working capital requirement from banks on terms favourable to us, will affect our operations and profitability.

18. *We have contingent liabilities, not provided for as on March 31, 2007 that may affect our financial condition.*

Our Company has following contingent liabilities not provided for in the books of accounts as on March 31, 2007 and in the event that these contingent liabilities materialize, our financial condition may be adversely affected to that extent:

Particulars	March 31, 2007 (Rs in Lakhs)
Claims against our Company not acknowledged as debts (net of deposit)-Excise	1.62
Total	1.62

19. *Our loan agreements have several restrictive covenants, which could influence our ability to expand, in turn affecting our business and results of operations.*

We have entered into agreements for term loans and financial facilities with Punjab National Bank. These agreements contain certain restrictive covenants on certain activities, which require prior written consent from the bank to open a current account with any other bank, undertake expansion/diversification/modernization of business, invest in associate/allied/group concerns, withdraw unsecured loans by friends/relatives during the currency of the bank loan, withdraw the money brought in by promoters/principal shareholders, declare dividends for any year, if the account of our Company with the bank is running irregular, transfer of the controlling interest, make any drastic change in the management set up, divert/utilize bank's fund to sister/associate/group concerns or for purposes other than those for which the credit facilities

have been sanctioned by the bank, issue bonus shares or dispose of share holding of promoters, sell or dispose off in any manner the hypothecated assets, mortgage, charge, lien or encumbrances. Pursuant to the aforesaid we have received no objection certificate from Punjab National Bank for the proposed Issue vide letters dated June 11, 2007.

20. *We face cash flow mismatch on account of long outstanding debtor more than 100 days, which if we fail to manage, could adversely impact our financial position.*

Our average outstanding debtors is in excess of 100 days. However, we do not enjoy much credit in the payment terms from our raw material suppliers. As a result, our receipts lag behind the expenses associated with the sales to the extent we are required to pay for supplies and incur manufacturing, storage, transport & distribution costs before we receive payment for our products. If we are unable to meet our immediate liquid cash requirements through our sales, we have and may continue to be required to borrow short-term funds, which may not be on favourable terms or to forego opportunities to sell more products if no such funds are available on economical terms. Although we are currently able to borrow short term funds, we may not be able to continue to borrow the same on similar terms in future. Such difficulties may adversely affect our business operations and our Company's financial position.

21. *We face growing and new competition that may adversely affect our competitive position and profitability in future.*

We compete with other pipe manufacturers in organized as well as unorganized sector on the basis of availability of product, product range, product traits, quality and other factors as well as based on price, reputation, customer service and customer convenience. Further, there are no entry barriers in this industry and any expansion in capacity of existing manufacturers would further intensify competition. Our failure to compete effectively may decrease, or prevent us from increasing our market share and reduce our profitability.

22. *Our business is dependent on performance of third-party transporters. Any failure on their part could affect our business operations.*

Timely delivery of our products is critical for our performance and we use third-party transporters for supply of finished products to our customers / dealers. Any hindrance in the logistics network could cause an adverse effect on our receipt of supplies and our ability to deliver our finished products in time, which could adversely impact our business operations, our reputation in the market and may adversely affect our sales and results of operations.

23. *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, shortage of raw materials, performance below expected levels of output or efficiency, natural disasters, industrial accidents 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.

24. *Our manufacturing facilities are geographically located in one area*

All of our manufacturing units viz. existing and proposed are based in and around Jalgaon in the state of Maharashtra. As a result, any localised social unrest, natural disaster or breakdown of services and utilities in and around Maharashtra could have material adverse effect on our business, financial position and results of operations. Further, continuous addition of industries in and around Jalgaon without commensurate growth of its infrastructural facilities may put pressure on the existing infrastructure in Jalgaon, which may also affect our business.

25. *Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject to and this may have a material adverse effect on our business.*

While we believe that the insurance coverage that we maintain is reasonably adequate to cover all normal risks associated with the operation of our business, there can be no assurance that any claim under the insurance policies preferred by us will be honoured 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. Although we intend to maintain adequate insurance coverage against losses, there is a risk that our insurance policies may not be sufficient in covering all losses that may be incurred as a result of damage of production facilities in whole or in part, interruption of operations for a sustained period or the costs of repairing or replacing damaged facilities. If we suffer loss on account of any 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.

26. *The trademark “TULSI” is not registered in our name. Further, we are currently using trademarks of two of our Promoter Group entities without consideration pursuant to an informal arrangement.*

We had made an application for the registration of the trademark “TULSI”. The application filed by our Company has been opposed. In case of denial of registration of the trademark involving the name “TULSI”, we may not be able to sell our products under the name “TULSI”, which may have an adverse impact on our business. Further, we are currently using the trademark “SARTHI” registered in the name of M/s Tulsi Pipe Industries, and the trademark “GOPAL” registered in the name of Gopal Extrusions Private Limited in the products manufactured by us. We are using the same in the course of our business without any consideration, pursuant to an informal arrangement with the said entities. The specified assets & liabilities of these Promoter Group entities have been taken over by us, but these trademarks are still owned by, and registered in the name of the respective entities. Although we intend to take necessary legal steps to assign / transfer these trademarks in our name shortly, till the same is effected, we are dependent on the continued consent of the aforesaid Promoter Group entities to continue using the same. For further details, please refer to paragraph “Intellectual Property Rights” appearing on page no. 68 of this Draft Red Herring Prospectus.

27. *We are dependent on our management team for success whose loss could adversely impact our Company’s profitability.*

Our success largely depends on the continued services and performance of our management and other key employees. The loss of service of any of our executive Directors and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. Further, the loss of any of the senior management or other key personnel may adversely affect the operations, finances and profitability of our Company. Any failure or inability of our Company to efficiently manage our human resources would adversely affect our ability to implement new projects and expand our business.

28. *We have limited experience in managing corporate affairs in the regulated environment.*

We were running our business mainly through closely held companies and partnership firms till recently and we have limited or no regulatory experience in managing corporate disclosures and compliance requirements applicable to listed companies in India and would have to accustom ourselves to the new regulatory environment and build in-house expertise and resources for the same. Any inability on our part to manage these affairs in an effective manner could adversely affect our business operations.

29. *We have entered into certain related party transactions and may continue to do so in the future.*

We have entered into related party transactions aggregating to Rs. 257.57 lakhs for the year ended March 31, 2007, with our Promoters, our Directors and our Promoter Group entities. While we believe that all such transactions have been conducted on the arms length basis, there can be no assurance that we could not have been achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details, please refer to “Related Party Transactions” appearing on page no. 111 of this Draft Red Herring Prospectus.

30. *Non-renewal of leave and lease agreements for our Registered office, Corporate Office and other premises from where we operate could adversely impact our business operations.*

We do not own the premises on which our Registered Office, Corporate Office and other premises including manufacturing facilities and warehouses are located as these are leased. For details, please refer to paragraph “Our Property” appearing on page no. 64 of this Draft Red Herring Prospectus under section titled “Our Business”. If any of the owners of these premises do not renew the agreements under which we are occupying the premises or renew such agreements on terms and conditions favourable to us, we may suffer a disruption in our business operations.

31. *Our Promoter Group companies / entities have incurred losses as per the last three audited financials.*

Our Promoter Group Companies / entities viz. Kiran Polyvinayel Private Limited, Tulsi Plastics SA (Proprietary) Limited and Dinesh Polymers have incurred losses as per the last three audited financials as under:

<i>(Rs. in Lakhs)</i>			
Name of the company	2005-06	2004-05	2003-04
Kiran Polyvinayel Private Limited	15.37	20.31	(22.03)
Tulsi Plastics SA (Proprietary) Limited	(39.62)	(23.51)	-
Dinesh Polymers	10.39	9.92	(3.79)

32. *Our Promoter Group companies have negative network*

Our Promoter Group companies viz. Tulsi Plastics SA (Proprietary) Limited and Kiran Polyvinayel Private Limited have negative network

<i>(Rs in Lakhs)</i>			
Name of the company	2005-06	2004-05	2003-04
Tulsi Plastics SA (Proprietary) Limited	(34.99)	(24.61)	-
Kiran Polyvinayel Private Limited	18.87	3.50	(16.82)

33. *Our Promoters have interest in some companies which are engaged in similar businesses and may create potential conflict of interest.*

Some of our Promoter Group Companies / entities viz. Kiran Polyvinayel Private Limited, Narvada Sales Corporation and Dinesh Plastics are in the same line of business activities, which may create a potential conflict of interest and which in turn, may have implications on our operations and profits.

34. *We have entered into Memorandum of Understanding for purchase of specified assets & liabilities of our Promoter Group entities which are inadequately stamped and as a result of which our operations may be impaired.*

We have entered into three Memorandum of Understandings with M/s Tulsi Pipe Industries, Narvada Industries and Gopal Extrusions Private Limited for purchase of specified assets & liabilities. These MOUs are not admissible as evidence in legal proceedings, and we may not be able to enforce our rights and obligations under the aforesaid documents.

35. *We do not have a track record for payment of dividend on equity shares.*

Our Company has not declared or paid any cash dividends on the Equity Shares in the past. The future payment of dividends, if any, would be based on the then available distributable profits and the recommendations of our Board of Directors.

36. *We have issued Equity Shares in last twelve months and the price of such issuances is lower than the Issue Price.*

We have made the following allotment of Equity Shares in the twelve months before the date of this Draft Red Herring Prospectus and the price of such issuances would be lower than the Issue Price:

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue price (Rs.)	Consideration
December 23, 2006	12,42,500	10	Nil	Bonus
January 29, 2007	15,00,000	10	10	Other than cash. Against consideration of assets and liabilities of Narvada Industries and Gopal Extrusions Private Limited
March 31, 2007	4,51,000	10	20	Cash
August 16, 2007	11,16,600	10	80	Cash

37. *We may continue to be controlled by our Promoters following this Issue and our other shareholders may not be able to affect the outcome of shareholder voting.*

After the completion of this Issue, our Promoters and Promoter Group will collectively hold more than 54.38% 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.

38. *There is no existing market for the Equity Shares, and we do not know if one will develop. 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 of our Company. 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.

39. *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.

EXTERNAL RISK FACTORS

1. *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 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, 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.

2. *Regulatory changes 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.

3. *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.

4. *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.

5. *Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and other factors.*

The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors. There can be no assurance that we shall have distributable profits.

6. *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 seven 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.

7. ***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 construction equipment, defence-related equipment and railway products sectors; 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.

8. ***Any future issuance of Equity Shares by us may dilute your shareholding and adversely affect the trading price of the Equity Shares.***

Any future instance issuance of Equity Shares by us or any future issuance of convertible securities by us, may significantly affect the trading price of our Equity Shares. Such issuances of Equity Shares and convertible securities may dilute the positions of investors in the Equity Shares and could adversely affect the market price of our Equity Shares.

NOTES TO RISK FACTORS

1. The Net worth of our Company as on March 31, 2007 is Rs. 1172.99 lakhs and the size of the Issue is Rs. [•] lakhs.
2. The average cost of acquisition of Equity shares of the Promoters is as per the details given below (including issue of bonus shares). The Book value per share as on March 31, 2007 is Rs. 28.33 per Equity Share.

Name of Promoter	Total no. of Equity Shares	Average Cost of Acquisition (Rs.)
Gopal Extrusions Private Limited	22,71,000	44.35
Mr. Pradip Mundhra	20,01,650	6.71
Mr. Sanjay Kumar Taparia	3,18,500	17.44
Ms. Nandini S. Taparia	10,65,225	5.31
Ms. Chitra S. Taparia	4,30,500	4.68
Ms. Shrikanta D. Rathi	6,59,925	5.45

3. Public Issue of 57,00,000 Equity Shares of Rs 10/- each for cash at a Price of Rs. [•] Per Equity Share, aggregating Rs. [•] Lakhs (The "Issue"). The Issue comprises a reservation of 1,00,000 Equity Shares of Rs. 10/- each aggregating Rs. [•] Lakhs for Eligible Employees (The "Employee Reservation Portion"), and Net Issue of 56,00,000 Equity Shares of Rs. 10/- each aggregating Rs. [•] Lakhs. The Issue would constitute 45.62% of the fully diluted post Issue paid-up capital of our Company, while the Net Issue would constitute 44.82 % of the fully diluted post Issue paid-up capital of the Company.
4. This Issue is being made through a 100% Book Building Process wherein not more than 50% of the Net Issue to Public shall be available for allocation on a proportionate basis to all Qualified Institutional Buyers ("QIBs"). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder shall be available for allotment on a proportionate basis to all QIBs including Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Net Issue to Public shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net Issue to Public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

5. For interest of our Promoters/Directors/Key Managerial Personnel and other ventures promoted by Promoters, please refer to sections titled “Risk Factors”, “Our Promoters and their background”, “Our Promoter and Promoter Group Companies / entities”, “Our Management”, “Related Party Transactions” and “Financial Statements of our Company” beginning on page nos. iii, 87, 91, 76, 111 and 100 of this Draft Red Herring Prospectus.
6. We have entered into various related party transactions with related parties including various Promoter group companies/entities amounting to Rs. 257.57 lakhs for the year ended March 31, 2007. For related party transaction refer to paragraph “Related Party Transactions” appearing on page no. 111 of this Draft Red Herring Prospectus.
7. 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-VIII of Auditors Report under section titled “Financial Statements of our Company” appearing on page no. 109 of this Draft Red Herring Prospectus.
8. Any clarification or information relating to the Issue shall be made available by the BRLM, 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 BRLM for any complaints pertaining to the Issue.
9. The Investors are advised to refer to the Paragraph on “Basis for Issue Price” beginning on page no. 38 of this Draft Red Herring Prospectus before making any investment in this Issue.
10. Trading in Equity Shares of our Company for all the investors shall be in dematerialized form only.
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. Investors may note that in case of over-subscription in the Issue, allotment to Qualified Institutional Bidders, Non-Institutional Bidders, Retail Bidders and Bidders in Employee Reservation Portion shall be on a proportionate basis. For, more information, please refer section titled “Basis of Allocation” appearing on page no. 167 of this Draft Red Herring Prospectus.

SECTION III – INTRODUCTION

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 Draft Red /Herring Prospectus, including the information contained in the chapter titled “Risk Factors” and “Financial Statements” and related notes beginning on page nos. iii and 100 of this Draft Red Herring Prospectus before deciding to invest in our Equity Shares.

Industry Overview:

India, ranking eighth worldwide in terms of plastics consumption presently, will climb up to the third place by 2010. (Source: <http://www.plastics.2456.com>). The Indian plastics industry is quite positive about the future potential of plastics in India, believing that the Plastics industry will grow between 10% to 12%, if not higher, in this decade. The present per capita consumption is 4 Kgs, likely to reach beyond 7 Kgs by 2010. (Source: www.plastemart.com). A main reason is that India's per capita consumption of plastics is only 4kg, which is very low as compared to the world level of around 20kg. Recycled plastics constitute approximately 30% of the total consumption. (Source: <http://www.plastics.2456.com>). Consumption level, which is expected to reach 8 million tonnes by 2010, could touch 10 million tonnes, if some of the constraints such as infrastructure etc are eliminated. The department of petrochemicals of the Government of India has projected a level of 12 million tonnes by 2011/2012.

(Source: www.plastemart.com).

Polyvinyl Chloride (PVC)

Polyvinyl Chloride, commonly abbreviated as PVC, is a widely used thermoplastic polymer. As a building material, PVC is cheap and easy to assemble. There are many uses of PVC. As a hard plastic, it is used as vinyl siding, magnetic stripe cards, window profiles, gramophone records, pipe, plumbing and conduit fixtures. It can be made softer and more flexible by the addition of plasticizers. In this form, it is used in clothing and upholstery, and to make flexible hoses and tubing, flooring, to roofing membranes, and electrical cable insulation. In recent years, PVC has been replacing traditional building materials such as wood, concrete and clay in many areas. The material is often used for pipelines in the water and sewer industries because of its inexpensive nature and flexibility.

Overview of our Company's business:

In the fiscal year 1994-95, we initiated setting up of our first manufacturing unit at Jalgaon. The unit commenced commercial production in the fiscal year 1995-96 for manufacture of various types of PVC pipes and fabricated fittings. Our Company purchased its first machinery in the fiscal year 1995-96 with an installed capacity of 1,440 metric tonnes. Subsequently in the fiscal year 1996-97, second machinery was purchased and the installed capacity was increased to 3,000 metric tonnes. In the fiscal year 2005-06, our Company had taken over the specified assets and liabilities of M/s. Tulsi Pipe Industries (a partnership firm) with an objective to consolidate our business operations. For more details on the take over, please refer to paragraph “Memorandum of Understanding for takeover of specified assets & liabilities of Promoter & Promoter Group entities” appearing on page 74 of this Draft Red Herring Prospectus. With the takeover, our total installed capacity increased to 6,000 metric tonnes. In the fiscal year 2006-07, additional machinery was added for ASTM plumbing pipes which broadened our product portfolio. Further, we have also procured one elastomeric sealing machine alongwith mandrels enabling us to manufacture elastomeric sealing pipes. During the said year, considering the growing demand of PVC pipes and consolidating our business operations we had decided to take-over the specified assets and liabilities of Gopal Extrusions Private Limited and Narvada Industries (proprietary concern of the Promoter, Mr. Pradip Mundhra) located at MIDC, Jalgaon, Maharashtra. For more details on the take over, please refer to paragraph “Memorandum of Understanding for takeover of specified assets & liabilities of Promoter & Promoter

Group entities” appearing on page 74 of this Draft Red Herring Prospectus. By virtue of the aforesaid takeovers, the total installed capacity as on March 31, 2007 is now 10,483 metric tonnes for PVC pipes & fabricated fittings. The manufacturing facilities taken over from Gopal Extrusions Private Limited and Narvada Industries were competent to manufacture LLDPE pipes, HDPE pipes and PVC fabricated fittings.

Pursuant to the take-over of the specified assets and liabilities of M/s. Tulsi Pipe Industries, Narvada Industries and Gopal Extrusions Private Limited, our Company’s manufacturing facilities are being operated at three different locations in MIDC, Jalgaon, Maharashtra.

We sell our products under brand name “Tulsi”. We have ISO 9001:2000 certificate in respect of our quality management systems since 2002. Our Company has marketing presence in the states of Maharashtra, Madhya Pradesh, Chattisgarh, West Bengal and Rajasthan.

The PVC pipe products manufactured by our Company are to suit the requirements of application in agriculture, potable water supply schemes, sewerage and drainage systems, construction industry, telecom industry, bore well for underground water suction, etc., ranging from 20 mm diameter to 315 mm diameters in all pressure ratings.

Key Business Strengths:

Our Quality

Our Company has received an ISO-9001:2000 certificate in respect of our quality management systems in the year 2002. The present certificate is valid till March, 2010. We maintain quality at all stages of manufacturing process starting from raw material procurement to manufacture of finished product. All our finished products are tested in our quality control laboratory to adhere to the laid down quality standards. Our Company also facilitates third party inspection on the request of the customers.

Marketing and Distribution Network

Sales are made through direct marketing through our network of dealers and distributors and by our Company’s sales personnel. Presently, we have 813 dealers covering five states viz. Maharashtra, West Bengal, Madhya Pradesh, Rajasthan and Chattisgarh. We also have branches at Jaipur (Rajasthan), Kolkata (West Bengal), Mumbai (Maharashtra) and Raipur (Chattisgarh). We have also appointed one C&F Agent at Indore (Madhya Pradesh) for facilitating distribution of our products. We have a team of experienced technicians, hydraulic engineers and marketing personnel to assist the customers in selecting the right pipes and providing after sales service.

Diversified Product Mix

Our Company has a product mix to cater to the increasing requirements of our customers. Our product offerings include PVC Pipes, PVC fabricated fittings, PVC casing and screen pipes, ASTM plumbing pipes, LLDPE pipes, HDPE pipes and elastomeric sealing pipes. These ranges of product are used in irrigation sector, industrial sector, 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.

Experienced Management Team

We have a management team with experience in different areas of PVC pipes and fittings industry including production, quality control, sales, marketing and finance. The management team is supported by workforce. Our management team includes Managing Director, Mr. Pradip Mundhra who has over 20 years of experience in the plastic industry; Mr. Sanjay Kumar Taparia, who has 19 years of experience in trading and marketing of PVC pipes and fittings and Mr. Om Prakash Agrawal having 23 years of experience in marketing of PVC pipes, administration, planning, production and finance.

Business Strategy

The key elements of our business strategy are as follows:

Cost effectiveness

We are proposing setting up of 1.5 MW of wind mill power plant which will be build, erected and maintained by Suzlon Energy Limited at an estimated cost of Rs. 1000 lakhs. Union Bank of India vide their letter dated July 24, 2007 had given their in-principle approval for sanction of term loan to the extent of Rs. 750 lakhs and the balance will be funded through our own internal accruals. The power generated through this wind mill will be used for captive consumption, which will reduce our power cost.

Improving operational efficiency

After takeover of specified assets & liabilities of Promoter and Promoter Group entities, our Company is having manufacturing facilities at three different locations in MIDC, Jalgaon, Maharashtra. With a view to have better control and reduce operational cost, a new factory premises is constructed at Unit No. 1 to accommodate all PVC related manufacturing activities under one roof.

Expansion of manufacturing capacities

Our Company plans to expand our existing manufacturing facilities at Unit I, Jalgaon thereby increasing the capacity of our existing operations from 10,483 metric tonnes of PVC pipes to 17971 metric tonnes by adding extruders and injection moulding machines.

Expansion of product range

Our Company's existing product portfolio comprises of PVC pipes, PVC fabricated fittings, PVC casing and screen pipes, ASTM plumbing pipes, elastometric sealing pipes, LLDPE pipes and SWR pipes and fittings. Our Company further plans to expand our product range by venturing into manufacture of PVC injection moulded fittings, HDPE Sprinkler Systems, Inline Drip Irrigation System, LLDPE fittings for micro irrigation.

Overseas expansion

Our Managing Director Mr. Pradip Mundhra had incorporated Tulsi Plastics SA (Proprietary) Limited in Durban, South Africa with a view to expand our business internationally and target African continent market. Tulsi Plastics SA (Proprietary) Limited started commercial production of PVC pipes and fittings for electrical and drainage usage from January, 2006. We have entered into a joint venture agreement with Tulsi Plastics SA (Proprietary) Limited for participating in their business and also exploring the business opportunities in South Africa, the salient features of which are appearing on page no. 92 of this Draft Red Herring Prospectus.

Increasing geographical reach

We plan to increase our customer base in the existing domestic markets and expand our business to new geographic locations viz. Gujarat, Orissa, Assam, Delhi, interiors of Maharashtra, West Bengal etc. We plan to do this by utilising our marketing skills and further expanding customer satisfaction by meeting orders in hand on timely basis and maintaining our client relationships.

Expansion of customer base

We intend to cater to customers in macro-irrigation sector, sprinkler irrigation, lift-irrigation and construction sector by expanding our product range in HDPE pipes, LLDPE pipes and injection-moulded items.

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 DATA

The following table sets forth the historical financial information of our Company derived from the restated and audited financial statements for the Fiscal years ended March 2003, March 2004, March 2005, March 2006 and March 2007, all prepared in accordance with Indian GAAP and SEBI (DIP) Guidelines and included in the section titled “Financial Information” beginning on page no. 100 of this Draft Red Herring Prospectus and should be read in conjunction with those Financial Statements and notes thereto and the section titled “Management’s Discussion and analysis of financial condition and results of operations” beginning on page no. 116 of this Draft Red Herring Prospectus.

STATEMENT OF AUDITED PROFIT AND LOSS ACCOUNT AS RESTATED

(Rupees in lakhs)

Year ended 31st March	2007	2006	2005	2004	2003
INCOME					
Sales					
-Products manufactured by the Company	4176.23*	1975.82	991.98	991.73	767.29
-Products traded by the Company	2281.58**	26.80	36.07	24.39	8.66
Less: Excise Duty	541.95	269.33	130.76	133.48	98.97
Net Sales	5915.86	1733.29	897.29	882.64	676.98
Other Income	3.23	27.56	6.32	4.52	32.91
Accretion / (Depletion) of Stocks	128.57	306.31	(96.30)	2.41	(48.79)
Total Income	6047.66	2067.16	807.31	889.57	661.10
EXPENDITURE					
Raw Material Consumed	2768.75	1491.15	611.15	697.07	472.42
Cost of Goods Traded	2025.00	39.04	30.12	22.56	6.39
Employee Costs	50.31	18.44	10.05	10.04	10.35
Other manufacturing expenses	188.76	91.27	35.12	36.75	41.27
Administration, Selling & Distribution Costs	212.50	138.66	54.64	57.69	72.66
Interest / Financial Charges	162.49	90.21	40.53	51.51	41.24
Depreciation	23.17	10.23	7.74	7.68	7.75
Total Expenditure	5430.98	1879.00	789.35	883.30	652.08
Net profit before tax and extraordinary items	616.68	188.16	17.96	6.27	9.02
Provision for Taxation	150.00	68.12	7.80	0.60	1.13
Provision for Fringe Benefit Tax	1.41	0.29	0.41	0.68	0.38
Provision for Deferred Tax	12.35	(3.72)	1.23	1.82	30.96
Net profit after tax but before extraordinary items	452.92	123.47	8.52	3.17	(23.45)
Extraordinary items	-	-	-	-	82.02
Net profit after tax & extraordinary items	452.92	123.47	8.52	3.17	58.57
Earlier year adjustment	-	-	-	-	-
Net Profit as restated	452.92	123.47	8.52	3.17	58.57

* Increase in sales was mainly on account of take-over of specified assets and liabilities of Narvada Industries and Gopal Extrusions Private Limited. For further details, please refer to page no. 119 of this Draft Red Herring Prospectus under section titled “Management’s Discussion and analysis of financial condition and results of operation”.

** During this period, our Company made trading of construction input items. For further details, please refer to page no. 120 of this Draft Red Herring Prospectus under section titled “Management’s Discussion and analysis of financial condition and results of operation”.

STATEMENT OF AUDITED ASSETS AND LIABILITIES AS RESTATED

(Rupees in Lakhs)

As at 31st March		2007	2006	2005	2004	2003
A	Fixed assets -					
	Gross Block	609.77	326.88	223.75	212.04	207.23
	Less: Depreciation	101.07	77.90	67.67	59.93	52.25
	Net Block	508.70	248.98	156.08	152.11	154.98
	Less: Revaluation Reserve	0.00	0.00	0.00	0.00	0.00
	Net Block after adjustment for Revaluation Reserve	508.70	248.98	156.08	152.11	154.98
B	Investments	113.07	52.58	10.59	10.92	5.00
C	Current assets, loans & advances					
	- Inventories	941.47	546.95	155.19	245.22	259.49
	- Receivables / Sundry Debtors	1632.42	1102.19	251.58	278.63	115.27
	- Cash and Bank Balances	50.14	35.50	11.44	2.75	5.42
	- Loans and advances	239.47	152.91	50.55	55.81	107.45
	Total	2863.50	1837.55	468.76	582.41	487.63
D	Liabilities & Provisions					
	- Secured Loans	1464.42	1095.78	302.85	373.11	251.68
	- Unsecured Loans	0.00	29.84	13.43	60.18	36.44
	- Other Liabilities	0.00	0.00	0.00	0.00	28.49
	Current liabilities and provisions	805.21	540.12	95.21	97.97	121.81
	Deferred tax liability	42.65	30.29	34.01	32.78	30.96
	Total	2312.28	1696.03	445.50	564.04	469.38
E	Net Worth (A+B+C-D)	1172.99	443.08	189.93	181.40	178.23
F	Represented by					
	Share Capital	567.85	248.50	82.74	82.74	82.74
	Reserves and Surplus	634.78	196.29	107.27	98.76	95.62
	Less: Miscellaneous expenditure not written off	(29.64)	(1.71)	(0.08)	(0.10)	(0.13)
	Net Worth	1172.99	443.08	189.93	181.40	178.23

THE ISSUE

Equity Shares offered:	57,00,000 Equity Shares
Out of Issue	
Employees Reservation Portion	1,00,000 Equity Shares
Net Issue to Public	56,00,000 Equity Shares
QIB Portion including Mutual Funds*	Not more than 28,00,000 Equity Shares constituting 50% of the Net Issue to the Public (Allocation on proportionate basis) out of which 5% i.e. 1,40,000 Equity Shares will be available for allocation to Mutual Funds only and the remaining QIB portion will be available for allocation to all QIBs, including Mutual Funds.
Non Institutional Portion*	At least 8,40,000 Equity Shares constituting 15% of the Net Issue to the Public (Allocation on proportionate basis)
Retail Portion*	At least 19,60,000 Equity Shares constituting 35% of the Net Issue to the Public (Allocation on proportionate basis)
Equity Shares outstanding prior to the Issue	67,95,100 Equity Shares
Equity Shares outstanding after the Issue	1,24,95,100 Equity Shares
Objects to the Issue	Please see the section entitled “Objects of the Issue” beginning on page no. 24 of this Draft Red Herring Prospectus.

* Under subscription, if any, in any of the categories, would be allowed to be met with spill over from any of the other categories including from over subscription in the Employee Reservation Portion at the sole discretion of our Company, in consultation with the BRLM.

The unsubscribed portion in the Employee Reservation Portion, if any, shall be added back to the Net Issue to the public.

In case of under subscription in the Net Issue to the Public Portion, spill over to the extent of under subscription shall be permitted from the reserved category to the Net Issue to the Public.

GENERAL INFORMATION

Tulsi Extrusions Limited

Our Company was originally incorporated as “Tulsi Extrusions Private Limited” on September 16, 1994 under the Companies Act, 1956 and was converted into a public limited company on June 5, 1995 with the name “Tulsi Extrusions Limited”

Registered Office of our Company

N-99, MIDC Area,
Jalgaon – 425 003,
Maharashtra, India.
Tel. No: 91-257-2272732, 22112276
Fax. No: 91-257-2210052
Email: ipo@tulsigroup.biz
Website: www.tulsigroup.biz

(The registered office of our Company was changed from G-52, MIDC Area, Jalgaon, Maharashtra to present address with effect from July 21, 1995).

Corporate Office of our Company

512, Janki Centre,
29, Shah Industrial Estate,
Off. Veera Desai Road,
Andheri (West),
Mumbai - 400053
Tel.: 022-26742090
Fax: 022-26742073

Registration Number of our Company

11-081182

Company Identification Number (CIN):

U29120MH1994PLC081182

Address of the Registrar of Companies

The Registrar of Companies Mumbai, Maharashtra
100, Everest, Marine Lines, Mumbai-400002.

Board of Directors

Name of Director	Designation	Nature of Directorship
Mr. Omprakash Jhavar	Chairman	Non Executive Independent Director
Mr. Pradip Mundhra	Managing Director	Executive Director
Mr. Sanjay Kumar Taparia	Director & Chief Executive Officer	Executive Director
Mr. Gopal Das Maheshwari	Director	Non Executive Director & Non Independent
Mr. Om Prakash Agrawal	Director	Executive Director
Mr. Jaiprakash Kabra	Director	Non Executive Independent Director
Mr. Tilok M. Banwat	Director	Non-Executive Independent Director
Mr. Rajesh Jhunjhunwala	Director	Non-Executive Independent Director

Brief details of Chairman, Managing Director and Wholetime Director

Mr. Omprakash Jhavar, Chairman – Non Executive Independent Director

Mr. Omprakash Jhavar, aged 67 years, joined our Company's Board in the year 2006. He is a graduate in Mechanical Engineering from Vikram University, Ujjain. He is an associate member of Institute of Engineer, Calcutta and a fellow member of Institute of Valuers, India. He is a Government registered valuer and a registered lead auditor with National Registration Board for Personnel and Training (NRBPT). He had worked with the Ordnance Factories Organisation, Ministry of Defence, Government of India, for more than 33 years. He retired as Deputy Director General in November, 1997 from Ministry of Defence, where he was looking after planning, marketing, engineering & administration. He had also worked with Usha Automobile Engineer Works, Calcutta and Indian Copper Corporation, Ghatsila. At present, he is providing consultancy services for establishing quality systems as per ISO 9000 standards.

Mr. Pradip J. Mundhra, Managing Director

Mr. Pradip J. Mundhra, aged 42 years is the Managing Director and also a Promoter of our Company. He is a graduate in Commerce from Calcutta University. He started his career as trainee (administrative officer) with Foremost Dairies Limited, manufacturer of Indana Ghee in 1984. In 1987 he incorporated Mundhra Agroplast Industries Private Limited for manufacture of injection moulded PVC fittings. He resigned from the Directorship in 1990 and started Narvada Industries, proprietary concern for manufacture of PVC pipes and fabricated fittings. During the year 1993 and 1994 he and Mr. Sanjay Taparia, promoted Gopal Extrusions Private Limited and our Company respectively. He has more than 20 years of experience in trading, marketing and manufacturing of PVC Pipes, PVC fittings and drip-irrigation system. He looks after purchase, technical, production as well as growth and development of our Company. He has been actively involved in the business of our Company since incorporation and has played a key role in the growth of our Company with his inputs in strategic planning and business development.

Mr. Sanjay Kumar Taparia, Whole Time Director & Chief Executive Officer

Mr. Sanjay Kumar Taparia, aged 37 years, joined our Company in the year 1995. He is a graduate in Commerce from Calcutta University. He started his career in 1988 by joining Godavari Traders as a marketing executive. In 1997, he started Narvada Sales Corporation, proprietorship concern for trading of PVC pipes & fittings and other accessories. During the year 1993, he promoted Gopal Extrusions Private Limited for manufacture of PVC pipes and fabricated fittings. He is presently the Chief Executive Officer of our Company, who looks after all marketing operations of our Company's products. He has more than 19 years of experience in trading and marketing of PVC Pipes, PVC fittings and has created a marketing network of dealers and manages the day-to-day marketing operations of our Company.

For further details of our Board of Directors, please refer to paragraph "Brief biographies of our Directors" appearing on page no. 78 of this Draft Red Herring Prospectus.

Compliance Officer

Mr. Sudarshan Taparia
512, Janki Centre, 29, Shah Industrial Estate,
Off. Veera Desai Road, Andheri (West),
Mumbai – 400 053
Tel.: 022-2674 2090
Fax: 022-2674 2073
Email: ipo@tulsigroup.biz
Website: www.tulsigroup.biz

Investors can contact the Compliance Officer in case of any pre-Issue or post-Issue related problems such as nonreceipt of letters of allotment and credit of allotted shares in the respective beneficiary account or refund orders.

Company Secretary

Mr. Pawan Kumar Baid
N-99/100, MIDC Area,
Jalgaon – 425 003,
Maharashtra, India.
Tel. No: +91-257-2272732, 22112276
Fax. No: +91-257-2210052
Email: ipo@tulsigroup.biz

Banker to our Company**Punjab National Bank**

Poonam Chambers, Navi Peth, Jalgaon
Maharashtra, India.
Tel No.: +91-257-2253001
Fax No.+91-257-2222054
Website: www.pnbindia.com

Book Running Lead Manager**Almondz Global Securities Limited**

(Formerly Allianz Securities Limited)

33, Vaswani Mansion, 6th Floor,
Dinsha Vachha Road, Churchgate,
Mumbai-400020
Tel: +91-22-2287 0580
Fax: +91-22-2287 0581
Email: tulsi.ipo@almondz.com
Website: www.almondzglobal.com
Contact Person: Mr. Sunit Shangle

Syndicate Members

The Syndicate Members will be appointed prior to filing the Red Herring Prospectus with RoC.

Registrar to the Issue**Intime Spectrum Registry Limited**

C-13, Panalal Silk Mills Compound
LBS Marg, Bhandup - West,
Mumbai - 400 078, India
Tel No +91 22 2596 0320 (9 lines)
Fax No +91 22 2596 0329
Email: tulsiipo@intimespectrum.com
Website: www.intimespectrum.com
Contact Person: Mr. Sachin Achar

Legal Advisors to the Issue**M/s. Crawford Bayley & Co.****Advocates & Solicitors**

State Bank Buildings,
N.G.N Vaidya Marg,
Fort, Mumbai – 400 023
Tel.No.+91-22-2266 8000
Fax No.+91-22- 2266 3978
Email: sanjay.asher@crawfordbayley.com

Advisors to our Company

Jain Mehta & Co.
Company Secretaries
307 Janki Centre,
Off. Veera Desai Road,
3rd Floor, Andheri (West),
Mumbai 400 053
Tel.No.+91-22-65030609
Fax No.+91-22-22035687
Email: info@jainmehta.com

Bankers to the Issue and Escrow Collection Banks

[●]

Statutory Auditors

M/s. K. K. Kabra & Co.

Chartered Accountants

Panjabpol Shopping Complex
Opp. Neri Naka,
Jalgaon – 425 001
Tel.No.+91-0257-2228840
Fax No.+91-0257- 2227840
Email: kkkabra@sancharnet.in

Statement of Inter-se allocation of responsibilities

Since Almondz Global Securities Limited is the sole BRLM to this Issue, statement of inter-se allocation responsibilities among Book Running Lead Manager's is not applicable.

IPO Grading

Our Company has appointed CARE for grading. CARE has assigned a '[●]' to the proposed initial public offering of our Company. Pursuant to Clauses 5.6B.1 and 6.17.3A of the SEBI Guidelines, the rationale / description furnished by the credit rating agency will be updated at the time of filing Red Herring Prospectus with the Registrar of Companies.

Credit Rating

This being an Issue of Equity Shares, Credit rating is not required.

Trustee

This being an Issue of Equity Shares, the appointment of trustees is not required.

Book Building Process

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

The principal parties involved in the Book Building Process are:

- ➔ Our Company;
- ➔ Book Running Lead Manager;
- ➔ Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and are eligible to act as Underwriters. Syndicate Members are appointed by the BRLM;

- Escrow Collection Bank(s); and
- Registrar to the Issue.

This Issue is being made through a 100% Book Building Process wherein not more than 50% of the Net Issue to Public shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (“QIBs”). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder shall be available for allotment on a proportionate basis to all QIBs including Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Net Issue to Public shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net Issue to Public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

Though the process of Book Building under the SEBI Guidelines is not new, investors are advised to make their own judgment about investment through this process prior to making a Bid or Application in the Issue.

Our Company shall comply with guidelines issued by SEBI for this Issue. In this regard, our Company has appointed Book Running Lead Manager to manage the Issue and to procure subscription to the Issue.

QIBs are not allowed to withdraw their Bids after the Bid/Issue Closing Date. In addition, QIBs are now required to pay 10% Margin Amount upon submission of their Bid and allocation to QIBs will be on a proportionate basis. Please refer to the section titled “Issue Procedure” beginning on page no. 144 of this Draft Red Herring Prospectus for more details.

Steps to be taken by the Bidder for bidding:

- Check eligibility for making a bid, see the section titled “Issue Procedure-Who Can Bid?” beginning on page no.144 of this Draft Red Herring Prospectus;
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form
- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form and
- Ensure that the Bid – Cum – Application Form is accompanied by the Permanent Account Number or by Form 60 or Form 61 as may be applicable together with necessary documents providing proof of address. For details please refer to the section titled “Issue Procedure” beginning on page 144 of this Draft Red Herring Prospectus. Bidders are specifically requested not to submit their General Index Register number instead of Permanent Account Number as the Bid is liable to be rejected on those grounds.

Illustration of Book Building and Price Discovery Process

(Investors should note that this example is solely for illustrative purposes and is not specific to this Issue)

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 30 to Rs. 34 per share, issue size of 3,000 equity shares and receipt of five bids from Bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book as shown below shows the demand for the shares of the company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
500	34	500	16.67%
1000	33	1500	50.00%
1500	32	3000	100.00%
2000	31	5000	166.67%
2500	30	7500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., Rs. 32 in the above example. The issuer, in consultation with the Book Running Lead Manager, will finalize the issue price at or below such cut off price, i.e., at or below Rs. 32. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Bid/Issue Programme

Bidding Period/Issue Period

BID/ISSUE OPENS ON	•
BID/ISSUE CLOSES ON	•

Bids and any revision in Bids will be accepted **only between 10 a.m. and 3 p.m.** (Indian Standard Time) during the Bid/Issue Period as mentioned above at the bidding centres mentioned in the Bid cum application Form except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. in case of Bids by QIB Bidders, Non-Institutional Bidders and Employees bidding under the Employee Reservation Portion where the Bid Amount is in excess of Rs. 100,000 and (ii) until such time as permitted by the BSE and the NSE, in case of Bids by Retail Individual Bidders and Employees Bidding under the Employee Reservation Portion where the Bid Amount is up to Rs. 100,000. Bids will be accepted only on working days i.e. Monday to Friday (excluding public holidays). Bidders are also cautioned that a high inflow of Bids typically experienced on the last day of the Bidding may lead to some Bids received on that day not being uploaded due to lack of sufficient uploading time and such Bids may not be considered for allocation.

Our Company reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI Guidelines provided that the Cap Price is less than or equal to 120% of the Floor Price. The Floor Price can be revised up or down to a maximum of 20% of the Floor Price advertised at least one day before the Bid /Issue Opening Date. In case of revision of the Price Band, the Bid/Issue Period will be extended for three additional days after revision of the Price Band subject to the total Bid /Issue Period not exceeding 10 days. Any revision in the Price Band and the revised Bid/Issue period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release and also by indicating the changes on the web sites of the BRLM and at the terminals of the Syndicate

Underwriting Agreement

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

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

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

Name and Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. Lakhs)
[•]	[•]	[•]
[•]	[•]	[•]
[•]	[•]	[•]
TOTAL	[•]	[•]

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

In the opinion of the Board of Directors (based on certificates given to them by the Underwriters), the resources of all the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriters are registered with SEBI under Section 12(1) of the Securities and Exchange Board of India Act, 1992 or registered as brokers with the Stock Exchange(s).

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments.

Notwithstanding the above table, the Underwriters shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default, the respective Underwriter in addition to other obligations to be defined in the Underwriting Agreement will also be required to procure / subscribe to the extent of the defaulted amount.

CAPITAL STRUCTURE

The share capital of our Company as on the date of filing of this Draft Red Herring Prospectus with SEBI is set forth below:

(Rs. In lakhs)

Particulars		Aggregate Nominal Value	Aggregate value at Issue Price
A.	Authorized Capital		
	1,50,00,000 Equity Shares of Rs. 10/- each	1,500.00	
B.	Issued, Subscribed and Paid-up Capital		
	67,95,100 Equity Shares of Rs. 10/- each	679.51	[•]
C.	Present Issue to the Public in terms of this Draft Red Herring Prospectus		
	57,00,000 Equity shares of Rs. 10/- each fully paid up	570.00	[•]
	Out of Which: Employee Reservation		
	1,00,000 Equity shares of Rs. 10/- each fully paid up	10.00	
D.	Net Issue to Public		
	56,00,000 Equity shares of Rs. 10/- each fully paid up	560.00	[•]
E.	Paid up Capital after the Issue		
	1,24,95,100 Equity Shares of Rs. 10/- each	1249.51	[•]
F.	Share Premium Account		
	Before the issue	826.72	
	After the issue	[•]	

Details of increase of the Authorised Capital of our company

S. No	Date	Increased From (Rs.)	Increased To (Rs.)	Remarks
1.	September 16, 1994	-	25,00,000	On Incorporation 25,000 Equity Shares of Rs. 100/- each
2.	May 2, 1995	Sub- Division*	---	Existing nominal value of Rs.100/- per share divided into Rs.10/- per share resulting in 2,50,000 equity shares of Rs. 10 each
3.	July 20, 1995	25,00,000	2,00,00,000	Increased from Rs. 25 lakhs divided into 2,50,000 equity shares of Rs. 10 each to Rs. 200 lakhs divided into 20,00,000 equity shares of Rs. 10 each.
4.	March 30, 2006	2,00,00,000	5,00,00,000	Increased from Rs. 200 lakhs divided into 20,00,000 equity shares of Rs. 10 each to Rs. 500 lakhs divided into 50,00,000 equity shares of Rs. 10 each.
5.	November 20, 2006	5,00,00,000	15,00,00,000	Increased from Rs. 500 lakhs divided into 50,00,000 equity shares of Rs. 10 each to Rs. 1,500 lakhs divided into 1,50,00,000 equity shares of Rs. 10 each.

* Our Company, vide resolution passed by the shareholders of our Company at the EGM held on May 2, 1995, subdivided the face value of Equity Shares from one equity share of the face value of Rs. 100/- per equity share to 10/- Equity Shares of the face value of Rs. 10/- per Equity share. The equity share capital of our Company constituting of 17,398 equity shares of face value Rs. 100/- each was subdivided to 1,73,980 equity shares of the face value of Rs. 10/- each pursuant to the resolution passed by the shareholders at the EGM held on May 2, 1995.

NOTES TO CAPITAL STRUCTURE

1. Capital Build up (Equity Share capital history of our Company):

Date of Allotment / Fully Paidup	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration	Reasons for Allotment / Reduction	Cumulative Securities Premium Account	Cumulative No. of Equity Shares	Cumulative Paid-up Capital (Rs.)
September 16, 1994	200	100	100	Cash	Subscribers to the Memorandum	Nil	200	20,000
April 10, 1995	17,198	100	100	Cash	Further issue of equity shares	Nil	17,398	17,39,800
May 2, 1995	Shares Split*	10	-	-	Existing nominal value of Rs.100/- per share divided into Rs.10/- per share	Nil	1,73,980	17,39,800
December 15, 1995	3,64,000	10	10	Cash	Further issue of equity shares	Nil	5,37,980	53,79,800
August 1, 1996	2,14,400	10	10	Cash	Further issue of equity shares	Nil	7,52,380	75,23,800
March 15, 1997	10,000	10	10	Cash	Further issue of equity shares	Nil	7,62,380	76,23,800
February 3, 1999	65,000	10	10	Cash	Further issue of equity shares	Nil	8,27,380	82,73,800
October 25, 2005	11,50,000	10	10	Other than Cash	Takeover of specified assets and liabilities of M/s. Tulsi Pipe Industries	Nil	19,77,380	1,97,73,800
March 30, 2006	1,50,000	10	10	Other than Cash	Takeover of specified assets and liabilities of M/s. Tulsi Pipe Industries	Nil	21,27,380	2,12,73,800
March 30, 2006	2,620	10	10	Cash	Further issue of equity shares	Nil	21,30,000	2,13,00,000
March 31, 2006	3,55,000	10	Nil	Bonus	Issue of Bonus shares in the ratio of 6:1	Nil	24,85,000	2,48,50,000
December 23, 2006	12,42,500	10	Nil	Bonus	Issue of Bonus Shares in ratio of 2:1	Nil	37,27,500	3,72,75,000
January 29, 2007	15,00,000	10	10	Other than Cash	Takeover of specified assets and liabilities of Narvada Industries and Gopal Extrusions Private Limited.	Nil	52,27,500	5,22,75,000
March 31, 2007	4,51,000	10	20	Cash	Further Issue of equity shares	45,10,000	56,78,500	5,67,85,000
August 16, 2007	11,16,600	10	80	Cash	Further Issue of equity shares	8,26,72,000	67,95,100	6,79,51,000

2. Details of promoters contribution and lock in

(a) Build up of Promoters

Name	Date of Allotment / Transfer / Acquisition	Date when fully paid up	Consideration (Cash/ bonus/ kind etc.)	No. of Equity Shares	Face Value (Rs.)	Issue / Acquisition Price (Rs.)	% of Post issue Paid up Capital	Lock- in Period (Years)
Mr. Pradip Mundhra	16-Sep-94	16-Sep-94	Subscribers to MOA	100	100	100	16.02%	
	10-Apr-95	4-Oct-95	Allotment	4,727	100	100		
			Sub Total	4,827*				
	2-May-95	Sub Division of Face value from Rs. 100 to Rs. 10		12,270	10			3 Year
				1,000	10			1 Year
				35,000	10			-
	1-Aug-96	1-Aug-96	Allotment	23,600	10	10		3 Year
	1-Aug-96	1-Aug-96	Allotment	40,000	10	10		-
	29-Nov-98	29-Nov-98	Transfer (Sale)	(10,000)	10	10		-
	15-Jul-99	15-Jul-99	Transfer (Sale)	(35,000)	10	10		-
	15-Jul-99	15-Jul-99	Transfer (Sale)	(10,000)	10	10		-
	31-May-02	31-May-02	Transfer (Purchase)	5,000	10	10		-
	6-May-03	6-May-03	Transfer (Sale)	(25,000)	10	10		-
	10-Aug-04	10-Aug-04	Transfer (Purchase)	5,900	10	5.08		3 Year
				74,100	10	5.00		
				19,900	10	4.52		3 Year
				2,85,750	10	5.00		
				300	10	6.67		
	3-Oct-05	3-Oct-05	Transfer (Purchase)	1,000	10	10.00		
				1,500	10	15.00		
	25-Oct-05	25-Oct-05	Against Takeover of specified Assets and Liabilities of M/s. Tulsi Pipe Industries	2,93,000	10	10		1 Year
	30-Mar-06	30-Mar-06	Allotment	780	10	10		1 Year
	31-Mar-06	31-Mar-06	Bonus	48,834	10	Nil		1 Year
	31-Mar-06	31-Mar-06	Bonus	71,016	10	Nil		3 Year
	23-Dec-06	23-Dec-06	Bonus	1,70,917	10	Nil		1 Year
	23-Dec-06	23-Dec-06	Bonus	2,48,558	10	Nil		3 Year
	29-Jan-07	29-Jan-07	Against Takeover of specified Assets and Liabilities of Narvada Industries	7,30,000	10	10		1 Year
	31-Jan-07	31-Jan-07	Transfer (Purchase)	2,625	10	10		1 Year
	16-Aug-07	16-Aug-07	Allotment	10,600**	10	80		3 Year
	TOTAL			20,01,650				
Ms. Nandini Taparia	15-Dec-95	15-Dec-95	Allotment	1,000	10	10	8.53%	1 Year
	3-Feb-99	3-Feb-99	Allotment	4,000	10	10		3 Year
	10-Aug-04	10-Aug-04	Transfer (Purchase)	3,000	10	10		3 Year
	3-Aug-05	3-Aug-05	Transfer (Purchase)	55,000	10	5		3 Year
	3-Oct-05	3-Oct-05	Transfer (Purchase)	31,610	10	5		3 Year

Name	Date of Allotment / Transfer / Acquisition	Date when made fully paid up	Consideration (Cash/ bonus/ kind etc.)	No. of Equity Shares	Face Value (Rs.)	Issue / Acquisition Price (Rs.)	% of Post issue Paid up Capital	Lock- in Period (Years)
	25-Oct-05	25-Oct-05	Against takeover of specified Assets and Liabilities of M/s. Tulsi Pipe Industries	5,14,000	10	10		1 Year
	30-Mar-06	30-Mar-06	Allotment	90	10	10		1 Year
	31-Mar-06	31-Mar-06	Bonus	85,667	10	Nil		1 Year
	31-Mar-06	31-Mar-06	Bonus	15,783	10	Nil		3 Year
	23-Dec-06	23-Dec-06	Bonus	2,99,834	10	Nil		1 Year
	23-Dec-06	23-Dec-06	Bonus	55,241	10	Nil		3 Year
	TOTAL			10,65,225				
Ms. Shrikanta D. Rathi	15-Dec-95	15-Dec-95	Allotment	500	10	10		1 Year
	3-Aug-05	3-Aug-05	Transfer (Purchase)	11,500	10	5		3 Year
	3-Oct-05	3-Oct-05	Transfer (Purchase)	23,700	10	5		3 Year
	25-Oct-05	25-Oct-05	Against Takeover of specified Assets and Liabilities of M/s. Tulsi Pipe Industries	1,91,000	10	10		1 Year
	30-Mar-06	30-Mar-06	Against Takeover of specified Assets and Liabilities of M/s. Tulsi Pipe Industries	1,50,000	10	10		1 Year
	30-Mar-06	30-Mar-06	Allotment	400	10	10		1 Year
	31-Mar-06	31-Mar-06	Bonus	56,834	10	Nil		1 Year
	31-Mar-06	31-Mar-06	Bonus	6,016	10	Nil		3 Year
	23-Dec-06	23-Dec-06	Bonus	1,98,917	10	Nil		1 Year
	23-Dec-06	23-Dec-06	Bonus	21,058	10	Nil		3 Year
	TOTAL			6,59,925			5.28%	
Ms. Chitra S. Taparia	3-Feb-99	3-Feb-99	Allotment	4,000	10	10		3 Year
	10-Aug-04	10-Aug-04	Transfer (Purchase)	6,500	10	5		3 Year
	3-Aug-05	3-Aug-05	Transfer (Purchase)	25,000	10	5		3 Year
	3-Oct-05	3-Oct-05	Transfer (Purchase)	57,500	10	5		3 Year
	25-Oct-05	25-Oct-05	Against Takeover of specified Assets and Liabilities of M/s. Tulsi Pipe Industries	1,52,000	10	10		1 Year
	30-Mar-06	30-Mar-06	Allotment	1,000	10	10		1 Year
	31-Mar-06	31-Mar-06	Bonus	25,334	10	Nil		1 Year
	31-Mar-06	31-Mar-06	Bonus	15,666	10	Nil		3 Year
	23-Dec-06	23-Dec-06	Bonus	88,667	10	Nil		1 Year
	23-Dec-06	23-Dec-06	Bonus	54,833	10	Nil		3 Year
	TOTAL			4,30,500			3.45%	
Mr. Sanjay Kumar Taparia	11-Aug-97	11-Aug-97	Transfer (Purchase)	2,000	10	10	2.55%	3 Year
	29-Nov-98	29-Nov-98	Transfer (Purchase)	1,500	10	10		3 Year
	31-May-02	31-May-02	Transfer (Purchase)	3,500	10	10		3 Year
	6-May-03	6-May-03	Transfer (Purchase)	57,400	10	10		3 Year

Name	Date of Allotment / Transfer / Acquisition	Date when made fully paid up	Consideration (Cash/ bonus/ kind etc.)	No. of Equity Shares	Face Value (Rs.)	Issue / Acquisition Price (Rs.)	% of Post issue Paid up Capital	Lock- in Period (Years)
	10-Aug-04	10-Aug-04	Transfer (Purchase)	1,900	10	5.26		3 Year
				10,280	10	5.00		
	3-Aug-05	3-Aug-05	Transfer (Purchase)	25,000	10	5		3 Year
	3-Oct-05	3-Oct-05	Transfer (Purchase)	48,170	10	5		3 Year
	30-Mar-06	30-Mar-06	Allotment	250	10	10		1 Year
	31-Mar-06	31-Mar-06	Bonus	25,000	10	Nil		3 Year
	23-Dec-06	23-Dec-06	Bonus	87,500	10	Nil		3 Year
	16-Aug-07	16-Aug-07	Allotment	56,000**	10	80		3 Year
		TOTAL		3,18,500				
Gopal Extrusions Private Limited	29-Jan-07	29-Jan-07	Against takeover of specified Assets and Liabilities	7,70,000	10	10		1 Year
	31-Mar-07	31-Mar-07	Allotment	4,51,000	10	20		1 Year
	16-Aug-07	16-Aug-07	Allotment	10,50,000**	10	80		3 Year
		TOTAL		22,71,000			18.18%	

* Our Company, vide resolution passed by the shareholders of our Company at the EGM held on May 2, 1995, subdivided the face value of Equity Shares from one equity share of the face value of Rs. 100/- per equity share to 10/- Equity Shares of the face value of Rs. 10/- per Equity share. The equity share capital of our Company constituting of 17,398 equity shares of face value Rs. 100/- each was subdivided to 1,73,980 equity shares of the face value of Rs. 10/- each pursuant to the resolution passed by the shareholders at the EGM held on May 2, 1995.

