



VARAHI LIMITED

Our Company was incorporated as Varahi Plastics Private Limited on December 17, 1993 under the Companies Act, 1956 *vide* Certificate of Incorporation bearing registration number 55-56515 of 1993-94 issued by the office of Registrar of Companies, Delhi & Haryana (“ROC”). The name of our Company was changed to Varahi Private Limited pursuant to fresh certificate of incorporation dated September 08, 2006, issued by the ROC. Further, our Company was converted into a public limited company under the Companies Act, 1956, pursuant to a fresh certificate of incorporation dated May 12, 2011, issued by the ROC and the name of our Company was changed to Varahi Limited. The Corporate Identification Number of our Company is U74899DL1993PLC056515. There has been no change in the Registered Office of our Company since incorporation.

Registered Office: WZ - 8/1, Kirti Nagar, Industrial Area, New Delhi – 110 015, India; **Tel:** +91 – 11 – 2510 7300; **Fax:** +91 – 11 – 2545 1504;

Contact Person: Mr. Antony Varghese, Compliance Officer; **Email:** ipo@varahi.in; **Website:** www.varahi.in

PROMOTERS: MR. PRAMIT SANGHAVI AND MR. DEWANG SANGHAVI

PUBLIC ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH OF VARAHI LIMITED (“COMPANY”, OR “ISSUER”) FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) AGGREGATING ₹ 11,000 LACS. THE ISSUE WILL CONSTITUTE [●] % OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER, AND ADVERTISED AT LEAST TWO (2) WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE.

THE FLOOR PRICE IS [●] TIMES OF THE FACE VALUE AND THE CAP PRICE IS [●] TIMES OF THE FACE VALUE.

In case of any revision in the Price Band, the Bid / Issue Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bidding Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bidding Period, if applicable, shall be widely disseminated by notification to the Self Certified Syndicate Banks (“SCSBs”), the National Stock Exchange of India Limited (“NSE”) and the Bombay Stock Exchange Limited (“BSE”), by issuing a press release and also by indicating the change on the website of the Book Running Lead Manager (“BRLM”) and at the terminals of the other members of the Syndicate.

The Issue is being made pursuant to Regulation 26(1) of the SEBI ICDR Regulations through the 100% Book Building Process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers (“QIBs”) (“QIB Portion”). 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 QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders subject to valid Bids being received at or above the Issue Price.

All non-retail Bidders, shall participate in this Issue through the Application Supported by Blocked Amount (“ASBA”) process. Retail Bidders may participate in this Issue through the ASBA process by providing the details of the respective bank accounts in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks. Specific attention of investors is invited to the chapter titled “Issue Procedure” beginning on page 222 of the Draft Red Herring Prospectus.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company in the past. **The face value of the Equity Shares is ₹ 10 and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times of the face value at the higher end of the Price Band.** The Issue Price (as determined and justified by our Company in consultation with the BRLM on the basis of assessment of market demand for the Equity Shares by way of the Book Building Process as stated in chapter titled “Basis for Issue Price” beginning on page 72 of the Draft Red Herring Prospectus) should not be taken to be indicative of the market price of our Equity Shares after our 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 the Draft Red Herring Prospectus. *Specific attention of the investors is invited to the section titled “Risk Factors” beginning on page 13 of the Draft Red Herring Prospectus.*

COMPANY’S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that the Draft Red Herring Prospectus contains all information with regard to our Company and this Issue, which is material in the context of this Issue, that the information contained in the Draft Red Herring Prospectus is true and correct in all material respects 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 the 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.

IPO GRADING

The Issue has been graded by Crisil Limited and has been assigned the “IPO Grade [●]/5” indicating [●] through its letter dated [●]. The IPO grading is assigned on a five point scale from 1 to 5 with an “IPO Grade 5” indicating strong fundamentals and an “IPO Grade 1” indicating poor fundamentals. The rationale furnished by the grading agency for its grading, will be available for inspection and will be provided to the Designated Stock Exchange and updated at the time of filing of the Red Herring Prospectus with the RoC. For further details, please refer to the chapter titled “General Information” beginning on page 37 of the Draft Red Herring Prospectus.

LISTING

The Equity Shares offered through the Draft Red Herring Prospectus are proposed to be listed on BSE and NSE. The In-Principle approvals from BSE and NSE for listing of the Equity Shares have been received *vide* to their letters dated [●] and [●], respectively. For the purposes of this Issue, [●] shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
 <p>energising ideas</p> <p>SAFFRON CAPITAL ADVISORS PRIVATE LIMITED A – 102, Everest Grande, Mahakali Caves Road, Andheri (East), Mumbai - 400 093, Maharashtra, India. Tel: +91 – 22 4082 0921 / 0915 Fax: +91 – 22 4082 0999 Email: ipo.varahi@saffronadvisor.com Website: www.saffronadvisor.com Investor grievance: investor@grievance@saffronadvisor.com Contact Person: Mr. Harshit Vora / Mr. Arun Babu SEBI Registration Number: INM 000011211</p>	 <p>BIGSHARE SERVICES PRIVATE LIMITED E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai – 400 072, Maharashtra, India Tel: +91 – 22 4043 0200 Fax: +91 – 22 2847 5207 E-mail: ipo@bigshareonline.com Website: www.bigshareonline.com Investor grievance: investor@bigshareonline.com Contact Person: Mr. Ashok Shetty SEBI Registration Number: INR 000001385</p>

BID / ISSUE PROGRAMME

BID/ISSUE OPENS ON	[●]
BID/ISSUE CLOSSES ON	[●]

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

In the Draft Red Herring Prospectus, unless the context otherwise requires, the terms defined and abbreviations stated hereunder shall have the meanings as assigned therewith as stated in this Section.

Company Related Terms

Term	Description
“the Company”, “our Company”, “Issuer”, “Issuer Company”, “we”, “us”, “our”	Varahi Limited a public limited company incorporated under the Companies Act, 1956, and having its registered office at WZ - 8/1, Kirti Nagar, Industrial Area, New Delhi – 110 015, India
Articles or Articles of Association or AoA or our Articles	The Articles of Association of our Company, as amended from time to time
Board, Board of Directors or our Board	The Board of Directors of our Company, duly constituted from time to time, including any committee thereof
Director(s)	The Director(s) of our Company
Memorandum, our Memorandum or Memorandum of Association or MoA	The Memorandum of Association of our Company, as amended from time to time
Our Group Entities / Group Entities	Such entities as are included in the chapter titled ‘Our Group Entities’ beginning on page 141 of the Draft Red Herring Prospectus
Our Promoters/ Promoter(s)- Director(s)	Mr. Pramit Sanghavi and Mr. Dewang Sanghavi
Registered and Corporate Office/ Registered Office	WZ - 8/1, Kirti Nagar, Industrial Area, New Delhi – 110 015, India
RoC / Registrar of Companies	Registrar of Companies, Delhi & Haryana, 4th floor, IFCI Tower, 61, Nehru Place, New Delhi – 110 019, India
Statutory Auditor	The statutory auditor of our Company, being, M/s.Mohit Parekh & Co., Chartered Accountants

Issue Related Terms

Term	Description
“Issue” or “the Issue” or “this Issue”	Public Issue of [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share (including share premium of ₹ [●] per Equity Share) aggregating to ₹ 11,000 Lacs
“you”, “your” or “yours”	All such references are to the Bidders to the Issue, unless the context otherwise specifies
Allocation / Allocation of Equity Shares	Unless the context otherwise requires, the allocation of Equity Shares pursuant to this Issue to the successful Bidders
Allot / Allotted / Allotment/ Allotment of Equity Shares	Unless the context otherwise requires, means the allotment of Equity Shares pursuant to this Issue to successful Bidders
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Bidder who has been or is to be Allotted the Equity Shares after discovery of the Issue Price in accordance with the Book Building Process, including any revisions thereof
Allottee	A successful Bidder to whom the Equity Shares are Allotted pursuant to this Issue
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by all Bidders to make a Bid authorising a SCSBs to block the Bid Amount in a specified bank account maintained with the SCSBs
ASBA Account	Account maintained with a SCSBs which will be blocked by such SCSBs to the extent of the appropriate Bid Amount of the ASBA Bidder, as specified in the ASBA Bid cum Application Form
ASBA Bid cum Application Form / ASBA Form	The form, whether physical or electronic, used by an ASBA Bidder to submit a Bid, which contains an authorisation to block the Bid Amount in an ASBA Account and would be considered as an application for Allotment to ASBA

Term	Description
	Bidders in terms of the Red Herring Prospectus and the Prospectus
	Pursuant to SEBI circular number CIR/CFD/DIL/7/2010 dated July 13, 2010, ASBA Bid cum Application Forms shall be made available for download from the respective websites of the Stock Exchange(s)
ASBA Bidder(s)	Any prospective investor(s) in this Issue who Bid/ apply through the ASBA process
	Pursuant to SEBI circular number CIR/CFD/DIL/1/2011 dated April 29, 2011, non-retail Investors i.e. QIBs and Non-Institutional Investors participating in this Issue are required to mandatorily use the ASBA facility to submit their Bids
ASBA Revision Form	The form, whether physical or electronic, used by an ASBA Bidder to modify the quantity of Equity Shares or the Bid Amount in any of his/her ASBA Bid cum Application Form or any previous ASBA Revision Form(s)
	Pursuant to SEBI circular number CIR/CFD/DIL/7/2010 dated July 13, 2010, ASBA Revision Forms shall be made available for download from the respective websites of the Stock Exchange(s)
Banker(s) to the Issue/ Escrow Collection Bank(s)	The bank(s) which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account will be opened, in this case being [●]
Bankers to our Company	Such entities which are disclosed as Bankers to our Company in the chapter titled 'General Information' beginning on page 37 of the Draft Red Herring Prospectus
Basis of Allotment / Basis of Allocation	The basis on which Equity Shares will be Allotted / Allocated to successful Bidders pursuant to the Issue and which is described under chapter titled 'Issue Procedure' beginning on page 222 of the Draft Red Herring Prospectus
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by a Bidder on submission of a Bid in the Issue and in case of ASBA Bidders, the amount mentioned in the ASBA Bid cum Application Form
Bid cum Application Form	The form used by a Bidder to make a Bid including the ASBA Bid cum Application Form (as applicable), which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus
Bid(s)	An indication to make an offer during the Bid / Issue Period by the Bidders, pursuant to submission of the Bid cum Application Form or ASBA Form as the case may be, to subscribe to the Equity Shares of our Company in this Issue at a price within the Price Band, including all revisions and modifications if any, made to such Bid(s)
Bid / Issue Closing Date	The date after which the members of the Syndicate and the designated branches of the SCSBs shall not accept any Bids for the Issue, which shall be a date notified in two national daily newspapers (one each in English and in Hindi) of wide circulation
Bid / Issue Opening Date	The date on which the members of the Syndicate and the SCSBs shall start accepting Bids for the Issue, which shall be a date notified in two national daily newspapers (one each in English and in Hindi) of wide circulation
Bid / Issue Period	The period between the Bid / Issue Opening Date and the Bid / Issue Closing Date, both days inclusive, during which prospective Bidders and the ASBA Bidders can submit their Bids, including any revisions thereof
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form including an ASBA Bidder who Bids through an ASBA Bid cum Application Form
Book Building Process / Book Building Method	The book building route as provided under Schedule XI of the SEBI ICDR Regulations, in terms of which this Issue is being made
BRLM / Book Running Lead Manager	Book Running Lead Manager to the Issue, in this case being Saffron Capital Advisors Private Limited