** The Shares issued to the Promoters are taken for three years lock in, which are allotted in the preceding one year. The difference of the issue price to the Promoters and the Public Issue Price if any, for these shares will be brought in by the Promoters in compliance with Clause 4.6.2 of SEBI (DIP) Guidelines.

***20% of the post-Issue paid-up equity share capital, as determined after the book-building process from the above mentioned Six Promoters i.e., Gopal Extrusions Private Limited, Mr. Pradip Mundhra, Mr. Sanjay Kumar Taparia, Ms. Nandini S. Taparia, Ms. Chitra S. Taparia, Ms. Shrikanta D. Rath, would be locked-in for a period of three years from the date of allotment in the present Issue and the balance Pre-Issue Paid-up Equity Share Capital would be locked-in for a period of one year from the date of allotment in the present 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 three years, are not ineligible for computation of promoter's contribution and lock in as per clause 4.6 of SEBI Guidelines.

The Promoters vide letter dated August 20, 2007 given their consent for lock in of shares as stated above. Equity Shares issued last shall be locked in first. 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.

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. 42,81,949 equity shares will be locked in for a period of one year from the date of allotment of Equity Shares in this Issue constituting 34.27% of the post issue equity share capital of our Company.

(b) Lock-in of Minimum Promoter's Contribution

Pursuant to the SEBI Guidelines, an aggregate of 20% of the shareholding of our Company's Promoters shall be locked in for a period of three years from the date of allotment in the Issue.

The lock-in details are as under:

Sr. No	Name of Promoter	No. of Shares	Face Value (Rs.)	% of post issue paid up capital	Lock-in Period
1.	Gopal Extrusions Private Limited	1050000	10	8.40	3 years
2.	Mr. Pradip Mundhra	754494	10	6.04	3 years
3.	Mr. Sanjay Kumar Taparia	318250	10	2.55	3 years
4.	Ms. Nandini S. Taparia	164634	10	1.32	3 years
5.	Ms. Shrikanta D.Rathi	62274	10	0.50	3 years
6.	Ms. Chitra S. Taparia	163499	10	1.31	3 years
Total		2513151		20.12	

Shares held by Promoters which are locked in as per the relevant provisions of Chapter IV of the SEBI Guidelines, may be transferred to and amongst Promoters/Promoters Group or to a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 1997, as applicable. In terms of clause 4.15 of SEBI (DIP) Guidelines, locked-in Equity Shares held by our Promoters can be pledged only 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 such loan.

Further, the Equity Shares held by persons other than Promoters may be transferred to any other person holding shares prior to the Issue, subject to continuation of lock-in with transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

4. Details of Pre-Issue shareholding of the Promoter / Promoter Group as on date are as follows:

S. No.	Name	Shareholding	% of Pre-Issue Shareholding
(A) Promoters - Core Promoters			
1.	Gopal Extrusions Private Limited	22,71,000	33.42
2.	Mr. Pradip Mundhra	20,01,650	29.46
3.	Ms. Nandini S.Taparia	10,65,225	15.68
4.	Ms. Shrikanta D. Rathi	6,59,925	9.71
5.	Ms. Chitra S. Taparia	4,30,500	6.33
6.	Mr. Sanjay Kumar Taparia	3,18,500	4.69
Sub-Total (A)		67,46,800	99.29
(B) Promoter Group			
1	Ms. Kiran P.Mundhra	48,300	0.71
Sub-Total (B)		48,300	0.71
Total (A) + (B)		67,95,100	100.00

5. Pre-Issue and Post-Issue Shareholding of our Company

Particulars	Pre-Issue		Post –Issue*	
	No. of Equity Shares	% to the present share capital	No. of Equity Shares	% of post issue Share Capital
Promoter / Core Promoter	6746800	99.29	6746800	54.00
Promoter Group	48300	0.71	48300	0.39
Total Promoter and Promoter Group	6795100	100	6795100	54.39
Public (including Employees)	Nil	Nil	5700000	45.61
Total	6795100	100.00%	12495100	100.00%

* Post Issue Shareholding pattern may change if any Pre-Issue Equity Shareholder mentioned hereinabove is allotted Equity Shares in the Issue.

6. (a) Details of top ten shareholders of our Company on the date of filing this Draft Red Herring Prospectus with SEBI are as follows:

S. No.	Name of the shareholder	No. of Equity Shares
1	Gopal Extrusions Private Limited	2271000
2	Mr. Pradip Mundhra	2001650
3	Ms. Nandini S. Taparia	1065225
4	Ms. Shrikanta D. Rathi	659925
5	Ms. Chitra S. Taparia	430500
6	Mr. Sanjay Kumar Taparia	318500
7	Ms. Kiran P. Mundhra	48300

The above shareholders do not hold any shares, which they would be entitled to upon exercise of warrant, option, rights to convert a debenture, loan or other instrument.

(b) Details of top ten shareholders as on ten days prior to filing this Draft Red Herring Prospectus with SEBI are as follows:

S. No.	Name of the shareholder	No. of Equity Shares
1	Gopal Extrusions Private Limited	2271000
2	Mr. Pradip Mundhra	2001650
3	Ms. Nandini S. Taparia	1065225
4	Ms. Shrikanta D. Rathi	659925
5	Ms. Chitra S. Taparia	430500
6	Mr. Sanjay Kumar Taparia	318500
7	Ms. Kiran P. Mundhra	48300

The above shareholders do not hold any shares, which they would be entitled to upon exercise of warrant, option, rights to convert a debenture, loan or other instrument.

- (c) **Details of top ten shareholders as of two years prior to filing this Draft Red Herring Prospectus with SEBI were as follows:**

S. No.	Name of the shareholder	No. of Equity Shares
1.	Mr. Pradip Mundhra	1,16,870
2.	Mr. Sanjay Kumar Taparia	1,01,580
3.	Ms. Nandini S. Taparia	63,000
4.	Mr. Ashok Kumar Mundhra	39,000
5.	Ms. Chitra S. Taparia	35,500
6.	Ms. Kiran P. Mundhra	27,500
7.	Mr. Natwarlal Biyani	17,900
8.	Mr. Pradip Kumar Mundhra (H.U.F.)	15,000
9.	Mr. Lila Biyani	14,000
10.	Ms. Narvadadevi Taparia	12,610

The above shareholders do not hold any shares, which they would be entitled to upon exercise of warrant, option, rights to convert a debenture, loan or other instrument.

7. Our Promoters/ Promoter Group/Directors have not purchased / sold / financed / acquired any shares of our Company during the past 6 months except as follows:

S.No.	Date	Name of the Acquirer	Number of Shares
1.	March 31, 2007	Gopal Extrusions Private Limited	451000
2.	August 16, 2007	Mr. Pradip Mundhra	10600
3.	August 16, 2007	Mr. Sanjay Kumar Taparia	56000
4.	August 16, 2007	Gopal Extrusions Private Limited	1050000

8. Our Company has not issued any equity shares for consideration other than cash except Bonus and takeover of specified assets & liabilities of M/s. Tulsi Pipe Industries, Narvada Industries & Gopal Extrusions Private Limited, details as given below:

Date of Allotment / Fully Paid-up	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons for Allotment / Reduction
October 25, 2005	11,50,000	10	10	Takeover of specified assets and liabilities of M/s. Tulsi Pipe Industries
March 30, 2006	1,50,000	10	10	Takeover of specified assets and liabilities of M/s. Tulsi Pipe Industries
March 31, 2006	3,55,000	10	-	Bonus Shares in the ratio of 6:1
December 23, 2006	12,42,500	10	-	Bonus Shares in the ratio of 2:1
January 29, 2007	15,00,000	10	10	Takeover of specified assets and liabilities of Narvada Industries and Gopal Extrusions Private Limited.

9. Our Company has not capitalized its reserves since inception except as follows:

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Details
March 31, 2006	3,55,000	10	Issue of Bonus shares in the ratio of 6:1
December 23, 2006	12,42,500	10	Issue of Bonus Shares in ratio of 2:1

10. There is no “buyback” or “standby” arrangement for purchase of Equity Shares by our Company, its Directors, its Promoters, or the BRLM for the Equity Shares offered through this Draft Red Herring Prospectus.
11. 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.
12. As on date of filing of this Draft Red Herring Prospectus with SEBI, the entire issued share capital of our Company is fully paid-up.
13. The Equity Shares offered through this public issue shall be made fully paid up and the unpaid equity shares may be forfeited within 12 months from the date of allotment of shares in the manner specified as per clause 8.6.2 of the SEBI (Disclosure and Investor Protection) Guidelines.
14. As on the date of this Draft Red Herring 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 any one.
15. Our Company has not raised any bridge loan against the proceeds of the present issue.
16. 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 Draft Red Herring Prospectus with SEBI till the Equity Shares offered through this Draft Red Herring Prospectus have been listed.
17. 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 that our Company may issue options to its employees pursuant to any employee Stock Option plan, 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.
18. 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.
19. Our Company has not issued any shares out of revaluation reserves.
20. At any given point of time, there shall be only one denomination for the Equity Shares of our Company, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.
21. A Bidder cannot make a bid for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
22. Our Company has 7 shareholders as on the date of filing of this Draft Red Herring Prospectus with SEBI.
23. Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion on competitive basis. Bid/ Application by Eligible Employees can be made also in the “Net Issue to the Public” and such Bids shall not be treated as multiple Bids.

24. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue. In case of under subscription in the Net Issue, spill-over to the extent of under-subscription shall be permitted from the Employee Reservation Portion to the net public Offer.
25. Not more than 50% of the Net Issue to the public shall be allocated to QIBs on a proportionate basis out of which 5% shall be available for allocation on proportionate basis to Mutual Funds only and the remainder shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and the remaining 35% of the Net Issue will be available for allocation to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price. Under-subscription, if any, in any category would be met with spill over from other categories at our sole discretion, in consultation with the BRLM.
26. Our Company has not revalued its assets.
27. An applicant in net public category cannot make an application for the number of Equity Shares exceeding the number of Equity Shares offered to the public.
28. In the case of employee reservation category, a single applicant in the employee reservation category can make an application for a number of Equity Shares, which exceed the employee reservation.
29. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in Para on “Basis of Allocation” beginning on page no. 167 of this Draft Red Herring Prospectus.

30. **Restrictive Covenants of Lenders**

As per the terms of the loan agreements, we require prior written consent from the Bank, for certain activities, amongst others, including to open a current account with any other Bank, undertake expansion/diversification/modernization of business, invest in associate/allied/group concerns, withdraw unsecured loans by friends/relatives during the currency of the Bank loan, withdraw the money brought in by promoters/principal shareholders, declare dividends for any year, if the account of our Company with the Bank is running irregular, transfer of the controlling interest, make any drastic change in the management set up, divert/utilize Bank’s fund to sister/associate/group concerns or for purposes other than those for which the credit facilities have been sanctioned by the Bank, issue bonus shares or dispose of share holding of promoters, sell or dispose of in any manner the hypothecated assets, mortgage, charge, lien or encumbrance.

Pursuant to the aforesaid covenants we have obtained the prior written approvals from Punjab National Bank, our lender vide their letter dated June 11, 2007.

OBJECTS OF THE ISSUE

The proceeds from the proposed Issue of shares are intended to be deployed for:

1. Expansion of our manufacturing facilities at Jalgaon, Maharashtra
2. Meeting long term working capital requirements
3. Purchase of branch offices
4. Provision for Contingencies
5. General Corporate Purposes
6. Issue Expenses

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.

Fund Requirements

The fund requirements for each of the objects are given in the following table:

(Rs. In Lakhs)

Sr.No.	Particulars	Amount
1.	Expansion of our manufacturing facilities at Jalgaon, Maharashtra.	2724.37
2.	Meeting long term working capital requirements	1213.60
3.	Purchase of branch offices	415.00
4.	Provision for Contingencies	28.61
5.	General Corporate purposes	[•]
6.	Issue Expenses	[•]
	Total	[•]

Means of Finance

(Rs. In Lakhs)

Means of Finance	Amount
Proceeds of Shares allotted to Promoters	893.28
Proceeds of the Issue	[•]
Internal Accruals*	[•]
Total	[•]

*Internal Accruals as on March 31, 2007, as per our restated financial statements were Rs. [•].

The total fund requirements in relation to the Objects of the Issue shall be financed out of Issue proceeds. Shortfalls, if any, would be met by internal accruals.

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 and have not been appraised by any bank or financial institution or any independent organisation. 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.

The fund requirement is proposed to be raised mainly through IPO proceeds and the proceeds from the Initial Public Offering/ IPO would be crystalized on finalization of the Issue Price on conclusion of the Book Building Process. Any shortfall in meeting the objects of the issues on determination of issue price on conclusion of the Book Building Process, would be met from internal accruals and / or debt. Further, the amount that is in excess of the funds required for the objects proposed project and Issue expenses will be utilized for general corporate purposes, which would be in accordance with the policies of our Board made from time to time.

Details of Utilisation of Issue Proceeds

1. Expansion of our Manufacturing facilities at Jalgaon, Maharashtra

We plan to expand our existing manufacturing facilities at Jalgaon thereby increasing the capacity of our existing operations and further expand our product range by venturing into manufacture of PVC moulded fittings, HDPE Sprinkler Systems, Online Drip Irrigation System, LLDPE fittings for micro irrigation. The estimated details of our various installed capacities after expansion in capacities is as under:

(Unit in metric tonnes)	Existing Installed Capacity	Proposed Expansion in Installed Capacity	Proposed Installed Capacity after Expansion
PVC Pipes	10483.20	7488	17971.20
PVC Moulded Fittings	Nil	2201.47	2201.47
LLDPE Pipes	Nil	748.8	748.8
LLDPE Fittings	Nil	89.86	89.86
HDPE Pipes	Nil	8936	8936

The total cost of expansion in capacities is Rs. 2724.37 lakhs, details of which are as under:

Sr.no.	Particulars	Amount (Rs. in lakhs)
a)	Land & Site Development	13.70
b)	Buildings	127.50
c)	Plant & Machinery	2382.58
d)	Electric Installation and other fixed assets	200.59
	Total	2724.37

a) Land and Site Development

We have identified the land admeasuring 4,000 square metres which is located adjacent to our existing manufacturing unit and is located at Plot no. N-108, Jalgaon Industrial Area, Mehrun Taluka, Maharashtra Industrial Development Corporation, Jalgaon. The said land for expansion is on lease from Maharashtra Industrial Development Corporation, Jalgaon. We have entered into an Agreement for sale dated June 9, 2007. The said land would be used for manufacturing of PVC moulded items. The total cost of land including registration and other costs is Rs. 12.70 lakhs, out of which we have already paid Rs. 3 lakhs.

As per estimate received from the Civil & Furniture Contractor, Mr. R. K. Sharma, vide his letter dated August 9, 2007 the cost of site development for the above land is estimated at Rs. 1 lakh which includes plot levelling, fencing, grass cutting and removing of stones and filling. Thus the total cost of Land and Site Development aggregates to 13.70 lakhs.

b) Building

For our expansion activities, we propose to use the above land i.e. Plot no. N-108, Jalgaon Industrial Area, Mehrun Taluka, Maharashtra Industrial Development Corporation, Jalgaon for manufacturing of PVC moulded items. The installed capacity for the proposed moulding activities would be 2201.47 metric tonnes.

As per estimate received vide letter dated August 8, 2007 from Civil Contractor viz. Mr. R.K. Sharma the cost of civil works and construction of Building is estimated at Rs. 127.50 lakhs. This project envisages construction of building for moulding division, warehouses, generator room, laboratories, and office premises.

The costs of estimates of different facilities are as below:-

(Rs. In Lakhs)

S.No.	Objects	Total Area (In Sq.mts)	Total Amount (Rs In Lakhs)
1	Building for Moulding Division	558	33.48
2	Warehouse for Raw Materials of Moulding Division	372	22.32
3	Warehouse for Drip Irrigation Products	372	22.32
4	Warehouse for Finished Goods of Moulding Division	483	28.98
5	Generator Room	67	4.02
6	Laboratory	38	2.28
7.	Administration Office Premises	235	14.10
	Total	2125	127.50

c) Plant and Machinery

The total cost of plant and machinery for the project aggregates to Rs. 2382.58 lakhs, the details of which are as under:

Sr. No	Description of Equipment/Machinery	Name of Supplier	Quantity (Nos)	Rate per Equipment/Set (Rs. Lakh)	Total Amount (Rs. In lakhs)	Order status	Date of Quotation
1	Extruder BEX2-90-25 V/4 Twin Screw PVC Pipe Plant	Kabra Extrusion Technik Limited	2	97.44	194.88	Yet to be placed	August 20, 2007
2	Twin Screw Barrel set for KET 90/22 V	Priyanka Machines	1	6.75	6.75	Yet to be placed	August 8, 2007
3	ASTM Die 0.5" to 2" Mandrel & Sizers	Priyanka Machines	1	3.05	3.05	Yet to be placed	August 8, 2007
4	PVC Die Head 400/800 & Trolley S for 400/800	Priyanka Machines	1	8.55	8.55	Yet to be placed	August 8, 2007
5	SMT 90 HDPE Pipe Plant	Sai Machine Tools Pvt. Ltd	2	69	138.00	Yet to be placed	July 17,2007

Sr. No	Description of Equipment/Machinery	Name of Supplier	Quantity (Nos)	Rate per Equipment/Set (Rs. Lakh)	Total Amount (Rs. In lakhs)	Order status	Date of Quotation
6	Extruder for LLDPE Inline Drip Pipes	Suresh Engineering Works	2	32	64.00	Order placed	July 13, 2007
7	Injection Moulding Machine Model POLO –SMART R180	Windsor Machines Limited	2	26.5	53.00	Yet to be placed	July 13, 2007
8	Injection Moulding Machine Model POLO –SMART R250	Windsor Machines Limited	1	34.75	34.75	Yet to be placed	July 13, 2007
9	Injection Moulding Machine Model POLO –SMART R350	Windsor Machines Limited	1	46.50	46.50	Yet to be placed	July 13, 2007
10	Injection Moulding Machine Fully Automatic Model 80 Ton	Suresh Engineering Works	1	7.00	7.00	Yet to be placed	August 9, 2007
11	Moulds Agriculture Fittings (Heavy)(for Elbow, Tee, M.T.A, F.T.A, Tail piece, Coupler, Service Saddle and End Cap)	Sukhsagar Hirise Private Limited	1	323.25	323.25	Order Placed	July 12, 2007
12	Moulds Agriculture Fittings (Light) (For Elbow, Tee, Service Sadle, End Cap, Elbow Threaded, Tee Threaded)	Jhawar Finance & Trading Co Private Limited	1	257.25	257.25	Order Placed	July 25, 2007
13	Moulds Agriculture Fittings (Heavy) (for End cap, Reducer, Reducing Tee, Reducing FTA and Reducing MTA)	OPT Trading Private Limited	1	133.25	133.25	Order Placed	July 25, 2007
14	Moulds SWR Fittings (Heavy)	Gour Commotrade Pvt Limited	1	84.20	84.20	Order Placed	July 25, 2007
15	Moulds SWR Fittings (Light)	Paritosh Electricals Pvt. Ltd.	1	58.75	58.75	Order Placed	July 25, 2007
16	Moulds SWR Fittings (Heavy)	Piyali Holdings Pvt. Ltd.	1	81.00	81.00	Order Placed	July 25, 2007
17	ASTM SCH 80 Fittings	Reward	1	317.80	317.80	Order	July 26,

Sr. No	Description of Equipment/Machinery	Name of Supplier	Quantity (Nos)	Rate per Equipment/Set (Rs. Lakh)	Total Amount (Rs. In lakhs)	Order status	Date of Quotation
	& Lateral Fittings	Sales Promotion Pvt. Ltd.				Placed	2007
18	Socketing Machine VSM 500 2HSI& accessories	Vihan Engineering Private Limited	1	76.77	76.77	Yet to be placed	August 1, 2007
19	Socketing Machine for SWR Fittings	Priyanka Machines	2	5.00	10.00	Yet to be placed	August 1, 2007
20	Socketing Machine for PVC Pipes ranging from 20mm to 90mm	Priyanka Machines	1	6.00	6.00	Yet to be placed	August 1, 2007
21	Socketing Machine for PVC Pipes ranging from 110mm to 315mm	Priyanka Machines	2	4.44	8.88	Yet to be placed	August 8, 2007
22	Threading Machine for PVC & ASTM Pipe for diameter ranging 0.5 ” to 2”	Priyanka Machines	3	6.00	18.00	Yet to be placed	August 17, 2007
23	Slotting Machine for PVC Pipe	Priyanka Machines	2	13.33	26.66	Yet to be placed	August 8, 2007
24	Heating Cooling Mixer Turbo-125	Systems (India)	1	14.00	14.00	Yet to be placed	August 20, 2007
25	Heating Cooling Mixer Turbo-225	Systems (India)	1	19.00	19.00	Yet to be placed	August 20, 2007
26	Willet Inkjet Printer (430 SI)	Willet India Pvt Limited	16	3.23	51.68	Yet to be placed	August 3, 2007
27	Air Compressor Elgi make Model TS 10 120 HT	V.V. Enterprises	3	1.08	3.24	Yet to be placed	August 20, 2007
28	Elgi Screw Air Compressor & High Pressure Compressor E15-10	Bimpex Machines Pvt. Ltd.	1	2.72	2.72	Yet to be placed	August 21, 2007
29	Breaker cum Grinder	V.V. Enterprises	1	4.00	4.00	Yet to be placed	August 21, 2007
30	Pulveriser	V.V. Enterprises	1	3.75	3.75	Yet to be placed	August 21, 2007
31	RUAN Compact Water	Soham	1	7.18	7.18	Yet to	August

Sr. No	Description of Equipment/Machinery	Name of Supplier	Quantity (Nos)	Rate per Equipment/Set (Rs. Lakh)	Total Amount (Rs. In lakhs)	Order status	Date of Quotation
	Chiller Model 25W	Technologies Private Limited				be placed	20, 2007
32	Armec Chilling Plant Model AHW- S25000	Armec Cooling System Limited	4	7.47	29.88	Yet to be placed	July 12, 2007
33	Cooling Towers Model No NCT-2250(150 TR)	National Cooling Towers	4	1.36	5.44	Yet to be placed	August 18, 2007
34	Tool Room Machinery <ul style="list-style-type: none"> • Leathe Machine 8 Feet • Milling Machine • Surface Grinder • Drill Machine • Hand Grinder • Welding Machine • Crane 	Priyanka Machines	1	19.23	19.23	Yet to be placed	August 1, 2007
35	Testing Lab Equipments <ul style="list-style-type: none"> • for Extruding Division • for Moulding Division • for Lateral Fittings 	Deepnil Consultants	1	16.59	16.59	Yet to be placed	August 9, 2007
36	Motor 40 HP Water Pump of Kirloskar Make	Mundhra Traders	3	0.50	1.50	Yet to be placed	August 3, 2007
37	Motors & Pumps Motor 30 H.P.(Insulation of B Class) Spare for Grinder	Mundhra Traders	1	0.40	0.40	Yet to be placed	August 3, 2007
	Total				2136.90*		

(Source: Quotations received by our Company)

**The total amount as stated is exclusive of duties and taxes except for plant & machinery mentioned for Sr.no. 10 to 17 wherein the quoted prices are inclusive of duties and taxes. As per management estimates, the duties and taxes for the plant and machinery would be approximately Rs 176.28 lakhs. Further, cost relating to loading, unloading, freight, octroi, erection & installation is expected at 3% of total cost which works out to Rs. 69.40 lakhs. Thus the total estimated cost of the plant and machinery would aggregate to Rs.2382.58 lakhs.*

Out of the above total plant & machinery of Rs. 2136.90 lakhs, we have already placed orders for plant & machinery for an amount of Rs. 1319.50 lakhs (constituting 61.75% of cost of plant & machinery), and had paid an advance of Rs. 761 lakhs. We have yet to place orders for 38.25% of our plant and machinery.

d) Electric Installations and other fixed assets

The following Electrical Installations and other fixed assets amounting to Rs. 200.59 lakhs will be required for the proposed expansion project, the details of which are as under:-

Sr. No	Description of Equipment/Machinery	Name of Supplier	Total Amount (Rs. In Lakhs)**	Date of Quotation
1	Diesel Generator Set of 380 KVA	Powerica Limited	21.67	August 9,2007
2	Electrical Accessories*	-	9.89	-
3	Transformer of 800 KVA	Kundan Electricals	8.00	August 9,2007
4	Cabling	Kundan Electricals	18.00	August 9,2007
5	Electric Panel Board	Kundan Electricals	2.00	August 9,2007
6	H.T. Structure	Kundan Electricals	1.00	August 9,2007
7	H.T Power connection 1000 KVA Transformer	R.P.Electricals	6.00	July 18, 2007
8	H.T Substation Yard	R.P.Electricals	20.00	July 18,2007
9	H.T Connection - Miscellaneous	R.P.Electricals	20.00	July 18,2007
10	Internal(Factory) Electric Installation	R.P.Electricals	50.00	July 18,2007
11	Vehicles (Delivery Trucks)	Ujwal Automotives Pvt. Ltd.	24.03	August 3,2007
12	Air and Water Pipeline	Vijay Construction Co	20.00	August 9, 2007
	Total		200.59	

(Source: Quotations received by our Company)

* Management estimates

** The total amount is inclusive of taxes

2. Meeting long term working capital requirements

Presently, our Company enjoys working capital credit limits to the extent of Rs. 1200 lakhs as stated in the paragraph “Our Indebtedness” appearing on page no. 69 of this Draft Red Herring Prospectus under section “Our business”. These limits and our internal accruals are adequate to meet our existing working capital requirements. We have estimated our additional working capital requirements based on the additional capacity utilization for the fiscal year 2008-09 and is calculated as under:

(Rs. in Lakhs)

Particulars	F.Y. 2008-09 (Estimates)	March 31,2007 (Audited)
Current Assets		
Raw Materials	478.66	393.05
Work in Process	119.67	167.29
Finished Goods – Moulded Fittings	243.26	-----
Finished Goods – Pipes & Fabricated Fittings	503.19	438.37
Total Inventories	1344.78	998.71
Receivables	1874.47	1632.42
Total Current Assets*	3219.25	2631.13

Particulars	F.Y. 2008-09 (Estimates)	March 31,2007 (Audited)
Less : Current Liabilities		
Creditors	239.33	605.14
Net Working Capital Requirements	2979.93	2025.99
Funding Pattern		
Estimated bank finance available	1766.33	
Proposed to be funded from Public Issue	1213.60	
Total	2979.93	

*Current Assets do not include Loans & Advances and Cash & Bank Balances.

The above working capital estimates are based on the following assumptions:

Particulars	Period(In months)
Raw Materials	1.00
Work in Progress	0.25
Finished Goods – Moulded Fittings	2.00
Finished Goods – Pipes & Fabricated Fittings	1.00
Sundry debtors	3.00
Sundry Creditors	0.50

- The net working capital for 2006-07 is based on the position of the current assets and current liabilities as per the audited financial position of our Company for the financial year ended 2006-07.
- Taking into consideration the actual holding period of various components of current assets as well as current liabilities as at March 31, 2007, we have worked out the projected level of holding of the current assets and current liabilities for the financial year 2008-09.
- The projected levels of holding periods of various items of current assets and current liabilities are shown in the above table.

On the basis of estimated holding period for the FY 2009, we have projected the bank borrowings for the year 2009 at the level of Rs. 1766.33 lakhs against the net working capital requirement of Rs. 2979.93 lakhs for additional capacity, which gives the balance long term working capital requirement of Rs. 1213.60 lakhs for FY 2008-09, which we propose to meet through IPO proceeds.

3. Purchase of branch offices

We have at present our branch offices at Mumbai, Raipur, Jaipur and Kolkata on leave and license agreement as we do not own these premises. Further, we have C&F agent at Indore. These branch offices, including C&F agent are involved in marketing & distribution of our products and are also engaged in trading of the same. We plan to purchase offices on our own to ensure stability at these locations. We have not yet identified specific locations at these branches. As per our own estimates, the total cost of purchasing these branch offices would be Rs. 415 lakhs, details of which are as under:

Sr. No.	Location	Area (sq.ft.)	Rate (Rs. Per sq.ft.)	Total Cost (Rs. In lakhs)
1.	Mumbai	2000	10,000	200.00
2.	Raipur	600	2500	15.00
3.	Jaipur	625	2400	15.00
4.	Kolkata	520	4800	25.00
5.	Indore	1000	2000	20.00
	Furniture & fixture in above branches			140.00
	TOTAL			415.00

4. Provision for Contingencies

In the event of any cost overruns due to any changes in quoted prices of plant & machinery for which orders have not yet been placed, time variation, transportation cost, insurance, unexpected price rise due to factors beyond our control, contingencies have been provided for to cover any such eventuality which may occur. Contingencies have been estimated at 3.5% of cost of plant & machinery for which orders have yet to be placed is estimated at Rs. 28.61 lakhs.

5. General Corporate Purposes

We, in accordance with the policies set up by the Board will have flexibility in applying the Net Proceeds of the Issue, after the aforesaid objects are met for general corporate purposes including but not restricted to offsetting secured loan and working capital borrowings, expanding into new geographies and setting up of research and development centre.

6. Meeting the Issue expenses

The expenses for this Issue include Issue management fees, underwriting & selling commission, registrars' fee, grading fee, printing and distribution of issue stationery, advertisement and marketing expenses, legal counsel fees and listing fees payable to the Stock Exchanges, among others. The total expenses for this issue are estimated to be Rs. [•] Lakhs, details of which are as under:

(Rs. in Lakhs)			
Activity	Amount (Rs. In Lakhs)*	% of Total Issue Size*	% of Issue Expenses*
Issue Management Fees, Underwriting & Selling Commission and Brokerage	[•]	[•]	[•]
Registrars Fees	[•]	[•]	[•]
Fee for Legal Counsel to the Issue	[•]	[•]	[•]
Fee payable to Grading Agency for grading the Issue	[•]	[•]	[•]
Printing and Distribution of Issue Stationery	[•]	[•]	[•]
Advertising and Marketing expenses	[•]	[•]	[•]
Other expenses (stamp duty, initial listing fees, depository fees, charges for using the book building software of the exchanges and other related expenses)	[•]	[•]	[•]
Total	[•]	[•]	[•]

*Will be incorporated after finalization of Issue Price

Infrastructural facilities

Manpower

The details of additional manpower requirements for the proposed expansion are as follows:-

Sr. No.	Category of Employees	Proposed number of employees
1.	Managerial Post	1
2.	Officers	2
3.	Marketing	2
4.	Engineers	1

5.	Operators	12
6.	Supervisor	3
7.	Electricians	3
8.	Skilled	36
9	Unskilled	162
10.	Drivers	1
11.	Sub Staff (Peon)	1
Total		224

All our existing manufacturing facilities are located in Industrial area, MIDC, Jalgaon and also our proposed manufacturing facilities will be located in the Industrial area i.e. MIDC, Jalgaon. The additional manpower required will be easily available in the MIDC area. Thus, we do not foresee any problem in the sourcing the required manpower.

Power

The total requirement of power will be 1461.4 KVA, which we propose to source from Maharashtra State Electricity Board (MSEB). We plan to apply for the same once the construction of the building is completed. In addition we propose to install a diesel generator of 380 KVA to ensure uninterrupted supply of power.

Water

Water is required for manufacturing and general purposes. Total water requirement for the expansion project is 500 litres per day which shall be met by Maharashtra Industries Development Corporation (MIDC) in Jalgaon. We plan to apply for the same once the construction of the building is completed.

Funds deployed till date

The details of the amounts spent by our Company as of August 17, 2007 on projects as part of the “Objects of the Issue” and as certified by our Statutory Auditors, K. K. Kabra & Company, Chartered Accountants vide certificate dated August 20, 2007 are provided in the table below:

	Deployment of Funds	(Rs. in Lakhs)
1.	Expansion of manufacturing unit at Jalgaon	
	a) Land & Site Development	3.00
	b) Plant, moulds and machinery (Advance to agents/suppliers/dealers)	761.00
2.	Issue Expenses	36.09
	Total	800.09

Sources of Funds		
Part proceeds of equity shares allotted to Promoters*		800.09
Total		800.09

* These refer to the proceeds pursuant to the allotment made to our Promoters on August 16, 2007.

Schedule of Implementation

Sr. No	Activity	Expected month of Commencement	Expected month of Completion
Expansion of our manufacturing facilities at Jalgaon, Maharashtra			
	(i) Acquisition of Land	August 2007	October 2007
	(ii) Site Development	September 2007	September 2007
	(iii) Construction of Buildings	September 2007	March 2008
	(iv) Plant and Machinery		
	(a) Placement of Orders	July 2007	January 2008

	(b) Delivery and Installation	November 2007	July 2008
	(v) Electric Installations & Other Fixed assets	October 2007	January 2008
	(vi) Trial Runs	January 2008	July 2008
	(vii) Commercial Production	February 2008	
Purchase of Branch Offices		August 2007	March 2008

Proposed Deployment of Funds in the project

The quarter -wise break-up of proposed deployment of funds is mentioned below:

(Rs. in lakhs)

	Already Incurred till Date	Fiscal year 2007-08		Fiscal year 2008-09				Total
		Q3	Q4	Q1	Q2	Q3	Q4	
1. Setting up of the new Manufacturing Unit at Jalgaon								
Acquisition of Land and Site Development	3.00	-	10.70	-	-	-	-	13.70
Construction of Buildings	-	-	63.75	63.75	-	-	-	127.50
Plant and Machinery	761.00	-	405.40	1216.18	-	-	-	2382.58
Electric Installations & Other Fixed Assets	-	-	150.00	50.59	-	-	-	200.59
2. Margin Money for Working Capital Requirements	-	-	303.40	910.20	-	-	-	1213.60
3. Purchase of branch offices	-	-	-	415.00	-	-	-	415.00
3.Public Issue Expenses	36.09	-	[●]	[●]	[●]	[●]	[●]	[●]
4.General Corporate Purposes	-	-	[●]	[●]	[●]	[●]	[●]	[●]
Total	800.09	-	[●]	[●]	[●]	[●]	[●]	[●]

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, deposits with banks and, additional working capital requirements to reduce overdraft for the necessary duration. Such investments would be in accordance with the investment policies approved by the Board from time to time.

Monitoring of Utilisation of funds

We will disclose the utilization of the proceeds under a separate head in our Company's balance sheet for the financial year 2008 and 2009 clearly specifying the purpose for which such proceeds have been utilised. We, in our balance sheet for the fiscal 2008 and 2009, provide details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any of such unutilized proceeds of the Issue.

No part of the issue proceeds, will be paid by our Company, as consideration to Promoters, Directors, Promoter Group Companies, key managerial personnel except in the usual course of business.

BASIC TERMS OF ISSUE

Public Issue of 57,00,000 Equity Shares of Rs 10/- each for cash at a Price of Rs. [•] Per Equity Share, aggregating Rs. [•] Lakhs (The “Issue”). The Issue comprises a reservation of 1,00,000 Equity Shares of Rs. 10/- each aggregating Rs. [•] Lakhs for Eligible Employees (The “Employee Reservation Portion”), and Net Issue of 56,00,000 Equity Shares of Rs. 10/- Each aggregating Rs. [•] Lakhs.

	QIBs	Non-Institutional Bidders	Retail individual Bidders	Employee Reservation Portion
Number of Equity Shares available for Allocation*	Not more than 28,00,000 Equity Shares or Net Issue less allocation to Non-Institutional Bidders and Retail Individual Bidders.	Not less than 8,40,000 Equity Shares or Net Issue less allocation to QIB Bidders and Retails Individual Bidders.	Not less than 19,60,000 Equity Shares or Net Issue less allocation to QIB Bidders and Non-Institutional Bidders	Upto 1,00,000 Equity Shares
Percentage of Issue Size Available for allocation	Not more than 50% of the Net Issue or Net Issue less allocation to Non-Institutional Bidders and Retail Individual Bidders of which 5% will be available for allocation to Mutual Funds only.	Not less than 15% of Net Issue or Net Issue less allocation to QIB Bidders and Retail Individual Bidders	Not less than 35% of Net Issue or Net Issue less allocation to QIB Bidders and Non-Institutional Bidders	Upto 1.75% of Issue Size
Basis of Allocation if respective category is oversubscribed	Proportionate as follows: a. Equity Shares shall be allocated on proportionate basis to Mutual Funds in the Mutual Funds Portion; b. Equity Shares shall be allocated on proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares in multiples of [•] Equity Shares so that the Bid Amount exceeds Rs. 1,00,000.	Such number of Equity Shares in multiples of [•] Equity Shares so that the Bid Amount exceeds Rs. 1,00,000.	[•] Equity Shares	[•] Equity Shares

Maximum Bid	Such number of Equity Shares in multiples of [•] Equity Shares so that the Bid amount does not exceed the Issue, subject to applicable limits.	Such number of Equity Shares in multiples of [•] Equity Shares so that the Bid amount does not exceed the Issue, subject to applicable limits.	Such number of Equity in multiples of [•] Equity Shares so that the Bid amount does not exceed Rs. 1,00,000	Such number of Equity Shares so as to ensure that the Bid Amount does not exceed application for more than 100,000 Equity Shares.
Mode of Allotment	Compulsorily in dematerialised mode	Compulsorily in dematerialised mode	Compulsorily in dematerialised mode	Compulsorily in dematerialized mode
Allotment Lot	[•] Equity Shares and in multiples of one Equity Share thereafter	[•] Equity Shares and in multiples of one Equity Share thereafter	[•] Equity Shares and in multiples of one Equity Share thereafter	[•] Equity Shares and in multiples of one Equity Share thereafter
Trading Lot	One	One	One	One
Who can apply**	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, foreign venture capital investors registered with SEBI, State Industrial Development Corporations, permitted insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 2500 lakhs and pension funds with minimum corpus of Rs. 2500 lakhs in accordance with applicable laws.	Resident Indian individuals, HUF (in the name of Karta), companies, corporate bodies, Eligible NRIs, scientific institutions, societies and trusts.	Individuals including NRIs and HUFs (in the name of the Karta) applying for Equity Shares such that the Bid amount does not exceed Rs. 100,000 in value.	Eligible Employees
Terms of Payment	Margin Money	Margin Money	Margin Money	Margin Money

	applicable to QIB Bidders at the time of submission of Bid cum Application Form to the BRLM.	applicable to Non institutional Bidders at the time of submission of Bid cum Application Form to the Syndicate Members.	applicable to Retail Individual Bidders at the time of submission of Bid cum Application Form to the Syndicate Members.	applicable to Eligible Employees at the time of submission of Bid cum Application Form to the Syndicate Members.
Margin Amount	10% of the bid amount	100% of the Bid amount	100% of the Bid amount	100% of the Bid amount

* Subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category would be met with spillover from other categories at the sole discretion of our Company, in consultation with the BRLM.

Any under-subscription, if any, in the Employee Reservation Portion, would be included in the Net Issue to the Public and will be allocated in accordance with the description in the section titled “Basis of Allocation” beginning on page no. 167 of this Draft Red Herring Prospectus.

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

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLM on the basis of assessment of market demand for the offered Equity Shares by the Book Building Process. The face value of the Equity Shares is Rs. 10 and Issue Price is Rs. [●] per Equity Shares and is [●] times the face value.

Investors should read the following summary with the risk factors beginning from page nos. iii of this Draft Red Herring Prospectus and the details about our Company and its financial statements included in this Draft Red Herring 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.

Key Business Strengths:

Our Quality

Our Company has received an ISO-9001:2000 certificate in respect of our quality management systems in the year 2002. The present certificate is valid till March, 2010. We maintain quality at all stages of manufacturing process starting from raw material procurement to manufacture of finished product. All our finished products are tested in our quality control laboratory to adhere to the laid down quality standards. Our Company also facilitates third party inspection on the request of the customers.

Marketing and Distribution Network

Sales are made through direct marketing through our network of dealers and distributors and by our Company's sales personnel. Presently, we have 813 dealers covering five states viz. Maharashtra, West Bengal, Madhya Pradesh, Rajasthan and Chattisgarh. We also have branches at Jaipur (Rajasthan), Kolkata (West Bengal), Mumbai (Maharashtra) and Raipur (Chattisgarh). We have also appointed one C&F Agent at Indore (Madhya Pradesh) for facilitating distribution of our products. We have a team of experienced technicians, hydraulic engineers and marketing personnel to assist the customers in selecting the right pipes and providing after sales service.

Diversified Product Mix

Our Company has a product mix to cater to the increasing requirements of our customers. Our product offerings include PVC Pipes, PVC fabricated fittings, PVC casing and screen pipes, ASTM plumbing pipes, LLDPE pipes, HDPE pipes and elastomeric sealing pipes. These ranges of product are used in irrigation sector, industrial sector, 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.

Experienced Management Team

We have a management team with experience in different areas of PVC pipes and fittings industry including production, quality control, sales, marketing and finance. The management team is supported by workforce. Our management team includes Managing Director, Mr. Pradip Mundhra who has over 20 years of experience in the plastic industry; Mr. Sanjay Kumar Taparia, who has 19 years of experience in trading and marketing of PVC pipes and fittings and Mr. Om Prakash Agrawal having 23 years of experience in marketing of PVC pipes, administration, planning, production and finance.

Quantitative Factors:

1. Adjusted Earning Per Equity Share

Period (Financial Year)	Earnings Per Share (Rs.)	Weights Used
2006-07	10.94	3
2005-06	4.10	2
2004-05	0.35	1
Weighted Average	6.90	

2. Price / Earning Ratio (P/E) in relation to the Issue Price of Rs. [•] per share

Particulars	No. of Times
Based on EPS of March 31, 2007	[•]
Based on weighted average EPS	[•]

Industry P/E – Plastic Product

Sr.No	Particulars	Industry P/E
(i)	Highest	105.40
(ii)	Lowest	1.40
(iii)	Average	18.10

(Source: Capital Market dated August 27- September 9, 2007)

3. Return on Networth (RONW)

Financial year	RONW (%)	Weights
2006-07	38.61	3
2005-06	27.87	2
2004-05	4.49	1
Weighted Average RONW	29.34	

4. Minimum Return on total net worth needed after the Issue to maintain pre-Issue EPS at 10.94 will be [•].

5. Net Asset Value per share (NAV)

Particulars	(Rs.)
a. As on March 31, 2007	28.33
b. After Issue	[•]

NAV per share = Paid up share capital + Reserves and surplus – Miscellaneous expenditure not yet written off /
Number of Equity Shares of our Company outstanding.

6. 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:

Name of Company	Face Value (Rs.)	E.P.S. (Rs.) (Trailing Twelve months)	P/E	Book Value (Rs.)	RONW (%)
Tulsi Extrusions Limited (as on March 31, 2007)	10	10.94	[●]	28.33	38.61
Peer Group					
Astral Polytechnik Limited	10	-	-	59.00	23.10
Kisan Mouldings	10	5.40	6.50	38.00	17.40

(Source: Capital Market dated August 27 -September 9, 2007 Industry – Plastic Product)

The face value of the shares of our Company is Rs. 10/- per share and the Issue Price of Rs. [●] per share is [●] times of the face value of the Shares of our Company.

The BRLM believe that the Issue price of Rs. [●] is justified in view of the above qualitative and quantitative factors. See the section titled “Risk Factors” and “Financial Statements” beginning on page no. iii and 100 of this Draft Red Herring Prospectus, including important profitability and return ratios, as set out in the Auditors Report beginning on page no. 100 for further information.

STATEMENT OF TAX BENEFITS

**The Board of Directors,
Tulsi Extrusions Limited,**
N-99, MIDC Area,
Jalgaon – 425 003.

Dear Sirs,

We hereby report that the enclosed annexure states the possible tax benefits available to **Tulsi Extrusions Limited** (the “Company”) and its shareholders under the current tax laws presently in force in India as **amended by the Finance Act, 2007**. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

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

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

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

The contents of this annexure are based on information/explanations, relevant documents as produced before us and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

This statement is provided solely for the purpose of assisting the Company to which it is addressed in discharging their responsibilities under the Securities & Exchange Board of India (Disclosure & Investor Protection Guidelines, 2000) and paragraph B (1) of Part II of Schedule II to the Indian Companies Act.

For K. K. Kabra & Co.
Chartered Accountants

K. K. Kabra
Proprietor
Membership No. 100-37641
Place: Jalgaon
Date: July 31, 2007

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO TULSI EXTRUSIONS LIMITED (“THE COMPANY”) AND ITS SHAREHOLDERS

(I) SPECIAL TAX BENEFITS AVAILABLE TO TULSI EXTRUSIONS LIMITED AND ITS SHAREHOLDERS

No special tax benefits are available to Tulsi Extrusions Limited and its shareholders.

(II) GENERAL TAX BENEFITS AVAILABLE TO TULSI EXTRUSIONS LIMITED AND ITS SHAREHOLDERS

BENEFITS AVAILABLE TO THE COMPANY UNDER THE INCOME TAX ACT, 1961

1. Dividend exempt under Section 10(34)

Under Section 10(34) to be read with Section 115O of the Act, dividend income (whether interim or final) in the hands of the company as distributed or paid by any other Company on or after April 1, 2004 is completely exempt from tax in the hands of the Company.

2. Exemption under Section 10(35)

Under section 10(35) of the Act, the income received by the Company from distribution made by any mutual fund specified under section 10(23D) of the Act in respect of which tax is paid by such mutual fund u/s. 115R of the Act or from the Administrator of the specified undertaking or from the specified companies is exempt from tax.

3. Exemption under Section 10(23G)

In accordance with and subject to the provisions of section 10(23G) of the Act, the Company will be eligible to claim exemption on any income by way of dividends (other than dividends exempt under section 10(34) of the Act), interest or long-term capital gains from investments made by way of shares or long - term finance in specified enterprise, wholly engaged in specified business or projects and which have been approved by the Central Government.

4. Lower Tax Rate under Section 112 on Long Term Capital Gains

As per the provisions of Section 112 of the Act, long-term gains that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the proviso to Section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and education cess).

5. Exemption of Long Term Capital Gain under section 10(38)

As per the provisions of section 10(38), long term capital gain arising from the sale of Equity Shares in any company through a recognized stock exchange or from the sale of units of an equity oriented mutual fund shall be exempt from Income Tax if such sale takes place after 1st of October 2004 and such sale is subject to Securities Transaction tax.

However, income by way of long-term capital gain of a company shall be taken into account in computing the book profit and income-tax payable under section 115JB.

6. Lower Tax Rate under Section 111A on Short Term Capital Gains

As per the provisions of section 111A, Short Term capital gains arising from the transfer of Equity Shares in any company through a recognized stock exchange or from the sale of units of equity oriented mutual

fund shall be subject to tax @ 10% provided such a transaction is entered into after the 1st day of October, 2004 and the transaction is subject to Securities Transaction Tax.

7. Exemption of Long Term Capital Gain under Section 54EC

In accordance with and subject to the conditions and to the extent specified in Section 54EC of the Act, the Company would be entitled to exemption from tax on gains arising from transfer of the long term capital asset (not covered by section 10(36) and section 10(38)) if such capital gain is invested in any of the long-term specified assets in the manner prescribed in the said section. Where the long term specified asset is transferred or converted into money at any time 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.

8. Exemption of Long Term Capital Gain under Section 54ED

According to the provisions of section 54ED of the Act and subject to the conditions specified therein, capital gains not exempt under section 10(38) and arising from transfer of long term assets, being listed securities or units shall not be chargeable to tax to the extent such gains are invested in acquiring equity shares forming part of an "eligible issue of share capital" within six months from the date of transfer of the long term assets (provided they are not transferred within one year of acquisition). Eligible issue of share capital has been defined as an issue of equity shares which satisfies the following conditions:

- a. the issue is made by a public company formed and registered in India; and
- b. the shares forming part of the issue are offered for subscription to the public.

However, if the above specified shares are sold or otherwise transferred within a period of one year 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 shares are sold or otherwise transferred.

9. Preliminary Expenses under Section 35D

In accordance with and subject to the provisions of section 35D of the Income tax Act, the company will be entitled to amortize, over a period of five years, all expenditure in connection with the proposed public issue subject to the overall limit specified in the said section.

10. Depreciation under Section 32

In accordance with and subject to the provisions of section 32 of the Income tax Act, the company will be allowed to claim depreciation on specified tangible and intangible assets as per the rates specified. Besides normal depreciation, the company, in terms of section 32(1)(ia), shall be entitled to claim depreciation @ 20% of actual cost on new plant and machinery acquired after 31st March, 2005

11. MAT Credit under Section 115 JAA(1A)

Under Section 115 JAA (1A) of the Act, tax credit shall be allowed of any tax paid (MAT) under Section 115JB of the Act. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Act. Such MAT credit shall not be available for set-off beyond 7 years succeeding the year in which the MAT becomes allowable.

BENEFITS AVAILABLE TO RESIDENT SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961

1. Dividend Exempt under Section 10(34)

Under Section 10(34) to be read with Section 115O of the Act, dividend (whether interim or final) declared, distributed or paid by the Company on or after 1st April 2004 is completely exempt from tax in the hands of the shareholders of the Company.

2. Lower Tax Rate under Section 112 on Long Term Capital Gains
As per the provisions of Section 112 of the Act, long-term gains that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the proviso to Section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and education cess).
3. Lower Tax rate under Section 111A on Short Term Capital Gains
As per the provisions of section 111A, Short Term capital gains arising from the transfer of Equity Shares in any company through a recognized stock exchange or from the sale of units of equity oriented mutual fund shall be subject to tax @ 10% provided such a transaction is entered into after the 1st day of October, 2004 and the transaction is subject to Securities Transaction Tax.
4. Exemption of Long Term Capital Gain under section 10(38)
As per the provisions of section 10(38), long term capital gain arising from the sale of Equity Shares in any company through a recognized stock exchange or from the sale of units of an equity oriented mutual fund shall be exempt from Income Tax if such sale takes place after 1st of October 2004 and such sale is subject to Securities Transaction tax.
5. Exemption of Long Term Capital Gain under Section 54EC
In accordance with and subject to the conditions and to the extent specified in Section 54EC of the Act, the shareholders would be entitled to exemption from tax on long term capital gains (not covered by sections 10(36) and 10(38)) arising on transfer of their shares in the Company if such capital gain is invested in any of the long term specified assets in the manner prescribed in the said section. Where the long-term specified asset is transferred or converted into money at any time 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 specified asset is transferred or converted into money.
6. Exemption of Long Term Capital Gain under Section 54ED
According to the provisions of section 54ED of the Act and subject to the conditions specified therein, capital gains not exempt under section 10(38) and arising from transfer of long term assets, being listed securities or units shall not be chargeable to tax to the extent such gains are invested in acquiring equity shares forming part of an "eligible issue of share capital" within six months from the date of transfer of the long term assets (provided they are not transferred within one year of acquisition). Eligible issue of share capital has been defined as an issue of equity shares which satisfies the following conditions:
 - i. the issue is made by a public company formed and registered in India; and
 - ii. the shares forming part of the issue are offered for subscription to the public. However, if the above specified shares are sold or otherwise transferred within a period of one year 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 shares are sold or otherwise transferred.
 - iii. The issue of shares by the Company being an eligible issue of share capital, the subscribers thereto would be eligible to claim the exemption granted under section 54ED.
 - iv. Where the benefit of section 54ED has been availed of on investments in the equity shares forming part of an eligible issue of share capital, a deduction from the income with reference to such cost shall not be allowed under section 80C of the Act.
7. Exemption under section 54F
In case of a shareholder being an individual or a Hindu Undivided Family, in accordance with and subject to the conditions and to the extent specified in Section 54F of the Act, the shareholder would be entitled

to exemption from long term capital gains (not covered by sections 10(36) and 10(38)) on the sale of shares in the Company upon investment of net consideration in purchase /construction of a residential house. If part of net consideration is invested within the prescribed period in a residential house, then such gains would not be chargeable to tax on proportionate basis. Further, if the 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 gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred.

8. Rebate under Section 88E

As per the provisions of section 88E, where the business income of an assessee includes profits and gains from sale of taxable securities, a rebate shall be allowed from the amount of income tax equal to the Securities transaction tax paid on such transactions. However the amount of rebate shall be limited to the amount arrived at by applying the average rate of income tax on such business income as provided in the said section.

BENEFITS AVAILABLE TO NON-RESIDENT INDIAN SHAREHOLDERS

1. Dividend Exempt under Section 10(34)

Under Section 10(34) to be read with Section 115O of the Act, dividend (whether interim or final) declared, distributed or paid by the Company on or after 1st April 2004 is completely exempt from tax in the hands of the shareholders of the Company.

2. Lower Tax Rate under Section 112 on Long Term Capital Gains

As per the provisions of Section 112 of the Act, long-term gains that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the proviso to Section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and education cess).

3. Lower Tax rate under Section 111A on short term capital gains

As per the provisions of section 111A, Short Term capital gains arising from the transfer of Equity Shares in any company through a recognized stock exchange or from the sale of units of equity oriented mutual fund shall be subject to tax @ 10% provided such a transaction is entered into after the 1st day of October, 2004 and the transaction is subject to Securities Transaction Tax.

4. Options available under the Act

Where shares have been subscribed to in convertible foreign exchange - Option of taxation under Chapter XII-A of the Act:

Non-Resident Indians [as defined in Section 115C(e) of the Act], being shareholders of an Indian Company, have the option of being governed by the provisions of Chapter XII-A of the Act, which inter alia entitles them to the following benefits in respect of income from shares of an Indian company acquired, purchased or subscribed to in convertible foreign exchange:

- i. According to the provisions of section 115D read with Section 115E of the Act and subject to the conditions specified therein, long term capital gains arising on transfer of an Indian company's shares, will be subject to tax at the rate of 10 percent (plus applicable surcharge and education cess), without indexation benefit.
- ii. According to the provisions of section 115F of the Act and subject to the conditions specified therein, gains arising on transfer of a long term capital asset being shares in an Indian company shall not be chargeable to tax if the entire net consideration received on such transfer is invested within the

prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act. If part of such net consideration is invested within the prescribed period of six months in any specified asset or savings certificates referred to in Section 10(4B) of the Act then such gains would not be chargeable to tax on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer. Further, if the specified asset or savings certificate in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.

- iii. As per the provisions of 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 investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.
- iv. Under 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 that year under Section 139 of the Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
- v. As per the provisions of Section 115I of the Act, a Non-Resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under Section 139 of the Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

5. Exemption of Long term capital gain under section 10(38)

As per the provisions of section 10(38), long term capital gain arising from the sale of Equity Shares in any company through a recognized stock exchange or from the sale of units of an equity oriented mutual fund shall be exempt from Income Tax if such sale takes place after 1st of October 2004 and such sale is subject to Securities Transaction tax.

6. Exemption of long term capital gain under Section 54EC

In accordance with and subject to the conditions and to the extent specified in Section 54EC of the Act, the shareholders would be entitled to exemption from tax on long term capital gains (not covered by sections 10(36) and 10(38)) arising on transfer of their shares in the Company if such capital gain is invested in any of the long term specified assets in the manner prescribed in the said section. Where the long-term specified asset is transferred or converted into money at any time 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 specified asset is transferred or converted into money.

7. Exemption of Long term capital gain under Section 54ED

According to the provisions of section 54ED of the Act and subject to the conditions specified therein, capital gains not exempt under section 10(38) and arising from transfer of long term assets, being listed securities or units shall not be chargeable to tax to the extent such gains are invested in acquiring equity shares forming part of an "eligible issue of share capital" within six months from the date of transfer of the long term assets (provided they are not transferred within one year of acquisition). Eligible issue of share capital has been defined as an issue of equity shares which satisfies the following conditions:

- i. the issue is made by a public company formed and registered in India; and
- ii. the shares forming part of the issue are offered for subscription to the public.

However, if the above specified shares are sold or otherwise transferred within a period of one year 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 shares are sold or otherwise transferred. The issue of shares by the Company being an eligible issue of share capital, the subscribers thereto would be eligible to claim the exemption granted under section 54ED.

- iii. Where the benefit of section 54ED has been availed of on investments in the equity shares forming part of an eligible issue of share capital, a deduction from the income with reference to such cost shall not be allowed under section 80C of the Act.

8. Exemption under section 54F

In case of a shareholder being an individual or a Hindu Undivided Family, in accordance with and subject to the conditions and to the extent specified in Section 54F of the Act, the shareholder would be entitled to exemption from long term capital gains (not covered by sections 10(36) and 10(38)) on the sale of shares in the Company upon investment of net consideration in purchase /construction of a residential house. If part of net consideration is invested within the prescribed period in a residential house, then such gains would not be chargeable to tax on proportionate basis. Further, if the 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 gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred.

9. Rebate under Section 88E

As per the provisions of section 88E, where the business income of an assessee includes profits and gains from sale of taxable securities, a rebate shall be allowed from the amount of income tax equal to the Securities transaction tax paid on such transactions. However the amount of rebate shall be limited to the amount arrived at by applying the average rate of income tax on such business income as provided in the said section.

10. Tax Treaty Benefits

As per the provisions of Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the Non-Resident.

BENEFITS AVAILABLE TO OTHER NON-RESIDENTS

1. Dividend Exempt under Section 10(34)

Under Section 10(34) to be read with Section 115O of the Act, dividend (whether interim or final) declared, distributed or paid by the Company on or after 1st April 2004 is completely exempt from tax in the hands of the shareholders of the Company.

2. Lower Tax Rate under Section 112 on Long Term Capital Gains

As per the provisions of Section 112 of the Act, long-term gains that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the proviso to Section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and education cess).

3. Lower Tax Rate under Section 111A on Short Term Capital Gains

As per the provisions of section 111A, Short Term capital gains arising from the transfer of Equity Shares in any company through a recognized stock exchange or from the sale of units of equity oriented mutual fund shall be subject to tax @ 10% provided such a transaction is entered into after the 1st day of October, 2004 and the transaction is subject to Securities Transaction Tax.

4. Exemption of Long term Capital Gain under section 10(38)

As per the provisions of section 10(38), long term capital gain arising from the sale of Equity Shares in any company through a recognized stock exchange or from the sale of units of an equity oriented mutual fund shall be exempt from Income Tax if such sale takes place after 1st of October 2004 and such sale is subject to Securities Transaction tax.

5. Exemption of Long Term Capital Gain under Section 54EC

In accordance with and subject to the conditions and to the extent specified in Section 54EC of the Act, the shareholders would be entitled to exemption from tax on long term capital gains (not covered by sections 10(36) and 10(38)) arising on transfer of their shares in the Company if such capital gain is invested in any of the long term specified assets in the manner prescribed in the said section. Where the long-term specified asset is transferred or converted into money at any time 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 specified asset is transferred or converted into money.

6. Exemption of Long Term Capital Gain under Section 54ED

According to the provisions of section 54ED of the Act and subject to the conditions specified therein, capital gains not exempt under section 10(38) and arising from transfer of long term assets, being listed securities or units shall not be chargeable to tax to the extent such gains are invested in acquiring equity shares forming part of an "eligible issue of share capital" within six months from the date of transfer of the long term assets (provided they are not transferred within one year of acquisition). Eligible issue of share capital has been defined as an issue of equity shares which satisfies the following conditions:

- i. the issue is made by a public company formed and registered in India; and
- ii. the shares forming part of the issue are offered for subscription to the public.

However, if the above specified shares are sold or otherwise transferred within a period of one year 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 shares are sold or otherwise transferred. The issue of shares by the Company being an eligible issue of share capital, the subscribers thereto would be eligible to claim the exemption granted under section 54ED.

- iii. Where the benefit of section 54ED has been availed of on investments in the equity shares forming part of an eligible issue of share capital, a deduction from the income with reference to such cost shall not be allowed under section 80C of the Act.

7. Exemption under section 54F

In case of a shareholder being an individual or a Hindu Undivided Family, in accordance with and subject to the conditions and to the extent specified in Section 54F of the Act, the shareholder would be entitled to exemption from long term capital gains (not covered by sections 10(36) and 10(38)) on the sale of shares in the Company upon investment of net consideration in purchase /construction of a residential house. If part of net consideration is invested within the prescribed period in a residential house, then such gains would not be chargeable to tax on proportionate basis. Further, if the 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 gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred.

8. Rebate under Section 88E

As per the provisions of section 88E, where the business income of an assessee includes profits and gains from sale of taxable securities, a rebate shall be allowed from the amount of income tax equal to the Securities transaction tax paid on such transactions. However the amount of rebate shall be limited to the amount arrived at by applying the average rate of income tax on such business income as provided in the said section.

9. Tax Treaty Benefits

As per the provisions of Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the Non-Resident.

BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS ('FII')

1. Dividend Exempt under Section 10(34)

Under Section 10(34) to be read with Section 115O of the Act, dividend (whether interim or final) declared, distributed or paid by the Company on or after 1st April 2004 is completely exempt from tax in the hands of the shareholders of the Company.

2. Benefits on taxability of capital gain

In case of a shareholder being a Foreign Institutional Investor (FII), in accordance with and subject to the conditions and to the extent specified in Section 115AD of the Act, tax on long term capital gain (not covered by sections 10(36) and 10(38)) will be 10% and on short term capital gain will be 30% as increased by a surcharge and education cess at an appropriate rate on the tax so computed in either case. However short term capital gains on sale of Equity Shares of a company through a recognized stock exchange or a unit of an equity oriented mutual fund effected on or after 1st October 2004 and subject to Securities transaction tax shall be taxed @ 10% as per the provisions of section 111A. It is to be noted that the benefits of Indexation and foreign currency fluctuation protection as provided by Section 48 of the Act are not available to FII.

3. Exemption of Long term Capital Gain under section 10(38)

As per the provisions of section 10(38), long term capital gain arising from the sale of Equity Shares in any company through a recognized stock exchange or from the sale of units of an equity oriented mutual fund shall be exempt from Income Tax if such sale takes place after 1st of October 2004 and such sale is subject to Securities Transaction tax.

4. Exemption of Long term capital gain under Section 54ED

According to the provisions of section 54ED of the Act and subject to the conditions specified therein, capital gains not exempt under section 10(38) and arising from transfer of long term assets, being listed securities or units shall not be chargeable to tax to the extent such gains are invested in acquiring equity shares forming part of an "eligible issue of share capital" within six months from the date of transfer of the long term assets (provided they are not transferred within one year of acquisition). Eligible issue of share capital has been defined as an issue of equity shares which satisfies the following conditions:

- i. the issue is made by a public company formed and registered in India; and
- ii. the shares forming part of the issue are offered for subscription to the public.

However, if the above specified shares are sold or otherwise transferred within a period of one year 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 shares are sold or otherwise transferred.

5. Exemption under section 54F

In case of a shareholder being an individual or a Hindu Undivided Family, in accordance with and subject to the conditions and to the extent specified in Section 54F of the Act, the shareholder would be entitled to exemption from long term capital gains (not covered by sections 10(36) and 10(38)) on the sale of shares in the Company upon investment of net consideration in purchase /construction of a residential house. If part of net consideration is invested within the prescribed period in a residential house, then such gains would not be chargeable to tax on proportionate basis. Further, if the 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 gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred.

6. Rebate under Section 88E

As per the provisions of section 88E, where the business income of an assessee includes profits and gains from sale of taxable securities, a rebate shall be allowed from the amount of income tax equal to the Securities transaction tax paid on such transactions. However the amount of rebate shall be limited to the amount arrived at by applying the average rate of income tax on such business income as provided in the said section.

7. Tax Treaty Benefits

As per the provisions of Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the Non-Resident.

BENEFITS AVAILABLE TO MUTUAL FUNDS

In case of a shareholder being a Mutual fund, as per the provisions of 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 the conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

BENEFITS AVAILABLE TO VENTURE CAPITAL COMPANIES /FUNDS

In case of a shareholder being a Venture Capital Company / Fund, as per the provisions of Section 10(23FB) of the Act, any income of Venture Capital Companies / Funds registered with the Securities and Exchange Board of India, would exempt from Income Tax, subject to the conditions specified.

BENEFITS AVAILABLE UNDER THE WEALTH TAX ACT, 1957

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

BENEFITS AVAILABLE UNDER THE GIFT-TAX ACT, 1958

Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Therefore, any gift of shares will not attract gift tax.

The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares. The statements made above are based on the tax laws in force and as interpreted by the relevant taxation authorities as of date. Investors are advised to consult their tax advisors with respect to the tax consequences of the purchase, ownership and disposal of equity shares.

For K. K. Kabra & Co.
Chartered Accountants

K. K. Kabra
Proprietor
Membership No. 100-37641
Place: Jalgaon
Date: July 31, 2007

SECTION IV – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Plastics are macromolecules, formed by Polymerization and having the ability to be shaped by the application of reasonable amount of heat and pressure or some other form of force.

Polymerization is the process by which individual units of similar or different molecules ("mers") combine together by chemical reactions to form large or macromolecules in the form of long chain structures, having altogether different properties than those of starting molecules ("mers"). Several hundreds and even thousands of molecules "mers" are combined together to form the macromolecules, or Polymers.

Depending upon their nature and properties, the polymers are classified as Plastics, Rubbers or Elastomers and Fibres. There are no intrinsic differences among Rubbers, Plastics and Fibres. Any apparent difference is a matter of degree.

Indian Plastic industry

India, ranking eighth worldwide in terms of plastics consumption presently, will climb up to the third place by 2010. (Source: <http://www.plastics.2456.com>). The Indian plastics industry is quite positive about the future potential of plastics in India, believing that the Plastics industry will grow between 10% to 12%, if not higher, in this decade. The present per capita consumption is 4 Kgs, likely to reach beyond 7 Kgs by 2010. (Source: www.plastemart.com). A main reason is that India's per capita consumption of plastics is only 4kg, which is very low as compared to the world level of around 20kg. Recycled plastics constitute approximately 30% of the total consumption (Source: <http://www.plastics.2456.com>). Consumption level, which is expected to reach 8 million tonnes by 2010, could touch 10 million tonnes, if some of the constraints such as infrastructure etc are eliminated. The Department of Petrochemicals of the Government of India has projected a level of 12 million tonnes by 2011/2012. (Source: www.plastemart.com).

PVC

Polyvinyl chloride, commonly abbreviated PVC, is a widely used thermoplastic polymer. As a building material, PVC is cheap and easy to assemble. There are many uses of PVC. As a hard plastic, it is used as vinyl siding, magnetic stripe cards, window profiles, gramophone records, pipe, plumbing and conduit fixtures. It can be made softer and more flexible by the addition of plasticizers. In this form, it is used in clothing and upholstery, and to make flexible hoses and tubing, flooring, to roofing membranes, and electrical cable insulation. In recent years, PVC has been replacing traditional building materials such as wood, concrete and clay in many areas. The material is often used for pipelines in the water and sewer industries because of its inexpensive nature and flexibility.

Evolution of PVC pipes

Pipe, like numerous other products in the world, has seen a great deal of change over the past century. Many of the innovations came through the development of new and improved designs, materials and cost efficiencies. As with any such evolution, change has resulted in the discontinuation and replacement of older, antiquated products with higher quality, less expensive and better performing products. One such example was the development of ductile iron pipe.

In the late 1960's, the cast iron pipe industry was steadily losing their water pipe market share to a less expensive rigid pipe alternative - prestressed concrete cylinder pipe. Design engineers at the time knew that cast iron pipe was still an excellent product, but it was no longer cost effective compared to the new challenger. Yet rather than succumbing to this new competitor, the cast iron industry invested significant time and money in research and soon developed a new product - ductile iron pipe. This innovation changed rigid iron pipe to a flexible iron pipe and in doing so, created a high performance, more cost effective alternative to prestressed concrete cylinder pipe.

Today the focus is now on the storm sewer market where the dominant product is reinforced concrete pipe. Much like cast iron and clay pipe, concrete pipe is losing market share to new products that provide high performing, cost effective alternatives to the design needs of the specifying community. Corrugated high density polyethylene (HDPE) pipe, with its superior joints, corrosion and abrasion resistance, ease of installation and design efficiencies represents a very viable, economic alternative to concrete pipe.

Properties of PVC Pipe

PVC offers different properties that have made it the dominant water and sewer utility pipe material:

Corrosion Resistance / Durability

PVC is invulnerable to underground external corrosion as well as internal pipe corrosion. This eliminates the need to specify corrosion protection methods that have become standard procedure for metal piping. With PVC, long-term durability is not compromised when encasement bags are punctured or torn, or when thin coatings or linings are damaged. System design and installation are simplified with a single wall, durable pipe material. For sanitary sewers, PVC pipe is resistant to virtually all the chemicals found in domestic and industrial wastewater. In addition, PVC pipe is highly resistant to erosion or abrasion wear.

Water Quality

PVC water pipe delivers water as clean and pure as it receives. It imparts no taste or odor to the water it transports, isn't a source of lead or other chemical contaminants associated with metal pipe, and does not react with even the most aggressive water. PVC's smooth, non-biodegradable interior wall surface makes it more resistant to biofilm build-up – a potential source of water contamination and disease.

Superior Flow

PVC's resistance to internal corrosion also eliminates tuberculation – the build-up of corrosion by-products that can reduce hydraulic capacity and increase pumping costs. PVC pipe's smoother internal wall surface minimizes fluid friction and flow resistance. The need for cleaning and maintenance are reduced, thereby lowering operating costs.

Superior Strength-to-Weight Ratio

Fewer pounds of material are required to manufacture a foot of PVC pipe versus a foot of metal or concrete pipe. This weight advantage is quite significant. Not only does it make PVC more economical on a per-foot basis, it also conserves resources, lowers shipping costs, simplifies and reduces the time needed for installation, and decreases the number and severity of injuries for installation crews. Collectively, these advantages result in lower installed costs.

Watertight Joints

PVC pipes for most water distribution applications and sanitary sewers are designed with deep insertion, gasketed joints that are engineered not to leak. When PVC pipes are used for water distribution, this prevents the loss of valuable clean drinking water. When used for sewers, fewer leaks mean less chance of groundwater contamination and much better end-of-line treatment. Watertight joints significantly reduce infiltration that can overload treatment facilities and disrupt their proper operation. A lower volume of water to treat substantially reduces operating costs. Watertight joints also reduce the likelihood that embedment soil will be washed away, potentially weakening the pipe or nearby structures such as paved roadways. Since gasketed, push-together PVC pipe joints are simple and easy to assemble, they can be tested and placed in service quickly.

Crack Resistant Flexibility

PVC pipes also have an ability to bend or flex when subjected to excessive loads. As a result, they develop fewer cracks and breaks – another source of leaks and a major entry point for tree roots and surrounding embedment soil, two costly reasons why sewer systems get blocked and need extra maintenance. Water leaking into sewer pipes through cracks and breaks can also increase the volume of wastewater that treatment facilities must process. That, too, can drive up operating costs significantly.

PVC Pipe Industry

Global Demand

The global demand of plastic pipes is expected to grow at 4% until 2007. According to Freedonia, plastics pipe sector continues to capture an increasing market share from conventional piping material.

Not only do plastic pipes offer the advantage of non-corrosion as compared to metal pipes, but they also help in meeting the increasing demands of health standards. Limiting metal content in potable water enhances the opportunity for replacing metal pipes with their plastics counterparts. In the last decade, some countries like Germany have seen copper pipes for potable water losing out their share to plastics pipes. The new regulations also show a shift in the preferred polymeric material as well as additives used in the manufacture of plastics pipes. PE pipes are finding an increasing application in potable water segment, growing at the expense of PVC pipes. Even in PVC pipes, lead stabilizer is being replaced by other types of heat stabilizers to ensure that the permissible limit of lead in PVC pipes gradually reduces from the existing 0.025 mg/l to less than 0.010mg/l. The European Commission has fixed 2013 as the deadline to achieve the maximum limit of 0.010mg/l of lead. (Source: www.plastemart.com)

As expected, the Asian region, particularly China, is expected to grow fastest at about 8%. North America, Europe and Japan are expected to be either stagnant or show a growth of barely 2%. Growth in Europe will be determined by the level of progress of the geographic location. Eastern Europe as well as South Europe would have better growth opportunities while North Europe would remain stagnant. The growth of PE pipes is expected to be better than PVC in Europe, while PVC will continue to grow in the Asian region. Besides PVC, PE pipes would also grow in Asia. PE 100 is expected to grow faster compared to the lower pressure rating PE pipe.

The market of bigger sized plastics pipes is likely to grow faster as metal increasingly finds replacement in the pressure pipe sector. Plastic pipes with an estimated global demand of about 13 million tonnes is definitely gaining more than 45% share of the total pipe industry. (Source: www.plastemart.com)

India Total pipe Demand

INDIA MACROECONOMIC INDICATORS & TOTAL PIPE DEMAND 1995 - 2015					
Item	1995	2000	2005	2010	2015
Population (millions)	929	1012	1091	1167	1243
GDP/capita	1940	2400	3020	3870	4820
Gross Domestic Product (bil 2000\$)	1804	2424	3300	4515	5995
% of GDP	25.0	22.1	24.1	24.3	24.8
Gross Fixed Investment (bil 2000\$)	451.0	535.0	795.0	1095.0	1485.0
persons per household	5.4	5.4	5.3	5.0	4.8
Households (millions)	170.8	187.4	206.6	234.4	260.1
meters/capita	0.3	0.3	0.3	0.4	0.5
meters/000\$ GDP	0.13	0.11	0.11	0.10	0.10
meters/000\$ GFI	0.53	0.52	0.47	0.42	0.38
meters/household	1.4	1.5	1.8	2.0	2.2
Total Pipe Demand (mil meters)	241	278	370	460	570
Construction	134	149	212	270	340
Energy	37	40	49	65	80
Agriculture & Other	70	89	109	125	150

(Sources: <http://www.freedoniagroup.com/>)

INDIA PLASTIC PIPE DEMAND 1995 - 2015					
Item	1995	2000	2005	2010	2015
Total Pipe Demand (mil meters)	241	278	370	460	570
% plastic	43.2	44.8	46.3	47.8	49.4
Plastic Pipe Demand (mil meters)	104	125	171	220	280
kg/meter	1.83	2.04	2.04	2.09	2.12
Plastic Pipe Demand (000 metric tonnes)	190	255	349	460	595
PVC	148	199	267	345	430
HDPE	22	30	48	73	105
Other	20	26	34	42	60

(Sources: <http://www.freedoniagroup.com/>)

Increased Potential for PVC pipe Industry

The following are the highlights of the Union Budget 2007-08 which indicates the anticipated demand and potential for PVC pipes in the forthcoming years.

2007-08 Budget Highlights –

1. Additional irrigation potential of 24,00,000 hectares, including 9,00,000 hectares under Accelerated Irrigation Benefit Programme, will be created.
2. Drinking water has been provided to 55,512 habitations until December 2006
3. Until December 2006, 12,198 km of rural roads have been completed. The separate window under Rural Infrastructure Development Fund (RIDF) will augment funds for the programme by Rs 4,000 crore a year.
4. 7,83,000 rural houses have been constructed up to December 2006 and 9,14,000 houses are under construction, and the annual target of 15,00,000 houses is likely to be exceeded.
5. 19,758 villages have been covered so far under the Rajiv Gandhi Grameen Vidyutikaran Yojana;
6. 15,054 villages have been provided with a telephone against the target of 20,000 villages, and the balance will be covered by the end of the year.
7. To provide access to pure drinking water, water purification devices operating on specified membrane based technologies and domestic water filters not using electricity to be fully exempt from excise duties; exemption of excise duty on pipes used for carrying water from a water supply plant to a storage facility to be extended to all pipes of diameter exceeding 200 mm used in water supply systems.

(Source: <http://indiabudget.nic.in>)

OUR BUSINESS

Overview:

In the fiscal year 1994-95, we initiated setting up of our first manufacturing unit at Jalgaon. The unit commenced commercial production in the fiscal year 1995-96 for manufacture of various types of PVC pipes and fabricated fittings. Our Company purchased its first machinery in the fiscal year 1995-96 with an installed capacity of 1,440 metric tonnes. Subsequently in the fiscal year 1996-97, second machinery was purchased and the installed capacity was increased to 3,000 metric tonnes. In the fiscal year 2005-06, our Company had taken over the specified assets and liabilities of M/s. Tulsi Pipe Industries (a partnership firm) with an objective to consolidate our business operations. For more details on the take over, please refer to paragraph “Memorandum of Understanding for takeover of specified assets & liabilities of Promoter & Promoter Group entities” appearing on page 74 of this Draft Red Herring Prospectus. With the takeover, our total installed capacity increased to 6,000 metric tonnes. In the fiscal year 2006-07, additional machinery was added for ASTM plumbing pipes which broadened our product portfolio. Further, we have also procured one elastomeric sealing machine alongwith mandrels enabling us to manufacture elastomeric sealing pipes. During the said year, considering the growing demand of PVC pipes and consolidating our business operations we had decided to take-over the specified assets and liabilities of Gopal Extrusions Private Limited and Narvada Industries (proprietary concern of the Promoter, Mr. Pradip Mundhra) located at MIDC, Jalgaon, Maharashtra. For more details on the take over, please refer to paragraph “Memorandum of Understanding for takeover of specified assets & liabilities of Promoter & Promoter Group entities” appearing on page 74 of this Draft Red Herring Prospectus. By virtue of the aforesaid takeovers, the total installed capacity as on March 31, 2007 is now 10,483 metric tonnes for PVC pipes & fabricated fittings. The manufacturing facilities taken over from Gopal Extrusions Private Limited and Narvada Industries were competent to manufacture LLDPE pipes, HDPE pipes and PVC fabricated fittings.

Pursuant to the take-over of the specified assets and liabilities of M/s. Tulsi Pipe Industries, Narvada Industries and Gopal Extrusions Private Limited, our Company’s manufacturing facilities are being operated at three different locations in MIDC, Jalgaon, Maharashtra.

We sell our products under brand name “Tulsi”. We have ISO 9001:2000 certificate in respect of our quality management systems since 2002. Our Company has marketing presence in the states of Maharashtra, Madhya Pradesh, Chattisgarh, West Bengal and Rajasthan.

The PVC pipe products manufactured by our Company are to suit the requirements of application in agriculture, potable water supply schemes, sewerage and drainage systems, construction industry, telecom industry, bore well for underground water suction, etc., ranging from 20 mm diameter to 315 mm diameters in all pressure ratings.

Key Business Strengths:

Our Quality

Our Company has received an ISO-9001:2000 certificate in respect of our quality management systems in the year 2002. The present certificate is valid till March, 2010. We maintain quality at all stages of manufacturing process starting from raw material procurement to manufacture of finished product. All our finished products are tested in our quality control laboratory to adhere to the laid down quality standards. Our Company also facilitates third party inspection on the request of the customers.

Marketing and Distribution Network

Sales are made through direct marketing through our network of dealers and distributors and by our Company’s sales personnel. Presently, we have 813 dealers covering five states viz. Maharashtra, West Bengal, Madhya Pradesh, Rajasthan and Chattisgarh. We also have branches at Jaipur (Rajasthan), Kolkata (West Bengal), Mumbai (Maharashtra) and Raipur (Chattisgarh). We have also appointed one C&F Agent at Indore (Madhya Pradesh) for facilitating distribution of our products. We have a team of experienced technicians, hydraulic

engineers and marketing personnel to assist the customers in selecting the right pipes and providing after sales service.

Diversified Product Mix

Our Company has a product mix to cater to the increasing requirements of our customers. Our product offerings include PVC Pipes, PVC fabricated fittings, PVC casing and screen pipes, ASTM plumbing pipes, LLDPE pipes, HDPE pipes and elastomeric sealing pipes. These ranges of product are used in irrigation sector, industrial sector, 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.

Experienced Management Team

We have a management team with experience in different areas of PVC pipes and fittings industry including production, quality control, sales, marketing and finance. The management team is supported by workforce. Our management team includes Managing Director, Mr. Pradip Mundhra who has over 20 years of experience in the plastic industry; Mr. Sanjay Kumar Taparia, who has 19 years of experience in trading and marketing of PVC pipes and fittings and Mr. Om Prakash Agrawal having 23 years of experience in marketing of PVC pipes, administration, planning, production and finance.

Business Strategy

The key elements of our business strategy are as follows:

Cost effectiveness

We are proposing setting up of 1.5 MW of wind mill power plant which will be build, erected and maintained by Suzlon Energy Limited at an estimated cost of Rs. 1000 lakhs. Union Bank of India vide their letter dated July 24, 2007 had given their in-principle approval for sanction of term loan to the extent of Rs. 750 lakhs and the balance will be funded through our own internal accruals. The power generated through this wind mill will be used for captive consumption, which will reduce our power cost.

Improving operational efficiency

After takeover of specified assets & liabilities of Promoter and Promoter Group entities, our Company is having manufacturing facilities at three different locations in MIDC, Jalgaon, Maharashtra. With a view to have better control and reduce operational cost, a new factory premises is constructed at Unit No. 1 to accommodate all PVC related manufacturing activities under one roof.

Expansion of manufacturing capacities

Our Company plans to expand our existing manufacturing facilities at Unit I, Jalgaon thereby increasing the capacity of our existing operations from 10,483 metric tonnes of PVC pipes to 17971 metric tonnes by adding extruders and injection moulding machines.

Expansion of product range

Our Company's existing product portfolio comprises of PVC pipes, PVC fabricated fittings, PVC casing and screen pipes, ASTM plumbing pipes, elastomeric sealing pipes, LLDPE pipes and SWR pipes and fittings. Our Company further plans to expand our product range by venturing into manufacture of PVC injection moulded fittings, HDPE Sprinkler Systems, Inline Drip Irrigation System, LLDPE fittings for micro irrigation.

Overseas expansion

Our Managing Director Mr. Pradip Mundhra had incorporated Tulsi Plastics SA (Proprietary) Limited in Durban, South Africa with a view to expand our business internationally and target African continent market. Tulsi Plastics SA (Proprietary) Limited started commercial production of PVC pipes and fittings for electrical and drainage usage from January, 2006. We have entered into a joint venture agreement with Tulsi Plastics SA

(Proprietary) Limited for participating in their business and also exploring the business opportunities in South Africa, the salient features of which are appearing on page no. 92 of this Draft Red Herring Prospectus.

Increasing geographical reach

We plan to increase our customer base in the existing domestic markets and expand our business to new geographic locations viz. Gujarat, Orissa, Assam, Delhi, interiors of Maharashtra, West Bengal etc. We plan to do this by utilising our marketing skills and further expanding customer satisfaction by meeting orders in hand on timely basis and maintaining our client relationships.

Expansion of customer base

We intend to cater to customers in macro-irrigation sector, sprinkler irrigation, lift-irrigation and construction sector by expanding our product range in HDPE pipes, LLDPE pipes and injection-moulded items.

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.

Our Operations

Location

We have three manufacturing facilities which are situated in the city of Jalgaon, Maharashtra. The details of our manufacturing facilities are mentioned below:

Type of Facility	Location	Total Area (in square meters)	Products Manufactured
Unit I Production facility	Plot No N-99/100/109, M.I.D.C Area, Jalgaon-425003	12000	PVC Pipes, PVC Fabricated Fittings, SWR Pipes and fittings, PVC Casing and Screen Pipes, ASTM (Threaded) Plumbing pipes, and HDPE Pipes.
Unit II Production facility (By virtue of takeover of specified assets and liabilities of M/s Tulsi Pipe Industries)	Plot No H-16 M.I.D.C Area, Jalgaon-425003	3955	PVC Pipes, LLDPE Pipes and Elastomeric Sealing Pipes.
Unit III Production facility (By virtue of takeover of specified assets and liabilities of Gopal Extrusions Private Limited & Narvada Industries)	Plot No G-51/52 M.I.D.C Area, Jalgaon-425003	2000	PVC Pipes

Our Product Portfolio

Our Company is engaged into manufacturing of wide range of products such as Rigid PVC Pipes, PVC Fabricated Fittings, SWR Pipes and fittings, PVC Casing and Screen Pipes, ASTM (Threaded) Plumbing pipes, LLDPE pipes, HDPE pipes and Elastomeric Sealing pipes.

Rigid PVC Pipes and Fittings

Poly Vinyl Chloride (PVC), an organic material in plastic class has wide range of applications. Pipes manufactured with this material, well known as PVC Pipes, have been widely accepted as replacement to GI, CI & MS pipes due to its lightweight, easy transportation, material characteristics and its price/performance ratio. It has less frictional losses, deposit of scaling and zero corrosion. Commonly referred to as vinyl, PVC is a common plastic used in a wide variety of products such as piping, flooring, wallpaper, window frames, siding, office equipment and children's toys.

Rigid PVC pipes manufactured range from 20 to 315 mm and have pressure ratings of 2.5, 4, 6 and 10 Kgf/cm². They conform to the specifications of IS 4985:2000 laid down by the Bureau of Indian Standards in all respects. With features such as smoother bore, modulus of elasticity, light weight, seamless, resilient and self extinguishing quality elements, Rigid PVC is another option over metal pipes.

With advantages such as easy installation, economy, maintenance free, smooth flow, durability and reliability, Rigid PVC pipes and fittings enjoys applications in agricultural and lift irrigation systems, water & drainage systems, potable water supplies, tube well casting, natural gas & petroleum lines, telecommunication ducting air condition & industrial ducting and in open & underground drainage for housing colonies.

SWR Pipes and Fittings

SWR pipes are made as per specification of IS 13592:1992 laid down by Bureau of Indian Standards ranging from 75 mm, 110 mm & 160 mm with Standard length of 3 Meters designed to stand with continuous pressure of 4 Kg/cm². These SWR Pipes are an ideal solution for drainage and sewerage applications, owing to its superior properties compared to conventional drainage systems. SWR Pipe Fittings are a ring type socket at one end available in 75mm and 110mm sizes. The supply of SWR Pipe fittings with rubber ring socket reduces installation cost to a great extent

PVC Casing and Screen Pipes

PVC casing and screen pipes are long lasting and best for tube wells. These pipes are fast replacing the conventional M.S Pipes due to its inherent advantages over the MS Pipes such as free from corrosion and rust. These pipes allow more permeability of water in the bore wells and more availability of water in the tube wells.

The PVC casing and screen Pipes are manufactured in all sizes & ranges so as to cover maximum site conditions and applications to suit the requirement of various types of customers.

HDPE Pipes

HDPE Pipe is a primary alternative to PVC (Polyvinyl Chloride) pipe for all piping applications and is rapidly gaining market share for potable water, sewer, conduit and ducting, DWV (drain, waste and vent) agriculture, and ground drainage uses. HDPE pipes are durable, leak-free, corrosion resistant, and ductile

Its greater resilience and flexibility makes it less susceptible than PVC to surges, damage from digging, and shifting soils during earthquakes. HDPE is also preferable to PVC as it is chlorine-free, requires fewer additives in its manufacture and has a much higher recycling rate than PVC.

HDPE pipes manufactured range from 20 mm to 110 mm and have pressure ratings of 2.5 to 10 Kgf/cm². HDPE pipes finds application in agricultural industry, areas of potable water supply, industrial use and gas distribution.

LLDPE Pipes

Our Company also manufactures Lateral Pipes of 12mm and 16mm dia. These pipes are widely used in drip and landscape irrigation systems. These pipes ensure optimum usage of water. These pipes are characterised by flexibility, high impact strength, and low modulus of elasticity, flow characteristics, freeze resistance and low thermal conductivity.

ASTM Plumbing Pipes

ASTM Plumbing Pipes with both end threaded are manufactured as per ASTM specifications. These pipes are light in weight, durable and non-corroding, economical, maintenance free, fire retardant, easy to install and reliable. These pipes are available in 3/6 meters length in any shade of blue color. ASTM plumbing pipes with both end threaded when manufactured consumes much lesser energy than a metal pipe of the same size & dimension. ASTM Plumbing pipes manufactured by our Company ranges from 20 to 50 mm and in schedule 40 and 80.

These pipes have applications in areas of water supply, drainage, industrial uses, irrigation and sprinkler system and in power stations.

Elastomeric Sealing Pipes

The UPVC Elastomeric pipes are rigid PVC pipes fitted with an Elastomeric sealing ring which offers a seal so tight that the possibility of any kind of leakage becomes remote. The sealing ring has been designed in such a way that the pipes can be installed with ease & convenience. The rubber ring absorbs linear expansion, leaving the seal intact, even in extreme temperature variations.

The UPVC Elastomeric pipes are leak proof, corrosion free chemical and biological resistant, easy to install and maintenance free. These pipes with sealing rings enjoys high resistance, have prolonged shelf life, are reliable and can withstand pressures and accommodate linear expansion and contraction.

Capacity and Capacity Utilization

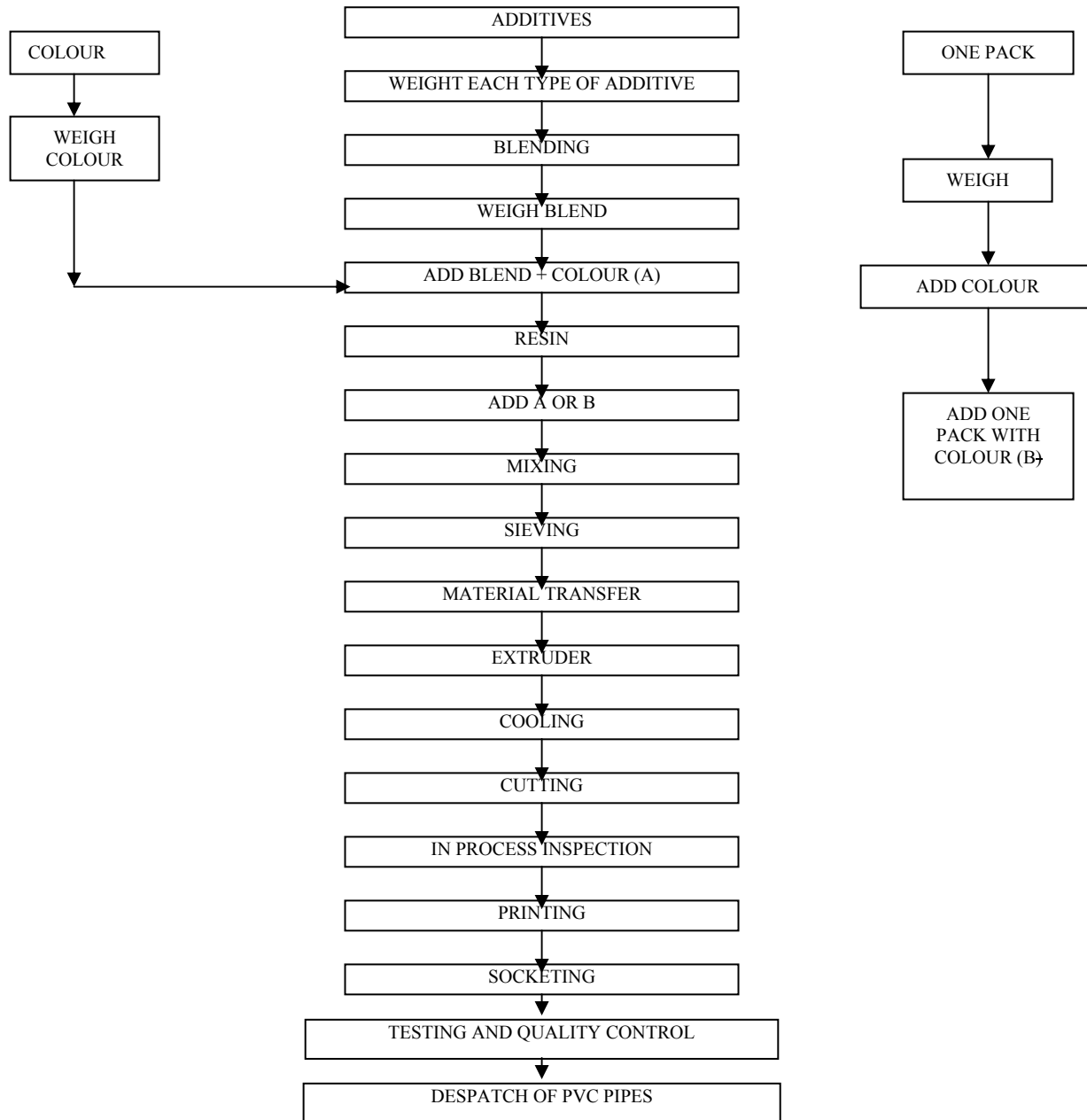
The present installed capacity, past three years capacity utilisation and proposed capacity utilisation (including existing and proposed) for PVC pipes & fittings, HDPE pipes and LLDPE Pipes is given as under:-

	Existing			Proposed		
Units in metric tonnes	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
PVC pipes & fabricated fittings						
Installed Capacity	3000	6000	10483.2*	17971.20	17971.20	17971.20
Capacity Utilisation (%)	51.24	61.39	65.72	70	75	75
PVC Injection moulded fittings						
Installed Capacity	Nil	Nil	Nil	2201.47	2201.47	2201.47
Capacity Utilisation (%)				30	70	75
LLDPE PIPES						
Installed Capacity	Nil	Nil	Nil	748.8	748.8	748.8
Capacity Utilization (%)				30	70	75
LLDPE FITTINGS						
Installed Capacity	Nil	Nil	Nil	89.86	89.86	89.86
Capacity Utilization (%)				30	70	75

HDPE PIPES						
Installed Capacity	Nil	Nil	Nil	8936	8936	8936
Capacity Utilization (%)				30	70	75

** inclusive of installed capacity and capacity utilization of M/s. Tulsi Pipe Industries, Gopal Extrusions Pvt. Ltd, Narvada Industries pursuant to takeover.*

Manufacturing Process



Process Flow for manufacturing PVC Pipes

Compounding Process

PVC Resin is fed into high speed mixture machine. Stabilizers, additives, colours are added as per necessary requirements. A predetermined process temperature is set and the process starts and gets completed within 15 minutes. Due to heat generated in this process, the moisture evaporates and the resin is then transferred to the cooler mixture for cooling down the temperature of the mix called compound to room temperature. Thereafter the material is screened through vibrating screens before transferring it to the extrusion machine.

Extrusion Process

PVC pipes are made by the process called extrusion. The PVC Compound thus obtained from the compounding process is dry powder. This dry powder is fed to the feeder of extruder. From the feeder, the PVC powder goes to the screw barrel which is specially designed for the PVC compound and contains different zones. Passing through all these zones, dry powder gets converted into melt form. This melt, which is a cohesive mass of PVC powder, then passes through the die zone of extruder. This zone contains units like adapter, restrictor, spider, bushing and pin. All these units vary according to the different sizes of pipes. Passing through all these units, the melt acquires enough mass and appropriate shape for the pipe to be produced. All these parts of extruder, right from the feeder to the bushing and pin, are kept at different pre-determined temperatures that produce enough heat for the PVC compound. The PVC melt known as extrudate comes out from the die zone which gives circular shape to the pipe. Spray nozzels are connected to the water tank, to cool the extrudate for making it rigid and solid pipes then pass through the puller or haul-off machine which pulls the pipe to keep the process running. The pipe from this haul - off machine then passes through the last downstream equipment, which is a cutter. The cutter machine cuts the pipe to the required appropriate length and then the pipe is supplied to the dispatch department for dispatch after socketing, marking and embossing.

Plant & Machinery

We have 3 manufacturing units in the Jalgaon District under the area of Maharashtra Industrial Development Corporation. All of these units are equipped to individually produce different products as per the requirements and specifications of the customers. The proper maintenance as well as the standard quality of raw materials helps us to reduce the break down of the units and also increase the shelf life of the machinery. The basic units require cooling of the output which is being achieved by cooled recyclable water and constant supply of compressed air which is arranged by compressors. All the units are equipped to supply major required dimensions of PVC pipes and have standard outputs.

The manufacturing units are equipped with machinery and equipments for manufacturing of Pipes as well as fittings including equipments for product testing. The machinery and equipments installed at our 3 manufacturing units comprise of extrusion machines, pulverizers, grinders, mixtures, cutters, cooling towers, transformer, trolley and any other such machinery for the normal production of PVC pipes of different quality and sizes. The units also have an array of dies that enables the plant to manufacture different sizes of pipes for various purposes. Infrastructural facilities for the machinery are well designed to suit the requirements of the plant. Testing machines such as Hydraulic long term testing Machine, Tensile testing machines, Impact Testing machine, Opacity testing machines, Vicat softening testing machines are also installed in these units not only to check the quality of the output but also for the development of new products and mixtures.

Infrastructural Facilities and Utilities

Raw Material

There are two main raw materials required for the products manufactured by us viz. PVC resin and PVC stabilizer. PVC Resin constituting around 80% of the total raw material cost and is generally purchased from various agents of petrochemical industries in India and abroad. During 2006-07, we have purchased imported raw material from various importing agents to the extent of 70% of our PVC resin requirement on account of non-availability or pricing of domestic raw material. PVC stabilizers are chemicals used during the processing of PVC resin and is normally procured from domestic manufacturers and is easily available. Our company also requires some chemicals like calcium carbonate, carbon black which are also easily available. We do not envisage any difficulty in meeting our raw material requirements.

Power

The total existing power requirement of our Company is 622 KVA , break up of which is as under:

Details of the Unit	Sanctioned Load	Connected Load
Unit I Production facility	250 KVA	250 KVA
Unit II Production facility (By virtue of takeover of specified assets and liabilities of M/s Tulsi Pipe Industries)	250 KVA	250 KVA
Unit III Production facility (By virtue of takeover of takeover of specified assets and liabilities of Gopal Extrusions Private Limited & Narvada Industries)	122 KVA	122 KVA

We also have two DG Sets of 160 KVA and 140 KVA for Unit I and Unit II respectively as stand by arrangement for our power requirements. Further, we are also proposing setting up of 1.5 MW of wind mill power plant which will be build, erected and maintained by Suzlon Energy Limited at an estimated cost of Rs. 1000 lakhs. Union Bank of India vide their letter dated July 24, 2007 had given their in-principle approval for sanction of term loan to the extent of Rs. 750 lakhs and the balance will be funded through our own internal accruals. The power generated through this wind mill will be used for captive consumption, which will reduce our existing power cost.

Water

Water is used for manufacturing as well as general purposes. Daily requirement of water is about 500 litres. Our Company sources its water requirements from Maharashtra Industrial Development Corporation. In addition to this, there is a bore-well at all our manufacturing units to fulfill any additional requirements.

Fuel

Our Company does not require fuel in the manufacturing process except for operating the generating sets, the supply for which is met from the local markets.

Manpower

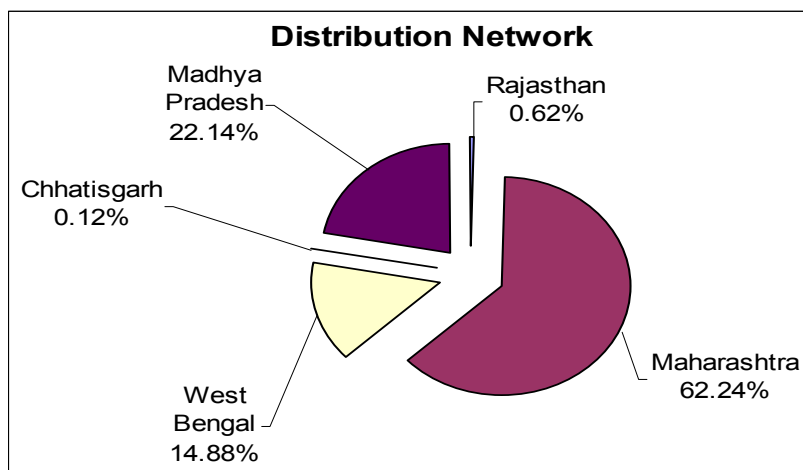
As on July 31, 2007 our company has 81 employees, details of which are as under:-

Category of Employees	No. of Employees
Managerial Post	3
Officers	7

Marketing	4
Engineers	2
Operators	10
Supervisor	4
Electricians	3
Skilled	21
Unskilled	23
Drivers	4
Total	81

Sales and Marketing

Sales are through direct marketing by our own sales personnel, who approach directly to the large end users which include corporate houses, contractors, builders, architects etc. The wholesale market of our products comprises of dealers, distributors, agents, depots who stock our products for distribution to ultimate consumers and at the retail level, it comprises of households and other retail customers. We have a team of experienced technicians, hydraulic engineers and marketing personnel to assist the customers in selecting the right pipes and providing after sales service. Presently, we have 813 dealers covering five states viz. Maharashtra, West Bengal, Madhya Pradesh, Rajasthan and Chattisgarh. We also have branches at Jaipur (Rajasthan), Kolkata (West Bengal), Mumbai (Maharashtra) and Raipur (Chattisgarh). We have also appointed one C&F Agent at Indore (Madhya Pradesh) for facilitating distribution of our products.



Competition

The industry is highly fragmented and unorganised and to a certain extent localized. However, economies of scale accrue to a few players and some of the major industry players are Jain Irrigation, Finolex Pipes, Kisan Mouldings and Supreme Industries Limited. However, our Company has some advantage over the competition in terms of product range, distribution network and relationships with our clients. To counter further competition, we are proposing expansion of our business activity so as to achieve diverse product portfolio, economies of scale and cost competitiveness.

Quality Control & testing

Our Quality management systems are accredited with ISO-9001:2000 Certification. We have a quality control laboratory with range of testing facilities. The products manufactured undergo a series of tests conforming to the BIS and ASTM standards.