Term	Description
Business Day	Any day on which commercial banks in Mumbai are open for business
Cap Price	The higher end of the Price Band above which the Issue Price will not be finalised and above which no Bids will be accepted
Compliance Officer	The compliance officer for the Issue, being Mr. Antony Varghese
Controlling Branches	Such branches of the SCSBs which coordinate under this Issue by the ASBA Bidders with the BRLM, the Registrar to the Issue and the Stock Exchanges, a list of which is available at http://www.sebi.gov.in/pmd/scsb.html
Cut-off Price	Any price within the Price Band finalised by our Company in consultation with the Book Running Lead Manager. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price, for a Bid Amount not exceeding ₹ 2 Lacs. No other category of Bidders are entitled to Bid at the Cut-off Price
Demographic Details	The demographic details of the Bidders such as their address, PAN, occupation and bank account details
Depositories	Depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL
Designated Branch	Such branches of the SCSBs which shall collect the ASBA Bid cum Application Form used by ASBA Bidders, a list of which is available at http://www.sebi.gov.in/pmd/scsb.html
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account or the Refund Account, as appropriate, or the amount blocked by the SCSBs is transferred from the ASBA Account specified by the ASBA Bidder to the Public Issue Account, as the case may be, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Bidders
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	The draft red herring prospectus dated October 29, 2011 issued in accordance with Section 60B of the Companies Act and SEBI ICDR Regulations, filed with SEBI and which does not contain complete particulars of the price at which the Equity Shares would be issued and the number of shares being offered pursuant to the Issue
Eligible NRIs	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein
Equity Shares	Equity shares of our Company of face value of ₹ 10 each, fully paid up, unless otherwise specified in the context thereof
Escrow Account(s)	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder (excluding ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, the BRLM, the Syndicate Members and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected from the Bidders (excluding ASBA Bidders) on the terms and conditions thereof
First / Sole Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form or the ASBA Bid cum Application Form or ASBA Revision Form
Floor Price	The lower end of the Price Band, at or above which the Issue Price will be finalised and below which no Bids will be accepted
Issue Agreement	The agreement dated October 03, 2011 entered into by our Company and the BRLM, pursuant to which certain arrangements are agreed to, in relation to the Issue
Issue Price	The final price at which the Equity Shares will be issued and allotted in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the BRLM on the Pricing Date
Issue Proceeds	Proceeds from the Issue that will be available to our Company, being ₹ 11,000 Lacs
Listing Agreement	Equity listing agreements to be entered into by our Company with the Stock

Term	Description
	Exchange(s)
Mutual Fund Portion	5% of the QIB Portion or [●] Equity Shares available for allocation to Mutual Funds, out of the QIB Portion
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further information about use of the Issue Proceeds and the Issue related expenses, please refer to the chapter titled ' <i>Objects of the Issue</i> ' beginning on page 58 of the Draft Red Herring Prospectus
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India
Non-Institutional Bidders	As defined in the SEBI ICDR Regulations and includes all Bidders including sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals, that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for a cumulative amount more than ₹ 2 Lacs (but not including NRIs other than eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Issue, consisting of [●] Equity Shares, available for Allocation to Non Institutional Bidders on a proportionate basis, subject to receipt of valid Bids at or above the Issue Price
NR / Non-Resident	A person resident outside India, as defined under FEMA including eligible NRIs and FIIs
NRI(s) / Non Resident Indian	A "person resident outside India", as defined under FEMA and who is a citizen of India or is a person of Indian origin (as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended)
OCB(s) / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest in this Issue
Pay-in-Period / Pay-in Period	The period commencing on the Bid / Issue Opening Date and continuing till the Bid / Issue Closing Date
Payment through electronic transfer of funds	Payment made through NECS, Direct Credit or NEFT, as applicable
Price Band	Price band of a minimum price (Floor Price) of ₹ [●] and the maximum price (Cap Price) of ₹ [●] and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue will be decided by our Company in consultation with the BRLM and advertised at least two Working Days prior to the Bid / Issue Opening Date, in two national daily newspapers (one each in English and in Hindi) of wide circulation
Pricing Date	The date on which our Company in consultation with the BRLM, finalises the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act, containing, <i>inter alia</i> , the Issue Price that is determined at the end of the Book Building process, the size of the Issue and certain other additional information
Public Issue Account	Account opened with the Bankers to the Issue by our Company to receive monies from the Escrow Account and the SCSBs from the bank accounts of the ASBA Bidders on the Designated Date
QIB Portion	The portion of the Issue being not more than 50% of the Issue, consisting of not more than [●] Equity Shares, available for Allocation to QIBs, subject to receipt of valid Bids at or above the Issue Price
Qualified Institutional Buyers or QIBs	As defined under the SEBI ICDR Regulations, including public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation,

Term	Description
	insurance companies registered with Insurance Regulatory and Development Authority, Provident funds with minimum corpus of ₹ 2,500 Lacs, Pension Fund with minimum corpus of ₹ 2,500 Lacs, NIF and Insurance Funds set up and managed by army, navy or air force of the Union of India and Insurance Funds set up and managed by the Department of Posts, India
Red Herring Prospectus / RHP	The Red Herring Prospectus 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 offered and the number of shares being offered pursuant to the Issue. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	No-lien account maintained by the Refund Bank(s) to which the surplus money shall be transferred and from which refunds of the whole or part of the Bid Amount (excluding that of the ASBA Bidders), if any, shall be made
Refund Bank (s) / Refund Banker(s)	The bank(s) which have been appointed / designated for the purpose of refunding the amount to investors either through the electronic mode as prescribed by SEBI and / or physical mode in accordance with the procedure contained in the chapter titled 'Issue Procedure' beginning on page 222 of the Draft Red Herring Prospectus
Refunds through electronic transfer of funds	Refunds made through ECS / NECS, Direct Credit, NEFT or the ASBA process, as applicable
Registrar to the Issue	Registrar to this Issue, being Bigshare Services Private Limited
Resident Retail Individual Bidder / Resident Retail Individual Investor	A Retail Individual Bidder who is a "person resident in India" (as defined in FEMA)
Retail Individual Bidder(s)	Individual Bidders who have Bid for Equity Shares for an amount not more than ₹ 2 Lacs in any of the bidding options in the Issue (includes HUFs applying through their Karta and does not include NRIs other than Eligible NRIs)
Retail Portion	The portion of the Issue being not less than 35% of the Issue, consisting of [●] Equity Shares, available for Allocation to Retail Individual Bidders on a proportionate basis
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s)
SCSB Agreement	The deemed agreement between the SCSBs, the BRLM, the Registrar to the Issue and our Company, in relation to the collection of Bids from the ASBA Bidders and payment of funds by the SCSBs to the Public Issue Account
Self Certified Syndicate Bank or SCSBs	Self Certified Syndicate Bank is a Banker to an issue registered with SEBI which offers the facility of making a Applications Supported by Blocked Amount and recognised as such by SEBI, a list of which is available at http://www.sebi.gov.in/pmd/scsb.html
Stock Exchanges	The Bombay Stock Exchange Limited and the National Stock Exchange of India Limited
Sub-Syndicate Member	A SEBI registered member of BSE and / or NSE appointed by the BRLM and / or Syndicate Member to act as a Sub Syndicate Member in the Issue
Syndicate	Jointly, the BRLM, the Syndicate Members and the Sub Syndicate Members
Syndicate Agreement	The agreement to be entered into between the BRLM along with the Syndicate Members and our Company in relation to the collection of Bids (excluding Bids by ASBA Bidders) in this Issue
Syndicate Member(s) / Members of the Syndicate	An intermediary registered with the SEBI to act as a syndicate member and who is permitted to carry on the activity as an underwriter, in this case being [●]
Transaction Registration Slip / TRS	The slip or document issued by member of the Syndicate or the SCSBs (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriters	The Book Running Lead Manager and the Syndicate Members
Underwriting Agreement	The agreement among the Underwriters and our Company to be entered into, on or after the Pricing Date

Term	Description
Working Day(s)	<p>Unless the context otherwise requires:</p> <p>(i) Till the Bid / Issue closing date: All days other than a Saturday, Sunday or a public holiday;</p> <p>(ii) Post the Bid / Issue closing date: All days other than a Sunday or a public holiday</p> <p>And on which commercial banks in Mumbai are open for business in accordance with the SEBI circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010</p>

Technical / Industry Related Terms / Abbreviations

Abbreviation/Acronym	Description
ACF	Activated Carbon Filter
CM	Compression Molding
EBM	Extrusion Blow Molding
EPCG	Export Promotion Capital Goods
FMCG	Fast Moving Consumer Goods
HDPE	High Density Polyethylene
IBM	Injection Blow Molding
IDC	Internal Development Charges
IM	Injection Molding
IFMS	Interest Free Maintenance Security
KVA	Kilovolt-ampere
LLDPE	Low Linear Density Polyethylene
ISBM	Injection Stretch Blow Molding
LDPE	Low Density Polyethylene
MGF	Multi Grade Sand Filter
PEB	Pre-Engineered Building
PET	Polyethylene Terephthalate
PP	Polypropylene
RCC	Reinforced Cement Concrete
RO	Reverse Osmosis
TDS	Total Dissolved Solids
DFIA	Duty Free Import Authorisation

Conventional/General Terms / Abbreviations

Abbreviation/Acronym	Description
A/c	Account
AGM	Annual General Meeting.
Air Act	Air (Prevention and Control of Pollution) Act, 1981
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year; the period of twelve months commencing from the 1 st day of April every year
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited.
CENVAT	Central Value Added Tax
CENVAT Rules, 2002	CENVAT Credit Rules, 2002
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CIN	Corporate Identity Number
Companies Act	The Companies Act, 1956, as amended from time to time
CRR	Cash Reserve Ratio
Depositories Act	The Depositories Act, 1996, as amended from time to time
DIN	Director's Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India.