Our Property

The brief details of our existing properties are as under:-

Sr. No.	Details of Agreement	Address of the Property/Area	Consideration /Rent	Term
1.	Lease Deed, dated August 28, 1995 between Maharashtra Industrial Development Corporation and Tulsi Extrusions Limited	Plot No : N-99 in the Additional Jalgaon Industrial Area, Taluka and Registration Sub - District Jalgaon admeasuring 4,000 square meters	Rs. 2 lakhs (as premium) Yearly Rent of Rupee 1 to be paid on or before the first day of January	Ninety five years from November 1, 1994
2.	Lease Deed, dated November 3, 1999 between Maharashtra Industrial Development Corporation and Tulsi Extrusions Limited	Plot No. N-100 in the Additional Jalgaon Industrial Area, Taluka and Registration Sub - District Jalgaon ad measuring 4,000 square meters. (The amalgamation of plot nos. N-99 & N-100 have been approved by M.I.D.C vide letter dated January 19, 1999)	Rs. 2 lakhs (as premium) Yearly Rent of Rupee 1 to be paid on or before the first day of January	Ninety-Five years from August 1, 1995
3.	Lease Deed dated December 5, 2001 between Maharashtra Industrial Development Corporation and M/s. Tulsi Pipe Industries by a Memorandum of Understanding dated December 19, 2005, the specified assets and liabilities of M/s. Tulsi Pipe Industries were taken over by our Company. Vide order dated January 10, 2007, M.I.D.C, Nasik have consented for the transfer and assignment of the lease rights in favour of our Company subject to the execution of the Deed of Assignment between M/s. Tulsi Pipe Industries and our Company. Our Company has to enter in to a Supplementary Agreement with M.I.D.C and M/s. Tulsi Pipe Industries for transfer of lease rights in the name of our Company as per the M.I.D.C order dated January	Plot No. H – 16, in the Additional. Jalgaon Industrial Area, within the village limits of Mehrun and within the limits of Jalgaon Municipal Council Taluka admeasuring 3955 square meters	Rs. 3.165 lakhs (as premium) Yearly Rent of Rupee 1 to be paid on or before the first day of January	Term of Ninety-five years from December 1, 1995

	10, 2007.*			
4.	Lease dated March 21, 1994 executed between Maharashtra Industrial Development Corporation and Gopal Extrusions Private Limited by a Memorandum of Understanding dated January 2, 2007, the specified assets and liabilities of Gopal Extrusions Private Limited were taken over by our Company. Our Company has made an application dated February 2, 2007 to District Industries Centre (DIC) for transfer of lease rights in favour of our Company. On receipt of approval from DIC an application will be made to MIDC. After the consent is received from M.I.D.C our Company has to enter in to supplementary agreement with M.I.D.C and Gopal Extrusions Private Limited for transfer of lease rights in the name of our Company.*	Plot No. G-51, in the Additional Jalgaon Industrial Area, within the limit of Jalgaon Municipal Council, Taluka and Registration Sub-District Jalgaon admeasuring 1000 square meters.	Rs. 0.50 lakhs (as premium) Yearly rent of Rupee 1 to be paid on or before the first day of January	Term of Ninety-Five years from January 1, 1993
5.	Lease Deed dated January 21, 2003 executed between Maharashtra Industrial Development Corporation and Shri Pradip Mundhra Proprietor of Narvada Industries by a Memorandum of Understanding dated January 2, 2007, the specified assets and liabilities of Narvada Industries were taken over by our Company. Our Company has made an application dated February 2, 2007 to West Maharashtra Development Corporation (WMDC) for transfer of lease rights in favour of our Company. On receipt of approval from WMDC, an application will be made to M.I.D.C. After the consent is received from M.I.D.C our	Plot G-52, Additional Jalgaon Industrial Area, within the village limits of Mehrun, within the limits of Jalgaon Municipal Council, Taluka and Registration sub-district admeasuring 1000 square meters.	Rs.0.30 lakhs (as premium) Yearly rent of Rupee 1 to be paid on or before the first day of January	Term of Ninety-Five years from March 1, 1985

	Company has to enter in to supplementary agreement with M.I.D.C and Narvada Industries for transfer of lease rights in the name of our Company.*			
6.	Lease dated March 13, 1995 (the “Principal Agreement” executed between Maharashtra Industrial Development Corporation (“the Lessor”) and Mr. Mukesh Radhesham Gupta, Mr. Bimal R. Gupta and Shri Anup R. Gupta (“the Lessee”) for grant of lease land. By a Sale Agreement dated August 21, 2006 executed between M/s. D. R. Pulses and our Company transferred/assigned the property rights to our Company. Vide order dated August 29, 2006, M.I.D.C, Nasik have consented for the transfer and assignment of the lease rights in favour of our Company subject to the execution of the Deed of Assignment between M/s. D. R. Pulses and our Company. By a Supplementary deed dated August 29, 2006 entered with M.I.D.C and M/s. D. R. Pulses for transfer of lease rights in the name of our Company as per the M.I.D.C order dated August 28, 2006.	Plot No. N-109, in the Additional Jalgaon Industrial Area, within the limit of Jalgaon Municipal Council, Taluka and Registration Sub-District Jalgaon, admeasuring 4,000 square meters	Rs. 5.60 lakhs (as premium) Yearly rent of Rupee 1 to be paid on or before the first day of January	Term of Ninety-Five years from March 1, 1995

*The execution of deed of assignment and supplementary agreement is pending at our Company’s side and we intend to complete all formalities after receiving approval for all applications made in relation to the aforesaid properties at G-51 and G-52.

The land is free from all encumbrances except for the equitable mortgage created in favour of banks that have extended loan facility in the normal course of business.

Our Company’s branch offices at Raipur, Jaipur, Kolkata and Mumbai are on leave and license basis, details of which are as under:-

Sr. No	Details of Lease Agreement	Address of the Property/Area	Consideration /Rent	Term
1	Leave and License Agreement dated December 8, 2006 between Radhay Gopal Agarwal (“Licensor”) and Tulsi Extrusions Limited (“Licensee”) for lease of property	Telghani Naka Station Road, Near Kamala Super Market, Raipur admeasuring 200 square feet	Rs. 24,000/ per annum	December 9, 2006 to November 8, 2007

2.	Leave and License Agreement dated May 14, 2007 between Mr Shailendra Saraswat (“Licensor”) and M/s Tulsi Extrusions Limited (“Licensee”) for lease of property	512, Janki Centre 29, Shah Industrial Estate, Off Veera Desai Road, Andheri (West), Mumbai-400053 admeasuring 400 square feet	Rs. 42000/- per month	May 16, 2007 to May 15, 2008
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Our Company’s branch office at Jaipur and Kolkata are taken on leave and license basis. Our Company have not entered in to any lease agreement for the branch offices at Jaipur and Kolkata. Our Company have received consent letter from the owners of the property for using the premises for commercial/business purpose

Sr. No	Date of the Consent Letter	Address of the Property/Area	Consideration /Rent	Leave and License till
1.	Letter dated April 02, 2007 received from Hasti India Limited for commercial use of the premises	4, Navjevan Complex, Station Road, Jaipur admeasuring 120 square feet	Rs. 25000/- per month	March 31, 2008
2.	Letter dated April 2, 2007 received from Surana Enterprise for commercial use of the premises	91, N.S Road, Room No 9, Kolkata - 700001 admeasuring 525 square metres.	Rs. 10,000/- per month	May 14, 2008

PURCHASE OF PROPERTY

Except as stated in section titled “Objects of the Issue” in this Draft Red Herring Prospectus, beginning on page no. 24 of this Draft Red Herring Prospectus, there is no property which our Company has purchased or acquired or propose to purchase or acquire which is to be paid wholly, or in part, from the net proceeds of the Issue or the purchase or acquisition of which has not been completed as on the date of filing of this Draft Red Herring Prospectus with SEBI, other than property:

- the contract for the purchase or acquisition whereof was entered into in the ordinary course of the business, the contract not being made in contemplation of this Issue, nor this Issue in contemplation of the contract; or
- in respect of which the purchase money is not material.

Except as stated in the section titled “Related Party Transactions” beginning on page no. 111 of this Draft Red Herring Prospectus, our Company has not purchased any property in which any Directors, have any direct or indirect interest in any payment made thereof.

Insurance

We have taken different insurance policies under Standard Fire and Special Peril Policy and one floater policy, brief details of which are as under:

Total sum insured	Total premium	Insurer	Risk description
Rs. 2037.25 lakhs	Rs. 4.88 lakhs	United India Insurance Company Limited	Standard Fire and Special Perils Policy - Building / Stocks / materials in godowns, contents using plastic raw material, etc.

Intellectual Property Rights

The following is a list of our Company's trademarks registered in India:

Sr. No	Trademark/ Authority	Trademark No.	Class	Registered Date	Renewal Date	Validity	Description of Goods
1	'Super GOLD TULSI'/Trade mark Registry, Mumbai	1054294	17	October 24, 2001	October 24, 2011	10 years	Plastic and P.V.C. Pipes and Fittings

The status of the trademarks applied by our Company is as follows:

S. No	Trademark	Application No	Application Date	Class	Description of Goods	Stage
1.	'TULSI'	672834	July 4, 1995	17	Plastic and P.V.C. Pipes and Fittings	Advertisement is given*

*Our Company has received a notice of opposition dated January 20, 2006 for registration of a trademark under Section 21(1), Rule 51 of the Trade Marks Act, 1999 filed by Dhrampal Satyapal Sons Private Limited opposing our application dated August 11, 1995 for registration of trademark "TULSI". Pursuant to the opposition notice dated January 20, 2006, our Company has filed a counter statement dated November 1, 2006 denying the contentions mentioned in the notice.

Trademarks registered in the name of M/s. Tulsi Pipe Industries, the assets, liabilities and business of which was taken over by our Company is as follows:

Sr. No	Trademark/ Authority	Trademark No.	Class	Registered Date	Renewal Date	Validity	Description of Goods
1	"SARTHI"	1092034	17	April 3, 2002	April 7, 2012	10 years	Plastic and P.V.C. Pipes and Fittings

Trademark registered in the name of Gopal Extrusions Private Limited the assets, liabilities and business of which was taken over by our Company is as follows:

Sr. No	Trademark/ Authority	Trademark No.	Class	Registered Date	Renewal Date	Validity	Description of Goods
1	"GOPAL"	672835	17	July 12,2005	July 12,2015	10 years	Plastic and P.V.C. Pipes and Fittings

We are using the aforesaid trademark of Gopal Extrusions Private Limited and M/s Tulsi Pipe Industries in the course of our business without any consideration pursuant to an informal arrangement with the said entities. We intend taking the necessary legal steps to assign / transfer these trademarks in our name shortly.

OUR INDEBTEDNESS

Our Company at present is enjoying following term loan and working capital facilities from Punjab National Bank, details of which are as under:

Name of the Bank	Type of the Loan Facility	Amount	Amount outstanding as on March 31, 2007	Interest/ commission	Security	Repayment/Usage Period
Punjab National Bank	Term Loan - I	Rs. 212 lakhs	Rs. 105 lakhs	10.75%+ 0.50 linked with BPLR for the 1 st year subject to the revision every year	First charge on block assets of our Company by way of hypothecation of machinery (existing and proposed). Total value approximately Rs. 668.00 lakhs (Gross Block) (Rs. 445 lakhs existing Rs. 223 lakhs fresh) as on December 16, 2005 and equipment & other fixed assets and Equitable mortgage of land and building.	1. Term Loan of Rs. 212 Lakhs shall be paid in 60 monthly installments of Rs 3.54 lakhs commencing one month from the date of take over of loan. 2. Term Loan of Rs. 180 lakhs for purchase of fresh plant and machinery shall be repaid in 60 monthly installments of Rs. 3.00 lakhs commencing from April, 2006.
	Term Loan - II	Rs. 180 lakhs	Rs. 150 lakhs			
Punjab National Bank	Cash Credit	Rs. 1000 Lakhs	Rs. 984 lakhs	BPLR + 2.75 as applicable.	Hypothecation of raw material, stock-in-process, finished goods, stores & spares and book-debts. Collateral Security: Extension of the charge to the entire current assets of our Company Extension of: <ul style="list-style-type: none"> Equitable mortgage of the land situated at Plot no. N/99-100, M.I.D.C area, Jalgaon, Maharashtra and hypothecation of raw material, SIP and finished goods & book debts. Equitable mortgage of the land situated at Plot 	-
	Adhoc Cash Credit	Rs. 200 Lakhs				

					<p>No. H-16, M.I.D.C area, Jalgaon, Maharashtra</p> <ul style="list-style-type: none"> • Equitable mortgage of the land situated at Plot No. G-51, M.I.D.C area, Jalgaon, Maharashtra and hypothecation of plant and machineries • Equitable mortgage of the land situated at Plot No. G-52, M.I.D.C area, Jalgaon, Maharashtra and hypothecation of plant and machineries • Two residential bungalows at Plot no. 171/2, Saket, Adarsh Nagar, and Plot No. 436/1a, Mehrun Shivar, Jalgaon, Maharashtra <p>Guarantee: Personal Guarantee of Mr. Pradip Mundhra, Mr. Sanjay Kumar Taparia, Ms. Nandini S. Taparia, Ms. Chitra S. Taparia, Ms. Shrikanta D. Rathi. Corporate Guarantee of Gopal Extrusions Private Limited and Narvada Industries.</p>	
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Restrictive Covenants in loan agreements

As per the terms of the loan agreements, we require prior written consent from the Bank, for certain activities, amongst others, including to open a current account with any other Bank, undertake expansion/diversification/modernization of business, invest in associate/allied/group concerns, withdraw unsecured loans by friends/relatives during the currency of the Bank loan, withdraw the money brought in by promoters/principal shareholders, declare dividends for any year, if the account of our Company with the Bank is running irregular, transfer of the controlling interest, make any drastic change in the management set up, divert/utilize Bank's fund to sister/associate/group concerns or for purposes other than those for which the credit facilities have been sanctioned by the Bank, issue bonus shares or dispose of share holding of promoters, sell or dispose of in any manner the hypothecated assets, mortgage, charge, lien or encumbrance.

Pursuant to the aforesaid we have received no objection certificate from Punjab National Bank for the proposed issue vide letter dated June 11, 2007.

REGULATIONS AND POLICIES

Pursuant to our business profile, there are no specific set of legislations and regulations applicable to our Company. Laws relating to excise, sales tax, pollution control, factory and labour-related matters etc., are applicable to our Company, as they are applicable to other manufacturing establishments.

Foreign Direct Investment (“FDI”)

Foreign Investment in India is governed by the FDI policy announced by the Government of India and the provisions of the Foreign Exchange Management Act (FEMA) 1999. Reserve Bank of India has issued Notification No. FEMA 20/2000-RB dated May 3, 2000 which contains the Regulations of Foreign Direct Investment. This notification has been amended from time to time.

FDI in Small Scale Sector

Under the Industrial Policy and FEMA, foreign direct investment up to 100% is permitted in P.V.C. Pipe industry under automatic route. As per press note 4 of 2006 issued by department of industrial policy & promotion, a foreign investor can invest in an Indian company which is a small scale industrial unit provided it is not engaged in any activity which is prohibited under the FDI policy. Such investments are subject to a limit of 24% of paid-up capital of the Indian company/SSI unit. An SSI unit can issue equity shares/fully convertible preference shares/fully convertible debentures more than 24% of its paid-up capital if: a) It has given up its small scale status; b) It is not engaged or does not propose to engage in manufacture of items reserved for small scale sector, and c) It complies with the sectoral caps as per the FDI Policy. Our Unit I is registered as a Small Scale Industrial Unit with Directorate of Industries, Government of Maharashtra as on date, since our investment in plant & machinery has not exceeded Rs. 500 lakhs, and thus we require prior approval of the Foreign Investment Promotion Board if we issue the Equity Shares in excess to 24% to persons/entities, if any, resident outside India other than erstwhile Overseas Corporate Bodies (“OCBs”). OCBs have been de-recognised as a class of investors in India with effect from September 16, 2003. As on date of filing this Draft Red Herring Prospectus with SEBI, we have not applied to the FIPB for increase in aforesaid 24% limit. However, our Company does not currently manufacture any items exclusively reserved for the small scale sector.

Environmental and Labour Regulations

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

- ❖ Factories Act, 1948;
- ❖ Payment of Wages Act, 1936;
- ❖ Payment of Bonus Act, 1965;
- ❖ Employees’ State Insurance Act, 1948;
- ❖ Employees’ Provident Funds and Miscellaneous Provisions Act, 1952;
- ❖ Payment of Gratuity Act, 1972;
- ❖ Shops and Commercial Establishments Acts, where applicable;
- ❖ Environment Protection Act, 1986;
- ❖ Minimum Wages Act, 1948;
- ❖ The Water (Prevention and Control of Pollution) Act, 1974; and
- ❖ The Air (Prevention and Control of Pollution) Act, 1981.
- ❖ Hazardous Waste (Management and Handling) Rules, 1989;

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as a private limited company in the name of “Tulsi Extrusions Private Limited” on September 16, 1994. In the year 1995, Tulsi Extrusions Private Limited was converted in to a public limited company with effect from June 5, 1995 under the name of “Tulsi Extrusions Limited”.

In the fiscal year 1994-95, we initiated setting up of our first manufacturing unit at Jalgaon. The unit commenced commercial production in the fiscal year 1995-96 for manufacture of various types of PVC pipes and fabricated fittings. Our Company purchased its first machinery in the fiscal year 1995-96 with an installed capacity of 1,440 metric tonnes. Subsequently in the fiscal year 1996-97, machinery was purchased and the installed capacity increased to 3,000 metric tonnes. In the fiscal year 2005-06, our Company had taken over the specified assets and liabilities of M/s. Tulsi Pipe Industries (a partnership firm) with an objective to consolidate our business operations. With the takeover, our total installed capacity increased to 6,000 metric tonnes. In the fiscal year 2006-07, additional machinery was added for ASTM plumbing pipes which broadened our product portfolio. Further, we have also procured one elastomeric sealing machine alongwith mandrels enabling us to manufacture elastomeric sealing pipes. During the said year, considering the growing demand of PVC pipes and further consolidate our business operations, our Company had decided to take-over the specified assets and liabilities of Gopal Extrusions Private Limited and Narvada Industries (proprietary concern of the Promoter, Mr. Pradip Mundhra) located at MIDC, Jalgaon, Maharashtra. By virtue of this takeover, the total installed capacity as on March 31, 2007 is now 10,483 metric tonnes for PVC pipes & fabricated fittings. The manufacturing facilities taken over from Gopal Extrusions Private Limited and Narvada Industries were competent to manufacture LLDPE pipes, HDPE pipes and PVC fabricated fittings.

Pursuant to take-over of M/s. Tulsi Pipe Industries, Narvada Industries and Gopal Extrusions Private Limited, our Company's manufacturing facilities are being operated at three different locations in MIDC, Jalgaon, Maharashtra.

On December 6, 1995 Unit I of our Company was registered as a Small Scale Industrial unit with Directorate of Industries, Government of Maharashtra, since our investment in plant & machinery did not exceeded the specified limit. Our Company's Small Scale Industrial Unit status will change after the proposed investment in plant & machinery, above Rs. 500 lakhs. Our Company will become a medium scale industrial unit after the proposed investment. However, our Company does not currently manufacture any items exclusively reserved for the small scale sector.

We presently manufacture Rigid PVC pipes, HDPE pipes, SWR pipes and fittings, PVC casing and screen pipes, ASTM plumbing pipes, LLDPE pipes, elastomeric sealing pipes and fabricated fittings for multiple uses under the brand name 'Tulsi'. The marketing activities of our Company are spread over the States of Maharashtra, Madhya Pradesh, Chattishgarh, West Bengal and Rajasthan. Initially the pipes were used for agricultural purposes but now it has been extended to various sectors such as potable water supply schemes, sewerage and drainage systems. Our Quality management systems are accredited with ISO 9001:2000 certification. Our quality control laboratory is equipped with range of testing facilities.

MAJOR EVENTS OF OUR COMPANY

Period	Event
September 1994	Incorporation of Tulsi Extrusions Private Limited
September 1995	Commenced setting up of manufacturing facility at Jalgaon, Maharashtra
October 1995	Start of commercial production of PVC pipes and fittings
June 1995	Conversion of Tulsi Extrusions Private Limited into Tulsi Extrusions Limited, a public limited company
July 1996	Obtained ISI License for PVC pipes
May 2002	Received ISO 9001:2000 for our Quality Management Systems

December 2005	Takeover of the specified assets & liabilities of M/s. Tulsi Pipe Industries
January 2007	Takeover of the specified assets & liabilities of Narvada Industries
January 2007	Takeover of the specified assets & liabilities of Gopal Extrusions Private Limited

CHANGES IN REGISTERED OFFICE OF OUR COMPANY

Our Registered Office was changed from G-52, M.I.D.C Area, Jalgaon, Maharashtra to N-99, M.I.D.C Area, Jalgaon, Maharashtra vide Board resolution dated July 14, 1995.

MAIN OBJECTS OF OUR COMPANY

The main objects of our Company as contained in our Memorandum of Association are as set forth below:

To carry on the business of Manufacturing, trading in Polyvinyl (PVC) granules, Pipes, Fittings, and any other plastic granules and items or to deal with any such plastic items either on own account or commission basis, or to import, export any such granules or plastic items.

The Main Objects clause and the Objects Incidental or Ancillary to Main Objects clause of the Memorandum of Association of our Company enables us to undertake activities for which funds are being raised in this Issue. The existing activities of our Company are in accordance with the Objects clause of our Memorandum of Association.

CHANGES IN MEMORANDUM OF ASSOCIATION

Date of Shareholders Approval	Nature of Amendments
May 2, 1995	Subdivision of face value of Equity Shares of Rs 100/- per Equity Share to 10 Equity Shares of face value of Rs 10/- each
June 5, 1995	Conversion from Private Limited Company to Public Limited Company
July 20, 1995	Increase in the Authorised Share Capital from Rs 25 lakhs to Rs. 200 lakhs
March 30, 2006	Increase in the Authorised Share Capital from Rs 200 lakhs to Rs. 500 lakhs
November 20, 2006	Increase in the Authorised Share Capital from Rs 500 lakhs to Rs. 1,500 lakhs
March 31, 2007	Changes in objects clause

Shareholders Agreement

There are no subsisting shareholders agreements among our shareholders in relation to our Company, to which our Company is a party or other wise has notice of the same.

Other Agreements

Except the contracts/agreements entered in the ordinary course of the business carried on or intended to be carried on by our Company, we have not entered in to any other agreement/contract except for the Memorandum of Understandings entered into for takeover of specified assets & liabilities of M/s Tulsi Pipe Industries, Gopal Extrusions Private Limited and Narvada Industries, which are summarized herein below and the joint venture agreement entered into with Tulsi Plastics SA (Pty) Ltd, salient features of which are disclosed on page no. 92 of this Draft Red Herring Prospectus.

Strategic Partners

Presently, our Company does not have any strategic partners.

Financial Partners

Presently, our Company does not have any financial partners.

Memorandum of Understanding for takeover of specified assets & liabilities of Promoter & Promoter Group entities

(A) The Memorandum of Understanding for takeover of specified assets and specified liabilities (including goodwill, reputation and clients of the current business) between Tulsi Extrusions Limited (the “buyer company”) and Gopal Extrusions Private Limited (the “seller company”) was executed on January 2, 2007, salient terms and conditions for which were as under:

1. The buyer company to take over the assets and liabilities specified in the aforesaid MOU, goodwill, reputation, clients of the current business of the seller company for consideration of Rs. 77.00 lakhs.
2. The seller company has created charge/ mortgage/ lien on the assets of the seller company in the favour of Punjab National Bank and that there is no notice of attachment pending or subsisting in respect of property as on the specified day and there is no other charge/ mortgage/ lien on the assets.
3. The net purchase consideration shall be paid through allotment of 7,70,000 equity shares of the buyer company of Rs. 10/- each which shall be allotted as fully paid up.
4. Assets and Liabilities, if any, of the seller company not being transferred under the agreement subject to the conditions of the non – compete Agreement shall continue to be with the seller company.

This MOU has non-compete, non-hire clauses in favour of the buyer company. However, this Agreement is inadequately stamped, and cannot be admitted as evidence in legal proceedings unless it is adequately stamped. Our Company has entered into a separate Non-compete and non-hire agreement with Gopal Extrusions Private Limited dated August 31, 2007.

(B) The Memorandum of Understanding for takeover of the specified assets and specified liabilities between Tulsi Extrusions Limited (“buyer company”) and M/s. Tulsi Pipe Industries (“seller firm”) was executed on December 19, 2005, salient terms and conditions for which were as under:

1. The buyer company to take over the assets and liabilities of the seller firm for consideration of Rs. 130.00 lakhs.
2. The seller firm has created charge/ mortgage/ lien of Rs. 289.00 lakhs on the assets of the seller firm and that there is no notice of attachment pending or subsisting in respect of property as on the specified day and there is no other charge/ mortgage/ lien on the assets.
3. The net purchase consideration shall be paid through allotment of 13,00,000 equity shares of the buyer company of Rs. 10/- each which shall be allotted as fully paid up.

This MOU does not have non-compete, non-hire clauses in favour of the buyer company. This MOU is inadequately stamped, and cannot be admitted as evidence in legal proceedings unless it is adequately stamped. Our Company has entered into a separate agreement with M/s. Tulsi Pipe Industries dated August 31, 2007.

(C) The Memorandum of Understanding for takeover of specified assets and specified liabilities (including goodwill, reputation and clients of the current business between Tulsi Extrusions Limited(the “buyer company”) and Narvada Industries (the “seller”) executed on January 2, 2007, salient terms and conditions for which were as under:

1. The buyer company to take over the assets and liabilities specified in the aforesaid MOU, goodwill, reputation, clients of the current business of the seller for consideration of Rs. 73.00 lakhs.
2. The seller has created charge/ mortgage/ lien on the assets of the seller in the favour of Punjab National Bank and that there is no notice of attachment pending or subsisting in respect of property as on the specified day and there is no other charge/ mortgage/ lien on the assets.
3. The net purchase consideration shall be paid through allotment of 7,30,000 equity shares of the buyer company of Rs. 10/- each which shall be allotted as fully paid up.

4. Assets and Liabilities, if any, of the seller not being transferred under the agreement subject to the conditions of the non – compete Agreement shall continue to be with the seller company.

This MOU has non-compete, non-hire clauses in favour of the buyer company. However, this MOU is inadequately stamped, and cannot be admitted as evidence in legal proceedings unless it is adequately stamped. Our Company has entered into a separate Non-compete and Non-Hire agreement with Narvada Industries dated August 31, 2007.

The aforesaid three Promoter and Promoter Group entities are existing as on the date of this Draft Red Herring Prospectus. Gopal Extrusions Private Limited is a major shareholder and a Promoter of our Company. Further, both Gopal Extrusions Private Limited, our Promoter and Narvada Industries, our Promoter Group entity currently hold leasehold property in their name, for which we have made an application for transfer of lease rights therein in our name.

In case of M/s Tulsi Pipe Industries, in addition of leasehold property being held in its name, for which our Company is yet to complete the formalities for transfer in our name, it is also a party in certain outstanding litigations. The takeover of specified assets & liabilities of M/s Tulsi Pipe Industries did not involve the transfer of outstanding litigations.

OUR MANAGEMENT

Under the Article 134 of the Articles of Association of our Company, we cannot have less than three and more than twelve Directors. At present we have 8 Directors on our Board out of which 4 are Independent Directors.

The following table sets forth details regarding our Board of Directors as on the date of filing of this Draft Red Herring Prospectus:

Name, Designation, Father's Name, Address, Directors Identification Number and Occupation	Age	Date of Appointment	Other Directorships
Mr. Omprakash Jhavar Non-Executive Chairman & Independent Director S/o. Late Shri Lal Tejpal Jhavar Address: 59, Saket Nagar, Indore – 452 018, Madhya Pradesh DIN: 00993808 Occupation: Consultant Nationality: Indian	67 years	Appointed as Additional Director of our Company on November 20, 2006. Liable to retire by rotation.	Nil
Mr. Pradip Mundhra Managing Director S/o. Late Jasraj Mundhra, Address: “Saket”, 171/2, Adarsh Nagar, Jalgaon - 425 003, Maharashtra DIN : 01333921 Occupation: Business Nationality: Indian	42 years	Since Incorporation - September 16, 1994 Appointed as the Managing Director of our Company for a period of 5 years with effect from February 1, 2007. Not liable to retire by rotation.	Tulsi Plastics SA (Proprietary) Limited
Mr. Sanjay Kumar Taparia Whole Time Director and Chief Executive Officer S/o Mr. Ram Gopal Taparia Address: N-99, M. I. D. C. Area, Jalgaon – 425 003 , Maharashtra DIN: 01186470 Occupation: Business Nationality: Indian	37 years	Appointed as Director on April 20, 1995. Appointment of Mr. Sanjay Kumar Taparia as Whole Time Director and Chief Executive Officer of our Company for a period of 5 years with effect from February 1, 2007.	Gopal Extrusions Private Limited
Mr. Gopal Das Maheshwari* Non Executive Director S/o. Mr. Jugul Kishore Maheshwari Address: 3005 Trade House, Ring Road, Surat – 395 001 DIN: 01136941	40 Years	Appointed as Additional Director on May 05, 2006. Liable to retire by rotation.	Nil

Occupation: Practicing Chartered Accountant Nationality: Indian			
Mr. Om Prakash Agrawal Executive Director S/o Mr. Ram Gopal Agrawal Address: Plot no. 10, Anand Nagar, Mohadi Road, Jalgaon – 425 002, Maharashtra DIN: 01749573 Occupation: Business Nationality: Indian	57 years	Appointed as Additional Director of our Company on January 24, 2006. Liable to retire by rotation. At the EGM held on February 25, 2006 Mr. Om Prakash Agrawal was appointed as Executive Director of our Company for a period of 5 years w.e.f. February 25, 2006.	Nil
Mr. Jaiprakash Kabra Non-Executive & Independent Director S/o. Shri Bhikulal Kabra Address: 52, Sunflower Orchids, Majiwada, Thane – 400 601 DIN: 01749638 Occupation: Business Nationality: Indian	51 years	Appointed as Additional Director of our Company on November 20, 2006. Liable to retire by rotation.	Mind Movers Management Consultants Private Limited
Mr. Tilok M. Banwat Non-Executive & Independent Director S/o Shri Mishrilal Banwat Address: H.No. S-2, Bhikamchand Jain Nagar, Jalgaon City, Jalgaon. DIN: 01741816 (Provisional) Occupation: Practising Chartered Accountant Nationality: Indian	51 years	Appointed as Additional Director of our Company on July 31, 2007. Liable to retire by rotation.	Nil
Mr. Rajesh Jhunjunwala Non-Executive & Independent Director S/o Shri B.P. Jhunjunwala Address: A-3/203 Vasant Vihar, University Road, Althan, Surat, Gujarat DIN: 01727654 Occupation: Practicing Chartered Accountant Nationality : Indian	50 years	Appointed as Additional Director of our Company on July 31, 2007. Liable to retire by rotation.	Nil

* Mr. Gopal Das Maheshwari Director of our Company is a relative of Mr. Pradip Mundhra as per Section 6 of the Companies Act, 1956.

Brief Biography of Our Directors

Mr. Omprakash Jhavar, Chairman

Mr. Omprakash Jhavar, aged 67 years, joined our Company's Board in the year 2006. He is a graduate in Mechanical Engineering from Vikram University, Ujjain. He is an associate member of Institute of Engineer, Calcutta and a fellow member of Institute of Valuers, India. He is a Government registered valuer (Plant & Machinery) and a registered lead auditor with National Registration Board for Personnel and Training (NRBPT). Before joining Ordnance Factories Organisation, Ministry of Defence, Government of India, where he had worked for more than 33 years, he had also worked with Usha Automobile Engineer Works, Calcutta and Indian Copper Corporation, Ghatsila. He retired as Deputy Director General in November, 1997 from Ministry of Defence, and at that time was looking after planning, marketing, engineering & administration. At present, he is providing consultancy services for establishing quality systems as per ISO 9000 standards.

Mr. Pradip Mundhra, Managing Director

Mr. Pradip Mundhra, aged 42 years is the Managing Director of our Company. He is a graduate in Commerce from Calcutta University. He started his career as trainee administrative officer with Foremost Dairies Limited, Indana Ghee in 1984. In 1987 he incorporated Mundhra Agroplast Industries Private Limited for manufacture of injection moulded PVC fittings. He resigned from the Directorship in 1990 and started Narvada Industries as sole-proprietorship concern for manufacture of PVC pipes and fabricated fittings. During the year 1993 and 1994 he promoted Gopal Extrusions Private Limited and our Company respectively. He has more than 20 years of experience in trading, marketing and manufacturing of PVC Pipes, PVC fittings and drip-irrigation system. He looks after purchase, technical, production side as well as growth and development of our Company. He has been actively involved in the business of our Company since incorporation and has played a key role in the growth of our Company with his inputs in strategic planning and business development.

Mr. Sanjay Kumar Taparia, Whole Time Director & Chief Executive Officer

Mr. Sanjay Kumar Taparia, aged 37 years, joined our Company in the year 1995. He is a graduate in Commerce from Calcutta University. He started his career in 1988 by joining Godavari Traders as a marketing executive. In 1997, he started Narvada Sales Corporation as sole-proprietorship concern for trading of PVC pipes & fittings and other accessories. During the year 1993, he promoted Gopal Extrusions Private Limited for manufacture of PVC pipes and fabricated fittings. He is presently the Marketing Director of our Company, who looks after marketing operations of our Company's products. He has more than 19 years of experience in trading and marketing of PVC Pipes, fittings etc. He has created a marketing network of dealers and manages the day-to-day marketing operations of our Company.

Mr. Om Prakash Agrawal

Mr. Om Prakash Agrawal, aged 57 years, joined our Company in the year 2005. He has 23 years of experience in trading, administration, planning, production, finance, marketing etc. He started his career in 1968 by joining his family business of trading in grains, pulses, oil, etc. During 1976, he joined Nirmal Himat-Singka Rice & Saw Mill as Assistant Manager and had also worked with Supreme Industries Ltd, Maniyar Plast, Venkateshwarya Polymers and Kisan group of companies and gained experience in production, internal administration and marketing. In our Company he looks after day to day operations of factory.

Mr. Gopal Das Maheshwari

Mr. Gopal Das Maheshwari, aged 41 years, joined our Company's Board in the year 2006 as a Non-executive director. He is a Bachelor of Science, a fellow member of the Institute of Chartered Accountants of India. He started his career in 1988 in Birla Textiles Mills as Accounts Manager. He started his own practice in 1989 and is now partner in M/s. GDM & Co. He has been practicing for over 18 years in the field of Taxation and Finance. He has conducted statutory, concurrent and internal audit of banks and other entities. He also acts as an Investment Consultant.

Mr. Jaiprakash Kabra

Mr. Jaiprakash Kabra, aged 51 years, joined our Company's board in 2006. He is a Bachelor of Science, Master of Labour Studies and a Diploma holder in Training and Development. He started his career with Krishna Glass Limited as Personnel Manager in 1980. Thereafter he had worked with Ion Exchange (I) Limited, Ambernath and Polychem Limited, Mumbai. He has 25 years of experience in all facets of man management including manpower planning, selection and recruitment; design & implementation of performance appraisal system, and handling employee grievances. He incorporated his own human resource consultancy organisation in 1997 in the name of Mind Movers Management Consultants Private Limited.

Mr. Tilok M. Banwat

Mr. Tilok M. Banwat, aged 51 years, joined our Company's board in 2007. He is a bachelor of commerce and a fellow member of Institute of Chartered Accountants of India. He is a practicing chartered accountant since 1987 and is having experience in taxation, accounts and financial matters.

Mr. Rajesh Jhunjhunwala

Mr. Rajesh Jhunjhunwala, aged 50 years, joined our Company's board in 2007. He has completed B.Com (Hons) from Patna University and is also a fellow member of Institute of Chartered Accounts of India. He is a practicing Chartered Accountant since 1986 and since then has gained experience in the field of audit, taxation and management advisory.

DETAILS OF BORROWING POWERS OF DIRECTORS

The borrowing powers of our Directors are regulated by Articles 86 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. 175 of this Draft Red Herring Prospectus.

As per the members' resolution passed in the extra ordinary general meeting of our Company held on March 31, 2007 of Directors of our Company were authorized to borrow money(s) on behalf of our Company in excess of the aggregate amount of paid up share capital and free reserves of our Company from time to time, notwithstanding that the money so borrowed together with money already borrowed does not exceed Rs. 5000 Lakhs pursuant to section 293(1) (d) of the Companies Act, 1956.

Details of Compensation of Managing Directors /Executive Directors/Non Executive Directors

The terms and conditions of Mr. Pradip Mundhra, Managing Director and Mr. Sanjay Kumar Taparia, Whole Time Director & CEO have been revised in the EGM held on May 14, 2007. The main terms are as under:

(i) Mr. Pradip Mundhra, Managing Director

Salary and Allowances:

I Salary: Rs. 1.50 lakhs per month

II Perquisites and Allowances:

- (a) In addition to the salary and commission payable, the Managing Director shall also be entitled to perquisites and allowance in accordance with the rule of our Company or as may be agreed to by the Board of Director and the Managing Director; such perquisites and allowances will be subject to Schedule XIII of the Companies Act, 1956 and Income Tax, 1961.
- (b) In addition, he is provided use of our Company's car with a driver for official duties and telephone at residence which shall not be included in the computation of perquisites for purpose of calculating the ceiling.

III Minimum Remuneration

Notwithstanding anything to the contrary herein contained, where in any financial year, during the currency of the tenure of Mr. Pradip Mundhra, our Company has no profits or its profits are inadequate, our Company will pay remuneration be way of salary and perquisites, as specified above subject to the restrictions setout in Schedule XIII of the Companies Act, 1956 or any law or enactment for the time being or from time to time in force.

The Managing Director shall be entitled to reimbursement of expenses actually and properly incurred in the course of business of our Company. The Managing Director so long as he functions as such shall not be paid any sitting fees for attending the meetings of the Board of Directors or committees thereof, and shall not be liable to retire by rotation.

(ii) Executive Directors

Mr. Sanjay Kumar Taparia, Whole Time Director & Chief Executive Officer

Salary and Allowances:

I Salary: Rs. 1.00 lakh per month

II Perquisites and Allowances:

- a) In addition to the salary and commission payable, he shall also be entitled to perquisites and allowance in accordance with the rule of our Company or as may be agreed to by the Board of Director and the Chief Executive Officer; such perquisites and allowances will be subject to Schedule XIII of the Companies Act, 1956 and Income Tax, 1961.
- b) In addition, he is provided use of our Company's car with a driver for official duties and telephone at residence which shall not be included in the computation of perquisites for purpose of calculating the ceiling.

III Minimum Remuneration

Notwithstanding anything to the contrary herein contained, where in any financial year, during the currency of the tenure of Mr. Sanjay Kumar Taparia, our Company has no profits or its profits are inadequate, our Company will pay remuneration be way of salary and perquisites, as specified above subject to the restrictions setout in Schedule XIII of the Companies Act, 1956 or any law or enactment for the time being or from time to time in force. The Chief Executive Officer shall be entitled to reimbursement of expenses actually and properly incurred in the course of business of our Company.

The Chief Executive Officer so long as he functions as such shall not be paid any sitting fees for attending the meetings of the Board of Directors or committees thereof, and shall not be liable to retire by rotation.

Mr. Om Prakash Agrawal, Executive Director

Salary and Allowances:

I Salary: Rs. 30,000/- per month

II Perquisites and Allowances:

- a) In addition to the salary and commission payable, he shall also be entitled to perquisites and allowance in accordance with the rule of our Company or as may be agreed to by the Board of Director and the Director; such perquisites and allowances will be subject to Schedule XIII of the Companies Act, 1956 and Income Tax, 1961.
- b) In addition, he is provided use of our Company's car with a driver for official duties and telephone at residence which shall not be included in the computation of perquisites for purpose of calculating the ceiling.

III Minimum Remuneration

Notwithstanding anything to the contrary herein contained, where in any financial year, during the currency of the tenure of Mr. Om Prakash Agrawal, our Company has no profits or its profits are inadequate, our Company will pay remuneration be way of salary and perquisites, as specified above subject to the restrictions setout in Schedule XIII of the Companies Act, 1956 or any law or enactment for the time being or from time to time in force. The Director shall be entitled to reimbursement of expenses actually and properly incurred in the course of business of our Company.

The Director so long as he functions as such shall not be paid any sitting fees for attending the meetings of the Board of Directors or committees thereof, and shall be liable to retire by rotation.

(iii) Non-Executive Independent Directors

Our Non-Executive Directors are currently paid a sitting fee of Rs. 10,000/- for every Board and Committee meeting and out of pocket expenses at actuals.

Corporate Governance

The provisions of the Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance shall be applicable to us immediately upon listing of our Company's Equity Shares on the Stock Exchanges. We have already complied with SEBI guidelines in respect of corporate governance with respect to broad basing of Board, constituting various committees such as Audit Committee, Remuneration Committee and Shareholders'/Investors' Grievance Committee. We undertake to adopt the corporate governance code as per Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges prior to listing. In terms of the Clause 49 of the Listing Agreement, our Company has already appointed Independent Directors and constituted the following committees.

Audit Committee:

The Audit Committee evaluates internal audit policies, plans, procedures, performance and reviews the other functions through various internal audit reports and other year-end certificates issued by the statutory auditors. Quarterly and Annual Accounts will be reviewed by the Audit Committee, prior to their presentation to the Board along with the recommendations of the Audit Committee. Besides, Audit Committee will be authorized to exercise all such powers as are required under the amended Clause 49 of the Listing Agreement.

The Audit Committee was constituted at our Board meeting held on January 2, 2007. The present Audit Committee comprises of the following members, which was re-constituted on July 31, 2007:

Name of Director	Status in Committee	Nature of Directorship
Mr. Tilok M. Banwat	Chairman	Non Executive & Independent
Mr. Rajesh Jhunjunwala	Member	Non Executive & Independent
Mr. Gopal Das Maheshwari	Member	Non Executive & Non-Independent

Remuneration Committee:

The objective of Remuneration Committee is to assess remuneration payable to our Managing Director/Whole Time Directors; sitting fee payable to our Non Executive Directors; remuneration policy covering policies on remuneration payable to our senior executives.

The Remuneration Committee was constituted at our Board Meeting held on January 2, 2007. The present Committee comprises of the following members, which was re-constituted on July 31, 2007:

Name of Director	Status in Committee	Nature of Directorship
Mr. Jaiprakash Kabra	Chairman	Non Executive & Independent
Mr. Tilok M. Banwat	Member	Non Executive & Independent
Mr. Gopal Das Maheshwari	Member	Non Executive & Non-Independent

Shareholders'/Investors' Grievance Committee:

The Shareholders'/Investors' Grievance Committee has been formed to redress the complaints of the shareholders in respect of matters pertaining to transfer of shares, non-receipt of annual report, dematerialization of shares, non-receipt of declared dividend etc.

The Shareholders'/Investors' Grievance Committee was constituted at our Board Meeting held on January 2, 2007. The Shareholders' / Investors' Grievances Committee comprises of the following members:

Name of Director	Status in Committee	Nature of Directorship
Mr. Omprakash Jhavar	Chairman	Non Executive & Independent
Mr. Gopal Das Maheshwari	Member	Non Executive & Non-Independent
Mr. Jaiprakash Kabra	Member	Non Executive & Independent

Shareholding of our Directors

As per our Articles, our Directors are not required to hold any Equity Shares in our Company. Save and except as below, our Directors do not hold any Equity Shares in our Company as on the date of filing of this Draft Red Herring Prospectus

Name of the Director	Number of Shares	% Shareholding
Mr. Pradip Mundhra	20,01,650	29.46%
Mr. Sanjay Kumar Taparia	3,18,500	4.61%
Mr. Gopal Das Maheshwari	Nil	Nil
Mr Om Prakash Agrawal	Nil	Nil
Mr. Jaiprakash Kabra	Nil	Nil
Mr. Omprakash Jhavar	Nil	Nil
Mr. Tilok M. Banwat	Nil	Nil
Mr. Rajesh Jhunhunwala	Nil	Nil

Interest of our Directors

Except as stated in "Related Party Transactions" beginning on page no. 111 of this Draft Red Herring Prospectus, to the extent of shareholding in our Company either by themselves or shareholding of companies in which they are interested, the Directors do not have any other interest in our Company. Our Directors do not have any interest in any property acquired by our Company in a period of two years before filing this Draft Red Herring Prospectus with SEBI or proposed to be acquired by us as on date of filing this Draft Red Herring Prospectus with SEBI.

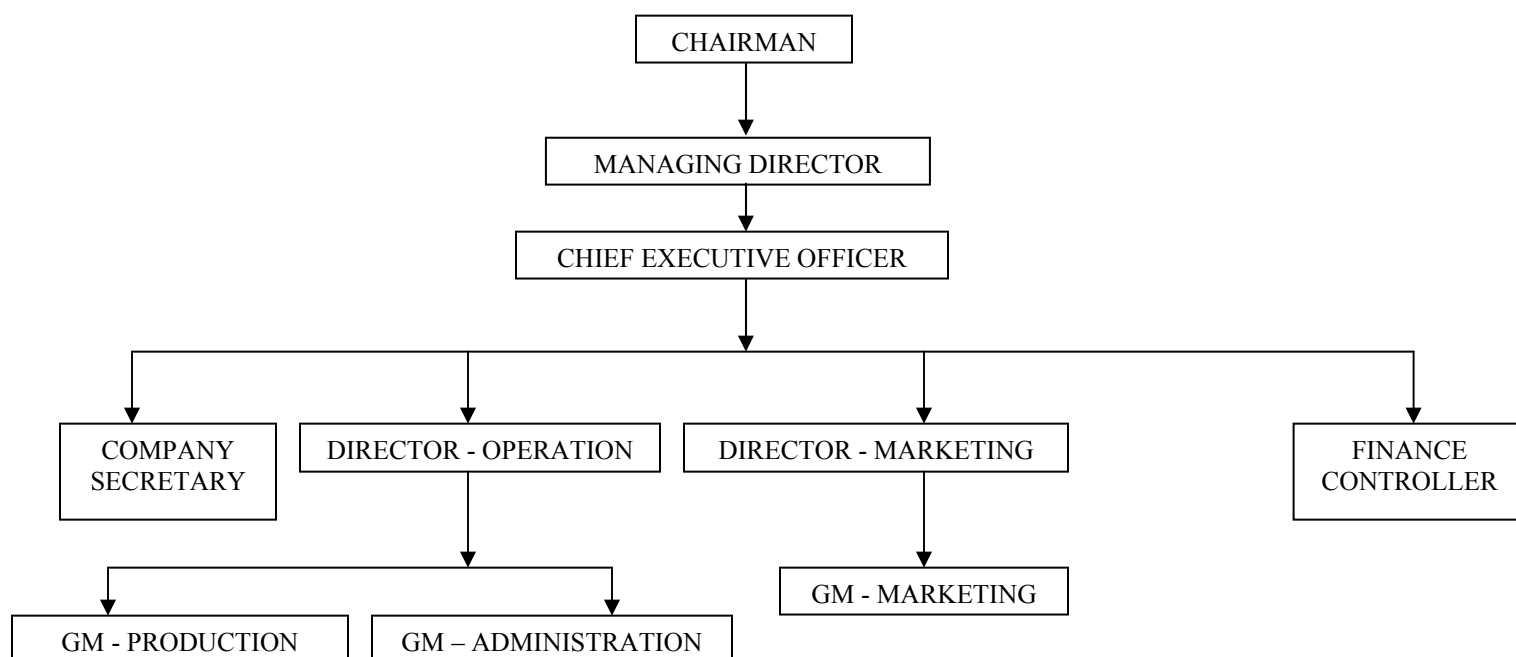
Changes in Board of Directors in the last three years

The changes in the Board of Directors of our Company in the last three years are as under:

Name of the Director	Date of Appointment	Date of Resignation	Reasons for change
Mr. Ashok Kumar Mundhra	September 16, 1994	September 03, 2005	Resigned
Mr. Santosh B.Powle	September 03, 2005	May 05, 2006	Resigned
Mr. Tarun K. Lohiya	May 5, 2006	October 25, 2006	Resigned
Mr. Gopal Das Maheshwari	May 5, 2006	-	Appointed as additional Director
Mr. Om Prakash Agrawal	January 24, 2006	-	Appointed as additional Director
Mr. Omprakash Jhavar	October 25, 2006	-	Appointed as additional Director
Mr. Jaiprakash Kabra	October 25, 2006	-	Appointed as additional Director
Mr. Tilok M. Banwat	July 31, 2007	-	Appointed as additional Director
Mr. Rajesh Jhunhunwala	July 31, 2007	-	Appointed as additional Director

Organisation Chart

The following chart depicts our Management Organization Structure:



Key Management Personnel

Name	Age	Date of Joining	Academic Qualification	Designation	Overall Experience	Previously employed	Remuneration during financial year 2006-07 (Rs in Lakhs)
Mr. Jagdish Chandra Sharma	74 years	May 2, 1996	Diploma in Electric Engineer	General Manager (Production)	48 years	Saket Extrusions Ltd.	1.50
Mr. Mohammed Aslam	54 years	September 30, 2005	Bachelor of Science from Roorkee University and Diploma in Electrical Engineering from U.P Technical Board, Lucknow.	Manager (Quality Control)	27 years	M/s. Tulsi Pipe Industries	1.60
Mr. Khiwanmal Lohiya	56 years	September 01, 1995	Bachelor of Commerce, Calcutta University	General Manager (Administration)	36 years	Hemant Cold Storage Limited	1.60
Mr. Sudarshan Taparia	24 years	December 1, 2006	Bachelor of Commerce, Calcutta University, Chartered Accountant and Company Secretary	Finance Controller	2 years	Jhawar Finance & Trading Company Private Limited	0.80
Mr. Chandika Dutta Mishra	31 years	January 1, 2007	Bachelor of Commerce, T.M. Bhagalpur University	Manager – (MIS)	10 years	Balaji Marketing	0.31
Mr. Pawan Kumar Baid	27 years	February 15, 2007	Bachelor of Commerce from MDS University, Associate Member of the Institute of Company Secretaries of India	Company Secretary	5 years	Shree Nakoda Consultants	0.15

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 except Mr. Sudarshan Taparia who is related to Mr. Sanjay Kumar Taparia.

Brief Profile of Key Managerial Personnel

Mr. Jagdish Chandra Sharma

Mr. Jagdish Chandra Sharma, General Manager (Production), aged 75 years, holds Diploma in Electrical Engineering from Stevenson Eletradio Engineering Institute, Sonapat. He has more than 48 years of experience in plant maintenance, production & quality control. He started his career with Palana Coal Mines under Government of Rajasthan from 1958 to 1970. He also had worked with State Wollen Mills, Rajasthan; Steam Flow Plastics;

Supreme Industries; Jalgaon and Saket Extrusions Ltd., Indore and handled maintenance operations of plant. He joined us on May 2, 1996 as Senior Works Manager and is designated as General Manager (Production) since April 1, 2006. At present he looks after planning, supervision and maintenance of production department.

Mr. Mohammed Aslam

Mr. Mohammed Aslam, Manager (Quality Control), aged 54 years, holds a Bachelors Degree in Science from Roorkee University. He also holds Diploma in Electrical Engineering from Roorkee, U.P. Technical Board, Lucknow. He started his career with Wavin India Limited, Ghaziabad, Uttar Pradesh as Junior Engineer (Extruder Department) in from 1978 to 1984. He had also worked with Usha Rectifire Corporation (I) Limited, Jain Tubes Company Limited and Kajrewal Containers & Polymers (P) Limited and looked after production activities of PVC pipes. Prior to joining us, he was working with M/s. Tulsi Pipe Industries as Production Engineer for 8 years. Pursuant to the takeover of assets, liabilities and business of M/s. Tulsi Pipe Industries, he joined us on September 30, 2005 and is designated as Manager (Quality Control) since April 1, 2006. He has more than 27 years of experience in extrusion line of rigid PVC pipes, electrical and mechanical maintenance. In our Company he looks after planning, supervision and maintenance of production department.

Mr. Khiwanmal Lohiya

Mr. Khinwanmal Lohiya, General Manager (Administration), aged 56 years, holds a Bachelor Degree in Commerce from Calcutta University. He has more than 35 years experience in the field of administration. He started his career from Texmaco Limited in 1971 and then worked as a commercial manager in different companies viz. Shree Hanuman Jute Mills, Kolkata; Madhya Bharat Paper Mills, Kolkata; The Champdany Industries Limited, Kolkata; Hemant Cold Storage Limited, Kolkata. He is associated with our Company for last 12 years and looks after the administration department.

Mr. Sudarshan Taparia

Mr. Sudarshan Taparia, Finance Controller, aged 24 years, holds the Bachelors Degree in Commerce from St. Xavier's College, Calcutta University. He is a Company Secretary and a Chartered Accountant. He started his career with Jhawar group of companies in September, 2005 and was looking after accounting and compliance activities. He joined our Company in December, 2006 and looks after the finance operations including procurement and deployment of funds, analysis of the banking transaction, project preparation, analysis of the planned project execution and managing day to day requirements.