Abbreviation/Acronym	Description
DP	A Depository Participant as defined under the Depositories Act
EBIDTA	Earnings before Interest, Depreciation, Tax, Amortisation and extraordinary items
ECB	External Commercial Borrowings
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPF	Employee Provident Fund
EPS	Earnings per Share
ESIC	Employee State Insurance Corporation
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999, together with rules and regulations framed thereunder, as amended
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended
FII	Foreign Institutional Investor, as defined under the FII Regulations and registered with the SEBI under applicable laws in India
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended
Financial Year / Fiscal / Fiscal Year / FY	Period of twelve months ended March 31 of that particular year, unless specifically stated otherwise
FIPB	Foreign Investment Promotion Board
FVCI	Foreign venture capital investor as defined in and registered under the FVCI Regulations.
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended.
GER	Gross Enrolment Ratio
GIR Number	General Index Registry Number
GoI/ Government	Government of India
HUF	Hindu Undivided Family
I. T. Act	The Income Tax Act, 1961, as amended from time to time
I. T. Rules	The Income Tax Rules, 1962, as amended from time to time
IFRS	International Financial Reporting Standards.
Indian GAAP	Generally Accepted Accounting Principles in India.
IPO	Initial Public Offer
IPO Grading Agency	Crisil Limited, the IPO grading agency appointed by our Company, in consultation with the Book Running Lead Manager, for grading this Issue.
IRDA	Insurance Regulatory and Development Authority
IT	Information technology
Key Managerial Personnel / KMP	The officers vested with executive powers and the officers at the level immediately below the Board of Directors of the Issuer Company and other persons whom the Issuer has declared as a Key Managerial Personnel and as mentioned in the chapter titled ' <i>Our Management</i> ' beginning on page 124 of the Draft Red Herring Prospectus
Ltd.	Limited
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended from time to time
MICR	Magnetic Ink Character Recognition
MNC	Multi National Company
MOU	Memorandum of Understanding
MSME Act	The Micro, Small, and Medium Enterprises Development Act, 2006
N.A.	Not Applicable
NAV	Net Asset Value being paid-up equity share capital plus free reserves (excluding reserves created out of revaluation, preference share capital and share application money) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of 'profit and loss account', divided by number of issued Equity Shares outstanding at the end of the Fiscal.

Abbreviation/Acronym	Description
NBFC	Non-Banking Finance Company
NECS	National Electronic Clearing System
NEFT	National Electronic Fund Transfer
NIFTY	National Stock Exchange Sensitive Index
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
NTA	Net Tangible Assets
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
R & D	Research and Development
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time.
RoNW	Return on Net Worth
Rs./₹/INR/Rupees	Indian Rupees, the legal currency of the Republic of India
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, read with rules and regulations thereunder and amendments thereto and as amended from time to time
SEBI ICDR Regulations / ICDR Regulations / SEBI ICDR / ICDR	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
SEBI Rules and Regulations	SEBI ICDR Regulations, SEBI (Underwriters) Regulations, 1993, as amended, the SEBI (Merchant Bankers) Regulations, 1992, as amended, and any and all other relevant rules, regulations, guidelines, which SEBI may issue from time to time, including instructions and clarifications issued by it from time to time.
SEBI Takeover Regulations/ Takeover Code	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.
Sec.	Section
Securities Act	The U.S. Securities Act of 1933, as amended.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
Sq.ft.	Square feet
sq.mtrs.	Square meters
Sub-account	Sub-accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, as amended.
TAN	Tax deduction Account Number
TDS	Tax Deducted at Source
VAT	Value Added Tax
U.S. or US or U. S. A.	The United States of America
UIN	Unique Identification Number issued in terms of SEBI (Central Database of Market Participants) Regulations, 2003, as amended from time to time.
ULIP	Unit Linked Insurance Plan
UoI	Union of India
VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended from time to time
VCFs	Venture Capital Funds as defined in and registered with SEBI under the VCF Regulations
Water Act	Water (Prevention and Control of Pollution) Act, 1974

Notwithstanding the foregoing, defined terms in the portions titled '*Key Regulations and Policies*', '*Main Provisions of the Articles of Association*', '*Statement of Tax Benefits*', '*Risk Factors*', '*Management's Discussion and Analysis of Financial Condition and Results of Operation*', '*Summary of Business*' and '*Our Business*', shall have the meaning given to such terms in that portion.

CERTAIN CONVENTIONS AND PRESENTATION OF FINANCIAL DATA

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references to 'India' in the Draft Red Herring Prospectus are to the Republic of India, together with its territories and possessions, all references to the 'US', the 'USA', the 'United States' or the 'U.S.' are to the United States of America, together with its territories and possessions.

Financial Data

Unless stated otherwise, the financial data in the Draft Red Herring Prospectus is derived from our audited financial statements for the Fiscals 2007, 2008, 2009, 2010, 2011 and for the quarter ended June 30, 2011, prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Indian GAAP which are included in the Draft Red Herring Prospectus, and set out in the section titled '*Financial Information*' beginning on page 148 of the Draft Red Herring Prospectus. Our Fiscal commences on April 1 and ends on March 31 of the following year, so all references to a particular Fiscal are to the twelve-month period ended March 31 of that year. In the Draft Red Herring Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, IFRS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and the investors should consult their own advisors regarding such differences and their impact on the financial data. Accordingly, the degree to which the restated financial statements included in the Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Draft Red Herring Prospectus should accordingly be limited.

Any percentage amounts, as set forth in the sections / chapters titled '*Risk Factors*', '*Our Business*' and '*Management's Discussion and Analysis of Financial Condition and Results of Operations*' beginning on pages 13, 92 and 177 respectively, of the Draft Red Herring Prospectus and elsewhere in the Draft Red Herring Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Indian GAAP.

Currency and units of presentation

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

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

All references to the word 'Lakh' or 'Lac', means 'One hundred thousand' and the word 'Million' means 'Ten Lacs' and the word 'Crore' means 'Ten Million' and the word 'Billion' means 'One thousand Million'.

FORWARD LOOKING STATEMENTS

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

These forward-looking statements generally can be identified by words or phrases such as 'aim', 'anticipate', 'believe', 'expect', 'estimate', 'intend', 'objective', 'plan', 'predict', 'project', 'prospect', 'may', 'might', 'risk', 'strategy', 'uncertain', 'will', 'will continue', 'will pursue' or other words or phrases of similar import. Similarly, statements that describe our aims, strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results and property valuations to differ materially from those contemplated by the relevant statement.

Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and which have an impact on our 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 laws, regulations and taxes and changes in competition in our industry.

Important factors that could cause actual results to differ materially from our expectations include, among others:

1. Implementation risks involved in our projects;
2. Significant changes in the exchange rates;
3. Increase in freight, interest rates, etc.;
4. Competition from existing players;
5. Working capital arrangements;
6. Growth of unorganised sector and threat from national/regional players;
7. Changes in laws and regulations relating to the industry in which we operate;
8. Disruption in supply of raw materials;
9. Changes in political and social conditions in India, the monetary and interest rate policies in India and / or other countries, inflation, deflation, anticipated turbulence in interest rates, equity prices or other rates or prices;
10. Imposition of any anti- dumping duties in the Industry in which we operate;
11. Our ability to successfully implement our strategy, growth and expansion plans;
12. The outcome of legal or regulatory proceedings that we are or might become involved in;
13. Contingent liabilities and uninsured losses;
14. Changes in government policies and regulatory actions that apply to or affect our business;
15. Developments affecting the Indian economy;
16. Ability to retain appropriate personnel;
17. Uncertainty in global financial markets; and
18. Occurrence of natural disasters or calamities affecting the areas in which our Company has its operations.

For further discussion of factors that could cause our actual results to differ from our expectations, please refer sections / chapter titled '*Risk Factors*', '*Our Business*' and '*Management's Discussion and Analysis of Financial Condition and Results of Operations*' beginning on pages 13, 92 and 177 respectively, of the 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.

Forward looking statements reflects views as of the date of the Draft Red Herring Prospectus and not a guarantee of future performance. Neither our Company, our Directors and officers and the BRLM nor any of the Syndicate Members nor any of their respective affiliates has any obligation to, and do not intend to, update or

otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLM will ensure that investors in India are informed of material developments until the time of the grant of listing and trading approvals by the Stock Exchanges.

SECTION II - RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in the Draft Red Herring Prospectus, including the risks and uncertainties summarised below, before making an investment in our Equity Shares. The risks described below are relevant to the industries our Company is engaged in, our Company and our Equity Shares. To obtain a complete understanding of our Company, you should read this section in conjunction with the chapters titled 'Our Business' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations' beginning on pages 92 and 177 respectively, of the Draft Red Herring Prospectus as well as the other financial and statistical information contained in the Draft Red Herring Prospectus. Prior to making an investment decision, prospective investors should carefully consider all of the information contained in the section titled 'Financial Information' beginning on page 148 of the Draft Red Herring Prospectus. Unless stated otherwise, the financial data in this section is as per our financial statements prepared in accordance with Indian GAAP.

If any one or more of the following risks as well as other risks and uncertainties discussed in the Draft Red Herring Prospectus were to occur, our business, financial condition and results of our operation could suffer material adverse effects, and could cause the trading price of our Equity Shares and the value of investment in the Equity Shares to materially decline which could result in the loss of all or part of investment. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India, and is therefore subject to a legal and regulatory environment that may differ in certain respects from that of other countries.

The 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 many factors, including the considerations described below and elsewhere in the Draft Red Herring Prospectus.

These risks are not the only ones that our Company faces. Our business operations could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial to our operations. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify financial or other implication of any risks mentioned herein.

Materiality

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

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

Internal risks

- 1. There are certain legal proceedings involving us and our Directors, our Promoters and our Group Entities. Any adverse decision in such proceedings may render us liable to claims/ penalties and may adversely affect our business and results of operations.***

Our Company, our Promoters, our Directors and our Group Entities are involved in certain legal proceedings including certain taxation matters. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers, and appellate authorities or other judicial authorities and if determined against us could have an adverse impact on our business including financial condition and results of operations. No assurances can be given that these legal proceedings will be decided in favour of our Company/ our Promoters/ Group Entities or that it may not have any adverse outcome, nor can any assurance be given that no further liability will arise out of these claims. Any adverse decision may have a significant impact on our business and reputation and results of operations. Should any new developments arise, such as any change in Indian law that may have a retrospective effect on any cause of action that has already arisen, rules, regulations or any orders against the parties by appellate courts or tribunals, our Company may need to make additional provisions in its financial statements that could increase expenses and current liabilities.

(₹ in Lacs)

Type of Proceedings	Number of matters	Amount to the extent quantifiable
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Cases filed against our Company		
Civil cases	4	60
Tax Proceedings	1	82.19
Total	5	142.19
Cases filed against our Directors and Promoters		
Tax cases	1	Nil
Total	1	Nil
Cases filed by our Directors and Promoters		
Civil cases	1	5
Total	1	5
Potential Litigation involving our Company		
Tax Cases	3	Not ascertainable
Total	3	Not ascertainable
Potential Litigation involving Promoters		
Tax Cases	2	Not ascertainable
Total	2	Not ascertainable
Potential Litigation involving our Group Entities		
Tax matters	4	2.07
Total	4	2.07

**The table above does not include those penalties, interests and costs, if any, which may be imposed or which may arise out of demand have been pleaded but not quantified in the course of legal proceedings, or which the tribunal or other judicial authorities otherwise has the discretion to impose. The imposition and amount of such penalties / interests / costs are at the discretion of the tribunal or other judicial authorities before which the case is pending. Such liability, if any, would crystallize only on the order of the tribunal before which the respective matter(s) / are pending.*

For further details regarding these legal proceedings, please refer to the chapter titled ‘*Outstanding Litigations and Material Developments*’ beginning on page 189 of the Draft Red Herring Prospectus.

2. *Some of our Group Entities are engaged in similar line of activities to that of our Company, which could lead to possible conflicts of interests and could adversely affect our business, results of operations and financial condition.*

Some of our Group Entities namely, Sataksi Polymers Private Limited, V-Two Plastics Private Limited, M/s. Adhya Himalayan Waters, M/s. Hans Plastics and M/s. Mahodar Beverages are engaged in or could offer services that are related to similar line of activities as that of our Company, which may lead to conflicts of interest. The main activities of these entities entitle each of them to undertake and carry out activities that are similar or related to our business. Although, our Company has entered into non-compete agreements with these Group Entities, conflicts may arise in the ordinary course of our decision-making. Among other situations, conflicts may also arise in connection with our negotiations and dealings with third parties with respect to services that they are expected to provide to us and the arrangements that we may enter into with them. Conflicts may also arise in the allocation of resources, including contractors and intellectual property, between these Group Entities and our Company. Moreover, our Promoters have no obligation to direct any opportunities to our Company in respect of common business objectives. There can be no assurance that these Group Entities will not provide comparable services, expand their presence or acquire interests in competing ventures in the locations in which we operate. Our Company has entered into memoranda of understanding with each of these Group Entities for non-compete terms, with our Company. For further details regarding the activities of each of these Group Entities and terms of the said memoranda, please refer to the chapter titled “Our Group Entities” beginning on page 141 of the Draft Red Herring Prospectus. Our Company cannot assure that no conflict of interest will arise between the activities carried out by our Company with that of these Group Entities in future, or that we will be able to suitably resolve such a conflict without any adverse effect on our business and results of operations and financial condition.

3. *Our Company has in the past entered into related party transactions and may continue to do so in the future.*

Our Company has, in course of business, entered into certain business transactions with related parties. While our Company believes that all our related party transactions have been conducted on an arm’s length basis, our Company cannot assure you that it could not have achieved more favourable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our Company’s business, prospects, results of operations and

financial condition, including potential conflicts of interest or otherwise. The transactions by our Company with related parties as summarised from the financial statements is as given below:

(₹ in Lacs)

Particulars	Quarter ended June 30, 2011	Year ended March 31, 2011
Purchases	0	0.37
Sales	0	1.48
Rent	2.4	17.39
Salary	0	9.98
Legal & Professional	0.75	0
Director Remuneration	21.02	43.78
Staff Welfare	0.18	0.89
Job Works(Income)	0	0
Security Deposit	0	0
Fixed Assets Purchase	0	4.08
Fixed Assets Sale	0	0
Loan Taken	277.25	527.38
Loan Repaid	86.78	416

For more information on related party transactions, please refer to section titled “*Related Party Transactions*” in the chapter titled “*Financial Statements*” beginning on page 148 of the Draft Red Herring Prospectus.

4. Our Company has had a negative investing and financing cash flow in the past.

As per our Restated Financial Statements, our negative cash flow from Investing and Financing activities for FY 2007, 2008, 2009, 2010, 2011 and for the quarter ended June 30, 2011 are as follows:

(₹ in Lacs)

Particulars	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	Quarter ended June 30, 2011
Net cash from / (used in) Investing Activities	(1,244.89)	(619.49)	(1,039.95)	(2,189.86)	(2,345.46)	(517.15)
Net cash from / (used in) Financing Activities	*	(445.76)	(165.23)	*	*	*

* indicates positive cash flow

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet its capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flow, it may adversely affect our business and financial condition. For further details please refer to the chapter titled ‘*Financial Information*’ and chapter titled ‘*Management’s Discussion and Analysis of Financial Condition and Results of Operations*’ as reflected in the Financial Statements beginning on pages 148 and 177 respectively, of the Draft Red Herring Prospectus.

5. Our Company has certain contingent liabilities that have not been provided for in its accounts and which, if materialises, may adversely affect our financial condition.

Our contingent liabilities as at March 31, 2011 and June 30, 2011, are as follows:

(₹ in Lacs.)

YEAR/PERIOD ENDED	Quarter ended on 30-June-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Disputed Entry Tax Demand, excise duty, sales tax	54.79	54.79	54.79	54.79	69.62	69.62
Disputed Income Tax Demand	0.00	0.00	0.00	0.00	0.00	0.00
Bills Discounted with Banks	0.00	0.00	0.00	0.00	0.00	0.00

YEAR/PERIOD ENDED	Quarter ended on 30-June-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Guarantees Invoked by Buyer not provided in Books	0.00	0.00	0.00	0.00	7.00	7.00
Import Letter of Credits issued by Company's Bankers	387.35	387.79	595.77	37.55	0.00	0.00
Guarantees given by Company's Bankers in normal course of	1196.79	1,376.74	790.50	640.50	640.00	640.00
Total	1,638.93	1,819.32	1,441.06	732.84	716.62	716.62

We cannot assure you that any or all of these contingent liabilities will not become actual liabilities. In the event any or all of these contingent liabilities become actual liabilities, it may have an adverse effect on our financial condition. For further details, please refer to the chapter titled “*Financial Information*” beginning on page 148 of the Draft Red Herring Prospectus.

6. We have in the last 12 months issued Equity Shares at a price which may be lower than the Issue Price.

We have in the last 12 months issued shares on preferential basis at a price which may be lower than the Issue Price to persons belonging to Promoter Group and others. The said allotment was made on October 28, 2011. For further details please refer to the chapter titled “*Capital Structure*” beginning on page 46 of the Draft Red Herring Prospectus.

7. Substantial portion of our revenues in the past has been dependent on few clients. The loss of any one or more of our major clients would have a material adverse effect on our business operations and profitability.

For the financial year ended March 31, 2011, our top two clients accounted for approximately 80% of our Net Sales and we have long term contract only with one of them. We cannot assure you that we will continue to maintain such levels of business from our top clients or that we will be able to replace our top clients in case we lose any of them. In case we are unable to broad base our client profile, the loss of any of our existing major client for any reason would have a material adverse effect on our business operations and profitability.


8. Our Company does not have any long-term agreements with majority of its clients which may have a material adverse effect on our business, results of operations and financial condition.

Our Company has been dealing with some of our clients for several years. However, we do not have any long-term agreements with these clients. Although, we lay a strong emphasis on quality, timely delivery of our products and personal interaction by the top management with the clients, they do not have any obligation to place orders with us, they may either cancel, reduce or delay their orders which could have a material adverse effect on our business, result of operations and financial condition.

9. Raw materials constitute a significant percentage of our Company's total expenditure. Any material increase in the prices of raw material or any shortfall in its supply could have a material adverse effect on our Company's business and financial condition.

Raw materials like PET, PP, HDPE and LLDPE constitute a significant percentage of the total expenditure of our Company. Although the impact of cost of raw materials is entirely passed on to our clients, any increase in the price of these raw materials, which our Company is unable to pass on the impact of, would have a material adverse effect on our Company's business and financial condition. Further, any material shortage or interruption in the supply of these raw materials due to natural causes or other factors may also adversely affect our Company's business and financial condition.

10. We rely on intellectual property which is licensed to us by one of our Group Entities and our business may be adversely affected if we are unable to renew these licenses.

Our Company conducts its business under the brand name “Varahi” and logo “ **Varahi®**” which are trademarks of M/s. V-2 Corp. Our Company is licensed to use the said trademarks and other intellectual property rights under the terms of license agreements entered into with M/s. V-2 Corp. The said license agreements are valid until 2021 and renewable in accordance with the terms thereof. If we are unable to create any intellectual property of our own and we are unable to renew the existing license agreements, it may affect manufacturing and selling of our products thereby affecting our business. Consequently, our results of

operations could be adversely affected. For further details, please refer to the chapter titled “Our Business” beginning on page 92 of the Draft Red Herring Prospectus.

11. Any inability to manage our growth could disrupt our business, results of operations and financial condition.

We have experienced significant growth in recent years. Our Net Sales, as restated, grew at an annual growth rate of 43%, 6% and 17% during Fiscal 2011, 2010 and 2009, respectively in Indian Rupee terms. We expect our future growth to place significant demands on both our management and our resources. This will require us to continuously evolve and improve our operational, financial and internal controls across the organisation. In particular, continued expansion increases the challenges we face in:

- adhering to our high quality and process execution standards;
- maintaining high levels of customer satisfaction;
- ability to successfully implement our strategy, growth and expansion plans; and
- ability to retain appropriate personnel.

If we are unable to manage our growth it could have an adverse effect on our business, results of operations and financial condition.

12. Our manufacturing units are on properties that are not owned by us. Disruption of our rights to use these properties may adversely effect our manufacturing operations and our business. Further these agreements entered into by our Company may not be adequately stamped and registered.

Our manufacturing units are on properties taken on leave & license basis or lease basis. Our properties at Jharmajri and Pantnagar are taken on leasehold basis from governmental bodies/authorities (unexpired term being over 85 years). Our properties at Noida are held on leasehold basis by our Promoters (unexpired term being over 55 years) and further licensed/sublet to our Company. However, disruption of our rights to use the properties or termination of the agreements or a failure to renew these agreements on the same terms or terms favourable to us or at all, may adversely effect our manufacturing operations and, consequently, our business.

Further, these agreements entered into by our Company may not be adequately stamped and/or registered. The potential consequence of this could be that such agreements may not be admissible as evidence in a court of law, until the adequate stamp duties are paid and the relevant registration, if required, is done. Any claim or adverse order/ finding in connection with these properties may adversely affect the operations of our Company. For details of our properties, please refer to the chapter titled “Our Business” beginning on page 92 of the Draft Red Herring Prospectus.

13. The loss of or shutdown of operations at our manufacturing units could have a material adverse effect on our business, financial condition and results of operations.

We own and operate five manufacturing units located across various states to carry out our manufacturing activities. Our plants are subject to operating risks, such as shutdowns due to the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, adequate utilisation rates, obsolescence of equipment, industrial accidents or any other reason and the need to comply with the directives and applicable regulations. Although, we have had no such occurrences in the past and we take precautions to minimise the risk of any significant operational problems at our facilities, the occurrence of any of the aforementioned operating risks could significantly affect our business, financial condition and results of operations.

14. Our success depends largely on our senior management and key managerial personnel and our ability to attract and retain them.

We are highly dependent on the senior management and key managerial personnel of our Company. Our future performance will be affected by the lack of continued service of these persons. We do not maintain key man life insurance for any of the senior members of our management team or other key managerial personnel. We cannot assure that we will be able to retain our senior management personnel or key personnel or attract and retain them in the future. The loss of any of the members of our senior management or other key personnel may adversely affect our business, results of operations and financial condition. For further details, please refer to the chapter titled “Our Management” beginning on page 124 of the Draft Red Herring Prospectus.

15. Two of our Group Entities have incurred losses in the past

Two of our Group Entities, namely V-Two Plastics Private Limited and Yoshaka Edutech Private Limited have incurred losses in the past. V-Two Plastics Private Limited incurred losses in FY 2011, 2010 and 2009 while Yoshaka Edutech Private Limited incurred losses in FY 2011 and 2010 as per their respective audited financial statements. For further details on these Group Entities, please refer to the chapter titled “Our Group Entities” beginning on page [●] of the Draft Red Herring Prospectus. Sustained financial losses by our Group Entities may be perceived adversely by external parties such as customers, bankers and suppliers, which may affect our reputation and business operations.