Mr. Chandika Dutta Mishra

Mr. Chandika Dutta Mishra, Manager-MIS, aged 31 years, holds a Bachelor Degree in Commerce from T.M.Bhagalpur University, Bihar and is currently pursuing Chartered Accountancy. He started his career in 1996 from Das & Prasad & Co., a Chartered Accountancy firm. He had also worked as accountant with BLA Group of Companies, B.P. Oil Mills Limited, S.R. Bhalotia & Co., and Balaji Marketing, Jalgaon. He is having 10 years of experience in finance and accounts. He joined our Company in January, 2007. In our Company, he looks after functions relating to accounts.

Mr. Pawan Kumar Baid

Mr. Pawan Kumar Baid, Company Secretary, 27 years, holds Bachelors Degree in Commerce from Maharshi Dayanand Saraswati University, Ajmer. He is an associate member of the Institute of Company Secretaries of India. He started his career in January, 2002 from S.K. Rakhecha & Co. He had also worked with Paras Petrofils Limited as Assistant Company Secretary. He is having 5 years of experience in company law matters and legal compliances. In our Company, he looks after all company law matters, legal compliances and secretarial work.

Changes in the Key Managerial Personnel in last one year

There have been no changes in the Key Managerial Personnel in our Company during the last 1 year except as stated below:

Name of the Key Managerial Person	Designation	Date of Appointment	Date of Resignation	Reason
Mr. Sudarshan Taparia	Finance Controller	December 1, 2006	-	Appointment
Mr Chandika Dutta Mishra	Manager (MIS)	January 1, 2007	-	Appointment
Mr. Pawan Kumar Baid	Company Secretary	February 15, 2007	-	Appointment

Interest of Key Managerial Personnel

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.

Except as stated otherwise in this Draft Red Herring Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 years from the date of this Draft Red Herring 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.

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 Draft Red Herring Prospectus.

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.

OUR PROMOTERS AND THEIR BACKGROUND

Our Company was initially promoted by Mr. Pradip Mundhra and Mr. Ashok Mundhra. Subsequently due to family settlement, Mr. Ashok Mundhra is no longer associated with our Company and therefore, not a part of present Promoters or under the Promoter Group.

The present Promoters of our Company are:

1. Gopal Extrusions Private Limited
2. Mr. Pradip Mundhra
3. Mr. Sanjay Kumar Taparia
4. Ms Nandini S. Taparia
5. Ms Chitra S. Taparia
6. Ms Shrikanta D. Rath

The brief profile of our promoters is as follows:

1. Gopal Extrusions Private Limited

Name of the company	Gopal Extrusions Private Limited		
Nature of Activity	Business of manufacturing, trading in Polyvinyl (PVC) granules, pipes, fittings and any other plastic granules and items or to deal with any such plastic items either on own account or commission basis or to import, export any such granules or plastic items.		
Date of Incorporation	November 8, 1993		
Registered Office address	G-51, M.I.D.C Area, Jalgaon – 425 003, Maharashtra (India)		
Name of the Directors	1. Mr. Sanjay Kumar Taparia 2. Mr. Sunil Kumar Taparia		
Bank Account No.	0222002100030323 (Punjab National Bank, Jalgaon branch)		
Permanent Account Number	AAACG8418K		
Shareholding Pattern	Name of the Shareholder	No of Shares (Face Value of Rs. 10/-each)*	% of Shareholding
	Pradip Kumar Mundhra	39200	1.48
	Sanjay Kumar Taparia	36800	1.39
	Kiran Devi Mundhra	3500	0.13
	Subash Narayan Rao	10000	0.38
	Narayanchand Sharma	5000	0.19
	Anil Shriniwas Laddha	10000	0.38
	Neetaben Shah	2500	0.09
	Sweety Shah	2500	0.09
	Kulsum Mohammed	2500	0.09
	Vijay Chandak	25000	0.95
	Giriraj Kishore Bihani	5000	0.19
	Pentium Hi Tech Pvt. Ltd.	87500	3.31
	Nicco Securities Pvt. Ltd.	140000	5.30
	MACRO SOFR Technology Pvt. Ltd.	50000	1.89
	Sunoy Saraswat	25000	0.95
	Sunoy Saraswat (HUF)	10000	0.38

	Madhuri Saraswat	15000	0.57
	Nitin Jhavar	2500	0.09
	Omprakash Taparia	30000	1.14
	Sudarshan Taparia	14000	0.53
	Sanjita Somani	12500	0.47
	Basant Lal Somani	9000	0.34
	Kanta Devi Taparia	8750	0.33
	Vinod Kumar Taparia (HUF)	13750	0.52
	Sunil Rathi	3900	0.15
	Surekha Mundhra	87500	3.31
	Kishore Patil	59650	2.26
	Mayank Saha	7000	0.27
	Anil Lunawat	5000	0.19
	Nitin Saha	2500	0.09
	Arindam Mookerjee	1250	0.05
	Aizaz Edrish Merchant	1250	0.05
	Pingle Commerce Pvt. Ltd.	362500	13.73
	Novoflex Cable Care Systems Ltd.	187500	7.10
	Signet Commercial Pvt. Ltd.	187500	7.10
	Veena Credit & Holding Pvt. Ltd.	187500	7.10
	Doldrum Investment & Finance Pvt. Ltd.	62500	2.37
	Ocean Investment & Finance Pvt. Ltd.	150000	5.68
	Saumitra Investments & Finance Pvt. Ltd.	137500	5.21
	Avanti Vyapar Pvt Ltd.	225000	8.52
	VDR Consultants Pvt Ltd.	225000	8.52
	Vivek Tracom Pvt Ltd.	75000	2.84
	Sarthak Traders Pvt Ltd.	12500	0.47
	Sugreev Traders Pvt Ltd.	25000	0.95
	Malinath Trading Pvt Ltd.	75000	2.84
	TOTAL	2640550	100.00

* The equity share capital of Gopal Extrusions Private Limited constituting of 7,950 equity shares of face value Rs. 100/- each was subdivided to 79,500 equity shares of the face value of Rs. 10/- each pursuant to the resolution passed by the shareholders at the EGM held on March 9, 2007.

Audited Financial Information	2005- 2006	2004- 2005	2003- 2004
	(Rs. In lakhs except per share data)		
Sales	65.39*	158.23*	36.70
Other Income	0.28	0.48	2.57
Profit after Tax	0.23	0.76	0.39
Equity Capital	7.95	7.95	7.95
Face Value of Equity Share (Rs.)	100.00	100.00	100.00
Reserve & Surplus	15.05	14.82	14.06
Earning per Shares (EPS)	2.89	9.56	4.91

Rs.			
Net Asset Value (NAV) Rs.	289.31	286.41	276.86

*Includes export sales of machinery for Rs. 7.58 lakhs and Rs. 94.21 lakhs during 2005-06 and Rs. 2004-05 respectively.

Our Company entered in to Memorandum of Understanding dated January 2, 2007 for take over of the specified assets and liabilities of Gopal Extrusions Private Limited as on December 31, 2006 for a total purchase consideration of Rs. 77 lakhs. For salient features of Memorandum of Understanding, please refer to paragraph titled “Memorandum of Understanding for takeover of specified assets & liabilities of Promoter and Promoter Group entities” appearing on page no. 74 of this Draft Red Herring Prospectus.

The company is not a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, and is not subject to winding up proceedings. It has not made a public or rights issue of its shares in the preceding three years.

2. Mr. Pradip Mundhra



Permanent Account Number	AAUPM 2754 K
Passport Number	F6999660
Bank Account Number	16018, Central Bank Of India, Jalgaon Main Branch.
Driving License No.	89/2541/Jalgaon

For details of profile of Mr. Pradip Mundhra, please refer to section titled “Our Management” beginning on page no. 76 of this Draft Red Herring Prospectus.

3. Mr. Sanjay Kumar Taparia



Permanent Account Number	ABLPT 6544 N
Passport Number	G0791680
Bank Account Number	23/3262, Jalgaon Janata Sahakari Bank Ltd.
Driving License No.	4447/96

For details of profile of Mr. Sanjay Kumar Taparia, please refer to section titled “Our Management” beginning on page no. 76 of this Draft Red Herring Prospectus.

4. Ms. Nandini S. Taparia



Permanent Account Number	ADKPT 1334 M
Passport Number	Not Available
Bank Account Number	23/2062, Jalgaon Janata Sahakari Bank Ltd.
Driving License Number (Learning)	LL/136/307

Ms. Nandini S.Taparia, aged 34 years is the wife of Mr Sanjay Kumar Taparia, our Promoter. She has passed Higher Secondary from Assam Board. She is a housewife. She is not involved in the activities of our Company and has no experience in the business of our Company. She is not on the board of our Company.

5. Ms. Chitra S.Taparia



Permanent Account Number	ADKPT 1335 L
Passport Number	E6958310
Bank Account Number	23/2067, Jalgaon Janata Sahakari Bank Ltd.
Driving License Number	Not Available

Ms. Chitra S.Taparia, aged 31 years, is the wife of Mr Sunil Taparia and sister-in-law of Mr Sanjay Kumar Taparia, our Promoter. She has higher secondary education from Uttar Pradesh Board. She is a housewife. She is not involved in the activities of our Company and has no experience in the business of our Company. She is not on the board of our Company.

6. Ms. Shrikanta D. Rathi



Permanent Account Number	AHGPR 5285 F
Passport Number	Not Available
Bank Account No.	23/2063, Jalgaon Janata Sahakari Bank Ltd.
Driving License No.	MH 19/10244/2000

Ms. Shrikanta D. Rathi, aged 39 years is the sister of Mr Pradip Mundhra, our Promoter. She has higher secondary education from West Bengal Higher Secondary Education. She is a housewife. She is not involved in the activities of our Company and has no experience in the business of our Company. She is not on the board of our Company.

We confirm that the Permanent Account Number, Bank Account Number and Passport Number / company's registration number (in case of Promoter Company) of all the above Promoters have been submitted to Bombay Stock Exchange Limited and National Stock Exchange of India Limited at the time of filing this Draft Red Herring Prospectus with them.

Interest of Promoters

Except as stated in "Related Party Transactions" beginning on page no. 111 of this Draft Red Herring Prospectus, to the extent of shareholding in our Company either by themselves or shareholding of companies in which they are interested, the Promoters do not have any other interest in the business. Our Promoters do not have any interest in any property acquired by our Company in a period of two years before filing this Draft Red Herring Prospectus with SEBI or proposed to be acquired by us as on date of filing this Draft Red Herring Prospectus with SEBI.

OUR PROMOTER GROUP COMPANIES / ENTITIES

The following companies, partnerships, proprietary concerns constitute our Promoter group.

The Companies that are part of the Promoter Group are as follows:-

1. Tulsi Plastics SA (Proprietary) Limited
2. Kiran Polyvinayel Private Limited

The other entities that are part of the Promoter Group are as follows:-

1. M/s. Tulsi Pipe Industries
2. Dinesh Polymers
3. Narvada Sales Corporation
4. Narvada Industries
5. Dinesh Plastics

1. Tulsi Plastics SA (Proprietary) Limited

Nature of Activity	Trading and Manufacturing of various plastic items.		
Date of Incorporation	Tulsi Plastics SA (Proprietary) Limited was earlier known as Freedom Trading (Proprietary) Limited which was incorporated on May 1, 2003. The name of the company was changed to Tulsi Plastics SA (Proprietary) Limited on April 20, 2004 and a fresh certificate was issued by the Registrar of Companies & Close Corporations, Pretoria, Republic of South Africa. The company's registration number is 2003/012513/07.		
Registered Office address	90, Escom Road, Unit 9, Duro Park, New Germany – 3610, Durban, South Africa.		
Name of the Directors	1. Mr. Pradip. Mundhra 2. Mr. Sachin K. Lohiya		
Shareholding Pattern	Name of the Shareholder	No of Shares	% of Shareholding
	Pradip Mundhra	10,010	3.12
	Kiran P. Mundhra	10,010	3.13
	Sanjay Kumar Taparia	44,044	13.75
	Nandini S. Taparia	24,024	7.50
	Sunil Kumar R. Taparia	24,024	7.50
	Chitra S. Taparia	24,024	7.50
	Khiwan Mal M. Lohiya	44,044	13.75
	Shreeniwas Lohiya	24,024	7.50
	Sachin Kumar K. Lohiya	44,044	13.75
	Suresh Chandra Gupta	24,024	7.50
	Ashok R. Chechani	24,024	7.50
	Nilesh Chechani	24,024	7.50
	Total	320,320	100

Audited Financial Information	2005- 2006* (March – February 28, 2006)	2004- 2005* (Period ended February 28, 2005)	2005- 2006* (March – February)	2004- 2005* (Period ended February 28, 2005)
	(Rands in lakhs)		(Rs in lakhs)	
Sales	7.02	0.08	51.31	0.57
Other Income	0.16	-	1.17	-
Profit after Tax	(5.42)	(3.27)	(39.62)	(23.51)
Equity Capital*	3.20	0.003	22.94	0.022
Reserve & Surplus	(8.69)	(3.27)	(62.31)	(24.62)
Earning per Shares (EPS)	(1.69)	(1021.87)	(12.35)	(7346.87)
Net Asset Value (NAV)	(1.52)	(1021.20)	(10.90)	(7689.64)

Rand is the Currency of South Africa

**Face value of each equity share is Rand 1*

**Figures in Rand have been converted to Indian Rupees applying an average rate of Rs 7.31 and Rs 7.19 for Rand 1.00 for Profit and Loss items and closing rate of Rs 7.17 and 7.53 for Rand 1.00 for Balance Sheet items for the financial year ended February 28, 2006 and February 28, 2005 respectively.*

Tulsi Plastics SA (Proprietary) Limited is not listed at any Stock Exchange neither it has any subsidiary. Tulsi Plastics SA (Proprietary) Limited 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

Tulsi Plastics SA (Proprietary) Limited has entered into Joint Venture Agreement with our Company for participating in their business and also exploring the business opportunities in South Africa. The salient features of Joint Venture Agreement are as under:

Date of Agreement	February 1, 2006.
Name of Parties	Tulsi Extrusions Limited, Jalgaon, India (The Indian Party) and M/s Tulsi Plastics SA (Pty) Limited, Durban, South Africa (Durban Party).
Purpose of Agreement	<p>The Parties are desirous of carrying on business in the name of Tulsi Plastics SA (Pty) Limited as a Joint Venture Company for the purpose of engaging in the business of marketing and selling of PVC Pipes & Pipe Fittings and parts thereof and any other products mutually agreed.</p> <p>The Indian Party wishes to participate in the Joint Venture referred to above by means of acquiring shares in the Durban Party and providing technology, know-how and marketing assistance (including information and components) to the Durban Party.</p>
Conditions precedent	<p>a) The Indian Party provides its No Objection for use of its brand name “TULSI” as prefix to the Company and the Indian Party will provide the necessary declaration to that effect whenever required and agrees to the use of its brand name “TULSI” in the name of the Joint Venture Company. The Indian Party may withdraw this permission at any time, if the Durban Party does not comply with this Joint Venture Agreement, or if the share application money of the Indian Party is returned in terms of this Joint Venture Agreement.</p> <p>b) As soon as possible, following the execution of this Joint Venture Agreement (to the extent that they shall not already have done so), the Parties (or such of them as shall be appropriate) shall make applications to the appropriate Government authorities, its designated agencies and / or the Reserve Bank of India / FIPB/ Reserve Bank in South Africa for such</p>

	<p>licenses, consents, approvals or authorisations as may be required under the Indian laws / South African laws and all other relevant enactments in relation to the approval of this Joint Venture Agreement, the acts contemplated herein. Applications shall also be made by the Parties (or such of them as shall be appropriate) to all the Boards and Ministries as may be necessary. All such applications shall be agreed in advance by the Indian Party and the Durban Party.</p> <p>c) In the event that any of the necessary licenses, consents, authorisations or approvals of the Government Authorities and / or its designated agencies and / or the Reserve Bank of India / FIPB / Reserve Bank in South Africa is granted subject to any conditions which are unacceptable to any one or more of the Parties, it shall be deemed that approval has been denied for the purposes of this Joint Venture Agreement unless an acceptable modification and / or waiver of the said condition(s) is / are obtained within 12 weeks (or such longer period as the Parties may agree) of the condition required by Government Authorities and / or its designated agencies and / or the Reserve Bank of India and / or FIPB and/ or the Reserve Bank in South Africa.</p>
Allotment of Shares	<p>a. Subject to obtaining of the necessary approvals and completion of the required procedures, the Indian Party will invest, from time to time, such monies as may be required by the Durban Party for business activities, in the shares of the Durban Party at their nominal value for cash, provided that the board of directors of the Durban Party shall only call for such additional subscriptions as and when the Company requires funding for purchase of machinery or the Company's other operational requirements from time to time, and such call for additional subscription is reasonable in context of the Company's requirements and acceptable to the Indian Party.</p> <p>b. Subject to what is contained in (c) below, the provisions of the Agreement, as soon as practicable following each of the relevant subscriptions referred to in this Joint Venture Agreement, the Parties shall procure that a meeting of the Directors of the Company is held at which all of the relevant number of equity shares subscribed for in accordance with the provisions of this Joint Venture Agreement shall be allotted to the Indian Party and registered in its name in the Company's register of members.</p> <p>c. In terms of amounts received from the Indian Party under this Joint Venture Agreement in terms of (a) above, and notwithstanding anything contained in (b) above, the allotments by the Durban Party to the Indian Party shall be made at nominal value only once the Durban Party's turnover reaches an amount of US \$ 350,000, and in that period, the monies invested by the Indian Party shall be held by the Durban Party as share application money. In the event the aforesaid number of US \$ 350,000 is not reached by February 28, 2009, then the Durban Party shall return the same to the Indian Party without interest, except if the Indian Party permits the Durban Party to hold the monies invested as share application money.</p>
Ancillary Agreement	<p>The Indian Party agrees to provide to the Company insofar as it is required for the Company, technology, know-how and marketing assistance (including information and components) as it considers necessary subject to terms and conditions as mentioned in this Joint Venture Agreement and also upon the approval of the Reserve Bank of India / FIPB/ Reserve Bank of South Africa if necessary.</p>
Appointment of Directors	<p>The minimum number of Directors of the Company shall be the minimum legally required by the applicable laws. The Indian Party shall be entitled to</p>

	appoint 40% of the Board strength, and if such number is not a whole number, then it shall be reduced to immediately preceding whole number. The Board can also remove such Directors and at any time or from time to time appoint any other person to be a Director in the place of a Director so removed. The maximum number of Directors of the Company shall be 8 excluding alternate Directors.
Business of the Company	The business of the Company shall be trading and manufacturing of PVC Pipes & Pipe Fittings with the technology, know-how and marketing assistance (including information and components) to be provided by the Indian Party, especially to cater to the South African and other global markets and such other products as may be agreed from time to time by the Indian Party and the Durban Party. The manufacturing and marketing is to be placed in such manner and at such place(s) as may be approved by the Indian Party.
Financing	The initial costs and financial requirements of the Company shall be met out of the share application money to be provided by the Indian Party under this Joint Venture Agreement.
Co-operation	Each of the Company and the Indian Party hereby covenants with other to promote and develop the business of the Company (as defined in Clause 9) within South Africa and other global markets to the Company's best advantage. The Company shall not manufacture/ market products in India or other territories other than South Africa without the Indian Party's prior approval.
Terms & Termination	Unless terminated or amended or modified as provided elsewhere in this Joint Venture Agreement or terminated by mutual agreement in writing by the Indian Party and/ or the Durban Party at any time (which termination shall bind the other Parties hereto), this Joint Venture Agreement shall continue to be in full force for a period of 10 years from the Effective Date and shall, subject as aforesaid, automatically continue thereafter unless either the Indian Party and/ or the Durban Party shall have given at least 12 months' written notice terminating the same.

Kiran Polyvinayel Private Limited

Nature of Activity	Manufacturing and trading of plastic, PVC pipes, fittings, granules etc either on own account or commission basis.		
Date of Incorporation	June 27, 1995		
Registered Office address	J-48/B, Additional M.I.D.C, Jalgaon – 425 003, Maharashtra		
Name of the Directors	1. Mr. Khiwanmal M. Lohiya 2. Mr. Sampat Kumar S. Biyani		
Shareholding Pattern	Name of the Shareholder	No of Shares (Face Value of Rs. 10/- each)	% of Shareholding
	Khiwan Mal M. Lohiya	4,500	15.17
	Sampat Kumar S. Biyani	1,000	3.37
	Kiran P. Mundhra	1,000	3.37
	Sachin Kumar K. Lohiya	80	0.27
	Sanjay Kumar Taparia	3,000	10.11
	Nandini S. Taparia	3,000	10.11
	Chitra S. Taparia	3,000	10.11
	Pradip Mundhra	13,080	44.09
	Ashok Kumar J. Mundhra	1,000	3.37
	Total	29,660	100

Audited Financial Information	2005- 2006	2004- 2005	2003- 2004
	(Rs. In lakhs except per share data)		
Sales	226.28**	395.60*	43.16
Other Income	0.28	0.78	-
Profit after Tax	15.37	20.31	(22.03)
Equity Capital	29.66	29.66	29.66
Face Value of Equity Share (Rs.)	100.00	100.00	100.00
Reserve & Surplus	(10.79)	(26.16)	(46.48)
Earning per Shares (EPS) Rs.	51.82	68.48	(74.28)
Net Asset Value (NAV) Rs.	63.62	11.80	(56.71)

* The increase in sales was mainly due to export of machinery, dies and moulds amounting to Rs. 54.73 lakhs and Rs. 74.24 lakhs during 2005-06 and 2004-05 respectively.

** The decrease was due to decline in exports

Kiran Polyvinayel Private Limited is not listed at any Stock Exchange neither it has any subsidiary. Kiran Polyvinayel Private Limited 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

PARTNERSHIP FIRM

M/s. Tulsi Pipe Industries (TPI)

Nature of Activity	Manufacturing all kinds of plastic pipes, fittings etc.		
Date of Formation	December 22, 2000		
Registered Address	H-16, MIDC, Jalgaon - 425003, Maharashtra		
Name of the Partners/Profit /Loss Sharing Ratio	Name of the Partners	Profit/Loss sharing Ratio	
	1. Mr. Pradip Mundhra	25	
	2. Ms. Chitra S.Taparia	25	
	3. Ms. Nandini S. Taparia	25	
	4. Ms. Shrikanta D.Rathi	25	
	Total	100	
Audited Financial Information	2005- 2006	2004- 2005	2003- 2004
	(Rs. In lakhs)		
Partner's Capital	130.00	268.70	220.43
Sales	366.18	865.45	986.67
Other Income	0.97	0.20	2.78
Profit after Tax	0.95	45.54	47.95

Our Company entered in to Memorandum of Understanding dated December 19, 2005 for take over of the specified assets and liabilities of M/s. Tulsi Pipe Industries as on September 30, 2005 for a total purchase consideration of Rs. 130 lakhs. For salient features of Memorandum of Understanding, please refer to paragraph titled "Memorandum of Understanding for takeover of specified assets & liabilities of Promoter and Promoter Group entities" appearing on page no. 74 of this Draft Red Herring Prospectus.

M/s. Tulsi Pipe Industries is not listed at any Stock Exchange neither it has any subsidiary. M/s. Tulsi Pipe Industries 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.

Dinesh Polymers

Nature of Activity	Manufacturing and Trading of poly propylene mats.		
Date of Formation	August 1997		
Registered Address	G-100, MIDC Area, Jalgaon-425 003, Maharashtra		
Name of the Partners/Profit /Loss Sharing Ratio	Name of the Partners	Profit/Loss sharing Ratio	
	1. Mr Dinesh Rathi	51	
	2. Mr.Khiwanmal Lohiya	49	
	Total	100	
Audited Financial Information	2005- 2006	2004- 2005	2003- 2004
	(Rs. In lakhs)		
Partner's Capital	94.95	8.29	69.70
Sales	110.42	110.46	95.98
Other Income	1.85	0.21	-
Profit after Tax	10.39	9.92	(3.79)

Dinesh Polymer is not listed at any Stock Exchange neither it has any subsidiary. Dinesh Polymer 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.

PROPRIETORY CONCERN

Narvada Sales Corporation

Nature of Activity	Trading of PVC pipes, fittings etc.		
Year of Constitution	1997		
Registered Address	7, Ramakant shopping complex, Jalgaon - 425 001		
Proprietor	Mr. Sanjay Kumar Taparia		
Financial Information (Unaudited as are not required to be audited under any act or regulation)	2005- 2006	2004- 2005	2003- 2004
	(Rs. In lakhs)		
Proprietor's Capital	3.31	4.18	3.04
Sales	21.53	35.98	24.47
Other Income	0.25	0.67	0.48
Profit after Tax	0.88	1.72	0.44

Narvada Sales Corporation is not listed at any Stock Exchange neither it has any subsidiary. Narvada Sales Corporation 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.

Narvada Industries

Nature of Activity	Manufacturing and trading of PVC pipes and fittings and jobworks		
Year of Constitution	1991		
Registered Address	Plot No G-52, MIDC, Jalgaon- 425 003		
Proprietor	Mr. Pradip Mundhra		
Audited Financial Information	2005- 2006	2004- 2005	2003- 2004

	(Rs. In lakhs)		
Proprietor's Capital	38.35	18.11	14.44
Sales	99.29	46.81	60.62
Other Income	0.03	-	0.02
Profit after Tax	9.84	5.04	4.00

Our Company entered in to Memorandum of Understanding dated January 2, 2007 for take over of the specified assets and liabilities of Narvada Industries as on December 31, 2006 for a total purchase consideration of Rs. 73 lakhs. For salient features of Memorandum of Understanding, please refer to paragraph titled "Memorandum of Understanding for takeover of specified assets & liabilities of Promoter and Promoter Group entities" appearing on page no. 74 of this Draft Red Herring Prospectus.

Narvada Industries is not listed at any Stock Exchange neither it has any subsidiary. Narvada Industries 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.

Dinesh Plastics

Nature of Activity	Manufacturing and trading of PVC pipes, granules and jobworks		
Year of Constitution	1991		
Registered Address	Plot No W-60, M.I.D.C, Jalgaon- 425 003		
Proprietor	Mr.Dinesh Rath		
Financial Information (*Unaudited as are not required to be audited under any act or regulation)	2005- 2006 (Audited)	2004- 2005 (Unaudited*)	2003- 2004 (Unaudited*)
	(Rs. In lakhs)		
Proprietor's Capital	10.00	6.96	4.04
Sales*	64.90	23.29	17.30
Other Income	0.20	0.22	0.15
Profit after Tax	2.66	2.44	0.11

* Including processing charges.

Dinesh Plastics is not listed at any Stock Exchange neither it has any subsidiary. Dinesh Plastics 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.

Details of companies / firms from which Promoters have disassociated

During last three years, our Promoters have not disassociated themselves from any company/partnership firm.

Details of Promoter group companies whose names have been struck off from Registrar of Companies

None of our Promoter Group companies of our Promoter Group Companies has been struck off as a defunct company by any ROC in India. There are no sick companies promoted by our Promoters. There are no BIFR proceedings against any company promoted by our Promoters.

Undertaking / confirmations

Our Promoters and promoter group companies / firms / entities have confirmed that they have not been detained as wilful 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 Company viz. Kiran Polyvinayel Private Limited is in the same business as our Company, i.e. in the manufacture of plastic PVC pipes and fittings. Hence to this extent there exists a potential conflict between us.

DIVIDEND POLICY

The declaration and payment of dividend if any, will be recommended by the Board of Directors and declared the shareholders of our Company, in their discretion, and will depend on a number of factors, including but not limited to the profits, capital requirements and overall financial condition.

Our Company has not declared any dividend during the last five years.

SECTION V – FINANCIAL STATEMENTS OF OUR COMPANY

AUDITORS REPORT

**Board of Directors,
Tulsi Extrusions Limited,
N-99/100 MIDC Area
Jalgaon – 425 003**

Dear Sirs,

We have examined the annexed restated financial information of Tulsi Extrusions Limited for the five financial years from financial year ended 31st March 2007, 31st March 2006, 31st March 2005, 31st March 2004 and 31st March 2003, being the last date to which the accounts of the Company have been made up and audited. The Financial information is based on the accounts audited by us for the years ended 31st March 2007, 2006, 2005, 2004 and 2003.

These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these accounts based on our audit. These accounts were approved by the Board of Directors of the Company for the purpose of disclosure in the Offer Document being issued by the Company in connection with the Public Issue of Equity Shares in the Company (referred to as 'the Issue').

The above statements are prepared In accordance with the requirements of:

- a) Paragraph B (1) of Part II of Schedule II of the Companies Act, 1956 ('the Act');
- b) The Securities and Exchange Board of India (Disclosure and Investor Protection) guidelines, 2000 ('the SEBI Guidelines') issued by the Securities and Exchange Board of India Act, 1992 and related amendments and
 - i. Our terms of reference with the Company dated 31.03.2007 requesting us to carry out work in connection with the Offer Document as aforesaid. We have examined the following financial information relating to the Company proposed to be included in the Offer Document, as approved by you and annexed to this report.
 - ii. The restated profits/losses of the Company for the period ended 31st March 2007, 2006, 2005, 2004 and 2003 are as set out in Annexure I to this report. These profits/losses have been arrived at after charging all expenses including depreciation and after making such adjustments/ restatements and regrouping as in our opinion are appropriate and subject to the accounting policies and Notes thereon appearing in Annexure-II A & B to this report.
 - iii. The restated assets and liabilities of the Company as at 31st March 2007, 2006, 2005, 2004 and 2003 are as set out in Annexure II to this report after making such adjustments/restatements and regrouping as in our opinion are appropriate and are subject to the Accounting Policies and Notes thereon appearing in Annexure-II A & B to this report.
 - iv. Statement of Break up Other Income as appearing in Annexure III,
 - v. Statement of Changes in Accounting Policies as appearing in Annexure IV,
 - vi. Details of Contingent Liabilities as appearing in Annexure V,
 - vii. Statement of Unsecured Loans (including those from related parties) as appearing in Annexure VI,
 - viii. Statement showing analysis of sundry debtors for above mentioned period as appearing in Annexure VII,
 - ix. Details of loans & advances for above mentioned period as appearing in Annexure VIII,
 - x. Capitalization statement as at 31st March, 2007 and post issue as appearing in Annexure IX,
 - xi. Statement of Tax Shelter as appearing in Annexure X,
 - xii. Statement of investments as appearing in Annexure XI,

- xiii. Mandatory Accounting Ratios as appearing in Annexure XII,
- xiv. Statement of dividend declared/distributed as appearing in Annexure XIII,
- xv. Detail of transaction with the related parties (Related parties within the meaning of AS 18 issued by ICAI) as appearing in Annexure XIV,
- xvi. Statement of secured loans and details of securities against secured loans as appearing in Annexure XV,
- xvii. Statement of restated Cash Flow as appearing in Annexure XVI.

In our opinion the financial information of the Company as stated above read with significant accounting policies as set out in Annexure III to this report, after making adjustments/restatements and regroupings as considered appropriate, has been prepared in accordance with Part II of schedule II of the Companies Act, 1956 and the Guidelines issued by SEBI

This report is intended solely for your information and for inclusion in the Offer document in connection with the specific Public Issue of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For K. K. Kabra & Co.,
Chartered Accountants**

**Kailash K. Kabra
Proprietor
Membership No. – 100-37641**

Place : Jalgaon
Date: July 31, 2007

ANNEXURE I**STATEMENT OF AUDITED PROFIT AND LOSS AS RESTATED**

(Rupees in lakhs)

Year ended 31st March	2007	2006	2005	2004	2003
INCOME					
Sales					
-Products manufactured by the Company	4176.23	1975.82	991.98	991.73	767.29
-Products traded by the Company	2281.58	26.80	36.07	24.39	8.66
Less: Excise Duty	541.95	269.33	130.76	133.48	98.97
Net Sales	5915.86	1733.29	897.29	882.64	676.98
Other Income	3.23	27.56	6.32	4.52	32.91
Accretion / (Depletion) of Stocks	128.57	306.31	(96.30)	2.41	(48.79)
Total Income	6047.66	2067.16	807.31	889.57	661.10
EXPENDITURE					
Raw Material Consumed	2768.75	1491.15	611.15	697.07	472.42
Cost of Goods Traded	2025.00	39.04	30.12	22.56	6.39
Employee Costs	50.31	18.44	10.05	10.04	10.35
Other manufacturing expenses	188.76	91.27	35.12	36.75	41.27
Administration, Selling & Distribution Costs	212.50	138.66	54.64	57.69	72.66
Interest / Financial Charges	162.49	90.21	40.53	51.51	41.24
Depreciation	23.17	10.23	7.74	7.68	7.75
Total Expenditure	5430.98	1879.00	789.35	883.30	652.08
Net profit before tax and extraordinary items	616.68	188.16	17.96	6.27	9.02
Provision for Taxation	150.00	68.12	7.80	0.60	1.13
Provision for Fringe Benefit Tax	1.41	0.29	0.41	0.68	0.38
Provision for Deferred Tax	12.35	(3.72)	1.23	1.82	30.96
Net profit after tax but before extraordinary items	452.92	123.47	8.52	3.17	(23.45)
Extraordinary items	-	-	-	-	82.02
Net profit after tax & extraordinary items	452.92	123.47	8.52	3.17	58.57
Earlier year adjustment	-	-	-	-	-
Net Profit as restated	452.92	123.47	8.52	3.17	58.57

ANNEXURE II**STATEMENT OF AUDITED ASSETS AND LIABILITIES AS RESTATED**

(Rupees in Lakhs)

As at 31st March		2007	2006	2005	2004	2003
A	Fixed assets -					
	Gross Block	609.77	326.88	223.75	212.04	207.23
	Less: Depreciation	101.07	77.90	67.67	59.93	52.25
	Net Block	508.70	248.98	156.08	152.11	154.98
	Less: Revaluation Reserve	0.00	0.00	0.00	0.00	0.00
	Net Block after adjustment for Revaluation Reserve	508.70	248.98	156.08	152.11	154.98
B	Investments	113.07	52.58	10.59	10.92	5.00
C	Current assets, loans & advances					
	- Inventories	941.47	546.95	155.19	245.22	259.49
	- Receivables / Sundry Debtors	1632.42	1102.19	251.58	278.63	115.27
	- Cash and Bank Balances	50.14	35.50	11.44	2.75	5.42
	- Loans and advances	239.47	152.91	50.55	55.81	107.45
	Total	2863.50	1837.55	468.76	582.41	487.63
D	Liabilities & Provisions					
	- Secured Loans	1464.42	1095.78	302.85	373.11	251.68
	- Unsecured Loans	0.00	29.84	13.43	60.18	36.44
	- Other Liabilities	0.00	0.00	0.00	0.00	28.49
	Current liabilities and provisions	805.21	540.12	95.21	97.97	121.81
	Deferred tax liability	42.65	30.29	34.01	32.78	30.96
	Total	2312.28	1696.03	445.50	564.04	469.38
E	Net Worth (A+B+C-D)	1172.99	443.08	189.93	181.40	178.23
F	Represented by					
	Share Capital	567.85	248.50	82.74	82.74	82.74
	Reserves and Surplus	634.78	196.29	107.27	98.76	95.62
	Less: Miscellaneous expenditure not written off	(29.64)	(1.71)	(0.08)	(0.10)	(0.13)
	Net Worth	1172.99	443.08	189.93	181.40	178.23

SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP) and are in consonance with the mandatory accounting standards and statements issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956. Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles.

b) Fixed Assets:

Fixed assets are stated at historical cost including directly attributable costs of bringing the assets to their working condition and are net of credit under the CENVAT scheme where applicable.

Preoperative expenditure including borrowing cost (net of revenue) incurred during the construction/trial run of new project is allocated on an appropriate basis to fixed assets on commissioning.

c) Depreciation:

Depreciation on Fixed Assets is provided using the straight line method in accordance with the rates prescribed in Schedule XIV of the Companies Act, 1956.

Individual assets costing less than Rs. 5000/- are depreciated in full in the year of acquisition.

d) Inventories:

Inventories are valued at the principle of cost or NRV whichever is lower

e) Investments:

Investments are stated at cost. Provision for diminution, if any, is made to recognize a decline, other than temporary, in the value of such investments, which are carried at lower of cost and fair value.

f) Revenue Recognition:

Sales/Purchases of products are recognised when the products are dispatched/procured and are stated inclusive of excise duty, sales tax, VAT, trade discounts and sales/purchases returns. However both excise duty and VAT including cess has been separately shown in profit and loss account after net off to match the figures of sales and purchases.

Sales include both manufacturing and trading. The products in which the trading is done includes construction inputs like SWR pipes and fittings, ASTM pipes and fittings, tore steel, MS angles, MS plates, MS channels etc.

Revenue is recognised when no significant uncertainties exist in relation to the amount of eventual receipt.

The Company generally follows mercantile system of accounting and all income and expenditure items having a material bearing on the financial statements are recognised on accrual basis. However, in respect of membership fees, license fees, inspection & testing expenses, ISI fees, sales tax refund, differential excise duty and rent & taxes cash system has been adopted. However, it does not affect the profit materially.

g) Foreign Currency Transactions:

- i. Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction.

- ii. Gains/losses arising out of fluctuation in the exchange rates are recognised in the period in which they arise except in respect of Fixed Assets, where exchange variance is adjusted in the cost of the respective assets.
- iii. Foreign currency receivables/payables are translated at the relevant rates of exchange prevailing at the year end except in the case of gain where significant uncertainties exist in relation to the actual realisation.

h) Excise Duty:

Excise Duty is accounted for as and when paid on the clearance of the goods from the factory. The company has provided liability for excise duty in inventories of closing stock as applicable and the same has been included in the value of closing stock.

i) Gratuity:

No provision for the gratuity has been made in books of account but the same has been provided in the restated financial statements.

j) Borrowing Costs:

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets prior to commencement of commercial production are capitalised as a part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

k) Miscellaneous Expenditure:

Preliminary expenses are being amortized in ten equal annual installments.

l) Taxes on Income:

Current tax is determined as the amount of tax payable in respect of taxable income for the year in accordance with the provisions of Income Tax Act, 1961.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

m) Impairment of Fixed Assets:

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets" issued by the Institute of Chartered Accountants of India. An impairment loss is charged to the Profit and Loss Account in the year in which, an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognised in prior accounting periods is reversed, if there has been a change in the estimate of recoverable amount.

n) Earning per share:

Basic EPS is computed using the weighted average number of equity share outstanding during the year. Diluted EPS is computed using the weighted average number of equity and diluted share equivalent shares outstanding during the year except where the results would be anti-dilutive.

o) Provision, Contingent Liabilities and Contingent Assets:

Provision involving substantial degree of estimation in measurement is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

ANNEXURE II B

NOTES TO RESTATED ACCOUNTS

1. Provision for Gratuity

No provision for the gratuity has been made in books of account but the same has been provided in the restated financial statements.

2. Valuation of Inventories

Inventories are valued at market value in the audited financial statement but the same is valued at cost or market value, whichever is lower in the restated financial statements. The adjustment for consequent changes has been made for the respective years in the restated financial statement.

3. Depreciation

Depreciation on Fixed Assets till March 31, 2006 has been provided using the straight line method at the rate specified under the Income Tax Act, 1961. From the year ended as on March 31, 2007, depreciation has been charged using straight line method in accordance with the rates prescribed in Schedule XIV of the Companies Act, 1956.

For the purpose of restated financial statements, depreciation has been recalculated for all the respective financial years on the basis of straight line method in accordance with the rates prescribed in Schedule XIV of the Companies Act, 1956. The excess depreciation provided up to financial year ended on 2002 has been written back in the financial year ended on 2003 in the restated financial statements.

4. Provision for Deferred Tax and Fringe Benefit Tax

The provision for deferred tax and fringe benefit tax has been done so as to comply with Accounting Standard 22 on Accounting for taxes on income issued by the Institute of the Chartered Accountants of India (ICAI).

5. Material Regroupings

The following Balances have been regrouped in the restated financial statements with Cash and Bank Balances under the head 'Currents Assets, Loans and Advances':

Fixed Deposit with Central Bank of India
Fixed Deposit with Jalgaon Janta Sahakari Bank
Fixed Deposit with Punjab National Bank
Fixed Deposit with State Bank of India

Statement of adjustments in Profit & Loss Account

(Rs. in lakhs)

Year ended 31 st March		2007	2006	2005	2004	2003
	Profit After Tax & Extraordinary Items (As per audited accounts)	501.79	186.04	17.68	0.11	1.06
	Adjustments - Increase / (Decrease)					
1)	Provision for Gratuity	(1.71)	(0.54)	(0.42)	(0.41)	(0.35)
2)	Valuation of Inventory	(26.38)	(20.13)	(10.41)	(0.32)	-

3)	Provision for Deferred Tax	30.30	3.72	(1.23)	(1.82)	30.96
4)	Provision for Income Tax	49.67	(49.42)	(0.22)	1.09	0.75
5)	Provision for FBT	-	-	(0.41)	(0.68)	(0.38)
5)	Change in Accounting Policy (From the rates prescribed under the Income Tax Act, 1961 to Schedule XVI to the Companies Act, 1956))	(100.75)	-	-	-	-
6)	Extraordinary Item (Depreciation write back)	-	3.80	3.53	5.20	88.45
	Net Total (Decrease)/ Increase due to adjustments	(48.87)	(62.57)	(9.16)	3.06	57.51
	Profit as per Restatement	452.92	123.47	8.52	3.17	58.57

ANNEXURE III

(Rupees in Lakhs)

Statement of Breakup of Other Income (If more than 20% of Net Profit Before Tax)

Year ended 31st March	2007	2006	2005	2004	2003
Profit Before Tax & extra ordinary items	616.68	188.16	17.96	6.27	9.02
20% of Net Profit Before Tax	123.34	37.63	3.59	1.25	1.80
Other Income for the Year	3.23	27.56	6.32	4.52	32.91
<u>Other Income Details</u>					
A. Recurring from Business Activities					
Consultancy Charges	-	24.30	3.47	-	-
Insurance Claim	-	1.26	-	0.07	1.04
Commission	-	0.00	-	-	12.21
Profit on Shares/Assets	0.06	0.00	1.83	1.00	15.17
Royalty	-	0.36	0.85	0.97	3.72
Others	1.90	1.22	0.10	2.18	0.15
Total(A)	1.96	27.14	6.25	4.22	32.29
B. Recurring from Investment Activities					
Dividend	0.28	0.19	0.04	0.25	0.00
Interest On Fixed Deposits With Banks	0.99	0.23	0.03	0.05	0.62
Total(B)	1.27	0.42	0.07	0.30	0.62
Total (A+B)	3.23	27.56	6.32	4.52	32.91

ANNEXURE IV

STATEMENT OF CHANGES IN ACCOUNTING POLICIES

- There have been no changes in accounting policies during the last 5 financial years except that with effect in the financial year ending March 31, 2007, the company has changed the basis of charging depreciation on fixed assets. Previously the company was charging depreciation on fixed assets on straight line method at the rates and in the manner prescribed under the Income Tax Act, 1961 to the rates prescribed under Schedule XIV to the Companies Act, 1956.

ANNEXURE V**DETAILS OF CONTINGENT LIABILITIES**

(Rupees in Lakhs)

1.1	Year ended 31st March	2007	2006	2005	2004	2003
	Claims against the Company not acknowledged as debts (net of deposit) - Excise	1.62	-	-	-	-

Note:-

We have examined all the contracts, claims and litigations against the Company and have analyzed the likely impact of the same as indicated above. We certify that apart from the contingent liabilities indicated above, the Company does not have any other contingent liabilities.

ANNEXURE VI**DETAILS OF UNSECURED LOANS**

The following is the break up of outstanding unsecured loans in the last five years

(Rupees in Lakhs)

Particulars	31.03.2007	31.03.06	31.03.05	31.03.04	31.03.03
From Promoters	-	-	-	33.82	14.08
From Shareholders	-	12.23	-	0.55	0.51
From Group Companies	-	-	-	-	0.25
From Friends & Relatives	-	17.61	13.43	25.81	21.60
TOTAL	-	29.84	13.43	60.18	36.44

NOTE

(1) No terms and conditions as to repayment and interest are stipulated in respect of the loans.

(2) The said loans are repayable on demand.

ANNEXURE VII**STATEMENT SHOWING ANALYSIS OF SUNDRY DEBTORS**

The following is the break up of outstanding Sundry Debtors in the last five years.

(Rupees in Lakhs)

Particulars	31.03.07	31.03.06	31.03.05	31.03.04	31.03.03
Debts outstanding exceeding six months					
- Considered Good	299.89	6.51	73.54	87.49	13.92
- Considered Bad	-	-	-	-	-
Other Debts					
- Considered Good	1332.53	1095.68	178.04	191.14	101.35
- Considered Bad	-	-	-	-	-
Total	1632.42	1102.19	251.58	278.63	115.27

There are no amounts recoverable from promoters, promoter group, group companies, associate companies and directors of the company as at March 31, 2007

ANNEXURE VIII**DETAILS OF LOANS AND ADVANCES**

(Rupees in Lakhs)

S.No.	Particulars	31.03.07	31.03.06	31.03.05	31.03.04	31.03.03
a)	Deposits	14.29	13.57	8.28	4.17	4.16
b)	Excise Duty	-	-	0.38	0.31	0.56
c)	CENVAT & Other duties	-	-	1.32	3.94	1.82
d)	TDS/Advance Tax	50.10	3.02	0.12	0.35	0.80
e)	Prepaid Insurance	2.51	1.59	1.04	1.16	0.87
f)	Electricity Duty Receivable	-	0.81	0.81	0.81	0.81
g)	Other Advances (Recoverable in cash or kind or for value to be received)	172.57	133.92	38.60	45.07	98.43
	Total	239.47	152.91	50.55	55.81	107.45

The above includes the following receivable from related parties:

(Rupees in Lakhs)

S.No.	Particulars	31.03.07	31.03.06	31.03.05	31.03.04	31.03.03
a)	Kiran Polyvinayel Pvt. Ltd.	-	-	-	6.31	-
b)	Tulsi Plastics SA(Proprietary) Ltd.	42.31	42.31	-	-	-

ANNEXURE IX**CAPITALISATION STATEMENT**

(Rupees in Lakhs)

Particulars	Pre issue as	Post Issue
	At 31.03.2007	
Borrowing		
Short term debt	1209.68	[•]
Long term debt	254.75	[•]
Total debt	1464.43	[•]
Shareholders' funds		
Share Capital		
- Equity	567.85	[•]
Reserves & Surplus	634.78	[•]
Less: Miscellaneous expenditure not written off	29.64	[•]
Total Shareholders' funds	1172.99	[•]
Long term debt/equity ratio	1.25	[•]

[*] Share Capital and Reserves & Surplus, post issue can be calculated on the conclusion of the Book Building Process.

ANNEXURE X**TAX SHELTER STATEMENT**

(Rupees in Lakhs)

Year ended 31st March	2007	2006	2005	2004	2003
Tax Rate (including surcharge and education cess)	33.66%	33.66%	36.59%	35.88%	36.75%

MAT Rate (including surcharge and education cess)	11.22%	8.42%	7.84%	7.69%	7.88%
Profit/ (Loss) as per books of accounts	501.79	205.04	25.27	1.79	2.94
Notional Tax Payable (A)	168.90	69.02	9.25	0.64	1.08
Timing Differences					
(i) Difference Between Book and IT depreciation	(33.29)	0.00	0.00	0.00	0.00
Total of B	(33.29)	0.00	0.00	0.00	0.00
Permanent Differences					
(i) Exemption u/s 80 IB	(5.13)	(27.71)	(5.61)	0.00	0.00
(ii) Disallowances u/s 43B/40(a)(ia)	(0.05)	(1.50)	1.59	0.00	0.00
(iii) Exempted Income	(0.28)	(0.19)	(1.87)	0.00	0.00
(iv) Other Adjustments	0.00	0.21	0.00	(0.23)	0.00
Total of C	(5.46)	(29.19)	(5.89)	(0.23)	0.00
Net Adjustments (B+C)	(38.75)	(29.19)	(5.89)	(0.23)	0.00
Tax saving thereon	(13.04)	(9.83)	(2.16)	(0.08)	0.00
Net Tax for the year/period	155.86	59.19	7.09	0.56	1.08
Tax Payable as per MAT	56.27	17.25	1.83	0.14	0.23
Provision created for Income Tax	151.41	18.45	7.54	0.55	-

Note:

* The information pertaining to the years ended 31/03/2003 to 31/03/2006 are as per the Return of Income filed under Section 139(1) of the Income Tax Act, 1961 by the company except for the year ended 31/03/2007 the return for which is yet to be filed. The effect of assessment /appellate orders, if any, have not been considered in above calculation.

ANNEXURE XI

STATEMENT OF INVESTMENTS

(Rupees in lakhs)

Year ended 31st March		2007	2006	2005	2004	2003
A)	Unquoted Investments					
1.	Tulsi Plastics SA (Proprietary) Ltd.(Share Application)	97.86	24.59	-	-	-
2.	Suyog Agro Pvt. Ltd. (Share Application)	10.00	10.00	-	-	-
3.	Linking Share, JJSB Jalgaon	-	9.65	5.00	5.00	5.00
4						
.	Linking Share, Janseva Bank	-	3.13	3.13	3.13	-
5						
.	Linking Share Satguru Jangli Bank Ltd.	2.75	2.75	-	-	-
6.	Madhav Prakashan Pvt. Ltd.	0.10	0.10	0.10	0.10	-
B)	Quoted Investment					
1.	Bolton Properties Ltd. (Market value as on 31.03.2007 is Rs. 17.09 lakhs)	2.36	2.36	2.36	2.69	-
	Total	113.07	52.58	10.59	10.92	5.00

ANNEXURE XII**MANDATORY ACCOUNTING RATIOS**

(Rupees in Lakhs)

Year ended 31st March	2007	2006	2005	2004	2003
Basis Of Accounting Ratios					
Net Profit After Tax but before Extraordinary Item (1)	452.92	123.47	8.52	3.17	(23.45)
Weighted No. Of Equity Shares (In Lakhs) (2)	41.40	30.13	24.25	24.25	24.25
Net Worth (3)	1172.99	443.08	189.93	181.40	178.23
Accounting Ratios:					
*Diluted Earning Per Share (On Face Value Rs. 10/- Per Equity Share) (Rs.)	10.94	4.10	0.35	0.13	(0.97)
**Return On Net Worth (%) (1 / 3)	38.61	27.87	4.49	1.75	(13.16)
***Net Asset Value Per Share (On Face Value Rs. 10/- Per Equity Share) (Rs)	28.33	14.71	7.83	7.48	7.35

Basis of Accounting Ratios:

* Earning per share= Profit after Tax/Total No. of fully paid up Equity Shares (For the period upto 31-03-2007, the earning per share ratio is on annualized basis)

** Return on Networth=Profit after Tax/Total Net-worth (Networth=Fully paid up share capital+Free Reserves-Miscellaneous Expenditures)

***Net Asset Value per Share=Total Net-worth/No. of fully paid up Equity Share Shares

ANNEXURE XIII**STATEMENT OF DIVIDEND PAID**

(Rupees in Lakhs)

Year ended 31st March	2007	2006	2005	2004	2003
Dividend (Interim and final)	-	-	-	-	-
Dividend (%)	-	-	-	-	-

ANNEXURE XIV**RELATED PARTY TRANSACTIONS**

As per Accounting Standard (AS-18) on related party disclosures issued by ICAI, the disclosures of transactions with the related parties are as follows:

<u>Party</u>	<u>Relationship</u>
Pradip Mundhra	Promoter
Sanjay Kumar Taparia	Promoter
Kiran P. Mundhra	Relative of Director
Nandini S. Taparia	Relative of Director
Gopal Extrusions Pvt. Ltd.	Associate Company
Kiran Polyvinayel Pvt. Ltd.	Associate Company
M/s. Tulsi Pipe Industries	Associate Company
Narvada Sales Corporation	Related Party
Tulsi Plastics SA(Proprietary) Ltd.	Related Party
Dinesh Plastics	Related Party
Dinesh Polymers	Related Party

(Rupees in Lakhs)

Sl.	Name of the Party	Relation-ship	Nature of Trans – action	Volum of Trans- action during the Year 2006-07	Amount out standing as on 31/03/07	Volume of Trans- action during the year 2005-06	Amount out standing as on 31/03/06	Volume of Trans- action during the year 2004-05	Amount out standing as on 31/03/05	Volume of Trans- action during the year 2003-04	Amount out standing as on 31/03/04	Volume of Trans action during the Year 2002-03	Amount out standing as on 31/03/03
a)	Gopal Extrusions Pvt. Ltd.	Associate Company	Takeover	77.00	-	-	-	-	-	-	-	-	-
			Share Capital	90.20	-	-	-	-	-	-	-	-	-
			Loans Taken	-	-	-	-	-	-	9.39	-	-	8.58
			Loans Repaid	-	-	-	-	9.83	-	-	-	-	-
			Interest	-	-	-	-	0.44	-	1.03	-	0.94	-
b)	Kiran Polyvinayel Pvt. Ltd.	Associate Company	Advances	12.8	-	-	-	6.31	-	6.31	6.31	-	-
c)	Tulsi Pipe Industries	Associate Company	Takeover	-	-	130.00	-	-	-	-	-	-	-
			Other Income	-	-	0.40	-	0.93	-	0.97	-	15.93	-
			Loans Repaid	-	-	6.57	-	57.58	-	41.20	-	56.30	-
			Interest paid	-	-	-	-	-	-	1.73	-	-	-
			Loans Taken	-	-	6.57	-	33.15	-	64.63	24.43	38.48	0.25
d)	Tulsi Plastics SA (Proprietary) Ltd.	Managed by Managing Director	Investments	73.27	97.86	24.59	24.59	-	-	-	-	-	-
			Advances	-	42.31	42.31	42.31	-	-	-	-	-	-
e)	Pradip Mundhra	Managing Director	Advances	-	-	-	-	-	-	5.78	-	0.09	-
			Loans Taken	-	-	-	-	-	-	-	-	5.50	5.50
			Loans Repaid	-	-	-	-	-	-	5.50	-	-	-
			Remuneration	2.25	-	0.90	-	0.90	-	0.90	-	0.90	-
f)	Sanjay Kumar Taparia	CEO	Remuneration	2.05	-	0.66	-	0.66	-	0.66	-	0.66	-

ANNEXURE XV**STATEMENT OF SECURED LOANS**

(Rupees in Lakhs)

Year ended 31st March	2007	2006	2005	2004	2003
Term Loans					
From Jalgaon Janta Sahakari Bank & Central Bank of India* (Secured by first charge on land, building, plant & machinery and other fixed assets)	-	-	84.95	205.90	24.97
From Punjab National Bank** (Secured by first charge on land, building, plant & machinery and other fixed assets)	254.75	221.77	-	-	-
From Punjab National Bank *** (Secured by hypothecation of related DA/DP)	199.88	99.79	-	-	-
From ICICI Bank (Secured by hypothecation of related equipment)	2.72	1.64	-	-	-
Working Capital Loan					
From Jalgaon Janta Sahakari Bank & Central Bank of India ***	-	-	217.90	167.21	226.71
From Punjab National Bank ***	1007.07	772.58	-	-	-
Total	1464.42	1095.78	302.85	373.11	251.68

*Term Loan (Jalgaon Janta Sahakari Bank & Central bank of India) secured by exclusive first charge on all the fixed assets, including equitable mortgage of land and building of company's factory at N-99/100 MIDC Area Jalgaon Equitable mortgage of company's factory land at Unit-II, Equitable mortgage of company's factory land at Unit -III, and Hypothecation of existing and future plant & machinery at all the units.