(₹ in Lacs)

Name of the Group Entity	Profit after Tax (PAT)		
	2011	2010	2009
V-Two Plastics Private Limited	(0.09)	(0.11)	(0.09)
Yoshaka Edutech Private Limited	(48.47)	(11.26)	NA

16. We may not be successful in implementing our business strategies effectively or at all.

The success of our business will depend greatly on our ability to implement our business strategies effectively. For details, please refer to the paragraph titled “Our Strategy” under the chapter titled “Our Business” beginning on page 92 of the Draft Red Herring Prospectus. Implementation of our business strategies has placed and is expected to continue to place, significant demands on our management, capital, administrative and human resources. We plan to expand the existing range of our products, increase our client base, explore inorganic growth opportunities and maintain high quality standards. Our ability to execute our business strategy is subject to a variety of risks, including those set forth in this section. Besides, in the event we are unable to execute our business strategy fully or successfully, our development might be hindered. As such, we cannot assure you that we will be able to execute our business strategy successfully or fully or at all, or that we will be able to manage our growth effectively, and any failure to do so could have a material adverse effect on our business, prospects, financial condition or results of operations.

17. Competition from other domestic producers particularly in the unorganised sector may adversely affect our profitability.

We face competition from other existing domestic producers and potential entrants to the industry in which we operate that may adversely affect our competitive position and our profitability. Loss of market share and competition may also adversely affect our profitability. We also face competition for customers from other players in the organised and unorganised markets. We expect competition could increase with new entrants coming into this industry and existing players consolidating their positions. Some of our competitors may have access to significantly greater resources and hence our inability to compete more effectively may adversely affect our profitability.

18. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures, restrictive covenants in our financing arrangements and our debt repayment schedule.

Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures, restrictive covenants in our financing arrangements and our debt repayment schedule. Our ability to pay dividends is also restricted under certain financing arrangements that we have entered into and expect to enter into. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements, financial condition and results of operations.

19. The Company's operations are subject to extensive governmental regulations which have in the past and could in the future cause it to incur significant costs or liabilities or interrupt or close our operations, any of which events may adversely affect our results of operations and financial condition.

Our business, financial condition, results of operations and prospects are subject to a number of significant legal and regulatory matters. The costs, liabilities and requirements associated with complying with existing and future laws and regulations may be substantial and time-consuming and may delay the commencement or continuation of our business activities. New legislations or regulations may be adopted in the future that may materially and adversely affect our Company's operations, cost structure or customers' ability to use its products. New legislations or regulations, or different or more stringent interpretation or enforcement of existing laws and regulations, may also require our Company to change its operations significantly or incur increased costs, which could have a material adverse effect on our results of operations and financial condition.

20. *We have not obtained any approval from IOCL in relation to the Issue.*

We have entered into a consignment stockist agreement with Indian Oil Corporation Limited. Under the terms of the said agreement, we are required to obtain an approval from IOCL if we bring about any change in our capital structure. Our Company has requested IOCL for such an approval and we are awaiting the same as on the date of filing of the Draft Red Herring Prospectus.

21. *We are dependent on third party transportation providers for the delivery of raw materials and products. Continuing increases in transportation costs or unavailability of transportation services for our products may have an adverse effect on our business, financial condition and results of operations.*

We use third party transportation providers for the supply of most of our raw materials and for delivery of our products to our customers. Non-availability of adequate means of transport could adversely affect our receipt of raw materials and the delivery of our products. While, the end consumer bears the freight cost presently, we cannot assure that same arrangements will continue in view of the increase in transport costs. In such an event, our business, financial condition and results of operation may be adversely affected.

22. *If we are not able to obtain, renew or maintain the statutory and regulatory permits and approvals required to operate our business, it may have a material adverse effect on our business.*

We require various statutory and regulatory permits and approvals to operate our business. For details on the status of our statutory and regulatory permits, please refer to the chapter titled “Government and Other Approvals” beginning on page 196 of the Draft Red Herring Prospectus. Some permits and approvals are required to be renewed upon their expiry. While we believe that we will be able to renew or obtain such permits and approvals as and when required, there can be no assurance that the relevant authorities will issue any or all requisite permits or approvals in the time-frame anticipated by us, or at all. Any failure by us to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business.

23. *We may face a risk on account of not meeting our export obligations.*

We have obtained licenses under Export Promotion Capital Goods Scheme (“EPCG”) as listed under the heading ‘EPCG Licenses’ in the chapter titled ‘Government and Other Approvals’ beginning on page 196 of the Draft Red Herring Prospectus. As per the licensing requirement under the said scheme, we are required to export goods of a defined amount, failing which, we have to make payment to the GoI equivalent to the duty benefit enjoyed by us under the said scheme along with interest thereon. As on the date of filing of the Draft Red Herring Prospectus, our outstanding export total obligation is US\$ 15,89,758.71.

24. *Our indebtedness and the conditions and restrictions imposed by our financing arrangements could adversely affect our ability to conduct our business and operations.*

There are covenants in the agreements entered into with our lenders for our borrowings that require us to obtain written consent from lenders prior to, amongst other events, creating further encumbrances on our assets, disposing of assets outside the ordinary course of business, paying dividends to our shareholders, effecting any scheme of amalgamation or restructuring, undertaking guarantee obligations, undertaking new projects, effecting any change in the capital structure and advancing funds or placing deposits with any other concerns. There can be no assurance that we will be able to comply with these financial or other covenants or restrictions or that we will be able to obtain the consents necessary to take the actions we believe are required to operate and grow our business. For further details, please to the chapter titled “Financial Information” beginning on page 148 of the Draft Red Herring Prospectus.

25. *Our insurance cover may not adequately protect us against all material hazards.*

Our Company has various insurance policies covering stocks, building, furniture, plant and machinery, etc. We believe that we have insured ourselves against the majority of the risks associated with our business. Our significant insurance policies provide cover for risks relating to physical loss, theft or damage to our assets. While we believe that the policies that we maintain would reasonably be 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 maintained by us will be honoured fully, in part or on time, or that we have obtained sufficient insurance (either in amount or in terms of risks covered) to cover all material losses. To the extent that we suffer loss or damage for events for which we are not insured or for which our insurance is inadequate, the loss would

have to be borne by us, and, as a result, our results of operations and profitability could be adversely affected. For further details, please refer to the paragraph titled “Insurance” under the chapter titled “Our Business” beginning on page 92 of the Draft Red Herring Prospectus.

26. *Our Company has unsecured loans from our Promoters which are repayable on demand. Any demand for repayment of such unsecured loans, may adversely affect our business operations and financial condition of our Company.*

As on June 30, 2011, our Company has interest free unsecured loans from our Promoters aggregating ₹ 379.83 Lacs which are repayable on demand. For further details of these unsecured loans, please refer to chapter titled “Financial Information” beginning on page 148 of the Draft Red Herring Prospectus. In the event of any demand for repayment of such unsecured loans, the resultant cash outgo, may adversely affect our business operations and financial position of our Company.

27. *The objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution and the deployment of funds is entirely at our discretion. Any revision in the estimates may require us to reschedule our proposed expenditure and may have a bearing on our expected revenues and earnings.*

Our funding requirements and the deployment of the proceeds of the Issue are based on management estimates, current quotation from suppliers, current business plan and have not been appraised by any bank or financial institution. For further details, please refer to the chapter titled “Objects of the Issue” beginning on page 58 of the Draft Red Herring Prospectus. We may have to revise our expenditure and fund requirements as a result of variations including in the cost structure, changes in estimates, changes in quotations, exchange rate fluctuations and external factors, which may not be within our control. This may entail rescheduling, revising or cancelling the planned expenditure and fund requirement and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at our discretion. Further, the deployment of the funds towards the objects of the Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency.

28. *We may face risks related to credit given to our customers.*

As of March 31, 2011 and June 30, 2011, our sundry debtors owed us ₹ 1,715.54 lacs and ₹ 2,091.32 lacs, respectively out of which only 10-15% is due for more than six months. Hence currently we are not exposed to credit risk on monies owed to us by our customers. However, we cannot assure you that this trend will continue in future and if our customers do not pay us on time, or at all, we may have to make provisions for or write-off such amounts which may adversely affect our financial condition.

29. *We have not identified the land for the proposed projects. Any delay in the acquisition of the land may lead to time and cost overrun of the proposed projects, which may adversely affect our expansion plans and business operations.*

Our Company proposes to invest ₹ 932.62 Lacs out of the Issue Proceeds for acquisition of land which constitutes 8.48 % of the Issue for the purposes of the proposed projects. We are yet to identify and we cannot assure you that we will be able to acquire the land at or below the price estimated by us. For further details please refer to the chapter titled ‘Objects of the Issue’ beginning on page 58 of the Draft Red Herring Prospectus. Further, there may be a delay in the schedule of implementation, if our Company fails to identify and acquire the land in a reasonable time, which may adversely affect our projections in relation to such acquisition of land. Any such events may have an adverse affect on our expansion plans and business operations.

30. *We have not placed any purchase order for machinery for the proposed projects. Any delay in placing these orders may lead to cost overrun and may also extend the delivery period of the machinery which may adversely affect our expansion plans and business operations.*

Our Company proposes to invest ₹ 4,448.41 Lacs out of the Issue Proceeds which constitutes 40.44 % of the Issue for purchase of machinery. However, we have not placed any purchase orders for the same. For further details, please refer to the chapter titled “Objects of the Issue” beginning on page 58 of the Draft Red Herring Prospectus. Any delay in placing these orders may lead to increase in costs of the machinery. Further, these machineries are not readily available and any such delay in placing the purchase orders may extend the delivery period of the machinery which may lead to time and cost overrun of our proposed projects and may adversely affect our expansion plans and business operations.

- 31. Our Company did not have a whole time secretary for a period of 42 months, intermittently between October 2004 and November 2010, as required under the Companies Act. Such non-compliance may result into imposition of fine on our Company.**

The paid up capital of our Company exceeded ₹ 500 Lacs in February 2004 pursuant to which our Company was required to have a whole time secretary under the provisions of Section 383A of the Companies Act and accordingly, we appointed a whole time secretary in March 2004. However, Our Company did not have a whole time secretary for a period of 42 months, intermittently between October 2004 and November 2010..

Our Company or our officers may be liable for imposition of fines for such non-compliance under Section 383A of the Companies Act, 1956, for the aforesaid periods.

- 32. Any inability to implement the Projects as stated in our Objects of the Issue successfully within the scheduled timelines and budgeted costs may adversely affect our business, results of operations and financial condition.**

We may not be able to successfully execute the projects as stated in our “Objects of the Issue” or be able to execute it within the scheduled timelines and budgeted costs or be able to garner requisite market share due to various factors including but not limited to changes in market environment, technology, customer preferences, availability of finance, change in government policies etc. In such and event, our business, results of operations and financial condition may be adversely affected.

- 33. We are subject to risk arising from exchange rate fluctuations.**

Our exchange rate risk primarily arises from our import of machinery. The exchange rate between the United States Dollar and the Euro with that of the Indian Rupee has been volatile in recent years and may continue to fluctuate in the future. Therefore, fluctuations in these exchange rates may have a material adverse effect on the cost of purchase of machinery, which may in turn have a negative impact on our business and results of operations.

Risks Associated with the Equity Shares

- 34. The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the issue price and you may not be able to sell your Equity Shares at or above the Issue Price.**

The Issue Price of our Equity Shares will be determined on the basis of the Book Building Process. This price will be based on numerous factors. For further information, please refer Chapter titled “Basis for Issue Price” beginning on page 72 of the Draft Red Herring Prospectus and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price are:

- Quarterly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- General market conditions; and
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

- 35. Fluctuations in operating results and other factors may result in decreases in our Equity Share price.**

Stock markets have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of our Equity Shares. There may be significant volatility in the market price of our Equity Shares. If we are unable to operate profitably or as profitably as we have in the past, investors could sell our Equity Shares when it becomes apparent that the expectations of the market may not be realised, resulting in a decrease in the market price of our Equity Shares. In addition to our operating results, the operating results of other competitor companies, changes in financial estimates or recommendations by analysts, governmental investigations and litigation, speculation in the press or investment community, changes in general conditions in the economy or the financial markets, or other developments affecting the industry in which we operate, could cause the market price of our Equity Shares to be issued to fluctuate substantially.

36. Additional issuances of equity may dilute your holdings.

Any future issuance of our Equity Shares or securities linked to our Equity Shares may dilute your shareholding in our Company. Any issuance of Equity Shares may dilute the holdings of our existing shareholders. After the completion of the Issue, our Promoters and members of the Promoter Group will own, directly and indirectly, approximately [●] % of our outstanding Equity Shares. Sales of a large number of our Equity Shares by our Promoters and the members of the Promoter Group could adversely affect the market price of our Equity Shares. Similarly, the perception that any such primary or secondary sale may occur could adversely affect the market price of our Equity Shares.

37. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realised on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("STT") has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. Any gain realised on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident.

38. The Equity Shares issued pursuant to the Issue may not be listed on the BSE and the NSE in a timely manner, or at all, and any trading closures at the BSE and the NSE may adversely affect the trading price of our Equity Shares.

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorising the issuing of Equity Shares to be submitted and there could therefore be a failure or delay in listing the Equity Shares on the BSE and the NSE. Any failure or delay in obtaining such approval would restrict your ability to dispose of your Equity Shares. The BSE and the NSE have in the past experienced problems, including temporary exchange closures, broker defaults, settlements delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including our Equity Shares. A closure of, or trading stoppage on, either of the BSE and the NSE could adversely affect the trading price of the Equity Shares.

External Risk

39. Many countries including India have have joined in the efforts to ban or limit the use of plastic products. In case any plastic packaging products manufactured by us are banned in India or in any of the markets where we export/market our products, it could have a material and adverse effect on our business and results of operations.

Since plastic products take longer time to biodegrade, many countries including India have limited the use of plastic products as an environmental measure. Additionally, countries around the world are also finding alternatives to the use of plastic products. While none of the measures taken so far have directly made an impact on our business, we cannot assure that any future measures will not have an adverse impact on our business. If the GoI legislates against the use of plastic products or if regulations for the manufacture and use of our packaging products are made more stringent, it could have a material and adverse effect on our business and results of operations.

40. Our business and results of operations are also affected by government policy on duties, taxation and export incentives.

Taxes and other levies imposed by the GoI or state governments that affect our industry include:

- import duties on imports of machinery;
- central excise duty;
- central sales tax;

- income tax;
- value added tax;
- service tax; and
- any other new or special taxes, cess and surcharges introduced on a permanent or temporary basis from time to time.

A hike in any of the above taxes or levies may significantly affect our business, financial condition, results of operations.

41. We are exposed to risk related to variations in interest rate.

Our indebtedness to banks is exposed to risk in the form of policy changes by the RBI with respect to interest rates. The interest rates on these borrowings follow RBI's policies, which are generally announced through credit policy measures announced from time to time by RBI. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. Moreover, our interest rate risk is also affected primarily by the short-term interest rates set by Indian banks. We intend prepaying a major part of our term loan from proceeds of this Issue to reduce the risk.

Risks Associated with the Indian Economy

42. A slowdown in economic growth in India could cause our business to suffer.

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India;
- prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- variations in exchange rates;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- prevailing regional or global economic conditions, including in India's principal export markets; and
- other significant regulatory or economic developments in or affecting India.

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

43. Our transition to IFRS reporting could have a material adverse effect on our reported results of operations or financial condition.

Our Company may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with, the IFRS announced by the Ministry of Corporate Affairs, Government of India through a press note dated January 22, 2010 ("IFRS Convergence Note"). The Ministry of Corporate Affairs by a press release dated February 25, 2011 has notified that 35 Indian Accounting Standards are to be converged with IFRS. The date of implementation of such converged Indian accounting standards has not yet been determined and will be notified by the Ministry of Corporate Affairs after various tax related issues are resolved. We have not yet determined with certainty what impact the adoption of IFRS will have on our financial reporting. Our financial condition, results of operations, cash flow or changes in shareholders' equity may appear materially different under IFRS than under Indian GAAP or our adoption of IFRS may adversely affect our reported results of operations or financial condition. This may have a material adverse effect on the amount of income recognised during that period.

In addition, in our transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems and internal controls. Moreover, our transition may be hampered by increasing competition for the relatively small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements. There can

be no assurance that our adoption of IFRS will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt IFRS by an agreed deadline could have a material adverse effect on the price of our Equity Shares.

44. Political instability or changes in the government could delay the liberalisation of the Indian economy and adversely affect economic conditions in India generally, which could impact our financial results and prospects.

Since 1991, successive Indian governments have pursued policies of economic liberalisation, including significantly relaxing restrictions on the private sector. Nevertheless, the role of the Indian central and state governments in the Indian economy as producers, consumers and regulators has remained significant. The leadership of India has changed many times since 1996. The current central government, which came to power in May 2009, is headed by the Indian National Congress and is a coalition of several political parties. Although the current government has announced policies and taken initiatives that support the economic liberalisation policies that have been pursued by previous governments, the rate of economic liberalisation could change, and specific laws and policies affecting foreign investment and other matters affecting investment in our securities could change as well. Additionally, any change in these policies could have a significant impact on infrastructure development, business and economic conditions in India.

45. Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude.

46. Instability in financial markets could materially and adversely affect our results of operations and financial condition.

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the U.S. or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reaction to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

47. Natural disasters could have a negative impact on the Indian economy and cause our business to suffer.

India has experienced significant natural disasters such as earthquakes, a tsunami, floods, drought, fires and spread of pandemic diseases such as the H5N1 avian flu and the H1N1 swine flu, in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy and infrastructure. Prolonged spells of abnormal rainfall and other natural calamities could have an adverse impact on the Indian economy in which we operate, which could adversely affect our business and the price of our Equity Shares.

Prominent Notes:

1. Investors may contact the BRLM for any complaint pertaining to the Issue. All grievances relating to ASBA may be addressed to the Registrar to the Issue, with a copy to the relevant SCSBs, giving full details such as name, address of the Bidder, number of Equity Shares for which the Bidder applied, Bid Amounts blocked, ASBA Account number and the Designated Branch of the SCSBs where the ASBA Form has been submitted by the ASBA Bidder. For contact details of the BRLM and the Compliance Officer, please refer to chapter titled 'General Information' beginning on page 37 of the Draft Red Herring Prospectus.
2. Public Issue of [●] Equity Shares of face value of ₹10/- each for cash at a price of ₹[●] per Equity Share (including share premium of ₹ [●] per Equity Share) aggregating to ₹ 11,000 Lacs. The Issue will constitute [●] % of the post Issue paid-up capital of our Company.

3. Our Net Worth as at June 30, 2011 and March 31, 2011 was ₹ 5,794.11 Lacs and 5466.34 Lacs respectively, as per our restated audited financial statements, under Indian GAAP included in the Draft Red Herring Prospectus. The Net Asset Value per Equity Share as at June 30, 2011 and March 31, 2011 was ₹ 28.97 and 27.33 respectively, as per our restated audited financial statements, under Indian GAAP included in the Draft Red Herring Prospectus. For further details, please refer to chapter titled '*Financial Information*' beginning on page 148 of the Draft Red Herring Prospectus.

4. The average cost of acquisition per Equity Share by our Promoters is set forth in the table below:

Name of the Promoter	Average cost of acquisition (in ₹)
Mr. Pramit Sanghavi	3.22
Mr. Dewang Sanghavi	3.19

5. Our Company has not changed its name in the past three years, except the change resulting from the conversion of our Company into a public limited company on May 12, 2011 and whereby, there was no amendment to the object clause of our Memorandum resulting from this change in name. For further details of our Company, please refer to the chapter '*History and Certain Corporate Matters*' beginning on page 119, of the Draft Red Herring Prospectus.
6. This being an Issue for Equity Shares representing more than 25% of the post-Issue equity share capital of our Company, Equity Shares will be offered to the public for subscription in accordance with Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR"), and the SEBI ICDR Regulations. The Issue is being made pursuant to Regulation 26(1) of the SEBI ICDR Regulations through the 100% Book Building Process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs") ("QIB Portion"). 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 QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders subject to valid Bids being received at or above the Issue Price. All potential non-retail Bidders, shall participate in this Issue through the Application Supported by Blocked Amount ("ASBA") process. Retail Bidders participating in this Issue may also utilise the ASBA process to submit their Bids. For details, please refer to the chapter titled '*Issue Procedure*' beginning on page 222 of the Draft Red Herring Prospectus.
7. For details of Group Companies/Entities having business interest or other interests in our Company, please refer to the chapter titled '*Our Group Entities*' beginning on page 141 of the Draft Red Herring Prospectus.
8. Except as disclosed in Annexure on Related Party Transactions under chapter titled '*Financial Information*', '*Our Promoters and Promoter Group*', '*Our Group Entities*' and '*Our Management*' on pages 148, 137, 141 and 124 respectively, of the Draft Red Herring Prospectus, none of our Promoters, Directors, Key Managerial Personnel or Group Entities have any business or other interest, other than to the extent of Equity Shares held by them and to the extent of the benefits arising out of such shareholding.
9. There has been no financing arrangement whereby the Promoter Group, our Directors and their relatives have financed the purchase, by any other person, of securities of our Company during the period of six months immediately preceding the date of the Draft Red Herring Prospectus.

SECTION III – INTRODUCTION

SUMMARY OF OUR INDUSTRY

INDIAN ECONOMY

GDP registers a healthy 8.4 per cent CAGR over the last 5 years

India's economy has been growing at a healthy rate over the last 5 years. On an average, Indian economy has grown at 8.4 per cent CAGR over the period 2005-06 to 2010-11. Real GDP grew faster at 8.5 per cent in 2010-11 as compared to the 8 per cent growth recorded in 2009-10. This growth was mainly led by robust agriculture growth, which surged to 6.6 per cent in 2010-11 from a meagre 0.4 per cent in 2009-10. Both industry and services growth, however, declined in 2010-11 to 7.9 per cent and 9.4 per cent, respectively.