**Term Loan (Punjab National Bank) secured by exclusive first charge on all the fixed assets, including equitable mortgage of land and building of company's factory at N-99/100 MIDC Area Jalgaon Equitable mortgage of company's factory land at Unit-II, Equitable mortgage of company's factory land at Unit -III, and Hypothecation of existing and future plant & machinery at all the units.

***Working Capital Loan secured by hypothecation of all kinds of stocks of raw materials, stock-in-process and finished goods, assignment of book debts, title of goods covered under letter of credit against FLC and additionally secured by personal guarantee of promoter directors of the Company

Details of securities against secured loans

(Amount Rs.in Lakhs)

Name of the Bank	Type of the Loan Facility	Amount	Amount outstanding as on March 31, 2007	Interest/ commission	Security	Repayment/Usage Period
Punjab National Bank	Term Loan - I	Rs. 212 lakhs	Rs. 105 lakhs	10.75%+ 0.50 linked with BPLR for the 1 st year subject to the revision	First charge on block assets of the Company by way of hypothecation of machinery (existing and proposed). Total value approximately Rs. 668.00 lakhs (Gross Block) (Rs. 445 lakhs existing Rs.	1. Term Loan of Rs. 212 Lakhs shall be paid in 60 monthly installments of Rs 3.54 lakhs commencing one month from the date of take over of loan.
	Term Loan - II	Rs. 180 lakhs	Rs. 150 lakhs			

				every year	223 lakhs fresh) as on December 16, 2005 and equipment & other fixed assets and Equitable mortgage of land and building.	2. Term Loan of Rs. 180 lakhs for purchase of fresh plant and machinery shall be repaid in 60 monthly installments of Rs. 3.00 lakhs commencing from April, 2006.
Punjab National Bank	Cash Credit	Rs. 1000 lakhs	Rs. 984 lakhs	BPLR + 2.75 as applicable.	Hypothecation of raw material, stock-in-process, finished goods, stores & spares and book-debts.	
Punjab National Bank	Adhoc Cash Credit	Rs. 200 lakhs	-	Additional interest@2% over BPLR+2.75 %	<p>Collateral Security: Extension of the charge to the entire current assets of the company Extension of:</p> <ul style="list-style-type: none"> • Equitable mortgage of the land situated at Plot no. N/99-100, M.I.D.C area, Jalgaon, Maharashtra and hypothecation of raw material, SIP and finished goods & book debts. • Equitable mortgage of the land situated at Plot No. H-16, M.I.D.C area, Jalgaon, Maharashtra • Equitable mortgage of the land situated at Plot No. G-51, M.I.D.C area, Jalgaon, Maharashtra and hypothecation of plant and machineries • Equitable mortgage of the land situated at Plot No. G-52, M.I.D.C area, Jalgaon, Maharashtra and hypothecation of plant and machineries • Two residential bungalows at Plot no. 171/2, Saket, Adarsh Nagar, and Plot No. 436/1a, Mehrun Shivar, Jalgaon, Maharashtra. <p>Guarantee: Personal Guarantee of Mr. Pradip Mundhra, Mr. Sanjay Kumar Taparia, Ms. Nandini</p>	

					S. Taparia, Ms. Chitra S. Taparia, Ms. Shrikanta D. Rathi. Corporate Guarantee of Gopal Extrusions Private Limited and Narvada Industries.	
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ANNEXURE-XVI

STATEMENT OF RESTATED CASH FLOW STATEMENT

(Rupees in Lakhs)

	Particulars	31.03.07	31.03.06	31.03.05	31.03.04	31.03.03
A)	Cash Flow from Operating Activities :					
	Net Profit before tax and extraordinary items	616.68	188.16	17.96	6.27	9.02
	Adjustments for :					
1	Depreciation	23.17	10.23	7.74	7.68	7.75
2	Profit / (Loss) on sale of shares	(0.06)	-	(1.83)	(1.00)	(15.17)
3	Dividend Income	(0.28)	(0.19)	(0.04)	(0.25)	-
4	Interest Income	(0.99)	(0.23)	(0.03)	(0.05)	(0.62)
5	Interest Expense	162.49	90.21	40.53	51.51	41.24
	<u>Operating Profit before Working Capital Changes</u>	801.01	288.18	64.33	64.16	42.22
	Adjustments for :					
1	Trade & Other Receivables	(616.79)	(952.97)	32.31	(111.72)	(40.64)
2	Inventories	(394.52)	(391.76)	90.03	14.27	19.94
3	Trade Payables and Other Liabilities	327.16	442.24	(1.52)	(50.54)	125.34
	Cash generated from Operations	116.86	(614.31)	185.15	(83.83)	146.86
1	Extraordinary Items	-	-	-	-	82.02
2	Taxes Paid	(163.76)	(64.69)	(9.44)	(3.10)	(32.47)
	Net Cash used in Operating Activities	(46.90)	(679.00)	175.71	(86.93)	196.41
B)	Cash Flow from Investing Activities :					
1	Purchase of Fixed Assets	(282.89)	(103.13)	(11.71)	(4.81)	(86.94)
2	Interest Received	0.99	0.23	0.03	0.05	0.62
3	Proceed from investments(net)	(60.43)	(41.99)	2.16	(4.92)	25.17
4	Subsidy Recd from Government	15.00	-	-	-	-
	Net Cash used in Investing Activities	(327.33)	(144.89)	(9.52)	(9.68)	(61.15)
C)	Cash flow from Financing Activities :					
1	Interest Paid	(162.49)	(90.21)	(40.53)	(51.51)	(41.24)
2	Proceeds from Long Term Borrowings	32.98	153.23	(76.29)	113.24	(31.29)
3	Dividend Received	0.28	0.19	0.04	0.25	-
4	Proceeds from Short Term Loans (Net)	305.83	656.11	(40.74)	31.92	(75.41)
5	Proceeds from Issue of Equity Shares	240.20	130.26	-	-	-
6	Preliminary Expenses	(27.93)	(1.63)	0.02	0.04	0.03
	Net Cash used in Financing Activities	388.87	847.95	(157.50)	93.94	(147.91)
	Net increase in Cash & Cash Equivalents (A+B+C)	14.64	24.06	8.69	(2.67)	(12.65)
	Cash and Cash Equivalents at beginning of period	35.50	11.44	2.75	5.42	18.07
	Cash and Cash Equivalents at the end of period	50.14	35.50	11.44	2.75	5.42

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis is derived from and should be read together with the restated financial statements of our Company for the years ended March 31, 2003, 2004, 2005, 2006 and 2007 included elsewhere in this Draft Red Herring Prospectus. The financial Statements are prepared in accordance with Indian GAAP, the Companies Act and the SEBI (DIP) Guidelines and restated as described in Auditors' Report of M/s. K.K. Kabra & Co., Chartered Accountants dated July 31, 2007.

Indian Plastic industry

India, ranking eighth worldwide in terms of plastics consumption presently, will climb up to the third place by 2010. (Source: <http://www.plastics.2456.com>). A main reason is that India's per capita consumption of plastics is only 4 Kg, which is very low as compared to the world level of around 20 Kg. Recycled plastics constitute approximately 30% of the total consumption (Source: <http://www.plastics.2456.com>). Consumption level, which is expected to reach 8 million tonnes by 2010, could touch 10 million tonnes, if some of the constraints such as infrastructure etc are eliminated. The department of petrochemicals of the Government of India has projected a level of 12 million tonnes by 2011/2012. (Source: www.plastemart.com).

Polymers

The polymer consumption in the US and China will reach 31.30 million tonnes and 31.30 million tonnes respectively, in India, it will rise to 12.50 million tonnes. By material, demand for plastic polymers in the next half decade is expected to grow at CAGR of 15%. Polythene and polypropylene will continue to dominate polymer demand in India. Currently India's demand for polyvinyl chloride is 1.40 million tonnes, while the combined demand for polythene and polypropylene is 3.33 million tonnes. Polymer demand in India will grow by 13% to 14% per annum, reaching 22 million tonnes by 2015, accounting for 9% of the global polymer demand. (Source: <http://www.plastics.2456.com>).

PVC

Polyvinyl chloride, commonly abbreviated PVC, is a widely used thermoplastic polymer. As a building material, PVC is cheap and easy to assemble. There are many uses of PVC. As a hard plastic, it is used as vinyl siding, magnetic stripe cards, window profiles, gramophone records, pipe, plumbing and conduit fixtures. It can be made softer and more flexible by the addition of plasticizers. In this form, it is used in clothing and upholstery, and to make flexible hoses and tubing, flooring, to roofing membranes, and electrical cable insulation. In recent years, PVC has been replacing traditional building materials such as wood, concrete and clay in many areas. The material is often used for pipelines in the water and sewer industries because of its inexpensive nature and flexibility.

Overview of our Company's business

In the fiscal year 1994-95, we initiated setting up of our first manufacturing unit at Jalgaon. The unit commenced commercial production in the fiscal year 1995-96 for manufacture of various types of PVC pipes and fabricated fittings. Our Company purchased its first machinery in the fiscal year 1995-96 with an installed capacity of 1,440 metric tonnes. Subsequently in the fiscal year 1996-97, second machinery was purchased and the installed capacity was increased to 3,000 metric tonnes. In the fiscal year 2005-06, our Company had taken over the specified assets and liabilities of M/s. Tulsi Pipe Industries (a partnership firm) with an objective to consolidate our business operations. For more details on the take over, please refer to paragraph "Memorandum of Understanding for takeover of specified assets & liabilities of Promoter & Promoter Group entities" appearing on page 74 of this Draft Red Herring Prospectus. With the takeover, our total installed capacity increased to 6,000

metric tonnes. In the fiscal year 2006-07, additional machinery was added for ASTM plumbing pipes which broadened our product portfolio. Further, we have also procured one elastomeric sealing machine alongwith mandrels enabling us to manufacture elastomeric sealing pipes. During the said year, considering the growing demand of PVC pipes and consolidating our business operations we had decided to take-over the specified assets and liabilities of Gopal Extrusions Private Limited and Narvada Industries (proprietary concern of the Promoter, Mr. Pradip Mundhra) located at MIDC, Jalgaon, Maharashtra. For more details on the take over, please refer to paragraph “Memorandum of Understanding for takeover of specified assets & liabilities of Promoter & Promoter Group entities” appearing on page 74 of this Draft Red Herring Prospectus. By virtue of the aforesaid takeovers, the total installed capacity as on March 31, 2007 is now 10,483 metric tonnes for PVC pipes & fabricated fittings. The manufacturing facilities taken over from Gopal Extrusions Private Limited and Narvada Industries were competent to manufacture LLDPE pipes, HDPE pipes and PVC fabricated fittings.

Pursuant to the take-over of the specified assets and liabilities of M/s. Tulsi Pipe Industries, Narvada Industries and Gopal Extrusions Private Limited, our Company’s manufacturing facilities are being operated at three different locations in MIDC, Jalgaon, Maharashtra.

We sell our products under brand name “Tulsi”. We have ISO 9001:2000 certificate in respect of our quality management systems since 2002. Our Company has marketing presence in the states of Maharashtra, Madhya Pradesh, Chattisgarh, West Bengal and Rajasthan.

The PVC pipe products manufactured by our Company are to suit the requirements of application in agriculture, potable water supply schemes, sewerage and drainage systems, construction industry, telecom industry, bore well for underground water suction, etc., ranging from 20 mm diameter to 315 mm diameters in all pressure ratings.

Factors affecting our results of operations

Our results of operations could potentially be affected by the following factors:

- **General economic and business conditions in India:** We are dependent on the agricultural sector and construction industry. The increased focus of government and sustained increase in budgetary allocation for the agricultural sector coupled with development of structured and comprehensive infrastructure policy encourages greater private sector participation as well as increased funding by international and multilateral development financial institutions. Thus considerable investments proposed in the agricultural/construction sector in the medium and long term will be a key to our results of operations.
- **Government Policy including taxes and duties:** Our business is dependent on the agricultural/construction activity in India and government policies relating to infrastructure development projects. Any changes in taxes and duties pertaining to our raw material including anti-dumping duty will impact raw material supply and/or demand, and subsequent cost.
- **Competition:** Selling prices of our products may be affected if competition intensifies. Further, as a result of increased capacity of PVC pipes and pipe fittings, HDPE pipes, LLDPE pipes, adoption of aggressive pricing strategies by our competitors in order to gain market share or new competitors entering the markets, may adversely affect our operations and financial results.
- **Raw Materials Prices:** Our business is largely dependent on the supply of raw material which is by-product of petroleum. Any fluctuation in the international price of crude oil affects the price and supply of PVC resin, which is not covered by the escalation clause. The opening up of world economy has facilitated the quick imports at competitive prices. With the use of effective raw material procurement from domestic as well as international market and storage policy, we should be able to mitigate price fluctuations and availability of raw materials.

- **Our ability to achieve operational efficiency and low cost of production:** Our cost of production is dependent on the efficiency of the operations of our various units, independently as well as jointly, which can improve specific consumption of energy, raw materials and manpower, each of which is a significant factor influencing the cost of production, and thereby affecting our operational and financial performance.
- **Changes in consumer preferences:** The construction industry we cater to is highly sensitive in terms of design and overall performance. Changes in trends and preference of the consumers to metal/other plastics may adversely affect our business. However, we are committed to update and upgrade our products in line with the latest trends.
- **Collection of receivables from our clients:** There may be delays associated with the collection of receivables from our clients. Our operations involve significant working capital requirements and delayed collection of receivables could adversely affect our liquidity and results of operations.

Income

Our total income comprises of income from operations, which includes:

- income from sale of products manufactured by our Company viz. PVC pipes and fittings
- income from trading activities
- other income

Income from sale of products manufactured by Our Company

We have manufactured and sold PVC pipes

Trading of products

We generally traded PVC SWR fittings. However, during 2006-07 we also traded various construction input items like tore-steel, MS angles, MS channels, MS plates etc.

Other Income

Other Income include dividend income, interest on fixed deposits, profit of sale of asset, insurance claim, etc. Some of these incomes may be recurring in nature.

Expenditure

Our total expenditure is accounted for under the following heads:

Cost of material:

Our raw material mainly constitutes PVC resin, PVC stabilizer and cost of some chemicals.

Cost of goods traded

Cost of goods traded includes cost incurred in procuring those products.

Other Manufacturing expenses

Other manufacturing expenses include carriage inwards, octroi, fuel & lubricating expenses, factory expenses, packing material, repairs & maintenance, stores & spares, water & electric charges.

Administrative, Selling & Distribution Costs

Our administrative, selling & distribution cost include expenses incurred on advertisement, branch expenses, commission, consignment, freight, sales promotion, travelling, sales tax, conveyance, Directors' remuneration, auditors' fees, legal charges and other miscellaneous expenditure.

Interest and financial charges:

The finance charges incurred by us include interest payable by us for short term and long term loans including working capital loans, interest on unsecured loans, loan processing charges, bank guarantees, commission etc.

Depreciation:

This includes depreciation on plant & machinery, factory building, moulds, office equipments, motor vehicles, furniture, fixtures, computers and certain other items used in factory, offices and branches.

Taxation:

Income taxes are accounted for in accordance with AS-22 issued by the ICAI on “Accounting for Taxes on Income”. Taxes comprise current tax, deferred tax and fringe benefit tax.

Analysis on results of financial operations

(Rupees in lakhs)					
Year ended 31st March	2007	2006	2005	2004	2003
INCOME					
Sales					
-Products manufactured by our Company	4176.23	1975.82	991.98	991.73	767.29
-Products traded by our Company	2281.58	26.80	36.07	24.39	8.66
Less: Excise Duty	541.95	269.33	130.76	133.48	98.97
Net Sales	5915.86	1733.29	897.29	882.64	676.98
Other Income	3.23	27.56	6.32	4.52	32.91
Accretion / (Depletion) of Stocks	128.57	306.31	(96.30)	2.41	(48.79)
Total Income	6047.66	2067.16	807.31	889.57	661.10
EXPENDITURE					
Raw Material Consumed	2768.75	1491.15	611.15	697.07	472.42
Cost of Goods Traded	2025.00	39.04	30.12	22.56	6.39
Employee Costs	50.31	18.44	10.05	10.04	10.35
Other manufacturing expenses	188.76	91.27	35.12	36.75	41.27
Administration, Selling & Distribution Costs	212.50	138.66	54.64	57.69	72.66
Interest / Financial Charges	162.49	90.21	40.53	51.51	41.24
Depreciation	23.17	10.23	7.74	7.68	7.75
Net profit before tax and extraordinary items	616.68	188.16	17.96	6.27	9.02
Net Profit as restated	452.92	123.47	8.52	3.17	58.57

Comparison of FY 2006-07 with FY 2005-06**Sales:**

For the fiscal year 2006-07, our total sales from products manufactured by us were Rs. 4176.23 lakhs as compared to Rs.1975.82 lakhs for fiscal year 2005-06, which was an increase of 111.37%. During FY 2005-06 with a view to consolidate our operations, we have taken over the specified assets and liabilities of M/s. Tulsi Pipe Industries whose sales, before the transfer were Rs. 365.18 lakhs till September, 2005. After the takeover, M/s. Tulsi Pipe Industries contributed sales of Rs. 593.56 lakhs in our Company's total sales of Rs. 1975.82 lakhs from October, 2005 to March, 2006. Further to consolidate our manufacturing operations and widen our product range, during January, 2007 we have taken over the specified assets & liabilities of two more entities viz. Naravada Industries and Gopal Extrusions Private Limited, whose combined sales before take-over were Rs. 93.41 lakhs. All these three entities, put together, contributed Rs. 1519.15 lakhs in our sales of Rs. 4176.23 lakhs during 2006-07 i.e.

contribution of 36.37%. During 2006-07 our total installed capacity (including installed capacities of three entities) was increased to 10,483 metric tonnes from 6,000 metric tonnes. The production level increased due to increase in production efficiencies as we have more extrusion lines leading to reduction in down-time and our ability to manufacture different product range.

Trading Income

During 2006-07, our branches made trading of construction input items like tore-steel, MS angles, MS channels, MS plates etc. which accounted for Rs. 2281.58 lakhs in comparison to trading income of Rs. 26.80 lakhs during 2005-06 which was mainly on account of trading in PVC SWR fittings only. The trading in construction input items facilitated our entry in construction sector by offering the buyer / contractor different product range from one point contact.

Other Income:

For the fiscal year 2006-07, our other income was Rs. 3.23 Lakhs as compared to Rs.27.56 Lakhs during previous year 2005-06, which is a reduction of 88.28%. During FY 2005-06, we provided consultancy to Tulsi Plastics SA (Proprietary) Limited in setting up its manufacturing facilities in South Africa and for which we earned consultancy fee of Rs. 24.30 lakhs.

Cost of Raw Material Consumed

Our raw material mainly constitutes PVC resin. The cost of raw material consumed for the fiscal year 2006-07 was Rs. 2768.75 Lakhs as compared to Rs.1491.15 Lakhs for fiscal year 2005-06, which is an increase of 85.68%. The increase was mainly on account of takeover of businesses, assets and liabilities of three entities and their combined raw material costs. The increase was also due to increase in our existing production levels and fluctuation of raw material prices.

Cost of goods traded

During FY 2006-07, we traded various construction input items like tore-steel, MS angles, MS channels, MS plates etc. which we have procured from different suppliers locally and sold to local buyers / contractors. During FY 2006-07 cost of goods traded were increased significantly to Rs. 2025 lakhs in comparison to Rs. 39.04 lakhs during previous year 2005-06 mainly on account of increase in trading activities by our branches during this particular year.

Other Manufacturing expenses

During 2006-07, other manufacturing expenses increased to Rs. 188.76 lakhs from Rs. 91.27 lakhs during 2005-06 on account of increase in total production levels, which was mainly because of taken-over of businesses of three entities.

Administrative, Selling & Distribution Costs

The administrative, selling & distribution costs during 2006-07 was Rs. 212.50 lakhs as compared to Rs. 138.66 lakhs during 2005-06, which is an increase of 53.25%. The increase was mainly due to increase of trading activities at branches along with increase in sales volume.

Interest / Financial charges:

The interest/financial charges for the fiscal year 2006-07 was Rs. 162.49 Lakhs as compared to Rs. 90.21 Lakhs for fiscal year 2005-06, which is an increase of 80.21%. The increase was mainly due to increase in interest rate and addition in working capital loan during 2006-07 to the extent of Rs. 657.85 lakhs for meeting increased working capital requirements.

Depreciation

Depreciation during 2006-07 was Rs. 23.17 Lakhs as compared to Rs. 10.23 Lakhs during 2005-06, showing an increase of 126.49%. This increase was mainly due to increase in assets to the extent of Rs. 283.50 lakhs.

Profit before Tax

Profit before tax during 2006-07 was Rs. 616.68 Lakhs as compared to Rs.188.16 Lakhs during 2005-06, which shows an increase by 227.74%. The increase was mainly due to significant increase in trading activities by branches and increase in manufacturing turnover.

Comparison of FY 2005-06 with FY 2004-05***Sales:***

For the fiscal year 2005-06, our total sales from products manufactured by us were Rs. 1975.82 lakhs as compared to Rs.991.98 lakhs for fiscal year 2004-05, which was an increase of 99.18%. During FY 2005-06 with a view to consolidate our operations, we have taken-over the specified assets and liabilities of M/s. Tulsi Pipe Industries whose sales, before the transfer were Rs. 365.18 lakhs till September, 2005. After the take-over, M/s. Tulsi Pipe Industries contributed sales of Rs. 593.56 lakhs in our Company's total sales of Rs. 1975.82 lakhs from October, 2005 to March, 2006 i.e. contribution of 30% in sales of 2005-06. The installed capacity of M/s. Tulsi Pipe Industries was 3000 metric tonnes which added to existing capacity of 3,000 metric tonnes aggregating to 6,000 metric tonnes during 2005-06. The capacity utilization increased to 61.90% from 52.44% in the corresponding period. The production level increased due to increased in production efficiencies.

Trading Income

During 2005-06, our income from trading activities decreased to Rs. 26.80 lakhs in comparison to Rs. 36.07 lakhs during 2004-05. Our trading was in PVC SWR fittings and decrease in trading was largely on account of increased competition by local players in the market.

Other Income:

During 2005-06, our other income increased to Rs. 27.56 lakhs as compared to Rs. 6.32 lakhs during previous year 2004-05 on account of consultancy provided to Tulsi Plastics SA (Proprietary) Limited in setting up its manufacturing facilities in South Africa and for which we earned consultancy fee of Rs. 24.30 lakhs.

Cost of Raw Material Consumed

The cost of raw material consumed during 2005-06 was Rs. 1491.15 lakhs as compared to Rs.611.15 lakhs during 2004-05, which is an increase of 144%. The increase was mainly on account of take-over of businesses, assets and liabilities of M/s. Tulsi Pipe Industries and its combined raw material costs. The increase was also due to increase in our existing production levels and fluctuation of raw material prices.

Cost of goods traded

During FY 2005-06 and 2004-05, we traded in PVC SWR fittings and the cost of goods traded increased to Rs. 39.04 lakhs in 2005-06 from Rs. 30.12 lakhs during 2004-05.

Other Manufacturing expenses

During 2005-06, other manufacturing expenses increased to Rs. 91.27 lakhs from Rs. 35.12 lakhs during 2004-05 on account of increase in total production levels, which was mainly because of taken-over of business of M/s. Tulsi Pipe Industries.

Administrative, Selling & Distribution Costs

The administrative, selling & distribution costs during 2005-06 was Rs. 138.66 lakhs as compared to Rs. 54.64 lakhs during 2004-05, which is an increase of 153.77%. The increase was mainly due to increase in carriage inward and increase in electricity prices by the State Electricity Board. During 2004-05, we procured raw material from agents of domestic petrochemical companies who have supplied raw material being freight paid to our factory whereas during 2005-06 significant raw material was purchased from importing agents of overseas petrochemical manufacturers where freight was paid from port / godowns in Mumbai to our factory in Jalgaon.

Interest / Financial charges:

The interest/financial charges during 2005-06 was increased to Rs. 90.21 lakhs from Rs. 40.53 lakhs during 2004-05 on account of increased expenses incurred on loan procurement charges and increase in term loan and working capital to the extent of Rs. 29.36 lakhs and Rs. 360.70 lakhs respectively. We have shifted our banking facilities from Jalgaon Janta Sahakari Bank Limited, Jalgaon to Punjab National Bank, Jalgaon during 2005-06.

Depreciation

Depreciation during 2005-06 was Rs. 10.23 lakhs as compared to Rs. 7.74 lakhs during 2004-05, showing an increase of 32.17%. This increase was mainly due to increase in assets to the extent of Rs. 103.13 lakhs.

Profit before Tax

Profit before tax during 2005-06 was Rs. 188.16 lakhs as compared to Rs.17.96 lakhs during 2004-05. This significant increase was mainly on account of increase in revenue accrued on take-over of business of M/s. Tulsi Pipe Industries during 2005-06.

Comparison of FY 2004-05 with FY 2003-04***Sales***

For the fiscal year 2004-05, our total sales from products manufactured by us were at the same levels of Rs. 991.98 lakhs as compared to Rs. 991.73 lakhs during 2003-04. The main reason for our limited turnover was our inability to arrange sufficient working capital from other banks.

Trading Income

During 2004-05, our income from trading activities increased to Rs. 36.07 lakhs in comparison to Rs. 24.39 lakhs during 2003-04 showing an increase of 47.89% mainly on account of opening of our branches in different parts of India.

Other Income

During 2004-05, our other income increased to Rs. 6.32 lakhs as compared to Rs. 4.52 lakhs during previous year 2003-04 showing an increase of 39.82% on account of income of Rs. 3.47 lakhs earned from consultancy services.

Cost of Raw Material Consumed

The cost of raw material consumed during 2004-05 was Rs. 611.15 lakhs as compared to Rs. 697.07 lakhs during 2003-04, a decline of 12.32%. The decrease was on account of decline in capacity utilization from 65.68% to 52.44%.

Cost of goods traded

During FY 2004-05 and 2003-04, we traded in PVC SWR fittings and the cost of goods traded increased to Rs. 30.12 lakhs in 2004-05 from Rs. 22.56 lakhs during 2003-04.

Other Manufacturing expenses

During 2004-05, other manufacturing expenses show a marginal decrease of 4.43% i.e. decrease from Rs. 36.75 lakhs during 2003-04 to Rs. 35.12 lakhs during 2004-05. The decrease was mainly on account of lesser production levels.

Administrative, Selling & Distribution Costs

The administrative, selling & distribution costs during 2004-05 was Rs. 54.64 lakhs as compared to Rs. 57.69 lakhs during 2003-04, which shows decline of 5.28% on account of overall limited production levels.

Interest / Financial charges

The interest/financial charges during 2004-05 were decreased to Rs. 40.53 lakhs from Rs. 51.51 lakhs during 2003-04 on account of limited availability of working capital funds.

Depreciation

Depreciation during 2004-05 was Rs. 7.74 lakhs as compared to Rs. 7.68 lakhs during 2003-04, showing a marginal increase of 0.78%.

Profit before Tax

Profit before tax during 2004-05 was Rs. 17.96 lakhs as compared to Rs. 6.27 lakhs during 2003-04. This increase was mainly on account of increase in trading activity.

Other Matters***Unusual or infrequent events or transactions***

To the best of our knowledge, and as disclosed in “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, there are no unusual or infrequent events or transactions that have significantly affected the business of our Company.

Significant economic changes that materially affected or are likely to affect income from continuing operations

There are no significant economic changes that materially affected our Company’s operations or are likely to affect income from continuing operations.

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 to our knowledge except as described in the section titled “Risk Factors” beginning on page no. iii and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page no. 116 of this Draft Red Herring Prospectus.

Future changes in relationship between costs and revenues

Our Company reasonably does not foresee any factor that may have a material adverse impact on the operation and finances of our Company except disclosed in “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page nos. iii and 116 respectively in this Draft Red Herring Prospectus.

Increases in net sales or revenue and Introduction of new products or services or increased sales prices

Increases in revenues are by and large linked to increases in volume of business activity carried out by our Company except during 2006-07, our branches made trading of construction input items like tore-steel, MS angles, MS channels, MS plates etc. which accounted for Rs. 2281.58 lakhs in comparison to trading income of Rs. 26.80 lakhs during 2005-06 which was mainly on account of trading in PVC and SWR fittings only.

Total turnover of each major industry segment in which our Company operated

Our Company operates in only one Industry Segment i.e. Plastic Pipe Industry.

Status of any publicly announced New Products or Business Segment

We have not announced any new products or business segment.

Seasonality of Business

Execution of work at water supply projects and laying of pipe at agricultural fields may be affected by heavy monsoons / extreme weather. Usually, our Company has experienced lower overall production progress due to

frequent power failures and absenteeism of manpower in July-September quarters due to southwest monsoons, which affects most parts of India.

Dependence on a single or few suppliers or customers

We are not dependent on any single or few suppliers or customers.

Competitive conditions

We will face competition from existing players in plastic pipe industry in India.

Significant Developments after March 31, 2007 that may affect the future results of operations

No circumstances have arisen since the date of the last financial statement until the date of filing of this Draft Red Herring 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 except for joint venture agreement entered into with Tulsi Plastics SA (Proprietary) Limited and allotment of 11,16,600 equity shares on August 16, 2007.

SECTION VI – LEGAL AND REGULATORY INFORMATION

OUTSTANDING LITIGATIONS, MATERIAL DEVELOPMENTS AND OTHER DISCLOSURES

There are no outstanding litigations, suits or criminal or civil prosecutions against our Company, our Directors, our Promoters and our Promoter Group or any disputes, tax liabilities, non payment of statutory dues, over dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues towards instrument holders like debenture holders, fixed deposits and arrears on cumulative preference shares issued by our Company and/ or Promoter Group, defaults in creation of full security as per the terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of Part 1 of Schedule XIII of the Companies Act) against our Company, our Directors, our Promoters and our Promoter Group, except the following:

Cases filed against our Company

Civil Cases

Special Civil Suit No. 191 of 2005 filed by M/s. S. B. Gosai & Company and others against our Company before the 3rd Joint Civil Judge, Senior Division, Nagpur.

M/s. S. B. Gosai & Company, Plaintiff placed an order for supply of pipes with our Company, through a dealer of our Company, Mr. Rajesh R. Jain, Defendant No. 2. M/s. S. B. Gosai & Company on receipt of confirmation letter from Mr. Rajesh R. Jain handed over a demand draft of Rs. 2.30 lakhs drawn on Punjab National Bank payable at Jalgaon, a cheque dated January 18, 2001 amounting to Rs. 2.80 lakhs in the name of our Company and also Rs. 0.50 lakh in cash. M/s. S. B. Gosai & Company cancelled the order for supply of pipes within 10 days of issuing the said order and requested our Company to refund sum of Rs. 2.30 lakhs. M/s. S. B. Gosai & Company filed a Special Civil Suit for recovery of Rs. 3.14 lakhs with interest against our Company before the 3rd Joint Civil Judge, Senior Division, Nagpur. Our Company filed a Written Statement dated September 16, 2005 denying the allegations made by M/s. S. B. Gosai & Company in the Special Civil Suit. The case is pending and the next date of hearing is on September 3, 2005.

Excise Cases

Petition for Special Leave to Appeal (C) No. 2062 of 2007 filed by the Commissioner of Central Excise & Customs, Nasik against our Company under Article 136 of the Constitution of India

A show cause notice dated December 7, 1998 issued to our Company by the Commissioner of Central Excise & Customs, Aurangabad, demanding a duty amount of Rs. 1.62 lakhs on the grounds that our Company had cleared Modvatable inputs to other factories on loan basis, without payment of duty / without reversal of MODVAT credit / totally valued at Rs. 7.12 lakhs involving duty / MODVAT credit of Rs. 1.62 lakhs during the period September, 1998 to October, 1998. On August 23, 1999, the Joint Commissioner Central Excise and Customs, Aurangabad confirmed the demand of Rs. 1.62 lakhs and also imposed equal penalty under Section 11AC of the Central Excise Act, 1944. Aggrieved by the order of the Joint Commissioner, Central Excise and Customs, Aurangabad, our Company filed an Appeal before the Commissioner (Appeals), Mumbai, who dismissed the appeal vide order dated July 10, 2003. Our Company filed an appeal against the order dated July 10, 2003 before the CESTAT, Mumbai. By an order dated April 28, 2005 passed by the CESTAT, Mumbai, the penalty was set aside. The Commissioner of Central Excise & Customs, Nasik filed an appeal before the Hon'ble Bombay High Court against the said order dated April 28, 2005, which was dismissed vide order dated February 15, 2006. The Commissioner of Central Excise & Customs, Nasik has now filed a petition for special leave to appeal in Supreme Court of India. Our Company has received a copy of the Special Leave Petition on March 30, 2007 from the Advocate of Commissioner of Central Excise & Customs, Nasik.

Cases filed by our Company:

Criminal Cases

1. Criminal Complaint No. 313 of 2005 filed by our Company against Ambica Agencies under Section 138 of Negotiable Instruments Act, 1881 before the Hon'ble Court of Judicial Magistrate Division, Jalgaon

Ambica Agencies, dealer of our Company had purchased PVC pipes from our Company on July 9, 2000 amounting to Rs. 1.65 lakhs. Ambica Agencies issued a cheque of Rs. 1.26 lakhs for payment of all dues and liabilities, which was dishonoured. Our Company filed a criminal complaint before the Hon'ble Court of Judicial Magistrate Division, Jalgaon against Ambica Agencies on April 19, 2006 in respect of dishonour of the aforesaid cheque. Ambica Agencies paid an amount of Rs. 0.10 lakh on February 2, 2007. However, the balance amount is yet to be received by our Company. The Hon'ble court has issued a warrant against Ambica Agencies. The case is pending before the Hon'ble Court of Judicial Magistrate Division, Jalgaon. The next date of hearing is on October 9, 2007.

2. Criminal Complaint No. 1641 of 2001 filed by our Company against Mr. Vishnu Dnyanoba Pore under Section 138 of Negotiable Instruments Act, 1881 before the Hon'ble Chief Judicial Magistrate, Jalgaon

Vishnu Pore had purchased PVC pipes from our Company on July 9, 2000 amounting to Rs. 1.45 lakhs and issued two cheques dated September 30, 2000 and October 15, 2000 amounting to Rs. 0.50 lakh each for payment of all the dues and liabilities, which were dishonoured. Our Company filed a criminal complaint before the Hon'ble Court of Chief Judicial Magistrate, Jalgaon against Mr. Vishnu Pore for dishonour of the aforesaid two cheques amounting to Rs. 1 lakh. A warrant has been issued on Mr. Vishnu Pore by the Hon'ble Court. After receiving the warrant Mr. Vishnu Dnyanoba Pore paid an amount of Rs. 0.08 lakh. However, the balance amount is yet to be received by our Company. The case is pending before the Hon'ble Court of Judicial Magistrate Division, Jalgaon. The next date of hearing is on September 3, 2007.

Consumer Case

Appeal No. 80 of 2003 filed by our Company against The New India Assurance Company Limited before the Hon'ble Maharashtra State Consumer Disputes Redressal Commission at Mumbai

Our Company had insured some of its machineries in the factory with The New India Assurance Company Limited (the "Insurance Company") under the Machinery Breakdown Insurance Policy. On February 13, 2000, the extruder machine in the factory which was insured with the Insurance Company came to a halt. Our Company contacted the supplier of the machinery and sent the machinery for repair. On July 30, 2000, the supplier sent the machinery after repairing and raised a bill amounting to Rs. 1.67 lacs for the expenditure incurred for repairing the damaged machine. In addition to the said repairing cost, our Company had to spend Rs. 0.04 lac on the transport of the machine for repair. Our Company lodged a claim with the Insurance Company with all supporting documents for reimbursement of the expenditure incurred totalling to Rs. 1.71 lacs. The Insurance Company did not process the claim of our Company and on August 6, 2001 conveyed to our Company that they were unable to entertain the claim and closing the claim as "NO CLAIM". Our Company filed a Complaint No. 183 of 2001 against the Insurance Company, before the District Consumer Dispute Redressal Forum, Jalgaon for a claim amount of Rs. 1.71 lacs. The District Consumer Dispute Redressal Forum, Jalgaon vide its order dated December 9, 2002 dismissed the complaint filed by our Company. Aggrieved by the order, our Company has filed an Appeal No. 80 of 2003 before the Hon'ble Maharashtra State Consumer Disputes Redressal Commission, Mumbai, which was admitted on April 21, 2004. The case is pending before the Hon'ble Maharashtra State Consumer Disputes Redressal Commission at Mumbai. The last date of hearing was on August 16, 2007 and was adjourned to October 30, 2007 for hearing.

Litigations by our Directors

There are no cases filed by our Directors

Litigations against our Directors

There are no cases filed against our Directors.

Litigations by our Promoters

There are no cases filed by our Promoters.

Litigations against our Promoters

There are no cases filed against our Promoters.

Litigations by or against our Promoter Group entities / ventures of promoters**Litigations by Tulsi Pipe Industries (TPI)****Civil Suit****1. Special Suit No. 39 of 2006 filed by TPI against Mr. Raghunath Waman Wani and Mr. Vasant Waman Wani before the Civil Judge (Senior Division) at Jalgaon**

On April 4, 2003, Mr. Vasant Waman Wani, Defendant No. 2, purchased on credit P.V.C. pipes in the name of Mr. Raghunath Waman Wani, Defendant No. 1 amounting to Rs. 1.76 lakhs from TPI by a credit memo no. 012. Mr. Vasant Waman Wani and Mr. Raghunath Vaman Wani paid Rs. 0.40 lakh on October 14, 2003 and Rs. 0.50 lakh on November 11, 2004 and the balance amount of Rs. 0.86 lakh is due from Mr. Vasant Waman Wani and Mr. Raghunath Vaman Wani. Despite of many notices sent to Mr. Vasant Waman Wani and Mr. Raghunath Wani, the balance amount was not paid. TPI has filed a special suit no. 39 of 2006 before the Civil Judge (Senior Division) at Jalgaon for recovery of outstanding amount of Rs. 0.86 lakh together with interest of Rs. 0.34 lakh i.e. Rs. 1.20 lakhs and interest from the date of filing recovery suit till the recovery of the amount. Mr. Vasant Waman Wani filed a written statement on June 05, 2006 denying the allegations made by TPI in the special suit. The hearing of the case was held on June 13, 2007 and the same was adjourned sine die by the Court. The case is currently pending before the Civil Judge (Senior Division) at Jalgaon.

Litigations against our group companies/ventures of Promoters**Consumer Complaint No. 198 of 2005 filed by Mr. Vasant Waman Wani against TPI before the Hon'ble Consumer Disputes Redressal Forum at Jalgaon,**

Mr. Vasant Waman Wani had purchased "TULSI" brand P.V.C. Pipes from TPI for construction of pipeline in the field at Jalgaon. Mr. Vasant Waman Wani filed a consumer complaint no. 198 of 2005 before the Hon'ble Consumer Disputes Redressal Forum at Jalgaon, against TPI alleging that TPI had supplied "GODAWARI" brand PVC Pipes instead of "TULSI" brand PVC pipes which allegedly were defective and of inferior quality pipes. By a reply TPI admitted the sale of "GODAWARI" brand PVC Pipes but denied the supply of defective and inferior quality pipes. The consumer forum vide its order dated November 11, 2005 allowed the complaint and ordered TPI to either replace the PVC pipes with "TULSI" brand PVC pipes or refund an amount of Rs. 4.05 lakhs to the complainant with 6% interest, Rs. 0.75 lakh towards the cost incurred for pipeline construction and Rs. 0.02 lakh towards the cost of the proceedings. TPI filed an appeal being Appeal No. 2454 of 2005 before the Maharashtra State Consumer Disputes Redressal Commission at Mumbai, challenging the order dated November 11, 2005. The hearing of the case was held on June 13, 2007 and the same was adjourned sine die by the Court. The case is currently pending before the Hon'ble Consumer Disputes Redressal Forum at Jalgaon.

Penalties imposed on our Company in the last five years

No penalty is imposed on our Company during the last five years.

Penalties imposed on our Promoter Group companies/entities in the last five years

No penalty is imposed on our Promoter Group companies/entities during the last five years.

Amounts owed to small scale undertakings

Our Company does not owe a sum exceeding Rs. 1 Lacs to any small scale undertakings, which is outstanding for more than 30 days from the date such amount was due.

Material Developments since the last Balance Sheet date i.e. March 31, 2007

No material development since the last Balance Sheet date i.e. March 31, 2007. In compliance with AS 4 to our knowledge no circumstances other than disclosed in this Draft Red Herring Prospectus have arisen since the date of the last financial statements contained in this Draft Red Herring Prospectus which could materially and adversely affect or is likely to affect, the trading and profitability of our Company, or the value of our assets or their ability to pay our material liabilities within the next 12 months.

GOVERNMENT APPROVALS AND LICENSES

In view of the approvals listed below, we can undertake our current business activities and no further material approvals from any governmental or regulatory authority or any other entity are required to continue our business activities. Our Company has also received approvals from those of its lenders whose financing arrangements required it to obtain approvals in connection with the Issue. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.

The approvals obtained by our Company are arranged in the following order:

- (i) Licenses / Approvals obtained by our Company.
- (ii) Licenses / Approvals for which application has not been made by our Company
- (iii) Licenses / Approvals for which renewal application has been made but yet not received by our Company
- (iv) Licenses / Approvals relating to our proposed operations as stated in the section titled “Objects of the Issue” beginning on page no. 24 of this Draft Red Herring Prospectus.

(i) Licenses / Approvals obtained by our Company

Sr. No.	Name of the License/Approval/certificate/Registration/Consent	Issuing Authority	License/Certificate Registration No.	Validity
Incorporation				
1.	Certificate of Incorporation	Registrar of Companies, Mumbai, Maharashtra	11 -81182 of 1994 CIN No. U29120MH1994PLC081182	Valid till cancelled
Industrial/Tax/Labour				
2.	Small Scale Industries Registration, Directorate of Industries, Government of Maharashtra*	General Manager, District Industries Centre, Jalgaon	111102543	Valid till investment limit is not crossed
3.	License for the use of Standard Mark for the product Unplasticised P.V.C. Pipes for potable water supplies from Bureau of Indian Standards	Director, Bureau of Indian Standards, Mumbai	CM/L - 7109057	June 13, 2008
4.	License for the use of Standard Mark for the product U.P.V.C pipes for soil and waste discharge systems inside buildings including ventilation and rainwater system from Bureau of Indian Standards	Director, M.D.M II, Bureau of Indian Standards, Mumbai	CM/L - 7403562	December 12, 2007

Sr. No.	Name of the License/Approval/certificate/Registration/Consent	Issuing Authority	License/Certificate Registration No.	Validity
5.	Registration under Central Excise for Unit I	Deputy Commissioner of Central Excise, Jalgaon	AAACT8441PXM001	Valid till cancelled
6.	Registration under Central Excise for Unit II	Deputy Commissioner of Central Excise, Jalgaon	AAACT8441PXM002	Valid till cancelled
7.	Registration under Central Excise for Unit III	Deputy Commissioner of Central Excise, Jalgaon	AAACT8441PXM003	Valid till cancelled
8.	Service Tax Registration under Section 69 of the Finance Act, 1994 for Unit I	Central Excise Officer, Nasik Division, Jalgaon	AAACT8441PST001	Valid till cancelled
9.	Service Tax Registration under Section 69 of the Finance Act, 1994 for Unit II	Central Excise Officer, Nasik Division, Jalgaon	AAACT8441PST002	Valid till cancelled
10.	Service Tax Registration under Section 69 of the Finance Act, 1994 for Unit III	Central Excise Officer, Nasik Division, Jalgaon	AAACT8441PST003	Valid till cancelled
11.	Registration under The Central Sales Tax (Registration & Turnover) Rules, 1957	Registration Officer Sales Tax Department, Maharashtra	CST TIN : 27120016760 C	Valid till cancelled
12.	Registration under The Maharashtra Value Added Tax Act, 2002	Registration Officer, Sales Tax Department, Maharashtra	VAT TIN : 27120016760 V	Valid till cancelled
13.	TAN Registration under Income Tax Act	Income Tax Officer	NSKT01296B	Valid till cancelled
14.	PAN Registration under Income Tax Act	Income Tax Officer	AAACT8441P	Valid till cancelled
15.	Importer Exporter Code (IEC)	Foreign Trade Development Officer, Director General of Foreign Trade, Ministry of Commerce	0396008721	Valid till cancelled
16.	Employee Provident Funds and Miscellaneous Provision Act, 1952	Regional Provident Fund Commissioner, Maharashtra and Goa	MH/NK/51139/ENF/SRO/N SK/2758/10335	Valid till cancelled
17.	Registration under the Employee State Insurance Corporation (For Unit I, II and Unit III)	Assistant Regional Director, Pune	26461/96/33/9426/100	Valid till cancelled

18.	Maharashtra Pollution Board consent under the Section 25/26 of the Air (Prevention and Control of Pollution) Act, 1981, Water (Prevention and Control of Pollution) Act, 1974 under Rule 5 of the Hazardous Wastes (Management and Handling Rules, 1989) at Unit I, Jalgaon	Sub Regional Officer, Jalgaon on behalf of Maharashtra Control Board	SRJ/LT/CC/COJ-359/C-37	October 31, 2010
19.	Registration under Standard Weights & Measures Act, 1976 at Unit I- Jalgaon	Inspector, Weights & Measurements, Jalgaon	0343090	April 18, 2008
20.	Registration under Standard Weights & Measures Act, 1976 at Unit II- Jalgaon	Inspector, Weights & Measurements, Jalgaon	0300552	April 18, 2008
21.	Registration under Standard Weights & Measures Act, 1976 at Unit III- Jalgaon	Inspector, Weights & Measurements, Jalgaon	0300537	August 10, 2008
22.	Registration under Rajasthan Shops & Establishment Rules, 1958	Inspector, Shops & Establishment, Jaipur	SH/356	June 15, 2008

*Our Company's Small Scale Industrial Unit status will change after the proposed investment in plant & machinery, above Rs. 500 lakhs. Our Company will become a Medium Scale Industrial Unit after the proposed investment and will not enjoy the benefits/exemption which are enjoyed by our Company as a Small Scale Industrial Unit.

(ii)Licenses / Approvals for which application has not been made by our Company

The following licenses / approvals are pertaining to our Promoter and Promoter Group entities which are not valid as on date. We have yet to make fresh applications for these licenses, which we are required to make by virtue of takeover of the specified assets and liabilities of the Promoter and Promoter Group entities viz. Gopal Extrusions Private Limited, M/s. Tulsi Pipe Industries and Narvada Industries.

Sr. No.	Name of the license/ approval/ certificate	Issuing Authority
1.	Maharashtra Pollution Control Board consent under the Section 25/26 of the Air (Prevention and Control of Pollution) Act, 1981, Water (Prevention and Control of Pollution) Act, 1974 under Rule 5 of the Hazardous Wastes (Management and Handling Rules, 1989) at Unit II, Jalgaon	Sub Regional Officer, Jalgaon on behalf of Maharashtra Pollution Control Board

2.	Maharashtra Pollution Control Board consent under the Section 25/26 of the Air (Prevention and Control of Pollution) Act, 1981, Water (Prevention and Control of Pollution) Act, 1974 under Rule 5 of the Hazardous Wastes (Management and Handling Rules, 1989) at Unit III, Jalgaon	Sub Regional Officer, Jalgaon on behalf of Maharashtra Pollution Control Board
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The Application will be accepted by Maharashtra Pollution Control Board only after the change of name of the plot no. H-16 (Unit-II), G-51/G-52(Unit III) in the M.I.D.C. records. Our Company will apply the same after change of name of plots in the name of our Company in M.I.D.C records.

(iii) Licenses / Approvals for which renewal application has been made but yet not received by our Company

S.No.	Name of the License/Approval/certificate/Registration/Consent	Issuing Authority	Application No.	Application Date
1.	Factory License for Unit I, plot no. 99 & 100	Office of the Deputy Director, Industrial Safety and Health	LIC/DAT/416/2007	July 6, 2007
2.	Factory License for Unit II, plot no. H-16	Office of the Deputy Director, Industrial Safety and Health	LIC/DAT/417/2007	July 7, 2007
3.	Factory License for Unit III, plot no. G-51/52	Office of the Deputy Director, Industrial Safety and Health	LIC/DAT/418/2007	July 7, 2007
4.	Registration under Shops & Establishment Act for the corporate office of our Company at Andheri	Bombay Municipal Corporation	-	August 9, 2007

The Trade License for the Kolkata branch is pending for renewal since the renewal notice from the Kolkata Municipal Corporation is not received by our Company.

(iv) Licenses / Approvals relating to our proposed operations

We have neither received nor applied for any approvals for the proposed expansion as mentioned in the section titled “Objects of the Issue”.

SECTION VII – OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The Issue of Equity Shares in the Issue by our Company has been authorised by the resolution of the Board of Directors passed at their meeting held on July 1, 2006 subject to the approval of shareholders through a special resolution is to be passed pursuant to Section 81(1A) of the Companies Act, 1956. The shareholders approved the issue at the Extra Ordinary General Meeting of our Company held on July 24, 2006. The aforesaid authorization of the Board of Directors and approval of the Shareholders was renewed at the Board meeting held on April 14, 2007 and the AGM held on May 14, 2007.

PROHIBITION BY SEBI

Neither our Company, nor its Promoters, its Directors, any of its Promoter Group Companies, and the companies or entities with which Directors of our Company are associated, as directors or promoters, have been prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or directions passed by SEBI.

None of the Promoters, their relatives, our Company or the Promoter Group Companies are detained as wilful defaulters by RBI/Government authorities and there are no proceedings relating to violations of securities laws pending against them and there are no violations of securities laws committed by them in the past.

ELIGIBILITY FOR THE ISSUE

Our Company is eligible for the Issue as per Clause 2.2.1 of the SEBI Guidelines, as confirmed by the Auditors of our Company:

Our Company has net tangible assets of atleast Rs. 300.00 lakhs in each of the 3 preceding full years (of 12 months each) of which not more than 50% is held in monetary assets.

- Our Company has had a pre-issue net worth of not less than Rs. 100.00 lakhs in each of the three preceding full years (of 12 months each).
- Our Company has had a track record of distributable profits as per Section 205 of the Companies Act, 1956, for atleast three out of the immediately preceding five years.
- The proposed issue size would not exceed five (5) times the pre-issue net worth of our Company as per the audited accounts for the year ended March 31, 2007.
- Our Company has not changed its name within the last one year.

The net tangible assets, monetary assets, distributable profits and net worth as derived from the restated financial statements prepared in accordance with SEBI Guidelines, for the last five financial years ended March 31, 2007 is set forth below:

(Rs in Lakhs)

Financial Year	2006-07	2005-06	2004-05	2003-04	2002-03
Net Tangible Assets	2680.06	1598.99	540.22	647.47	497.31
Monetary Assets	50.14	35.50	11.44	2.75	5.42
Monetary Assets as a Percentage of Net Tangible Assets	1.87%	2.22%	2.12%	0.42%	1.09%
Distributable Profits	452.92	123.47	8.52	3.17	(23.45)
Net Worth	1172.99	443.08	189.93	181.4	178.23

- (1) Net tangible assets is defined as the sum of fixed assets (including capital work in progress and excluding revaluation reserves), investments, current assets (excluding deferred tax assets) less current liabilities (excluding deferred tax liabilities and long term liabilities).
- (2) Monetary assets include cash on hand and bank.
- (3) The distributable profits of the company as per section 205 of the Companies Act has been calculated from the restated Financial Statements.
- (4) Net Worth includes equity share capital and reserves (net off miscellaneous expenditure not written off, if any)

In addition, we shall ensure that number of allottees getting Equity Shares is not less than one thousand in number.

SEBI DISCLAIMER CLAUSE

AS REQUIRED, A COPY OF THIS DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO 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 BOOK RUNNING LEAD MANAGER, ALMONDZ GLOBAL SECURITIES LIMITED (FORMERLY ALLIANZ SECURITIES LIMITED) HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES 2000, 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 ISSUER COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, ALMONDZ GLOBAL SECURITIES LIMITED (FORMERLY ALLIANZ SECURITIES LIMITED) HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED AUGUST 31, 2007 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 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 MORE PARTICULARLY REFERRED TO IN THE ANNEXURE HERETO IN CONNECTION WITH THE FINALIZATION OF THIS DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;**
- (2) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH OUR COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY OUR COMPANY, WE CONFIRM THAT:**
 - (a) THIS DRAFT RED HERRING PROSPECTUS FORWARDED TO THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

- (b) **ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY THE BOARD, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
- (c) **THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.**
- (3) **WE CONFIRM THAT BESIDE OURSELVES, ALL THE INTERMEDIARIES NAMED IN THIS DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- (4) **WE SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.**
- (5) **WE CERTIFY THAT WRITTEN CONSENT FROM SHAREHOLDERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THIS DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THIS DRAFT RED HERRING PROSPECTUS.**

THE FILING OF THE OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTIONS 63 OR 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI, FURTHER, RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

ALL LEGAL REQUIREMENTS PERTAINING TO THE ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE RED HERRING PROSPECTUS WITH THE REGISTRAR OF COMPANIES, MAHARASHTRA IN TERMS OF SECTION 60B OF THE COMPANIES ACT, 1956.

DISCLAIMER FROM THE ISSUER AND THE BOOK RUNNING LEAD MANAGER

Our Company, its Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisement or any other material issued by or at its instance and that anyone placing reliance on any other source of information, including website of our Company, www.tulsigroup.biz would be doing so at his or her own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into between the Book Running Lead Manager, Almondz Global Securities Limited (formerly Allianz Securities Limited) and our Company dated August 13, 2007, and the Underwriting agreement to be entered into between the Underwriters and our Company.

All information shall be made available by the BRLM and our 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 centres or elsewhere.

Neither our Company nor BRLM or Syndicate Members shall be liable to the Bidders for any failure in downloading the bids due to faults in any software/ hardware system or otherwise.

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 FIIs registered with SEBI. This Draft Red Herring 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 Draft Red Herring 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 Jalgaon only.

No action has been or will be taken to permit a public offering in any jurisdiction where permission would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for observations and SEBI has given its observations and the Red Herring 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 Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the US Securities Act (“the Securities Act”) or any state securities laws in the United States and may not be issued 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 issued and sold (i) in the United States to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act in reliance on Rule 144A under the Securities Act and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those issues and sales occur.

DISCLAIMER CLAUSE OF BOMBAY STOCK EXCHANGE LIMITED (BSE, the Designated Stock Exchange)

As required, a copy of this Draft Red Herring Prospectus has been submitted to the BSE. The Disclaimer Clause as intimated by the BSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to RoC filing.

DISCLAIMER CLAUSE OF THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE)

As required, a copy of this Draft Red Herring Prospectus has been submitted to the NSE. The Disclaimer Clause as intimated by the NSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to RoC filing.

FILING

A copy of this Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, SEBI Bhavan, Plot No. C-4A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai– 400 051, Maharashtra.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered for registration to the RoC and a copy of the Prospectus required to be filed under Section 60 of the Companies Act will be delivered for registration to the RoC situated at the Registrar of Companies, Maharashtra at Mumbai.

LISTING

The initial listing applications have been made to Bombay Stock Exchange Limited (BSE) and The National Stock Exchange of India Limited (NSE) for permission to list the Equity Shares and for an official quotation of the Equity Shares of our Company. The Bombay Stock Exchange Limited (BSE) 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 any of the above mentioned Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of this Draft Red Herring Prospectus and if such money is not repaid within eight days after the day from which the Issuer 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.

Our Company with the assistance of the Book Running Lead Manager shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at both the Stock Exchanges mentioned above are taken within seven working days of finalization and adoption of the basis of allotment for the Issue.

CONSENTS

Consents in writing of Directors, the Company Secretary, Compliance Officer, the Statutory Auditors, Bankers to our Company, Book Running Lead Manager to the Issue, Registrars to the Issue and Legal advisors, Syndicate Members, to act in their respective capacities, have been obtained and shall be filed along with a copy of this Draft Red Herring Prospectus with the Registrar of Companies, as required under Sections 60 of the Companies Act, 1956 and such consents have not been withdrawn up to the time of delivery of a copy of this Draft Red Herring Prospectus, for registration with the Registrar of Companies, Maharashtra at Mumbai.

M/s. K. K. Kabra & Co., Statutory Auditors, have also given their consent to the inclusion of their report as appearing hereinafter in the form and context in which it appears in this Draft Red Herring Prospectus and also tax benefits accruing to our Company and to the members of our Company and such consent and report have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for registration with the Registrar of Companies, Maharashtra at Mumbai.

EXPERT OPINION

No opinion of any expert has been obtained by our Company, except that of M/s. K. K. Kabra & Co., Statutory Auditors of our Company and M/s. Crawford Bayley & Co. Advocates, Solicitors and Notary, Legal Advisors to the Issue.

PUBLIC ISSUE EXPENSES

The expenses for this issue includes issue management fees, underwriting & selling commission, registrars' fee, grading fee, printing and distribution of issue stationery, advertisement and marketing expenses, legal fees and listing fees payable to the Stock Exchanges, among others. The total expenses for this issue are estimated to be Rs. [•] Lakhs, details of which are as under:

(Rs. In Lakhs)

Activity	Amount (Rs. In Lakhs)	% Total Issue Size	% Total Issue Expenses
Issue Management Fee	[●]	[●]	[●]
Registrars fees	[●]	[●]	[●]
Fee for Legal Counsel to the Issue	[●]	[●]	[●]
Fee payable to Grading Agency for grading the Issue	[●]	[●]	[●]
Printing and Distribution of Issue Stationery	[●]	[●]	[●]
Advertising and Marketing expenses	[●]	[●]	[●]
Other expenses (stamp duty, initial listing fees, depository fees, charges for using the book building software of the exchanges and other related expenses)	[●]	[●]	[●]
Total	[●]	[●]	[●]

* Will be incorporated after finalization of Issue Price

** Will be incorporated at the time of filing of the Red Herring Prospectus.

FEES PAYABLE TO THE BRLM, UNDERWRITING, BROKERAGE AND SELLING COMMISSION

The total fees payable to the BRLM including brokerage and selling commission for the Issue will be as per the engagement letter(s) dated September 4, 2006 is available for inspection at the Registered Office of our 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 our Company and the Registrar dated March 12, 2007 copy of which is available for inspection at the Registered Office of our 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.

PREVIOUS PUBLIC AND RIGHTS ISSUES

Our Company has not made any public or rights issue since its inception.

PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH

Our Company has not issued shares for consideration other than for Cash, except as stated in note number 8 to Capital Structure appearing on page no. 21 of this Draft Red Herring Prospectus under section “Capital Structure”.

COMMISSION AND BROKERAGE PAID ON PREVIOUS ISSUES

Since this is the initial public issue of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of Equity Shares of our Company since its inception.

DETAILS OF CAPITAL ISSUE MADE DURING LAST THREE YEARS IN REGARD TO THE ISSUER COMPANY AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370(1)(B) OF THE COMPANIES ACT, 1956.

There have been no capital issues during last 3 years by our Company and other listed companies under the same management within the meaning of Section 370(1)(B) of the Act at present or during the last three years.

OPTION TO SUBSCRIBE

Equity Shares being issued through this Draft Red Herring Prospectus can be applied for in Dematerialized form only.

PROMISE VIS-À-VIS PERFORMANCE

Our Company has not made any Capital Issue in the past.

LISTED VENTURES OF PROMOTER

Our promoter does not have any listed ventures.

OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES OR OTHER INSTRUMENTS

Our Company since its incorporation has not issued any Redeemable Preference shares and debentures, bonds or other instruments.

STOCK MARKET DATA FOR EQUITY SHARES OF OUR COMPANY

This being the Initial Public Issue of Tulsi Extrusions Limited, the Equity Shares of our Company are not listed on any stock exchange.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

Our Company has appointed Intime Spectrum Registry Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with Compliance Officer of our Company. All grievances relating to the present issue may be addressed to the registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and Bidder/Bank branch where the application was submitted. Our Company will monitor the work of the Registrar to ensure that the grievances are settled expeditiously and satisfactorily.

DISPOSAL OF INVESTOR GRIEVANCES

Intime Spectrum Registry Limited, the Registrars to the Issue, will handle investor grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to our Company. Our Company would also be coordinating with Registrar to the Issue in attending to the grievances of the investors. Our Company assures that the Board of Directors, in respect of the complaints, if any, to be received, shall adhere to the following schedules:

Sr. No.	Nature of Complaint	Time Taken
1.	Non-receipt of refund	Within 7 days of receipt of complaint, subject to production of satisfactory evidence.

2.	Change of Address notification	Within 7 days of receipt of Information
3.	Any other complaint in relation to Public Issue	Within 7 days of receipt of complaint with all relevant details

Our Company has appointed Mr. Sudarshan Taparia, 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:

COMPLIANCE OFFICER

Mr. Sudarshan Taparia
Tulsi Extrusions Limited,
512, Janki Centre, 29, Shah Industrial Estate,
Off. Veera Desai Road, Andheri (West),
Mumbai-400053
Tel.: 022-26742090
Fax: 022-26742073
Email: ipo@tulsigroup.biz
Website: www.tulsigroup.biz

CHANGES IN AUDITORS

There has been no change in the Auditors of our Company during the last three years

CAPITALIZATION OF RESERVES OR PROFITS (DURING THE LAST FIVE YEARS)

Our Company has not capitalized its profits or reserves at any time except as stated under note no. 9 to Capital Structure appearing on page no. 21 of this Draft Red Herring Prospectus.

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

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum and Articles of Association, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Bid cum Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, the RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Memorandum and Articles of Association and shall rank *pari passu* with the existing Equity Shares of our Company including rights in respect of dividends. The Allottees of the Equity Shares under this Issue shall be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details see the section entitled “Main Provisions of the Articles of Association” beginning on page 175 of this Draft Red Herring Prospectus.

Mode of payment of Dividend

Our Company shall pay dividend to its shareholders as per the provisions of the Companies Act, 1956.

Face value and Issue Price

The Equity Shares with a face value of Rs. 10/- each are being issued in terms of this Draft Red Herring Prospectus at an Issue Price of Rs. [•] per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with SEBI Guidelines

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability of shares; and
- Such other rights, as may be available to a shareholder of a listed public Company under the Companies Act and Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of Articles of Association of our Company dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, refer to the section on “Main Provisions of Articles of Association of our Company” beginning on page no. 175 of this Draft Red Herring Prospectus.

Market lot and trading lot

In terms of Section 68B of the Companies Act, the Equity Shares of our Company shall be allotted only in dematerialised form. As per existing SEBI Guidelines, the trading of Equity Shares of our Company shall only be in dematerialised form. Since trading of Equity Shares of our Company is compulsorily in dematerialized mode,

the tradable lot is one Equity Share. Allotment through this Issue will be done only in electronic form in multiples of one Equity Shares subject to a minimum Allotment of [•] Equity Shares.

Nomination Facility to the Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidder, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation 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 at the Registrar and Transfer Agents of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- a. to register himself or herself as the holder of the Equity Shares; or
- b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with, within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialised mode, there is no need to make a separate nomination with our Company. Nominations registered with the respective depository participant of the applicant would prevail. If an investor needs to change the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Net Issue to the public including devolvement of the members if the syndicate, within 60 days from the Bid/Issue Closing Date, 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 prescribed under Section 73 of the Companies Act.

Arrangements for disposal of odd lots

Since the market lot for Equity Shares of our Company will be one, no arrangements for disposal of odd lots are required.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with competent courts/authorities in Jalgaon, Maharashtra.

Withdrawal of the issue

Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue at anytime before the Bid/Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If

our Company does not receive minimum subscription of 90% of the Issue size, including devolvement of the members of the syndicate, our Company shall forthwith refund the entire subscription amount received. In case, our Company receives minimum subscription but wishes to withdraw the Issue after Issue Opening but before allotment, our Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in an English National Newspaper, a Hindi National Newspaper and one Regional language (Marathi) newspaper with wide circulation.

ISSUE PROCEDURE

Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to QIB Bidders, out of which 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all Qualified Institutional Buyers, including Mutual Funds, subject to valid Bids being received at or above Issue Price. Further, atleast 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and atleast 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price. Further, up to [•] Equity Shares shall be available for allocation on a proportionate basis to Employees under the Employee Reservation Portion, subject to valid bids being received at or above the Issue Price.

Bidders are required to submit their Bids through the Syndicate Members only. Further QIB Bids can be submitted only through the BRLM. In case of QIB Bidders, our Company in consultation with BRLM may reject Bid at the time of acceptance of Bid cum Application Form provided that the reasons for rejecting the same are provided to such Bidders in writing. In case of Non-Institutional Bidders, Retail Individual Bidders and Bids under the Employee Reservation Portion, our Company would have a right to reject the Bids only on technical grounds.

Investors should note that Equity Shares would be allotted to all successful Bidders only in dematerialized form. Bidders will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Bid-cum-Application Form

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this Draft Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form 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 Bidder.

The prescribed colour of the Bid-cum-Application Form for various categories is as follows:

Category	Colour of Bid-cum-Application Form
Indian Nationals or NRIs applying on a non-repatriation basis	White
NRIs or FIIs or Foreign Venture Capital Funds registered with SEBI, Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	Blue
Eligible Employees of our Company.	Pink

Who Can Bid?

1. Indian nationals resident in India who are majors, in single or joint names (not more than three) or in the names of their minor children as natural/legal guardians in single or joint names (not more than three);
2. HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First Bidder: XYZ Hindu

Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals;

3. Eligible NRIs on a repatriation basis or a non-repatriation basis subject to compliance with applicable laws. NRIs, other than Eligible NRIs, are not permitted to participate in this Issue;
4. Companies and corporate bodies registered under the applicable laws in India and authorized to invest in Equity shares;
5. 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;
6. Mutual funds registered with SEBI;
7. Indian financial institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and SEBI Guidelines and Regulations, as applicable);
8. FIIs registered with SEBI;
9. Venture capital funds registered with SEBI;
10. Foreign venture capital investors registered with SEBI, subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the issue;
11. State Industrial Development Corporations;
12. Insurance companies registered with the Insurance Regulatory and Development Authority;
13. As permitted by the applicable laws, Provident funds with minimum corpus of Rs. 2500 Lacs and who are authorized under their constitution to invest in Equity Shares;
14. Pension funds with minimum corpus of Rs. 2500 Lacs and who are authorized under their constitution to invest in Equity Shares;
15. Multilateral and bilateral development financial institutions;
16. Eligible Non-residents including NRIs and FIIs on a repatriation basis or a non- repatriation basis subject to applicable local laws; and
Scientific and/or industrial research organizations in India authorized under their constitution to invest in equity shares.
17. Eligible Employees

As per existing regulations, OCBs are prohibited from investing in this Issue.

Note: The BRLM and Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations if any. However, associates and affiliates of the BRLM and Syndicate Member are entitled to bid and subscribe to Equity Shares in the Issue either in the QIB Portion or in Non Institutional Portion as may be applicable to such investors, where the allotment will be on a proportionate basis. Such bidding and subscription may be on their own account or on behalf of their clients.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Funds Portion. In the event that the demand is greater than [•] Equity Shares, allocation shall be made to Mutual Funds on proportionate basis to the extent of the Mutual Funds Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIB Bidders, be made available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Funds Portion.

The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be

made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

As per the current regulations, the following restrictions are applicable for investments by Mutual Funds:

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRI Bidders to comply with the following:

1. Individual NRI Bidders can obtain the Bid cum Application Forms from Registered Office of our Company, members of the Syndicate or the Registrar to the Issue.
2. Eligible NRI Bidders may please note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for allotment. Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid cum Application Form meant for resident Indians (White in color). All instruments accompanying bids shall be payable in Mumbai only.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

No single FII can hold more than 10% of post-issue paid-up capital of our Company (i.e., 10% of 1,24,95,100 Equity Shares). In respect of an FII investing in Equity Shares of our Company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of total issued capital or 5% of our total issued capital of our Company in case such sub-account is a foreign corporate or an individual. In accordance with the foreign investment limits applicable to us, the total FII investment cannot exceed 24% of our Company's paid up capital.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended, an FII or its sub account may issue, deal or hold, off shore derivative instruments such as Participatory Notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity

Bids by SEBI registered VCF and FVCI

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, the investment by any VCF or FVCI should not exceed the prescribed investment limit as the case may be.

The SEBI has issued a press release on June 26, 2006 stating that the shareholding of SEBI registered Venture Capital Funds and Foreign Venture Capital Investors held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing this Draft Red Herring Prospectus with the SEBI.

Bids and revision of Bids by non-residents including Eligible NRIs, FIIs and Foreign Venture capital Funds registered with SEBI on a repatriation basis must be made:

1. On the prescribed Bid cum Application Form or Revision Form, as applicable (blue in colour) and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected;
2. In a single name or joint names (not more than three and in the same order as their Depository Participant details);
3. Eligible NRIs for a Bid Amount of up to Rs. 1,00,000 would be considered under the Retail Bidders portion for the purposes of allocation and Bids for a Bid amount of more than Rs. 1,00,000 would be considered under the Non-Institutional Bidders portion for the purposes of allocation; Other Non-Resident Bidders must bid for a minimum of such number of Equity Shares and in multiples of [•] thereafter that the Bid amount exceeds Rs. 1,00,000; for further details see “Maximum and Minimum Bid Size” beginning on page no. 148 of this Draft Red Herring Prospectus;
4. In the names of individuals, or in the names of FIIs or in the names of Foreign Venture Capital Funds registered with SEBI, Multilateral and Bilateral Development Financial Institutions but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

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 Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into U.S. 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 Bidders so desire, will be credited to their Non-Resident External (NRE) accounts, details of which should be furnished in the space provided for this purpose in the Bid-cum-Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

It is to be distinctly understood that there is no reservation for Non Residents, NRIs, FIIs and Foreign Venture Capital Funds and all Non Residents, NRI, FII and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

Bids by Employees

For the purpose of the Employee Reservation Portion, Employee means all or any of the following:

- (a) a permanent employee of our Company as of [•] and based in, working and present in India or out of India as on the date of submission of the Bid cum Application Form.
 - (b) a director of our Company, whether a whole time director except any Promoters or members of the Promoter group, part time director or otherwise as of [•] and based and present in India as on the date of submission of the Bid cum Application Form. Bids under Employee Reservation Portion by Employees shall be:
 - (c) a permanent employee as defined in sub-clauses (a) or (b) of a Subsidiary of our Company as of [•] and based in, working and present in India or out of India as on the date of submission of the Bid cum Application Form.
- Made only in the prescribed Bid cum Application Form or Revision Form (i.e. pink colour Form).
 - Employees, as defined above, should mention the Employee Number at the relevant place in the Bid cum Application Form.
 - The sole/ first Bidder should be Employees. In case the Bid-cum-Application Form is submitted in joint names, it should be ensured that the Depository Account is also held in the same joint names and in the same sequence in which they appear in the Bid-cum-Application Form.

- Only Employees (as defined above) would be eligible to apply in this Issue under the Employee Reservation Portion.
- Only those bids, which are received at or above the Issue Price, would be considered for allocation under this category.
- Employees who Bid for Equity Shares of or for a value of not more than Rs. 100,000 in any of the bidding options can apply at Cut-Off Price. This facility is not available to other Employees whose Bid Amount in any of the bidding options exceeds Rs. 100,000.
- The maximum bid under Employee Reservation Portion by an Employee cannot exceed the total number of Equity Shares allocated for the Employee Reservation portion.
- Bid by Employees can be made also in the “Net Issue” portion and such Bids shall not be treated as multiple bids.
- If the aggregate demand in this category is less than or equal to [•] Equity Shares at or above the Issue Price, full allocation shall be made to the Employees to the extent of their demand. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue.
- If the aggregate demand in this category is greater than [•] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of allocation, please see section titled “Basis of Allocation” beginning on page no. 167 of this Draft Red Herring Prospectus.
- Under-subscription, if any, in the Employee Reservation portion will be added back to the Net Issue, and the ratio amongst the investor categories will be at the discretion of our Company and the Book Runner. In case of under-subscription in the Net Issue, spill over to the extent of under-subscription shall be permitted from the Employee Reservation portion.

The above information is given for the benefit of the Bidders.

The Bidders are advised to make their own enquiries about the limits applicable to them. Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove.

Our Company and the BRLM are not liable for any amendments or modifications or changes in the applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Bid size

For Retail Bidders: The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares and it must be ensured that the Bid Amount payable by the Bidder does not exceed Rs. 1,00,000. ***Bidders may note that the total Bid amount will be used to determine if a Bid is in the retail category or not, and not just the amount payable on Application.*** In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid amount does not exceed Rs. 1,00,000. In case the Bid amount is over Rs. 1,00,000 due to revision of the Bid or revision of the Price Band or on exercise of option to Bid at Cut-off price, the Bid would be considered for allocation under the Non-Institutional Portion. The option to Bid at Cut-off price is an option given only to the Retail Individual Bidders indicating their agreement to bid and purchase Equity Shares at the final Issue Price as determined at the end of the Book Building Process.

For Non-Institutional Bidders and QIBs Bidders: The Bid must be for a minimum of such number of Equity Shares in multiples of [•] Equity Shares such that the Bid Amount payable by the Bidder exceeds Rs. 1,00,000 and in multiples of [•] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under the existing SEBI guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay the QIB margin amount upon submission of the Bid.

In case of revision in Bids, the Non-Institutional Bidders who are individuals have to ensure that the Bid Amount is greater than Rs. 1,00,000, for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 1,00,000 or less due to a revision in Bids or revision of the Price Band, the same would be considered for allocation under the Retail Portion in respect of the Bids by Non-Institutional Bidders who are otherwise eligible for allocation under the Retail Portion. Non Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.

For Bidders in the Employee Reservation Portion:

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The maximum Bid in this portion cannot exceed 1,00,000 Equity Shares. Bidders in the Employee Reservation Portion applying for a maximum Bid in any of the Bidding Options not exceeding Rs.1,00,000 may bid at Cut-off price. The allotment in the employee reservation portion will be on proportionate basis.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

Information for the Bidders

- a. Our Company will file the Red Herring Prospectus with the RoC at least three days before the Bid/Issue Opening Date.
- b. Our Company and the BRLM shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band at the time of filing the Red Herring Prospectus with RoC and also publish the same in two widely circulated national newspapers (one each in English and Hindi) and a regional language newspaper of wide circulation in the place where our Registered Office is situated. This advertisement, subject to the provisions of Section 66 of the Companies Act shall be in the format prescribed in Schedule XX–A of the SEBI DIP Guidelines, as amended vide SEBI Circular No. SEBI/CFD/DIL/DIP/17/2005/11/11 dated November 11, 2005. The members of the syndicate shall accept bids from the Bidders during the bidding/ issue period in accordance with the terms of the syndicate agreement.
- c. The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid-cum-Application Form to their potential investors. Any investor (who is eligible to invest in the Equity Shares) desirous of obtaining a copy of the Red Herring Prospectus along with the Bid-cum- Application Form can obtain the same from the registered office of our Company or from the BRLM, or from a member of the Syndicate.
- d. Eligible investors who are interested in subscribing for the Equity Shares should approach the BRLM or Syndicate Member or their authorized agent(s) to register their Bids.
- e. The Bids should be submitted on the prescribed Bid-cum-Application Form only. Bid-cum-Application Forms should bear the stamp of a member of the Syndicate. The Bid-cum-Application Forms, which do not bear the stamp of a member of the Syndicate, will be rejected.
- f. The Bidding/Issue Period shall be a minimum of three working days and shall not exceed seven working days. The members of the Syndicate shall accept Bids from the Bidders during the Bidding/Issue Period in accordance with the terms of the Syndicate Agreement.
- g. The Price Band has been fixed at Rs. [●] to Rs. [●] per Equity Share. The Bidders can bid at any price within the Price Band, in multiples of Rs. 1 (One). In accordance with the SEBI Guidelines, our Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bidding Period. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.
- h. In case the Price Band is revised, the Bidding/ Issue Period may be extended, if required, by an additional three days, subject to the total Bidding/ Issue Period not exceeding 10 working days. The revised Price Band and Bidding/ Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE,

and by issuing published in two national newspapers (one each in English and Hindi) and a regional language newspaper of wide circulation in the place where our Registered Office is situated and also by indicating the change on the websites of the Book Runner and at the terminals of the members of the Syndicate.

- i. We, in consultation with the BRLM, can finalise the Issue Price within the Price Band, without the prior approval of, or intimation to, the Bidders.

Method and Process of bidding

1. Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels” on page no. 150 of this Draft Red Herring Prospectus) within the Price Band and specify the demand (i.e., the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid price, will become automatically invalid.
2. The Bidder cannot bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple bidding and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed in the paragraph “Build up of the Book and Revision of Bids” on page no. 156 of this Draft Red Herring Prospectus.
3. The members of the Syndicate will enter each bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum application Form.
4. During the Bidding Period, the Bidders may approach the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients/investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and this Draft Red Herring Prospectus.
5. Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph “Terms of Payment and Payment into the Escrow Account” on page no. 153 of this Draft Red Herring Prospectus.

Bids at Different Price Levels and Revision of Bids

1. The Price Band has been fixed at Rs. [●] to Rs. [●] per Equity Share of Rs. 10/- each, Rs. [●] being the lower end of the Price Band and Rs. [●] being the higher end of the Price Band. The Bidders can bid at any price within the Price Band, in multiples of Re. 1 (One).
2. Our Company, in consultation with the BRLM, can revise the Price Band during the Bid/Issue Period in accordance with the SEBI Guidelines, in which case the Bidding Period shall be extended further for a period of three additional days, subject to the total Bidding Period not exceeding ten working days. The cap on the Price Band should not be more than 20% of the Floor of the Price-band. Subject to compliance with the immediately preceding sentence, the floor of Price Band can move up or down to the extent of 20% of the Floor Price disclosed in this Draft Red Herring Prospectus.
3. Any revision in the Price Band and the revised Bid /Issue Period, if applicable, will be widely disseminated by informing the stock exchanges, by issuing a public notice in two widely circulated newspapers (one each in English and Hindi) and in one Marathi newspaper with a wide circulation and also indicating the change on the relevant website of the BRLM, Company and the terminals of the members of the Syndicate.

4. Our Company, in consultation with the BRLM, can finalise the Issue Price within the Price Band, in accordance with this clause, without the prior approval of, or intimation to, the Bidders.
5. The Bidder can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. **Retail Individual Bidders and Bidders in the Employee Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs. 1,00,000 may bid at “Cut-off”. However, bidding at “Cut-off” is prohibited for QIB or Non Institutional Bidders and such Bids from QIBs and Non Institutional Bidders shall be rejected.**
6. Retail Individual Bidders who bid at the Cut-off and Employees bidding under the Employee Reservation Portion at Cut-Off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-off and Employees bidding under the Employee Reservation Portion at Cut-Off Price shall deposit the Bid Amount based on the Cap Price in the Escrow Account. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders, who bid at the Cut-off and Employees bidding under the Employee Reservation Portion at Cut-Off Price (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), such Bidders, who bid at Cut off Price, shall receive the refund of the excess amounts from the Escrow Account or the Refund Account, as the case may be.
7. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Employees bidding under the Employee Reservation Portion who had bid at Cut-Off Price could either (i) revise their Bid or (ii) make additional payment based on the cap of the revised Price Band (such that the total amount i.e. original Bid Amount plus additional payment does not exceed Rs. 1,00,000 if the bidder wants to continue to bid at Cut-off Price), with the member of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds Rs. 1, 00,000, the Bid by a Retail Individual Bidder will be considered for allocation under the Non-Institutional portion in terms of this Draft Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the higher end of the Price Band prior to revision, the number of Equity Shares bid for shall be adjusted downward for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidders is deemed to have approved such revised Bid at Cut-off Price.
8. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and Employees bidding under the Employee Reservation Portion, who have bid at Cut-off could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account or the Refund Account, as the case may be.
9. In the event of any revision in the Price Band, whether upwards or downwards, the Minimum Application Size shall be within the range of Rs. 5,000 to Rs. 7,000. Our Company in consultation with the BRLM shall accordingly stipulate the minimum application size (in terms of number of shares) falling within the aforesaid range.
10. During the Bidding/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band during the Bidding/Issue Period using the printed Revision Form, which is a part of the Bid cum Application Form.
11. Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed in the Revision Form. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.

12. The Bidder can make revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid.
13. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.
14. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Draft Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of upward revision of the Bid at the time of one or more revisions by the QIB Bidders.
15. When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**

Bids and revisions of Bids must be:

- (a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (white colour for Resident Indians and non-residents applying on a non-repatriation basis; blue colour for the Eligible NRIs, FIIs applying on a repatriation basis and pink colour for eligible employees applying in the Employee Reservation Portion).
- (b) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- (c) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form.
- (d) The Bids from the Retail Individual Bidders must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter, subject to a maximum Bid Amount of Rs. 100,000.
- (e) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares in multiples of [•] Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of [•] Equity Shares. Bids cannot be made for more than the Net Issue. Bidders are advised to ensure that a single Bid 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.
- (f) For Bidders bidding under the Employee Reservation Portion, the Bid must be for a minimum of [•] Equity Shares in multiple of thereafter subject to a maximum of Bid Amount does not exceed Rs. [•]. The allotment in Employee Reservation Portion will be on proportionate basis. However in case of oversubscription in the Employee Reservation Portion the maximum allotment to any Bidder in the Employee Reservation Portion will be capped at up to 1,00,000 Equity shares
- (g) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Application in the Issue

Equity Shares being issued through this Draft Red Herring Prospectus can be applied for in the dematerialized form only.

PAYMENT INSTRUCTION

Escrow Mechanism

1. Our Company and members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Bidders shall make out the cheque or demand draft in respect of his or

her Bid and/or revision of the bid. Cheques or demand drafts received for the full Bid amount from Bidders in a certain category would be deposited in the Escrow Account for the Issue. The Escrow Collection Banks will act in terms of this Draft Red Herring Prospectus and an Escrow Agreement. The monies in the Escrow Account of our Company shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Bidders. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Account to the Public Issue Account with the Bankers to the Issue and to the Refund Account as per the terms of the Escrow Agreement. Payment of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and this Draft Red Herring Prospectus.

2. The Bidders may note that the Escrow Mechanism is not prescribed by SEBI and the same has been established as an arrangement between our Company, the Syndicate, Escrow Collection Bank(s) and the Registrars to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Collection Account

Each Bidder, shall provide the applicable Margin Amount, with the submission of the Bid-cum-Application Form by drawing a cheque, demand draft in favour of the Escrow Account of the Escrow Collection Bank(s) as per the below terms:

- (a) The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders till the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds whose bids have been accepted from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account shall be held in the Refund Account for the benefit of the Bidders who are entitled to refunds.
- (b) Each category of Bidders (i.e. QIBs, Non Institutional Bidders, Retail Individual Bidders and bidding under the Employee Reservation Portion) would be required to pay their applicable Margin Amount at the time of the submission of the Bid-cum-Application Form by way of a cheque or demand draft for the maximum amount of his/ her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) and submit the same to the member of the Syndicate to whom the Bid is being submitted. (For details please see the section titled "Issue Procedure - Payment Instructions" beginning on page number 152 of this Draft Red Herring Prospectus. The Margin Amount payable by each category of Bidders is mentioned in the section titled "Basic Terms of Issue" beginning on page no. 35 of this Draft Red Herring Prospectus. Bid cum Application Forms accompanied by cash shall not be accepted. The maximum Bid Price has to be paid at the time of submission of the Bid cum Application Form based on the highest bidding option of the Bidder.
- (c) Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date which shall be a minimum period of two (2) days from the date of communication of the allocation list to the members of the Syndicate by the BRLM. If the payment is not made favouring the Escrow account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the members of the Syndicate do not waive such payment, the full amount of payment has to be made at the time of submission of the Bid-cum-Application Form.
- (d) Where the Bidder has been allocated lesser number of Equity Shares than he or she had bid for, the excess amount paid on bidding, if any, after adjustment for allocation, will be refunded to such Bidder within 15 days from the Bid Closing Date/Issue Closing Date, failing which our Company shall pay interest @15% per annum for any delay beyond the periods mentioned above.

- (e) The Bidders for whom the applicable Margin Amount is equal to 100% shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account of our Company and submit the same to the member of the Syndicate.
- (f) In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account of our Company within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLM.
- (g) The payment instruments for payment into the Escrow Account of our Company should be drawn in favour of:
 - (i) In case of resident QIB Bidders- **“Escrow Account–Tulsi Public Issue – QIB-R”**
 - (ii) In case of other resident Bidders – **“Escrow Account– Tulsi Public Issue – R”**
 - (iii) In case of Non-Resident QIB Bidders- **“Escrow Account–Tulsi Public Issue–QIB–NR”**
 - (iv) In case of other Non –Resident Bidders – **“Escrow Account – Tulsi Public Issue – NR”**
 - (v) In case of Employees- **“Escrow Account- Tulsi Public Issue -Employees”**
- (h) In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of a Non-Resident Ordinary Account of a Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR Account.
- (i) In case of Bids by NRIs applying on non repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of an NRO account of a Non-resident Bidder bidding on non repatriation basis Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR Account or an NRO account.
- (j) In case of Bids by FIIs, FVCI’s registered with SEBI 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.
- (k) Where a Bidder has been allocated a lesser number of equity shares than the Bidder has bid for, the excess amount, if any, paid on bidding, after adjusting towards the balance payable on equity shares allocated, will be refunded to the Bidder from the refund amount.
- (l) The monies deposited in the Escrow Account of our Company will be held for the benefit of the Bidders till the Designated Date. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account of our Company as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.

- (m) On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank shall refund all amounts payable to unsuccessful Bidders and the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.
- (n) Payments should be made by cheque, or demand drafts drawn on any Bank (including a Co-operative Bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the center where the Bid cum Application Form is submitted. Outstation cheque/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ Stockinvest/ Money Orders/ Postal Orders will not be accepted.
- (o) Bidders are advised to mention the number of the Bid Cum Application Form on the reverse of the cheque or demand draft to avoid misuse of the instrument submitted along with the Bid cum application Form.

Payment by Stock-invest

In terms of Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-2004 dated November 5, 2003, the option to use the stock-invest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Hence, payment through stock-invest would not be accepted in this Issue.

Electronic Registration of Bids

- (a) The members of the Syndicate will register the Bids using the on-line facilities of NSE and BSE. There will be at least one NSE/ BSE on-line connectivity to each city where a Stock Exchange is located in India and the Bids are accepted.
- (b) The NSE and BSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorized agents during the Bidding Period. The members of the Syndicate can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis. On the Bid Closing Date, the Syndicate Member shall upload the Bids till such time as may be permitted by the Stock Exchanges.
- (c) The aggregate demand and price for bids registered on the electronic facilities of NSE and BSE will be displayed on-line at all bidding centers and the websites of NSE and BSE. A graphical representation of consolidated demand and price would be made available at the bidding centers during the bidding period.
- (d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:
 - Name of the Bidder(s): Bidders should ensure that the name given in the Bid cum Application Form is exactly the same as the name in which the Depository Account is held. In case the Bid-cum-Application Form is submitted in joint names, Bidders should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid-cum-Application Form;
 - Investor Category – Individual, Corporate, QIB, NRI, FII, Mutual Fund etc.;
 - Numbers of Equity Shares bid for;
 - Bid price;
 - Bid-cum-Application Form number;
 - Whether Margin Amount, as applicable, has been paid upon submission of Bid-cum-Application Form; and

- Depository Participant Identification Number and Client Identification Number of the Beneficiary Account of the Bidder.
- (e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. **It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate.** The registration of the Bid by the members of the Syndicate does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate or our Company.
 - (f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
 - (g) The BRLM/ member of the Syndicate have the right to accept the Bid or reject it in case of QIBs; however, such rejection should be made at the time of receiving the bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids should not be rejected except on the technical grounds listed on page no. 164 of this Draft Red Herring Prospectus.
 - (h) It is to be distinctly understood that the permission given by NSE and BSE to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or BRLM are cleared or approved by NSE and BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company.
 - (i) It is also to be distinctly understood that the approval given by BSE and/or NSE should not in any way be deemed or construed that this Draft Red Herring Prospectus has been cleared or approved by BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the BSE and NSE.
 - (j) Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for allocation/ allotment. In case of discrepancy of data between BSE or NSE and members of the Syndicate, the decision of the BRLM based on the physical records of Bid-cum-Application Form shall be final and binding to all concerned.

Build Up of the Book and Revision of Bids

- (a) Bids registered by various Bidders through the members of the Syndicate shall be electronically transmitted to the NSE or BSE mainframe on a regular basis.
- (b) The book gets build up at various price levels. This information will be available with the BRLM on a regular basis.
- (c) During the Bidding Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the price band using the printed Revision Form, which is a part of the Bid-cum-Application Form.
- (d) Revisions can be made in both the desired numbers of Equity Shares and the bid amount by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has bid for three options in the Bid-cum-Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed, in the Revision Form unchanged. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.

- (e) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Draft Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft or electronic transfer of funds through RTGS for the incremental amount in the QIB Margin Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.
- (f) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she has placed the original Bid. **Bidders are advised to retain copies of the blank Revision Forms and the revised Bid must be made only in such Revision Form or copies thereof.**
- (g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**
- (h) Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for allocation/ allotment. In case of discrepancy of data between BSE or NSE and members of the Syndicate, the decision of the BRLM based on the physical records of Bid-cum-Application Form shall be final and binding to all concerned.

Price Discovery and Allocation

- (a) After the Bid/Issue Closing Date, the BRLM shall analyze the demand generated at various price levels.
- (b) Our Company, in consultation with the BRLM shall finalise the “Issue Price” and the number of Equity Shares to be allotted in each category to Bidders.
- (c) The allocation for QIBs would be not more than 50% of the Net Issue and to Non-Institutional Bidders and Retail Individual Bidders will be not less than 15% and not less than 35% of the Net Issue, respectively, on proportionate basis in the manner specified in the SEBI guidelines and this Draft Red Herring Prospectus and in consultation with the Designated Stock Exchange.
- (d) Any under-subscription in the Employee Reservation Portion would be included in the Net Issue. Under-subscription, if any, in any category of the Net Issue, would be allowed to be met with spill over from any of the other categories at the discretion of our Company, in consultation with the BRLM. However, if the aggregate demand by Mutual Funds is less than [•] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allotted proportionately to the QIB Bidders. In the event that the aggregate demand in the QIB portion has been met, under-subscription, if any, would be allowed to be met with spillover from any other category or combination of categories at the discretion of Company, in consultation with the BRLM and the Designated Stock Exchange.
- (e) Allocation to Eligible NRIs, FIIs, foreign venture capital funds, multi-lateral and bilateral development financial institutions registered with SEBI applying on repatriation basis will be subject to the applicable laws, rules, regulations, guidelines and approvals.
- (f) The BRLM, in consultation with our Company shall notify the Syndicate Members of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.
- (g) Our Company reserves the right to cancel the Issue any time after the Bid/Issue Opening Date without assigning reasons whatsoever but before the Board meeting for(to check) allotment.

- (h) In terms of SEBI DIP guidelines, QIB Bidders shall not be allowed to withdraw their bid after the bid / issue closing date.
- (i) The allotment details shall be put on the website of the Registrar.

Signing of Underwriting Agreement and RoC Filing

- (a) Our Company, the BRLM and the Syndicate Members shall enter into an Underwriting Agreement on finalisation of the Issue Price and allocation(s) to the Bidders.
- (b) After signing the Underwriting Agreement, our Company will update and file the updated Red Herring Prospectus with RoC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue Size, underwriting arrangements and would be complete in all material respects.

Filing of the Prospectus with RoC

Our Company will file a copy of the Prospectus with the Registrar of Companies, Mumbai, situated at 100 Everest, marine Lines, Mumbai-400 002 in terms of Section 56, Section 60 and Section 60B of the Companies Act, 1956.

Announcement of Pre-Issue Advertisement

Subject to section 66 of the Companies Act, our Company shall after receiving final observation, if any, on this Draft Red Herring Prospectus with SEBI, and filing of the Red Herring Prospectus with RoC, publish an advertisement, in the form prescribed by the SEBI (DIP) Guidelines in two widely circulated newspapers (one each in English & Hindi) and a Marathi newspaper with a wide circulation.

Advertisement regarding Issue Price and Prospectus

A statutory advertisement will be issued by our Company in two widely circulated newspapers (one each in English & Hindi) and a Marathi newspaper with a wide circulation, after 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 Red Herring Prospectus and the Prospectus will be included in such statutory advertisement.

Issuance of Confirmation of Allocation Note

- (a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLM or the Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated Equity Shares in the Issue. The approval of the basis of allocation by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Bidders and bids for Employees bidding in the Employee Reservation portion. Investor should note that our Company shall ensure that the demat credit of the Equity Shares pursuant to allotment shall be made on the same date to all investors in this Issue;
- (b) The BRLM or the members of the Syndicate would then send the CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed to be a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid the full Bid Amount into the Escrow Account on or prior to the time of bidding shall pay in full amount into the Escrow Account on or prior to the Pay-in Date specified in the CAN;
- (c) Such Bidders who have been allocated Equity Shares and who have already paid the full Bid Amount into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrars to the Issue subject, however, to realization of their cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be deemed to be a valid, binding and irrevocable contract for the Bidder;

- (d) The Issuance of CAN is subject to “Notice to QIBs: Allotment Reconciliation and Revised CANs” as set forth below in this Draft Red Herring Prospectus.

Notice to QIBs: Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepared, by the Registrar, on the basis of, Bids uploaded on the BSE/NSE system. Based on the electronic book, QIBs will be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI Guidelines, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange. As a result, a revised CAN may be sent to QIBs, and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and Allotment of Equity Shares

1. Our Company will ensure that the allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account and Refund Account on the Designated Date, our Company would ensure the credit to the successful Bidders depository account of the allotted Equity Shares to the allottees within two working days of the date of finalization of the basis of allotment.
2. **As per the SEBI (DIP) Guidelines, Equity Shares will be issued and allotment shall be made only in the dematerialised form to the allottees.** Allottees will have the option to re-materialise the Equity Shares so allotted, 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 to them pursuant to this Issue.

General Instructions

Do's:

- (a) Check if you are eligible to apply having regard to applicable laws, rules, regulations, guidelines and approvals and the terms of this Draft Red Herring Prospectus;
- (b) Read all the instructions carefully and complete the Bid-cum-Application Form (white or blue or pink in colour) as the case may be;
- (c) Ensure that the details about Depository Participant and Beneficiary Account are correct and the beneficiary account is activated, as allotment of Equity Shares will be in the dematerialized form only;
- (d) Ensure that the Bids are submitted at the Bidding Centers only on forms bearing stamp of the Syndicate Member;
- (e) Investors must ensure that the name given in the Bid cum Application form is exactly the same as the name in which the Depository account is held. In case the Bid cum Application Form is submitted in Joint names, it should be ensured that the Depository account is also held in the same Joint names and are in the same sequence in which they appear in the Bid cum Application Form;
- (f) Ensure that you have been given a TRS for all your Bid options;

- (g) Submit Revised Bids to the same Syndicate Member through whom the original Bid was placed and obtain a revised TRS;
- (h) Ensure that the Bid is within the Price Band;
- (i) Each Bidder should mention his or her Permanent Account Number (PAN) allotted under the I.T. Act. SEBI has issued a circular no. MRD/DoP/Cir-05/2007 dated April 27, 2007 requiring that with effect from July 2, 2007, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. In case the PAN has not been allotted, mention “Applied for” or “Not Applicable” in the appropriate places and submit Form 60 or Form 61 as the case may be together with the permissible documents as address proof;
- (j) Ensure that demographic details (as defined herein below) are updated true and correct in all respects.

Don'ts:

- (a) Do not Bid if you are prohibited from doing so under the law of your local jurisdiction;
- (b) Do not Bid for lower than minimum Bid size;
- (c) Do not Bid or revise the Bid to less than the lower end of the Price Band or higher than the higher end of the Price Band;
- (d) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;
- (e) Do not pay Bid amount in cash, money order, postal order or by stockinvest;
- (f) Do not Bid at cut off price (for QIB Bidders, Non-Institutional Bidders and Bidders bidding under the Employee Reservation Portion, for whom the Bid Amount exceed Rs. 1,00,000);
- (g) Do not bid where bid amount exceeds Rs. 1,00,000 (for Retail Individual Bidders)
- (h) Do not fill up the Bid cum Application Form for an amount that exceeds the Issue size and / or investment limit or maximum number of Equity Shares that can be held by a Bidder under the applicable laws / regulations or maximum amount permissible under the applicable regulations.;
- (i) Do not send Bid cum Application Form by post; instead submit the same to a member of the Syndicate only;
- (j) Do not provide your GIR number instead of your PAN as bid is liable to be rejected on those ground;
- (k) Do not submit the Bid without the QIB Margin Amount, in case of a Bid by QIB.

Bidder's Bank Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain, from the Depositories, the Bidders bank account details, including the nine digit MICR code as appearing on a cheque leaf. These bank account details would be printed on the refund order, if any, to be sent to Bidders or used for sending the refund through Direct Credit to or ECS. Hence, Bidders 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 orders or refunds through electronic transfer of funds, as applicable, and such delay shall be at the Bidders sole risk and neither our Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor BRLM shall be liable to compensate for the losses caused to the Bidders due to any such delay or liable to pay any interest for such delay.

Bidder's Depository Account Details

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN THE DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY

PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT'S IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID-CUM-APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID-CUM-APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository demographic details of the Bidders such as address, bank account details for printing on refund orders or giving credit through ECS, Direct Credit , RTGS or NEFT and occupation (hereinafter referred to as "Demographic Details"). Hence, Bidders should carefully fill in their Depository Account details in the Bid-cum-Application Form.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/ CANs/Allocation Advice and printing of Bank particulars on the refund order or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid-cum-Application Form would not be used any other purposes by the Registrars to the Issue.

Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants and ensure that they are true and correct.

By signing the Bid-cum-Application Form, Bidder would be deemed to have authorised the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic details as available on its records.

Refund Orders/ Allocation Advice/ CANs would be mailed at the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/ allocation advice/ CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidders in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk. Please note that any such delay shall be at the Bidders sole risk and neither our Company, the Registrar, Escrow Collection Bank(s) nor the BRLM shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Draft Red Herring Prospectus, Bidders may note that refunds may get delayed if bank particulars obtained from the depository participants are incorrect.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

Our Company in its absolute discretion, reserve 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 Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid cum 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 Bidders 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 Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company and/or the Book Runner will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids under Power of Attorney

In case of bids 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 and Article of Association and/or Bye Laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

In case of Bids 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 submitted with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason thereof.

In case of Bids made by insurance companies registered with Insurance Regulatory and Development Authority, a certified copy of the certificate of registration issued by Insurance Regulatory and Development Authority must be submitted with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason thereof.

In case of Bids made by provident fund with the minimum corpus of Rs. 2500 lakhs (subject to applicable law) and pension fund with the minimum corpus of Rs. 2500 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason thereof.

In case of Bids made pursuant to Power of Attorney by Mutual Fund registered with SEBI, venture capital fund registered with SEBI and foreign venture capital investor registered with SEBI, a certified copy of the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be submitted with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason.

Our Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid-cum-Application Form, subject to such terms and conditions as our Company and the BRLM may deem fit.

Our Company in its absolute discretion reserves the right to permit the holder of the power of attorney to request the Registrar to the issue that for the purpose of printing particulars on the refund order and mailing of the refund order/ CAN's/ allocation advice, the Demographic details given on the Bid cum application form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar to the Issue shall use Demographic details as given on the Bid cum application form instead of those obtained from the Depositories.

Submission of Bid-cum-Application Form

All Bid-cum-Application Forms or Revision Forms duly completed and accompanied by Account Payee cheques or drafts equivalent to the margin amount shall be submitted to the Members of the Syndicate at the time of submitting the Bid-cum-Application Form.

No separate receipts shall be issued for the money payable on submission of Bid-cum-Application Form or Revision Form. However, the collection centre of the Members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement

slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Individuals may make bid in single or joint names (not more than three). In the case of joint Bids, all refunds will be made out in favour of the Bidder whose name appears first in the Bid-cum-Application Form or Revision Form (“First Bidder”). All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

In this regard, illustrations of certain procedures, which may be followed by the Registrar to the Issue to detect multiple applications, are provided below:

1. All applications with the same name and age will be accumulated and taken to a separate process file, which would serve as a multiple master.
2. In this master, a check will be carried out for the same PAN. In cases where the PAN numbers are different, the same will be deleted from this master.
3. The Registrar will obtain, from depositories, details of the applicants’ address based on the DP ID and Beneficiary Account Number provided in the Bid-cum-Application Form and create an address master.
4. The addresses of all the applicants in the multiple master will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of addresses and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the application processed. A print-out of the addresses will be taken to check for common names. The application with same name and same address will be treated as multiple applications.
5. The applications will be scrutinized for their DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.
6. Subsequent to the aforesaid procedures, a print out of multiple master will be taken and applications physically verified to tally signatures as also father’s/husband’s names. On completion of this, the applications will be identified as multiple applications.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

Bids made by Employees both under Employees Reservation Portion as well as in the Net Issue shall not be treated as multiple Bids.