CRISIL Research expects GDP growth rate to decline to 7.7-8.0 per cent in 2011-12. Given the high inflationary pressure as well as a need for fiscal consolidation, there is little room for fiscal and monetary stimulus, even if the external environment deteriorates further.

Private consumption grew strongly by 8.6 per cent in 2010-11

GDP, at market prices, clocked 8.8 per cent growth in 2010-11, against 9.1 per cent growth in 2009-10. But, both private consumption and fixed investment grew faster at 8.6 per cent each in 2010-11 as compared to 7.3 per cent each in 2009-10. International trade performed extremely well as overall exports, at \$246 billion, exceeded the annual target of \$200 billion by a significant margin.

Relationship with the packaging industry

As India's economy grows driven by the expansion in agriculture and industry the demand for packaging also rises with increased production. Buoyant growth also increases affordability overtime thereby generating demand for consumer goods, which is the main demand driver for the packaging industry. Over the last 3 years (2008-09 to 2010-11), GDP at factor cost has grown on an average 7.8 per cent. During the same period (2007 to 2010), the Indian packaging industry grew at about 15 per cent CAGR.

PACKAGING INDUSTRY

Packaging is essential for the preservation and movement of retail, institutional and industrial goods. With changing lifestyles and increased consumerism, packaging has acquired greater importance. It performs four basic functions: protection, containment, dissemination of information and utility of product.

Types of Packaging

The packaging industry uses different materials like glass, metals, wood and polymers for packaging different types of products. Packaging industry can be classified on the different basis namely, shape/form/size of packaging, method of packing, contents packed and materials used for packing.

Types of industry classification

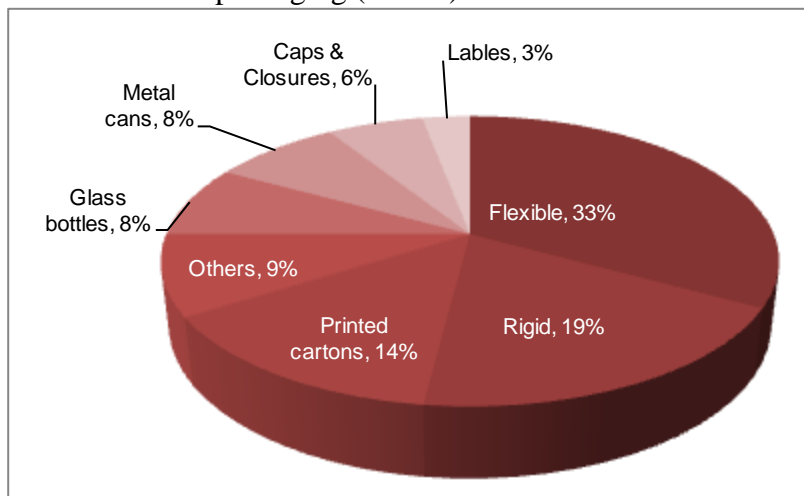
On the basis of the material used, the packaging industry can be broadly classified as: rigid and flexible. Rigid packaging involves the use of glass, tin, aluminium, wood and plastic. Flexible packaging involves the use of lightweight, durable and flexible materials like plastic films, paper and aluminium foils. In 2010, rigid packaging accounted for about 76 per cent of the total packaging industry and flexible packaging accounted for the balance.

Industry Structure & Market Size

The Indian packaging industry is estimated to be about Rs 860 billion (2010). The industry is highly fragmented and local. This is a low-capital, technology-intensive business and hence attracts a large number of small players. It includes both organised large players (both Indian and international) having pan-India presence and unorganised small and medium size players with local presence. The organised segment typically caters to

major FMCG and pharmaceutical companies who are conscious about quality and the ability to produce different types of packaging products enabling them to target a larger market. Flexible packaging is the largest segment contributing about 33 per cent of the total industry.

Market share of packaging (2010E)



E - Estimated

Source: Packaging India

Industry Review & Outlook

India's packaging industry has grown at a healthy 15 per cent CAGR over the last 3 years. While rigid packaging has grown at a little over 14 per cent, flexible packaging has grown faster at approximately 17 per cent over the past 5 years. Recent trends show, flexible packaging is gaining share, owing to its better properties and advantages. Rural marketing, which promotes smaller sachets, is one of the key drivers of flexible packaging. Additionally, 8-10 per cent of the flexible packaging products are exported.

Growth Drivers

As the economy grows driven by increased industrial production and international trade, it generates demand for the packaging industry. Moreover, with increasing population, rising income levels, changing food habits and increased penetration of organised retail, preference for branded products is also expanding. Growing preference for branded foods is also a major catalyst for the growth of packaging industry. In addition, other factors like rise in the number of nuclear families, rural marketing and growth from end-user industries also fuel the packaging industry's demand growth.

PACKAGED DRINKING WATER INDUSTRY

Amongst other things, access to clean drinking water is a basic necessity for a healthy living. In India, access to safe drinking water has always been an issue due to several reasons. Overpopulation and scarcity of water resources are some of the major factors. This has resulted in high growth in demand for packaged drinking water.

Industry structure & Regulation

The domestic packaged water industry is highly fragmented and local with more than 1,000 players. The bottled water industry in India is regulated by Bureau of India Standards (BIS) by providing ISI mark. All Indian packaged water manufacturers have to mandatorily obtain the ISI mark from BIS for manufacturing and sale of packaged drinking water or natural mineral water.

In India, there are two categories of packaged water as recognized by BIS:

1. **Packaged natural mineral water (PNMW):** This is regulated under IS: 13428 and is drawn from a natural source. It should meet the composition standard defined under IS: 13428 and must be bottled without altering the natural composition of water. Some brands under this category are, Evian, Qua, Himalayan, etc.
2. **Packaged drinking water (PDW):** This is regulated under IS: 14543 and is ordinary water treated to meet the regulatory standards. In this case, any of the processes of filtration/disinfection listed under the IS: 14543 can be used for changing the composition of water before bottling. Some popular brands are, Kinley, Aquafina, Bailey, etc.

Major growth drivers

Demand for packaged drinking water is being driven by

- **Higher disposable income**
- **Increased preference for hygiene**
- **Improved affordability**
- **Easier availability of packaged drinking water**
- **Shortage of safe drinking water**

Major players

- While in the past, Bisleri virtually dominated the organised packaged drinking water industry, today it is competing against multiple local and international players. Some other major players in the branded packaged drinking water industry today are Parle (Bailey), Coca Cola (Kinley), PepsiCo India (Aquafina), Tata (Himalayan), etc.

SUMMARY OF OUR BUSINESS

The financial figures used in this chapter, unless otherwise stated, have been derived from our Company's restated financial statements for the relevant years.

Overview

Our Company, incorporated in the year 1993, is engaged in the manufacturing of plastic packaging products. We offer a broad spectrum of packaging products which includes plastic caps and closures, PET pre-forms, PET / HDPE / PP Bottles, PET Jars and containers made from rigid plastics and caters to various FMCG, Pharmaceuticals and other Companies. We innovate and design new concepts in plastic packaging by using different technologies like Injection Molding (IM), Extrusion Blow Molding (EBM), Injection Stretch Blow Molding (ISBM), Injection Blow Molding (IBM) and Compression Molding (CM).

Since inception our Company has made continuous efforts to grow and expand our business and products lines. We started as a manufacturer of plastic caps and closures at Delhi and then diversified into manufacturing of PET / HDPE / PP bottles, PET jars, PET pre-forms and PET containers at our unit in Baddi, Himachal Pradesh (Unit-I) in the year 2003. We increased our manufacturing facilities by setting up units at Noida and Pantnagar. In the year 2008, our Company expanded the capacity by acquiring a partnership firm, M/s. Sachi Plastics at Pantnagar engaged in the business of manufacturing plastic caps, bottles and other plastic items. We further increased our manufacturing facilities by setting up another unit at Baddi, Himachal Pradesh (Unit-II) in the year 2010 and this unit has received ISO 22000:2005 certification from International Certifications Limited. We have licence to use a total of 70 intellectual properties which consists of 58 designs, 2 copyrights, 1 patent and 9 trademarks.

Our Company's business strategy is to offer one stop solution to all our clients through a systematic process right from initiation of the order to the delivery. Our core competency lies in understanding the gaps in the market, the technology and requirements of our clients and accordingly manufacture quality products to suit our client's requirements

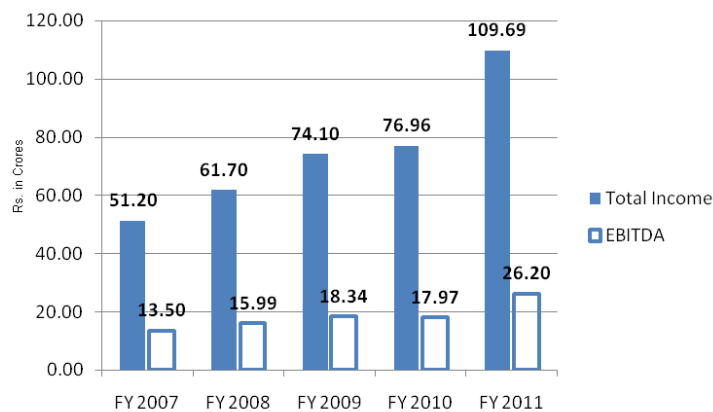
Our Company segments the customers as per their geographies, the look of the product and the features desired and accordingly cater to their requirements. We have our plants in close proximity to the clients' set-up, thus reducing the inventory for the client. Last year, in order to maintain the quality and reduce the production time, we purchased a machine from SACMI, Italy and installed the same in Unit-II at Baddi, Himachal Pradesh for manufacturing plastic caps. There is no human intervention in the process right from input of raw materials and getting the finished product and hence has helped us in maintaining uniform quality and increasing the volume of production at reduced man power.

With more than a decade's presence in the packaging industry, our Company has identified the demand and supply gap and is proposing to set up a unit in Indore, Madhya Pradesh to manufacture plastic packaging products like Plastic Caps and Closures, PET Pre-Forms, PET / HDPE / PP Bottles, PET Jars and PET Containers, which will help our Company to increase the geographical and client-base along with enhanced production capacities.

As part of diversification we propose to set up a unit at Manesar, Haryana for manufacturing and bottling packaged drinking water. *For further details on these projects, please refer to the chapter titled "Object of the Issue" beginning on page 58 of the Draft Red Herring Prospectus.*

Our Company has also been appointed by IOCL (Indian Oil Corporation Limited) as a consignment stockist on a non-exclusive basis for products such as LLDPE, HDPE, PP and such other products as may be intimated by IOCL from time to time ("**Products**") for the area covered under the state of Uttarakhand. Our Company is also appointed as del-credere associate for securing prompt payments to IOCL against sale of products by IOCL to its customers.

The last decade for our Company was marked with a significant capacity expansion with the number of manufacturing units increasing from one to five. Our Company is headquartered at New Delhi and has five manufacturing facilities, one each at Noida, New Delhi and Pantnagar and two at Baddi. This approach of having a wide product portfolio and at multiple locations for diversified customers has helped us in tapping multiple avenues and has helped us grow over the years.