Our Company reserves the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number (PAN)

The Bidders or in the case of Bids made in joint names, each of the Bidder, should mention his or her Permanent Account Number (PAN) allotted under the I.T. Act. SEBI has issued a Circular No. MRD/DoP/Cir-05/2007 dated April 27, 2007 requiring that with effect from July 2, 2007 the PAN would be the sole identification number for

the participants transacting in the securities market, irrespective of the amount of transaction. In case the PAN has not been allotted, mention “Applied for” or “Not Applicable” in the appropriate places and submit Form 60 or Form 61 as the case may be together with the permissible documents as address proof. **Applications without this information and documents will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN, as the Bid is liable to be rejected on this ground. In case the sole/First Bidder and joint Bidder(s) is/are not required to obtain PAN, each of the Bidder(s) shall mention “Not Applicable” and in the event that the sole Bidder and/or the joint Bidder(s) have applied for PAN which has not yet been allotted each of the Bidder(s) should mention “Applied for” in the Bid cum Application Form. Further, where the Bidder(s) has mentioned “Applied for” or “Not Applicable”, the sole/First Bidder and each of the joint Bidder(s), as the case may be, would be required to submit Form 60 (form of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in Rule 114B of the Income Tax Rules, 1962), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income-tax in respect of transactions specified in Rule 114B of the Income Tax Rules, 1962), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) ration card (b) passport (c) driving licence (d) identity card issued by any institution (e) copy of the electricity bill or telephone bill showing residential address (f) any document or communication issued by any authority of the Central Government, state government or local bodies showing residential address (g) any other documentary evidence in support of address given in the declaration. **It may be noted that Form 60 and Form 61 have been amended by a notification issued on December 1, 2004 by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance. All Bidders are requested to furnish, where applicable, the revised Form 60 or Form 61 as the case may be.**

Right to Reject Bids

In case of QIB Bidders, our Company in consultation with the BRLM may reject a Bid placed by a qualified QIB for reasons to be recorded in writing, provided that such rejection shall be made at the time of submission of the Bid and the reasons therefore shall be disclosed to the QIB Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company would have a right to reject Bids only on technical grounds. Consequent refunds as described in this Draft Red Herring Prospectus and will be sent to the Bidders address at the Bidders’ risk

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected on, inter alia, on the following technical grounds:

1. Amount paid doesn’t tally with the amount payable for the highest value of Equity Shares bid for;
2. Age of First Bidder not given;
3. In case of Partnership firms, the shares may be registered in the name of individual partners and no such partnership firm, shall be entitled to apply;
4. Bids by Persons not competent to contract under the Indian Contract Act, 1872, including minors, insane Persons;
5. PAN photocopy/ PAN Communication/ Form 60 or Form 61 declaration along with documentary evidence in support of address given in the declaration, not given;
6. Bids for lower number of Equity Shares than specified for that category of investors;
7. Bids at a price less than the lower end of the Price Band;
8. Bids at a price more than the higher end of the Price Band;
9. Bids at cut-off price by Non-Institutional and QIB Bidders and by Bidders in the Employee Reservation Portion bidding in excess of Rs. 1,00,000;
10. Bids for number of Equity Shares, which are not in multiples of [•];
11. Category not ticked;
12. Multiple bids as defined in this Draft Red Herring Prospectus;
13. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;

14. Bids accompanied by Stock invest/money order/ postal order/ cash;
15. Signature of sole and/or joint Bidders missing;
16. Bid-cum-Application Form does not have the stamp of the BRLM or the Syndicate Member;
17. Bid-cum-Application Form does not have Bidder's depository account details;
18. Bid-cum-Application Forms are not submitted by the Bidders within the time prescribed as per the Bid-cum-Application Form and this Draft Red Herring Prospectus and as per the instructions in this Draft Red Herring Prospectus and the Bid-cum-Application Form; or
19. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
20. In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the depository participant's identity (DP ID) and the beneficiary's account number;
21. Bids by OCBs;
22. Bids by US persons other than "Qualified Institutional Buyers" as defined in Rule 144A of the Securities Act or other than in reliance Regulation S under the Securities Act;
23. Bids by QIBs not submitted through BRLM or members of the syndicate;;
24. Bids by NRIs not disclosing their residential status;
25. If GIR number is mentioned instead of PAN number;
26. Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
27. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority; and
28. Bids by any person resident outside India, if not in compliance with applicable foreign and Indian laws.

Equity Shares in Dematerialised Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a de-materialised 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 tripartite agreements have been signed among our Company, the Depositories and the Registrar,

1. An Agreement dated July 20, 2007 among NSDL, our Company and Registrars to the Issue.
2. An Agreement dated July 17, 2007 among CDSL, our Company and Registrars to the Issue.

All Bidders can seek allotment only in Dematerialized mode. Bids from any Bidder without the following details of his or her depository account are liable to be rejected:

1. A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of NSDL or CDSL prior to making the Bid.
2. The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's Identification number) appearing in the Bid cum Application Form or Revision Form.
3. Equity Shares allotted to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
4. Names in the Bid-cum-Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the depository account details of the Bidder(s) with the Depository.
5. If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid-cum-Application Form or Revision Form, it is liable to be rejected.

6. The Bidder is responsible for the correctness of his or her demographic details given in the Bid-cum-Application Form vis-à-vis those with his or her Depository Participant.
7. It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL or CDSL. All the stock exchanges where Equity Shares are proposed to be listed are connected to NSDL and CDSL.
8. The trading of Equity Shares of our Company would only be in dematerialized form for all investors in the demat segment of the respective Stock exchanges.
9. Non transferable allotment advice or refund orders will be directly sent to the Bidders by the Registrar to the Issue

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, details of Depository Participant, number of Equity Shares applied for, date of Bid form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

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 respective beneficiary accounts, refund orders etc.

Procedure and Time Schedule for Allotment

The Issue will be conducted through a “100% book building process” pursuant to which the Underwriters will accept bids for the Equity Shares during the Bidding Period. The Bidding Period will commence on [•] and expire on [•]. Following the expiration of the Bidding Period, our Company, in consultation with the BRLM, will determine the issue price, and, in consultation with the BRLM, the basis of allotment and entitlement to allotment based on the bids received and subject to the confirmation by the BSE/NSE. Successful Bidders will be provided with a confirmation of their allocation and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The Prospectus will be filed with SEBI and the Registrar of Companies and will be made available to investors. SEBI Guidelines require our Company to complete the allotment to successful Bidders within 15 days of the expiration of the Bidding Period. The Equity Shares will then be credited and allotted to the investors’ demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

“Any person who:

(a) makes in a fictitious name, an application to a Company for acquiring or subscribing for, any shares therein, or

otherwise induces a Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.”

Basis of Allocation

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allotment to all the successful Retail individual Bidders will be made at the Issue Price.
- The Net Issue size less allocation to Non-Institutional Bidders and QIB Bidders shall be available for allocation to Retail Individual Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- If the valid Bids in this category is less than or equal to [•] Equity Shares at or above the Issue Price, full allotment shall be made to the Retail Individual Bidders to the extent of their valid bids.
- If the valid Bids in this category is greater than [•] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter. For the method of proportionate basis of allocation, refer below.

B. For Non Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue size less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation to Non- Institutional Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- If the valid Bids in this category is less than or equal to [•] Equity Shares at or above the Issue Price, full allotment shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the valid Bids in this category is greater than [•] Equity Shares at or above the Issue Price; allocation shall be made on a proportionate basis up to a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter. For the method of proportionate basis of allotment refer below.

C. For Employee Reservation Portion

- Bids received from the Eligible Employees at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Eligible Employees will be made at the Issue Price.
- If the aggregate demand in this category is less than or equal to [•] Equity Shares at or above the Issue Price, full allocation shall be made to the Employees to the extent of their demand.
- If the aggregate demand in this category is greater than [•] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of [•] Equity Shares and in multiple of [•] Equity Share thereafter. For the method of proportionate basis of allocation, refer below.
- Only Eligible Employees eligible to apply under Employee Reservation Portion.

D. For QIB Bidders

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to all the QIBs will be made at the issue price.
- The Issue size less allocation to Non-Institutional portion and Retail Portion shall be available for allocation to QIB Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- However, eligible Bids by Mutual Funds only shall first be considered for allocation proportionately in the Mutual Funds Portion. After completing proportionate allocation to Mutual Funds for an amount of up to [•] Equity Shares (the Mutual Funds Portion), the remaining demand by Mutual Funds, if any, shall then be considered for allocation proportionately, together with Bids by other QIBs, in the remainder of the QIB Portion (i.e. after excluding the Mutual Funds Portion). For the method of allocation in the QIB Portion, see the paragraph titled “Illustration of Allotment to QIBs” appearing below. If the valid Bids by Mutual Funds are for less than [•] Equity Shares, the balance Equity Shares available for allocation in the Mutual Funds Portion will first be added to the QIB Portion and allocated proportionately to the QIB Bidders.
- The allotment shall be undertaken in the following manner –
 - (a) In the first instance, allocation to mutual funds for upto 5% of the QIB portion shall be determined as follows-
 - In the event that bids from mutual funds exceed 5% of the QIB portion, allocation to mutual funds shall be done on a proportionate basis upto 5% of the QIB portion.
 - In the event that the aggregate demand from mutual funds is less than 5% of QIB portion, then all mutual funds shall get full allotment to the extent of valid bids received above the issue price.
 - Equity Shares remaining unsubscribed, if any, not allocated to mutual funds shall be available to all QIB Bidders as set out in as (b) below;
 - (b) In the second instance, allocation to all QIBs shall be determined as follows –
 - In the event that the over subscription in the QIB portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for upto 95% of the QIB portion.
 - Mutual Funds, who have received allocation as per (a) above, for less than the number of equity shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.
 - Under-subscription below 5% of the QIB portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

Undersubscription, if any, in any category would be allowed to be met with spillover from any other category at the sole discretion of our Company and the BRLM

Illustration of Allotment to QIBs and Mutual Funds (“MF”)

A. Issue details

S. No.	Particulars	Issue details
1	Issue size	100 Lacs Equity Shares
2	Allocation to QIB (minimum 50% of the Issue)	50 Lacs Equity Shares
	Of which:	
	a. Reservation For Mutual Funds, (5%)	2.50 Lacs Equity Shares

	b. Balance for all QIBs including Mutual Funds	47.50 Lacs Equity Shares
3	Number of QIB applicants	10
4	Number of Equity Shares applied for	250 Lacs Equity Shares

B. Details of QIB Bids

Sr. No.	Type of QIB Bidders#	No. of shares bid for (in Lacs)
1	A1	25
2	A2	10
3	A3	65
4	A4	25
5	A5	25
6	MF1	20
7	MF2	20
8	MF3	40
9	MF4	10
10	MF5	10
	TOTAL	250

A1-A5: (QIB Bidders other than Mutual Funds), MF1-MF5 (QIB Bidders which are Mutual Funds)

C. Details of Allotment to QIB Bidders/Applicants

(Number of equity shares in Lacs)

Type of QIB Bidders	Shares bid for	Allocation of 2.5 lakh Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 47.50 Lacs Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to Mutual Funds
(I)	(II)	(III)	(IV)	(V)
A1	25	0	4.80	0
A2	10	0	1.92	0
A3	65	0	12.48	0
A4	25	0	4.80	0
A5	25	0	4.80	0
MF1	20	0.50	3.74	4.24
MF2	20	0.50	3.74	4.24
MF3	40	1.0	7.48	8.48
MF4	10	0.25	1.87	2.12
MF5	10	0.25	1.87	2.12
	250	2.50	47.50	21.20

Please note:

1. The illustration presumes compliance with the requirements specified in this Draft Red Herring Prospectus in the section titled “Basic Terms of Issue” beginning on page no. 35 of this Draft Red Herring Prospectus.

2. Out of 50 Lacs Equity Shares allocated to QIBs, 2.50 lakh (i.e. 5%) will be allocated on proportionate basis among five Mutual Fund applicants who applied for 100 lakh shares in the QIB Portion.

3. The balance 47.50 Lacs Equity Shares [i.e. 50 – 2.5 (available for Mutual Funds only)] will be allocated on proportionate basis among 10 QIB Bidders who applied for 250 lakh Equity Shares (including 5 Mutual Fund applicants who applied for 100 lakh Equity Shares).

4. The figures in the fourth column titled “Allocation of balance 47.50 Lacs Equity Shares to QIBs proportionately” in the above illustration are arrived as under:

- i. For QIBs other than Mutual Funds (A1 to A5)= Number of Equity Shares Bid for X 47.5/247.5
- ii. For Mutual Funds (MF1 to MF5)= [(No. of shares bid for (i.e., in column II of the table above) less Equity Shares allotted (i.e., column III of the table above)] X 47.5/247.5

The numerator and denominator for arriving at allocation of 47.5 Lacs Equity Shares to the 10 QIBs are reduced by 2.5 lakh shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

Method of Proportionate Basis of Allocation

In the event of the issue being over-subscribed, our Company shall finalize the basis of allotment to Retail Individual Bidders and Non-Institutional Bidders in consultation with the Designated Stock Exchange. The Executive Director or Managing Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM and the Registrars to the issue shall be responsible for ensuring that the basis of allotment is finalized in a fair and proper manner. Allotment to the Bidders shall be made in marketable lots on a proportionate basis as explained below:-

- (a) Bidders will be categorized according to the number of Equity Shares applied for by them.
- (b) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
- (c) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is the total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.
- (d) If the proportionate allotment to a Bidder is a number that is more than [•] but is not a multiple of one (which is the market lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. Allotment to all Bidders in such categories would be arrived at after such rounding off.
- (e) In all Bids where the proportionate allotment is less than [•] Equity Shares per Bidder, the allotment shall be made as follows:
 - Each successful Bidder shall be Allotted a minimum of [•] Equity Shares; and
 - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and
- (f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for allotment shall be first

adjusted against any other category, where the allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

Disposal of Applications and Applications Money and Interest in case of Delay

Our Company shall give credit to the beneficiary account with depository participants within 2 working days of finalisation of the basis of allotment of Equity Shares. Applicants having bank accounts at any of the 15 centres where clearing houses are managed by the Reserve Bank of India (RBI) will get refunds through Electronic Credit Service (ECS) only, except where applicant is otherwise disclosed as eligible to get refunds through direct credit or Real Time Gross Settlement (RTGS). In case of other applicants, our Company shall dispatch refund orders, if any, of value upto Rs. 1,500 by “Under Certificate of Posting”, and will dispatch refund orders above Rs. 1,500, if any, by registered post only at the sole or first Bidder’s sole risk within 15 days of the Bid / Issue Closing date. Applicants to whom refunds are made through Electronic transfer of funds will be sent a letter through “Under Certificate of Posting” within 15 days of closure of issue, intimating them about the mode of credit of refund, the bank where refunds shall be credited along with the amount and the expected date of electronic credit of refund.

Our Company will provide adequate funds required for dispatch of refund orders or for credit of refunds, as the case may be, to the Registrar to the Issue.

We undertake that all steps will be taken for completion of necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within seven working days of finalization of basis of allotment.

In accordance with the Companies Act, the requirements of the stock exchanges and SEBI Guidelines, our Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialized form within 15 days of the Bid/Issue Closing Date;
- Dispatch of refund orders will be done within 15 days from the Bid /Issue Closing Date; and
- Our Company shall pay interest at 15% per annum (for any delay beyond the 15 days time period as mentioned above), if allotment is not made, refund orders are not dispatched, credit intimation are not dispatched and in case where refund is made through electronic mode, 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 fifteen day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI’s Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

Save and except for refunds effected through an electronic mode i.e., ECS, NEFT, Direct Credit or RTGS, refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received, except for Bidders who have opted to receive refunds through the ECS facility. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

DISPATCH OF REFUND ORDERS

The payment of refund, if any, would be done through various modes in the following order of preference –

1. ECS – Payment of refund would be done through ECS for applicants having an account at any of the following fifteen centers - Ahmedabad, Bangalore, Bhubneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna and Thiruvanthapuram. 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 through this mode for applicants having a bank account at any of the above-mentioned fifteen centers, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS or NEFT. Refunds through ECS may also be done at other locations based on operational efficiency and in terms of demographic details obtained by the Registrar from the Depository participant.
2. Direct Credit – Applicants having bank accounts with the Refund Bankers, shall be eligible to receive funds through direct credit. Charges, if any, levied by the Refund Bankers for the same would be borne by our Company.
3. RTGS – Applicants having a bank account at any of the above-mentioned fifteen centers and whose refund amount exceeds Rs. Ten lakhs, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Bid-cum-Application form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the refund banks for the same would be borne by our Company. Charges, if any, levied by the applicants' bank receiving the credit would be borne by the applicant.
4. NEFT – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the IFSC, which can be linked to a MICR, if any, available to that particular bank branch. IFSC will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.
5. Refund Orders – For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched under certificate of posting for value up to Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Please note that only applicants having a bank account at any of the 15 centres where clearing houses for ECS are managed by the RBI are eligible to receive refunds through the modes detailed in 1, 2, 3 & 4 hereinabove. For all the other applicants, including applicants who have not updated their bank particulars along with the nine digit MICR code, the refund orders would be dispatched “Under Certificate of Posting” for refund orders of value upto Rs. 1,500 and through Speed Post / Registered Post for refund orders of Rs. 1,500 and above.

UNDERTAKING BY OUR COMPANY

Our Company undertake as follows:

- (a) that the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
- (b) 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 seven working days of finalisation of the basis of allotment;
- (c) that the funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed under the heading “Dispatch of Refund Orders” on page no. 172 of this Draft Red Herring Prospectus shall be made available to the Registrar to the Issue by our Company;
- (d) that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of closure of Issue, giving details of the bank where refunds shall be credited alongwith the amount and expected date of electronic credit of refund;
- (e) that the refund orders or allotment advice to the Eligible NRIs or FIIs shall be dispatched within specified time; and
- (f) that no further Issue of Equity Shares shall be made until the Equity Shares Issued through this Draft Red Herring Prospectus are listed or until the Bid Money’s are refunded on account of non-listing, under-subscription etc.

UTILISATION OF ISSUE PROCEEDS

Our Board of Directors of our Company certifies that:

- (a) 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;
- (b) details of all monies utilized out of the Issue referred above shall be disclosed under an appropriate separate head in its balance sheet indicating the purpose for which such monies have been utilized;
- (c) details of all unutilized monies out of the Issue, if any, shall be disclosed under the appropriate separate head in its balance sheet indicating the form in which such unutilised monies have been invested;
- (d) the utilization of all monies received under Employee Reservation Portion shall be disclosed under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized.
- (e) details of all unutilized monies out of the funds received from the Employee Reservation Portion shall be disclosed under the appropriate separate head in its balance sheet indicating the form in which such unutilized monies have been kept.
- (f) Our Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Restrictions on Foreign Ownership of Indian Securities

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the GoI and FEMA. While the Industrial Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy of the Government of India, 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.

Subscription by Non-Residents

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States 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 or the requirements of the Investment Company Act.

Accordingly, the Equity Shares are only being offered and sold (i) in the United States to entities that are both “qualified institutional buyers”, as defined in Rule 144A of the Securities Act and “qualified purchasers” as defined under the Investment Company Act and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

As per the current regulations, OCBs cannot participate in this Issue.

The above information is given for the benefit of the Bidders. Our Company, the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations. However we shall update this Draft Red herring Prospectus and keep the public informed of any material changes in matters concerning our business and operations till the listing and commencement of trading of the Equity Shares.

SECTION IX - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

Pursuant to the provisions of Schedule II of the Companies Act and the SEBI Guidelines, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares and other main provisions are as detailed below. Each provision herein below is numbered as per the corresponding article number in the Articles of Association and capitalized terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company

(i) Preliminary

Title of Article	Article Number and contents
Table "A" not to apply but company to be governed by these Articles	1. The regulations contained in Table "A" in the First Schedule of the Companies Act, 1956 shall not apply to this Company, but these Articles for the management of the Company and for the observance of the Members thereof and their representatives shall subject to any exercise of the statutory powers of the Company with reference to the repeal of, alteration of, or addition to, its regulations/Articles by Special Resolution, as prescribed by the Companies Act 1956 be such as are contained in these Articles.

(ii) Articles relating to rights of members regarding voting, dividend, lien on shares, process for modification of such rights and forfeiture of shares

VOTES OF MEMBERS

Title of Article	Article Number and contents
Member paying money in advance not to be entitled to vote in respect thereof	116. A Member paying the whole or a part of the amount remaining unpaid on any Share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of moneys so paid by him until the same would but for such payment become presently payable.
Restriction on exercise of voting rights of Members who have not paid calls	117. No Member shall exercise any voting rights in respect of any Shares registered in his name on which any 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.
Number of votes to which Member entitled	118. Subject to the provisions of Article 116, every Member of the Company holding any equity share capital and otherwise entitled to vote shall, on a show of hands when present in person (or being a body corporate present by a representative duly authorised) have one vote and on a poll, when present in person (including a body corporate by a duly authorised representative), or by an agent duly authorised under a Power of Attorney or by proxy, his voting right shall be in proportion to his share of the paid-up equity share capital of the Company. Provided however, if any preference shareholder is present at any meeting of the Company, (save as provided in clause (b) of sub-section (2) of Section 87) he shall have a right to vote only on resolutions before the Meeting which directly affect the rights attached to his preference shares. A Member is not prohibited from exercising his voting rights on the ground that he has not held his Shares or interest in the Company for any specified period preceding the date on which the vote is taken.
Rights of Members to use votes differently	124. On a poll taken at a Meeting of the Company a Member entitled to more than one vote or his proxy, or other persons entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses

Proxies	125. Any Member of the Company entitled to attend and vote at a Meeting of the Company, shall be entitled to appoint another person (whether a Member or not) as his proxy to attend and vote instead of himself PROVIDED ALWAYS that a proxy so appointed shall not have any right what so ever to speak at the Meeting. Every notice convening a Meeting of the Company shall state that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself, and that a proxy need not be a Member of the Company.
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DIVIDENDS AND CAPITALISATION OF RESERVES

Title of Article	Article Number and contents
Division of profits	192. (a) Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any of Share in the Company, dividends may be declared and paid according to the amounts of the Shares; (b) No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of this Article as paid on the Shares.
The Company at General Meeting may declare dividend	193. The Company in General Meeting may declare dividends, to be paid to Members according to their respective rights and interest in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 207 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors. However, the Company may declare a smaller dividend than that recommended by the Board in General Meeting.
Dividends out of profits only	194. No dividend shall be payable except out of profits of the Company arrived at the manner provided for in Section 205 of the Act.
Interim dividend	195. The Board of Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies.
Dividends in cash	208. No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalisation of the profits or reserves of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company.

LIEN

Title of Article	Article Number and contents
Partial payment not to preclude forfeiture	43. Neither 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, or any indulgence granted by the Company in respect of the payment of such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.
Company to have lien on Shares/ Debentures	44. The Company shall have first and paramount lien upon all 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 interests in any Share/ Debenture shall be created except upon the footing and condition that this Article is to have full legal effect. Any such lien shall extend to all dividends and bonuses from time to time declared in respect

of such Shares/ Debentures; PROVIDED THAT the Board of Directors may, at any time, declare any Share/ Debenture to be wholly or in part exempt from the provisions of this Article. 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.

FORFEITURE OF SHARES

Title of Article	Article Number and contents
If money payable on Shares not paid notice to be given	47. If any Member fails to pay the whole or any part of any call or any installments of a call on or before the day appointed for the payment of the same or any such extension thereof, the Board of Directors may, at any time thereafter, during such time as the call for installment remains unpaid, give notice to him 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.
Evidence of forfeiture	59. The declaration as mentioned in Article 56(a) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.
Validity of sale	60. 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 purchasers 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.
Surrender of Shares	61. The Directors may subject to the provisions of the Act, accept a surrender or any share from any Member desirous of surrendering on such terms and conditions as they think fit.

MODIFICATION OF RIGHTS

Title of Article	Article Number and contents
Modification of rights	10. Whenever 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, abrogated, dealt with or varied with the consent in writing of the holders of not less than three-fourth of the issued capital of that class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of Shares of that class, and all the provisions hereafter contained as to General Meeting shall mutatis mutandis apply to every such Meeting. This Article is not to derogate from any power the Company would have if this Article was omitted. The rights conferred upon the holders of the Shares (including preference shares, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of Shares of that class, be deemed not to be modified, commuted, affected, dealt with or varied by the creation or issue of further

Shares ranking pari passu therewith.

(iii) Other provisions of Articles of Association

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

Title of Article	Article Number and contents
Share Capital	<p>3.</p> <p>The Authorized Share Capital of the Company is Rs. 15,00,00,000/-(Rupees Fifteen Crores only) divided into 1,50,00,000/- (One Crore Fifty Lakhs Only) Equity Share of Rs. 10/- (Rupees Ten Only) each.</p> <p>The Company may from time to time by Ordinary Resolution increase its authorised share capital by such sum and to be divided into Shares of such amount as may be specified in the resolution.</p>
Increase of capital by the Company how carried into effect	<p>4.</p> <p>The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 97 of the Act</p>
Non Voting Shares	<p>5. The Board shall have the power to issue a part of authorised capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.</p>
Redeemable Preference Shares	<p>6. Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue preference shares which are or at the option of the Company, liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.</p>
Reduction of capital	<p>8. The Company may (subject to the provisions of section 78, 80 and 100 to 105, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce</p> <p>(a) the share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any share premium account</p> <p>in any manner for the time being, authorised 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 from any power the Company would have, if it were omitted.</p>
Purchase of own Shares	<p>8A. The Company shall have power, subject to and in accordance with all applicable provisions of the Act, to purchase any of its own fully paid Shares whether or not they are redeemable and may make a payment out of capital in respect of such purchase.</p>
Sub-division consolidation and cancellation of Shares	<p>9. Subject to the provisions of Section 94 and other applicable provisions of the Act, the Company in General Meeting may, from time to time, sub-divide or consolidate its Shares, or any of them and the resolution whereby any Share is sub-divided may</p>

determine that, as between the holders of the Shares resulting from such sub-divisions, one or more of such Shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other(s). Subject as aforesaid, the Company in General Meeting may also cancel shares which 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.

SHARES, CERTIFICATES AND DEMATERIALISATION

Title of Article	Article Number and contents
Restriction on allotment and return of allotment	<p>11.</p> <p>The Board of Directors shall observe the restrictions on allotment of Shares to the public contained in Sections 69 and 70 of the Act, and shall cause to be made the returns as to allotment provided for in Section 75 of the Act.</p>
Further issue of shares	<p>12.</p> <p>(1) 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 allotment of further Shares whether out of unissued share capital or out of increased share capital then:</p> <p>(a) Such further Shares shall be offered to the persons 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</p> <p>(b) Such offer 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 and the offer, if not accepted, will be deemed to have been declined.</p> <p>(c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to them in favour of any other person, and the notice referred to in sub-clause (b) shall contain a statement of this right, PROVIDED THAT the Directors may decline, without assigning any reason, to allot any Shares to any person in whose favour any Member may renounce the Shares offered to him.</p> <p>(d) After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given declines to accept the Shares offered, the Board of Directors may dispose them off in such manner and to such person(s) as they may think in their sole discretion fit.</p> <p>(2) Notwithstanding anything contained in sub-clause (1) hereof, the further Shares aforesaid may be offered to any person(s) (whether or not those persons include the persons referred to in clause (a) sub-clause (1) hereof) in any manner whatsoever.</p> <p>(a) If a Special Resolution to that effect is passed by the Company in the General Meeting; or</p> <p>(b) Where no such Special Resolution is passed, if the votes cast (whether on a show of hands, or on a 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 to do so, 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.</p>

- (3) Nothing in sub-clause (c) of clause(l) hereof shall be deemed;
- (a) To extend the time within which the offer should be accepted; or
- (b) To authorise any person to exercise the right of renunciation for a second time, on the ground that the persons in whose favour the renunciation was first made has declined to take the Shares comprised in the renunciation.
- (4) 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 debenture issued or loans raised by the Company:
- (i) To convert such debentures or loans into Shares in the Company; or
- (ii) to subscribe for Shares in the Company (whether such option is conferred in these Articles or otherwise)

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

- (a) either has been approved by the Central Government before the issue of the debentures or the raising of the loans, or is in conformity with the rules, if any, made by that government in this behalf, and
- (b) in the case of debentures or loans other than debentures issued to, or loans obtained from government or any institution specified by the Central Government in this behalf, has also been approved by a Special Resolution passed by the Company in the General Meeting before the issue of the debentures or the raising of the loans.

Shares under control of Directors

13. Subject to the provisions of the Act and these Articles, the Shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that option or right to call for Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

Power to offer Shares/options to acquire Shares

- 13A
- (i) Without prejudice to the generality of the powers of the Board under Article 13 or in any other Article of these Articles of Association, the Board or any Committee thereof duly constituted may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, at any point of time, offer existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) to its employees, including Directors (whether whole-time or not), whether at par, at discount or at a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force.
- (ii) In addition to the powers of the Board under Article 13A(i), the Board may also

	<p>allot the Shares referred to in Article 13A(i) to any trust, whose principal objects would inter alia include further transferring such Shares to the Company's employees [including by way of options, as referred to in Article 13A(i)] in accordance with the directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purposes of such trust, as it deems fit.</p> <p>(iii) The Board, or any Committee thereof duly authorised for this purpose, may do all such acts, deeds, things, etc. as may be necessary or expedient for the purposes of achieving the objectives set out in Articles 13A(i) and (ii) above.</p>
Power also to Company in General Meeting to issue Shares	<p>15.</p> <p>In addition to and without derogating from the powers for that purpose conferred on the Board under these Articles, the Company in General Meeting 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 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 such General Meeting shall determine and with full power to give any person (whether a Member or not) the option or right to call for or buy 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 times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment, or disposal of any Shares.</p>
Power of General Meeting to authorize Board to offer Shares/Options to employees	<p>15A</p> <p>(i) Without prejudice to the generality of the powers of the General Meeting under Article 15 or in any other Article of these Articles of Association, the General Meeting may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, determine, or give the right to the Board or any Committee thereof to determine, that any existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) be allotted/granted to its employees, including Directors (whether whole-time or not), whether at par, at discount or a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force. The General Meeting may also approve any Scheme/Plan/ other writing, as may be set out before it, for the aforesaid purpose</p> <p>(ii) In addition to the powers contained in Article 15A(i), the General Meeting may authorise the Board or any Committee thereof to exercise all such powers and do all such things as may be necessary or expedient to achieve the objectives of any Scheme/Plan/other writing approved under the aforesaid Article.</p>
The Board may issue Shares as fully paid-up	<p>18.</p> <p>Subject to the provisions of the Act and these Articles, the Board may allot and issue Shares in the Capital of the Company as payment for any property purchased or acquired or for services rendered to the Company in the conduct of its business or in satisfaction of any other lawful consideration. Shares which may be so issued may be issued as fully paid-up or partly paid up Shares.</p>
Acceptance of Shares	<p>19.</p> <p>Any application signed by or on behalf of an applicant for Share(s) in the Company,</p>

followed by an allotment of any Share therein, shall be an acceptance of Share(s) within the meaning of these Articles, and every person who thus or otherwise accepts any Shares and whose name is therefore placed on the Register of Members shall for the purpose of this Article, be a Member.

Deposit and call etc., to be debt payable

20.

The money, if any which the Board of Directors 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 inscription of the name of the allottee in the Register of Members as 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.

Liability of Members

21.

Every Member, or his heirs, executors or administrators to the extent of his assets which come to their hands, shall be liable to pay to the Company the portion of the capital represented by his Share which may, for the time being, remain unpaid thereon in such amounts at such time or times and in such manner as the Board of Directors shall, from time to time, in accordance with the Company's requirements require or fix for the payment thereof.

Dematerialisation of securities

21. (A)

Definitions

Beneficial Owner “Beneficial Owner” means a person whose name is recorded as such with a Depository.

SEBI “SEBI” means the Securities and Exchange Board of India.

Bye-Laws “Bye-Laws” mean bye-laws made by a depository under Section 26 of the Depositories Act, 1996;

Depositories Act. “Depositories Act” means the Depositories Act, 1996 including any statutory modifications or re-enactment thereof for the time being in force;

Depository “Depository” means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992;

Record “Record” includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by SEBI;

Regulations “Regulations” mean the regulations made by SEBI;

Security “Security” means such security as may be specified by SEBI.

Dematerialisation of securities

21. (B) Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialised form, the Company shall enter into an agreement with the depository to enable the investor to dematerialise the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.

Options to receive security certificates or hold securities with

21. (C)

Every person subscribing to securities offered by the Company shall have the option to receive the Security certificates or hold securities with a depository.

depository	Where a person opts to hold a Security with a depository, the Company shall intimate such depository the details of allotment of the Security, and on receipt of such information the depository shall enter in its record the name of the allotted as the Beneficial Owner of that Security.
Securities in depositories to be in fungible form	21. (D) All Securities held by a Depository shall be dematerialised and shall be in a fungible form; nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.
Rights of depositories and beneficial owners	21. (E) (1) Notwithstanding anything to the contrary contained in the Articles, a Depository shall be deemed to be a registered owner for the purposes of effecting transfer of ownership of Security on behalf of the Beneficial Owner; (2) Save as otherwise provided in (1) above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of Securities held by it; (3) Every person holding equity share capital of the Company and whose name is entered as Beneficial Owner in the Records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of the Securities held by a Depository.
Depository To Furnish Information	21. (F) Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.
Option to Opt out in respect of any security	21. (G) If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, the Beneficial Owner shall inform the Depository accordingly. The Depository shall on receipt of information as above make appropriate entries in its Records and shall inform the Company. The Company shall, within thirty (30) days of the receipt of intimation from the depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.
Sections 83 and 108 of the Act not to apply	21. (H) Notwithstanding anything to the contrary contained in the Articles, (1) Section 83 of the Act shall not apply to the Shares held with a Depository; (2) Section 108 of the Act shall not apply to transfer of Security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the Records of a Depository.
Share certificate	22. (a) Every Member or allottee of Shares is entitled, without payment, to receive one certificate for all the Shares of the same class registered in his name. (b) Any two or more joint allottees or holders of Shares shall, for the purpose of this Article, be treated as a single Member and the certificate of any Share which may be the subject of joint ownership may be delivered to any one of such joint owners, on behalf of all of them.

UNDERWRITING AND BROKERAGE

Title of Article	Article Number and contents
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Commission may be paid	30. Subject to the provisions of Section 76 of the Act, the Company may at anytime pay commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares in or debentures of the Company but so that the commission shall not exceed in the case of the Shares five percent of the price at which the Shares are issued and in the case of debentures two and half percent of the price at which the debenture are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid Shares or debentures as the case may be or partly in one way and partly in the other.
Brokerage	31. The Company may on any issue of Shares or Debentures or on deposits pay such brokerage as may be reasonable and lawful.
Commission to be included in the annual return	32. Where the Company has paid any sum by way of commission in respect of any Shares or Debentures or allowed any sums by way of discount in respect to any Shares or Debentures, such statement thereof shall be made in the annual return as required by Part I of Schedule V to the Act.

INTEREST OUT OF CAPITAL

Title of Article	Article Number and contents
Interest out of capital	33. 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 provisions of any plant which cannot be made profitable for lengthy period, the Company may 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 provisions of the plant.

DEBENTURES

Title of Article	Article Number and contents
Debentures with voting rights not to be issued	34. (a) The Company shall not issue any debentures carrying voting rights at any Meeting of the Company whether generally or in respect of particular classes of business. (b) The Company shall have power to reissue redeemed debentures in certain cases in accordance with Section 121 of the Act. (c) Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of Section 123 of the Act. (d) Certain charges (which expression includes mortgage) mentioned in Section 125 of the Act, shall be void against the Liquidator or creditor unless registered as provided in Section 125 of the Act. (e) A contract with the Company to take up and pay debentures of the Company may be enforced by a decree for specific performance. (f) Unless the conditions of issue thereof otherwise provide, the Company shall

(subject to the provisions of Section 113 of the Act) within three months after the allotment of its debentures or debenture-stock and within one month after the application for the registration of the transfer of any such debentures or debentures-stock have completed and ready for delivery the certificate of all debenture-stock allotted or transferred.

(g) The Company shall comply with the provisions of Section 118 of the Act, as regards supply of copies of debenture Trust Deed and inspection thereof.

(h) The Company shall comply with the provisions of Section 124 to 145 (inclusive) of the Act as regards registration of charges.

CALLS

Title of Article	Article Number and contents
Directors may make calls	<p>35.</p> <p>(a) Subject to the provisions of Section 91 of the Act, the Board of Directors may from time to time by a resolution passed at a meeting of a Board (and not by a circular resolution) make such calls as it thinks fit upon the Members in respect of all moneys unpaid on the Shares or by way of premium, held by them respectively and not by conditions of allotment thereof made payable at fixed time and each Member shall pay the amount of every call so made on him to person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine. No call shall be made payable within less than one month from the date fixed for the payment of the last preceding call.</p> <p>(b) The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.</p>

TRANSFER AND TRANSMISSION OF SHARES

Title of Article	Article Number and contents
No transfers to minors etc.	<p>62.</p> <p>No Share which is partly paid-up or on which any sum of money is due shall in any circumstances be transferred to any minor, insolvent or person of unsound mind.</p>
Execution of transfer	<p>65.</p> <p>The instrument of transfer of any Share shall be duly stamped and executed by or on behalf of both the transferor and the transferee and shall be witnessed. 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. The requirements of provisions of Section 108 of the Companies Act, 1956 and any statutory modification thereof for the time being shall be duly complied with.</p>
Directors may refuse to register transfer	<p>68.</p> <p>Subject to the provisions of Section 111A these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the</p>

case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

SHARE WARRANTS

Title of Article	Article Number and contents
Power to issue share warrants	<p>78.</p> <p>The Company may issue warrants subject to and in accordance with provisions of Sections 114 and 115 of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.</p>

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

Title of Article	Article Number and contents
Share may be converted into stock	<p>82.</p> <p>The Company may, by Ordinary Resolution:</p> <p>(a) Convert any fully paid up Share into stock, and</p> <p>(b) reconvert any stock into fully paid-up Shares.</p>

BORROWING POWERS

Title of Article	Article Number and contents
Power to borrow	<p>86.</p> <p>Subject to the provisions of Sections 58A, 292 and 370 of the Act and these Articles, the Board of Directors may, from time to time at its discretion by a resolution passed at a meeting of the Board, borrow, accept deposits from Members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any such sum or sums of money for the purposes of the Company from any source. PROVIDED 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 of Directors shall not borrow such money without the sanction of the Company in General Meeting. No debts incurred by the Company in excess of the limit imposed by this Article shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.</p>
Terms of issue of Debentures	<p>88.</p> <p>Any debenture, debenture stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination, and with any privileges and conditions as to</p>

redemption, surrender, drawing, allotment of Shares, attending (but not voting) at General Meeting, appointment of Directors and otherwise; however, Debentures with the right to conversion into or allotment of Shares shall be issued only with the consent of the Company in General Meeting by a Special Resolution.

Mortgage of uncalled capital

89.

If any uncalled capital of the Company is included in or charged by mortgage or other security, the Directors may, subject to the provisions of the Act and these Articles, make calls on the Members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security has been executed.

MEETING OF MEMBERS

Title of Article

Article Number and contents

Omission to give notice not to invalidate proceedings

100.

The accidental omission to give such notice as aforesaid to or non-receipt thereof by, any Member or other person to whom it should be given, shall not invalidate the proceedings of any such Meeting.

Notice of business to be given

101.

No General Meeting, Annual or Extra-Ordinary shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices convening the Meeting.

Chairman's casting vote

112.

In the case of equality of votes the Chairman shall both on a show of hands and on a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a Member.

DIRECTORS

Title of Article

Article Number and contents

Number of Directors

134.

Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors shall not be less than three and not more than twelve..

Debenture Directors

136.

Any Trust Deed for securing Debentures may if so arranged, provide for the appointment, from time to time by the Trustees thereof or by the holders of Debentures, of some person to be a Director of the Company and may empower such Trustees or holder of Debentures, from time to time, to remove and re-appoint any Director so appointed. The Director appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be agreed between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions contained herein.

Nominee Director or Corporation Director

137.

- a) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to Industrial Finance Corporation of India (IFCI), ICICI Limited.(ICICI), The Industrial Development Bank of

India (IDBI) or any other financing company or body out of any loans granted or to be granted by them to the Company or so long as IFCI, ICICI, IDBI or any other financing corporation or credit corporation or any other financing company or body (each of which IFCI, ICICI, IDBI or any other financing corporation or credit corporation or any other financing company or body is hereinafter in this Article referred to as "The Corporation") continue to hold Debentures in the Company by direct subscription or private placement, or so long as the Corporation holds Shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time any person or persons as a Director, whole time or non-whole time (which Director or Directors is/are hereinafter referred to as "Nominee Director(s)") on the Board of the Company and to remove from such office any persons so appointed and to appoint any person or persons in his/ their places.

- b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director(s). Such Nominee Director(s) shall not be required to hold any Share qualification in the Company. Further Nominee Director shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Directors(s) shall be entitled to the same rights and privileges and be subject to the obligations as any other Director of the Company.
- c) The Nominee Director(s) so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation and the Nominee Director/s so appointed in exercise of the said power, shall *ipso facto* vacate such office immediately on the moneys owing by the Company to the Corporation being paid off
- d) The Nominee Director(s) appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and all the Meetings of the Committee of which the Nominee Director(s) is/are Member(s) as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.
- e) The sitting fees in relation to such Nominee Director(s) shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any other fees, commission, moneys or remuneration in any form is payable to the Nominee Director of the Company, such fees, commission, moneys and remuneration in relation to such Nominee Director(s) shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director(s), in connection with their appointment or Directorship, shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s provided that if any such Nominee Director/s is/are an officer(s) of the Corporation..
- f) Provided also that in the event of the Nominee Director(s) being appointed as Whole-time Director(s); such Nominee Director/s shall exercise such power and duties as may be approved by the lenders and have such rights as are usually exercised or available to a whole-time Director in the management of the affairs of Company. Such Nominee Director shall be entitled to receive

such remuneration, fees, commission and moneys as may be approved by the Corporation(s) nominated by him.

Directors may fill in vacancies

140.

The Directors shall have power at any time and from time to time to appoint any person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only upto the date to which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid. However, he shall then be eligible for re-election.

Additional Directors

141. The Directors shall have the power at any time and from time to time to appoint any other person to be a Director as an addition to the Board ("Additional Director") so that the total number of Directors shall not at any time exceed the maximum fixed by these Articles. Any person so appointed as an Additional Director to the Board shall hold his office only upto the date of the next Annual General Meeting and shall be eligible for election at such Meeting.

Qualification shares
Directors' sitting fees

142. A Director need not hold any qualification shares.

143. The fees payable to a Director for attending each Board meeting shall be such sum as may be fixed by the Board of Directors not exceeding such sum as may be prescribed by the Central Government for each of the meetings of the Board or a Committee thereof and adjournments thereto attended by him. The Directors, subject to the sanction of the Central Government (if any required) may be paid such higher fees, as the Company in General Meeting shall from time to time determine.

Extra remuneration to
Directors for special
work

144. Subject to the provisions of Sections 198, 309, 310, 311 and 314 of the Act, if any Director, being willing shall be called upon to perform extra services (which expression shall include work done by a Director as a Member of any Committee formed by the Directors or in relation to signing share certificate) or to make special exertions in going or residing or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company may remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Director, and such remuneration may be either in addition to or in substitution for his share in the remuneration herein provided.

Subject to the provisions of the Act, a Director who is neither in the whole time employment nor a Managing Director may be paid remuneration either:

i) by way of monthly, quarterly or annual payment with the approval of the Central Government; or

ii) by way of commission if the Company by a Special Resolution authorised such payment.

Directors and
Managing Director
may contract with
Company

150. Subject to the provisions of the Act the Directors (including a Managing Director and Whole time Director) shall not be disqualified by reason of his or their office as such from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or lessee or otherwise, nor shall any such contract or any contracts or arrangement entered into by or on behalf of the Company with any Director or with any company or partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established, but it is declared that the nature of his interest shall be disclosed as provided by Section 299 of the Act and in this respect all the

provisions of Section 300 and 301 of the Act shall be duly observed and complied with.

Director may be director of companies promoted by the Company	154. A Director may be or become a director of any company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise and no such Director shall be accountable for any benefit received as director or shareholder of such company except in so far Section 309(6) or Section 314 of the Act may be applicable.
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MANAGING DIRECTOR AND MANAGER

Title of Article	Article Number and contents
Appointment and powers of Manager	173A The Board may, from time to time, appoint any Manager (under Section 2(24) of the Act) to manage the affairs of the Company. The Board may from time to time entrust to and confer upon a Manager such of the powers exercisable under these Articles by the Directors, as they may think fit, and may, confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as they think expedient.

MANAGING DIRECTOR

Title of Article	Article Number and contents
Powers to appoint Managing Director	166. Subject to the provisions of Section 267, 268, 269, 316 and 317 of the Act, the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors or Wholtime Directors of the Company, for a fixed term not exceeding five years as to the period for which he is or they are to hold such office, and may, from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places. (a) The Managing Director shall perform such functions and exercise such powers as are delegated to him by the Board of Directors of the Company in accordance with the provisions of the Companies Act, 1956. (b) Subject to the provisions of Sections 255 of the Act, the Managing Director shall not be while he continues to hold that office, subject to retirement by rotation.
Remuneration of Managing Director	167. Subject to the provisions of Sections 309, 310 and 311 of the Act, a Managing Director shall, in addition to any remuneration that might be payable to him as a Director of the Company under these Articles, receive such remuneration as may from time to time be approved by the Company.

PROCEEDINGS OF THE BOARD OF DIRECTORS

Title of Article	Article Number and contents
Powers of Board meeting	179. A meeting of the Board of Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act, or the Articles for the time being of the Company which are vested in or exercisable by the Board of Directors generally.
Acts of Board or Committee	183. All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered;

valid notwithstanding defect in appointment	that there was some defect in the appointment of one or more of such Directors or any person acting as aforesaid; or that they or any of them were disqualified or had vacated office or that the appointment of any of them is deemed to be terminated by virtue of any provision 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; provided nothing in the 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 terminated.
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POWERS OF THE BOARD

Title of Article	Article Number and contents
General powers of management vested in the Board of Directors	<p data-bbox="423 573 1500 835">184. The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid Articles, as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.</p> <p data-bbox="423 877 1500 940">Provided that the Board shall not, except with the consent of the Company in General Meeting: -</p> <ul style="list-style-type: none"> <li data-bbox="423 978 1500 1073">(a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole, or substantially the whole, of any such undertaking; <li data-bbox="423 1110 1273 1138">(b) remit, or give time for the repayment of, any debt due by a Director, <li data-bbox="423 1176 1500 1339">(c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition or any such undertaking as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time; <li data-bbox="423 1377 1500 1541">(d) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose;
Certain powers of the Board	<p data-bbox="423 1579 1500 1743">186. Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say, power:</p> <ul style="list-style-type: none"> <li data-bbox="542 1759 1500 1822">(1) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company. <li data-bbox="542 1839 1500 1900">(2) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of

Sections 76 and 208 of the Act.

- (3) Subject to Section 292 and 297 and other provisions applicable of the Act to purchase or otherwise acquire for the Company any property, right or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.
- (4) At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in share, bonds, debentures, mortgages, or otherwise securities of the Company, and any such Shares may be issued either as fully paid-up or with such amount credited as paid-up thereon as may be agreed upon and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
- (5) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.
- (6) To accept from any Member, as far as may be permissible by law to a surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed.
- (7) To appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purpose and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees.
- (8) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due and of any claim or demands by or against the Company and to refer any differences to arbitration and observe and perform any awards made thereon either according to Indian law or according to foreign law and either in India or abroad and to observe and perform or challenge any award made thereon.
- (9) To act on behalf of the Company in all matters relating to bankruptcy and insolvency, winding up and liquidation of companies.
- (10) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.
- (11) Subject to the provisions of Sections 291, 292, 295, 370, 372 and all other applicable provisions of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being Shares of this Company), or without security and in such manner as they may think fit and from time

to time vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.

ACCOUNTS

Title of Article	Article Number and Contents
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Accounts when audited and approved to be conclusive except as to errors discovered within 3 months	
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218. Every account when audited and approved by a General Meeting shall be conclusive except as regards any errors discovered therein within the next three months after the approval thereof. Whenever any such error is discovered within that period, the account shall be corrected, and amendments effected by the Directors in pursuance of this Article shall be placed before the Members in General Meeting for their consideration and approval and, on such approval, shall be conclusive.

DOCUMENTS AND NOTICES

Title of Article	Article Number and Contents
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Members bound by documents or notices served on or given to previous holders	
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220. Every person, who by operation of law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which prior to his name and address being entered in the Register of Members shall have been duly served on or given to the person from whom he derived, his title to such Share.
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SECTION X – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company) which are or may be deemed material have been entered or to be entered into by the Company. These contracts, copies of which have been attached to the copy of this Draft Red Herring Prospectus, have been delivered to the Registrar of Companies, Maharashtra, Mumbai for registration and also the documents for inspection referred to hereunder, may be inspected at the Corporate office of the Company situated at 512, Janki Centre, 29 Shah Industrial Estate, Off. Veera Desai Road, Andheri (West), Mumbai – 400 053, India, from 10.00 a.m. to 4.00 p.m. on any working day from the date of this Draft Red Herring Prospectus until the date of closing of the Issue.

Material Contracts

1. Memorandum of Understanding dated August 13, 2007 signed between the Company and Almondz Global Securities Limited (formerly Allianz Securities Limited), the Book Running Lead Manager to the Issue.
2. Memorandum of Understanding dated March 12, 2007 signed between the Company and Intime Spectrum registry Limited, the Registrar to the Issue.
3. Copy of the Tri-partite Agreement dated July 20, 2007 between NSDL, the Company and Intime Spectrum registry Limited
4. Copy of the Tri-partite Agreement dated July 17, 2007 between CDSL, the Company and Intime Spectrum registry Limited

Documents for Inspection

1. Memorandum and Articles of Association of Tulsi Extrusions Limited, as amended from time to time.
2. Certificate of Incorporation of Tulsi Extrusions Limited dated September 16, 1994.
3. Fresh Certificate of incorporation subsequent to change of name from “Tulsi Extrusion Private Limited” to “Tulsi Extrusion Limited” dated June 5, 1995.
4. Copy of resolution passed at EGM dated July 24, 2006 u/s 81 (1A) authorizing the Issue of Equity Shares and resolution passed at EGM held on May 14, 2007 u/s 81(1A) renewing the authorization.
5. Copies of letters letter dated [•] and [•] to BSE & NSE respectively regarding In-principle approval.
6. Copies of In-Principle approvals received from BSE and NSE dated [•] and dated [•] respectively
7. Copies of Annual Reports of the Company for the last 5 accounting periods i.e. FY 2003, FY 2004, FY 2005, FY 2006 and FY 2007.
8. Copy of Tax Benefits Certificate issued by Statutory Auditors of the Company M/s K.K. Kabra & Company, Chartered Accountants, dated July 31, 2007.
9. Copy of Auditors Reports issued by Statutory Auditors of the Company M/s K.K. Kabra & Company, Chartered Accountants regarding restated financial statements of the Company for the last 5 financial years dated July 31, 2007.
10. Resolutions approving the present terms of employment and remuneration between our Company and our Whole time Directors as approved by our Board and our Shareholders.
11. No objection Certificate from the Bankers to the Company in respect of proposed public issue of the company dated June 11, 2007 from Punjab National Bank.

12. Consent letters from Directors, Book Running Lead Manager to the Issue, Registrar to the Issue, Bankers to the Company, Statutory Auditors, Syndicate Members, Legal Advisors to the Issue, Company Secretary & Compliance Officer and Advisors to the Company to act in their respective capacities and for inclusion of their names in this Draft Red Herring Prospectus.
13. Memorandum of Understanding between our Company and M/s Tulsi Pipe Industries dated December 19, 2005.
14. Memorandum of Understanding between our Company and Gopal Extrusions Private Limited dated January 2, 2007.
15. Memorandum of Understanding between our Company and Narvada Industries dated January 2, 2007.
16. Joint Venture Agreement with Tulsi Plastics SA (Pty) Ltd. and our Company dated February 1, 2006.
17. Due Diligence Certificate dated [•] issued by Book Running Lead Manager to the Issue.
18. A copy of the SEBI Final observation letter no. [•] dated [•], received from SEBI, Mumbai in respect of the Public Issue of Tulsi Extrusions Limited.
19. Copy of letter no. [•] dated [•] received from CARE awarding IPO Grading to our Company.

DECLARATION

All the relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made thereunder or guidelines issued, as the case may be. The Company further certifies that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF TULSI EXTRUSIONS LIMITED

Mr Pradip Mundhra
Managing Director

Mr Sanjay Kumar Taparia
Director

Mr. Gopal Das Maheshwari
Director

Mr. Omprakash Jhavar
Chairman

Mr Om Prakash Agrawal
Director

Mr. Jaiprakash Kabra
Director

Mr. Tilok M. Banwat
Director

Mr. Rajesh Jhunhunwala
Director

Mr. Sudarshan Taparia
Finance Controller

Date: August 31, 2007

Place: Mumbai