For the fiscal year 2011, we had net sales of ₹ 10,846.18 Lacs and net profit as restated of ₹ 1,056.02 Lacs, as compared to net sales of ₹ 7,583.32 Lacs and net profit as restated of ₹ 766.50 Lacs in fiscal year 2010. Our Net Sales have grown at the rate of 43% in fiscal year 2011 as compared to fiscal year 2010.

Competitive Strengths

Our principal competitive strengths are as follows:

- 1. Usage of modern equipments and technology***
- 2. Wide product portfolio, multiple locations and diversified customers base***
- 3. Repeat Orders***
- 4. We have a qualified and experienced employee base and management team with vast knowledge in this domain***

Our Strategies

- 1. Expansion of existing range of products through innovation and diversification***
- 2. Continue to develop client relationships***
- 3. Explore inorganic growth opportunities***
- 4. Maintain high quality standards***

SUMMARY OF OUR FINANCIAL INFORMATION

STATEMENT OF AUDITED ASSETS AND LIABILITIES AS RESTATED

(₹. In Lakhs)

YEAR/PERIOD ENDED	Quarter ended on 30-June-	Year ended 31-Mar-11	Year ended 31-Mar-10	Year ended 31-Mar-09	Year ended 31-Mar-08	Year ended 31-Mar-
A. Fixed Assets						
Gross Block	10,121.13	8,932.22	7,242.95	4,745.85	4,651.13	3,487.86
Less: Depreciation	2,463.15	2,301.96	1,789.79	1,464.57	1,102.29	789.10
Net Block	7,657.98	6,630.26	5,453.16	3,281.28	3,548.84	2,698.76
Capital Work-in-Progress	626.96	1,298.72	716.91	1,124.82	210.14	760.58
TOTAL FIXED ASSETS (A)	8,284.94	7,928.98	6,170.07	4,406.10	3,758.98	3,459.34
B. Investments (B)	0.27	0.27	0.27	0.27	0.27	0.27
C. Current Assets, Loans & Advances						
Inventories	2,555.10	2,559.56	1,719.08	1,303.37	1,080.14	781.89
Receivables/Sundry Debtors	2,091.32	1,715.54	1,022.42	630.13	823.05	747.38
Cash & Bank Balances	58.15	34.95	16.79	29.79	30.40	13.69
Loans & Advances	908.95	961.89	858.39	526.16	538.76	477.36
TOTAL (C)	5,613.52	5,271.94	3616.68	2489.45	2472.35	2020.32
D. Liabilities & Provisions						
Secured Loans	6,185.12	6,094.10	3,531.21	2,414.95	2,394.01	2,615.60
Unsecured Loans	379.83	189.35	77.97	74.54	25.63	4.43
Deferred Tax Liability	488.49	455.59	349.46	280.69	559.41	376.02
Current Liabilities & Provisions	1,051.18	995.81	1372.82	435.22	667.68	504.90
TOTAL (D)	8,104.62	7,734.85	5331.46	3205.40	3646.73	3500.95
E. Net Worth [A+B+C-D]	5,794.11	5,466.34	4455.56	3690.42	2584.87	1978.98
F. Represented By						
Share Capital (A)	2,000.00	2,000.00	2,000.00	1,800.00	700.00	700.00
Paid up Share Capital	2,000.00	2,000.00	2,000.00	1,800.00	700.00	700.00
Reserves & Surplus (B)	3,848.66	3,523.53	2467.51	1901.01	1899.51	1,293.11
Accumulated Profits	1,489.98	1,164.85	108.83	142.33	282.01	275.61
General Reserve	2,358.68	2,358.68	2,358.68	1,758.68	1,617.50	1,017.50
Miscellaneous Expenditure to the extent not written off (C)	54.55	57.19	11.95	10.59	14.64	14.13
TOTAL (A+B-C)	5,794.11	5466.34	4455.56	3690.42	2584.87	1978.98
Net Worth	5794.11	5466.34	4455.56	3690.42	2584.87	1978.98

Note: The above summary of statement of Assets & Liabilities are to be read with notes to restated financial statement and significant accounting policies as appearing in Annexure -4 under the chapter titled "Financial Information" beginning on page [●] of Draft Red Herring Prospectus.

STATEMENT OF AUDITED PROFIT AND LOSS AS RESTATED**(₹ in Lakhs)**

YEAR/PERIOD ENDED	Quarter ended on 30-June-	Year ended 31-Mar-	Year ended 31-Mar-	Year ended 31-Mar-	Year ended 31-Mar-	Year ended 31-Mar-07
Income						
Sales						
-Manufactured Goods	3,439.30	11,092.25	7,785.07	7,466.96	6,452.79	5,419.57
-Traded Goods	-	-	-	-	-	-
Less: Excise Duty	(82.08)	(246.07)	(201.75)	(336.24)	(387.97)	(402.75)
Net Sales	3,357.22	10,846.18	7,583.32	7,130.72	6,064.82	5,016.82
Commission Income	11.41	20.53	-	-	-	-
Other Income	17.48	27.68	109.98	189.79	81.05	131.52
Increase/(Decrease) in stock	(11.20)	70.83	2.93	89.46	23.94	(28.44)
Total Income	3,374.91	10,965.22	7,696.23	7,409.97	6,169.81	5,119.90
Expenditure						
Raw Material Consumed	1,724.90	6,071.29	4,460.57	4,415.56	3,612.26	3,033.58
Other Manufacturing Expenses	510.74	1,730.00	907.82	817.46	623.89	488.75
Employees Cost	50.75	119.78	155.80	85.56	71.26	60.26
Administrative, Selling and Distribution Expenses	242.86	426.47	371.45	252.02	262.05	187.18
Preliminary Expenses Written off	2.64	13.68	3.96	5.26	1.66	-
TOTAL EXPENDITURE	2,531.89	8,361.22	5,899.60	5,575.86	4,571.12	3,769.77
Net Profit before Interest, Depreciation & Tax	843.02	2,604.00	1,796.63	1,834.11	1,598.69	1,350.13
Depreciation	161.19	521.57	378.77	382.91	321.14	264.78
Net Profit before Interest & Tax	681.83	2,082.43	1,417.86	1,451.20	1,277.55	1,085.35
Interest/Financial Charges	234.68	624.91	405.48	533.94	372.29	243.86
Net Profit before Tax & Extraordinary Item	447.15	1,457.52	1,012.38	917.26	905.26	841.49
Provision for Taxation						
Current	89.13	293.68	170.31	117.17	102.18	98.98
Deferred	32.89	106.14	68.77	(278.72)	183.40	157.72
Previous Year Tax & FBT	-	-	-	-	-	25.12
Fringe Benefit Tax	-	-	-	8.38	5.81	4.86
Net Profit After Tax but before Extraordinary Item	325.13	1,057.70	773.30	1,070.43	613.87	554.81
Extraordinary Item (Prior period items) transfer from next year	-	1.68	6.80	10.11	7.47	0.00
Net Profit	325.13	1,056.02	766.50	1060.32	606.40	554.81
Net Profit As Restated	325.13	1,056.02	766.50	1060.32	606.40	554.81
APPROPRIATION						

YEAR/PERIOD ENDED	Quarter ended on 30-June-	Year ended 31-Mar-	Year ended 31-Mar-	Year ended 31-Mar-	Year ended 31-Mar-	Year ended 31-Mar-07
Add: Brought Forward from Previous Period	1,164.85	108.83	142.33	282.01	275.61	220.80
Less: Transfer to General Reserve	-	-	800.00	1,200.00	600.00	500.00
Balance C/f to Balance Sheet	1,489.98	1,164.85	108.83	142.33	282.01	275.61

STATEMENT OF RESTATED CASH FLOW STATEMENT

(₹ in Lakhs)

YEAR/PERIOD ENDED	Quarter ended on 30-Jun-11	Year ended 31-Mar-11	Year ended 31-Mar-10	Year ended 31-Mar-09	Year ended 31-Mar-08	Year ended 31-Mar-07
A) Cash Flow from Operating Activities						
Net Profit before tax & Extraordinary Items	447.15	1,457.52	1,012.38	917.26	905.26	841.49
Adjustments for -						
Depreciation	161.19	521.57	378.77	382.91	321.14	264.78
(Profit)/Loss on sale of Fixed Assets	0.00	-0.77	41.80	8.73	(3.47)	10.81
Interest Income	0.00	0.00	0.00	0.00	0.00	0.00
Preliminary Expenses	2.64	13.68	3.96	5.26	1.66	0.00
Interest & Financial Expenses	225.75	530.79	335.23	276.26	245.37	183.57
Non-operating income						
Foreign Exchange Fluctuation	(0.39)	(7.83)	(3.75)	(4.86)	0.00	0.00
Interest (operating)	(9.03)	(20.85)	(1.32)	(0.68)	0.00	0.00
Misc. Income	(2.81)	0.00	0.00	(3.12)	(0.92)	(118.62)
Operating profit before working capital changes	824.50	2,494.11	1,767.07	1,581.76	1,469.04	1,182.03
Adjustments for -						
1. Decrease/(Increase) in Debtors	(375.78)	(693.22)	(392.29)	192.92	(75.67)	(306.73)
2. Decrease/(Increase) in Inventories	4.46	(840.48)	(415.71)	(223.22)	(298.25)	(120.92)
3. Decrease/(Increase) in Loans & Advances	52.94	(103.49)	(332.23)	12.60	(61.40)	(167.59)
4. Increase/(Decrease) in Current Liabilities & Provisions	55.39	(358.98)	945.97	(225.90)	197.51	245.90
Cash generated from operations	561.51	497.94	1572.81	1,338.16	1,231.23	832.69
Direct Taxes Paid (net)	(89.13)	(304.79)	(178.69)	(132.15)	(142.72)	(98.39)
Cash flow before extraordinary item	472.38	193.15	1,394.12	1,206.01	1,088.51	734.30
Extraordinary Item	0.00	(1.68)	(6.80)	(10.11)	(7.47)	0.00
Non-operating income	12.23	28.68	5.07	8.66	0.92	118.62
Net Cash From Operating Activities	484.61	220.15	1,392.39	1,204.56	1,081.96	852.92
B) Cash Flow from Investing Activities						
1. Purchase of Fixed Assets	(1,215.03)	(2,312.79)	(2,970.89)	(1,143.68)	(646.47)	(1,377.15)
2. Purchase of Investments	0.00	0.00	0.00	0.00	0.00	0.00
3. Sale of Fixed Assets	697.88	26.25	786.36	104.93	29.15	136.98
4. Interest Received	0.00	0.00	0.00	0.00	0.00	0.00
5. Misc Expenditure	0.00	(58.92)	(5.33)	(1.20)	(2.17)	(4.72)
Net Cash (Used in)/From Investing Activities	(517.15)	(2,345.46)	(2,189.86)	(1,039.95)	(619.49)	(1,244.89)

YEAR/PERIOD ENDED	Quarter ended on 30-Jun-11	Year ended 31-Mar-11	Year ended 31-Mar-10	Year ended 31-Mar-09	Year ended 31-Mar-08	Year ended 31-Mar-07
C) Cash Flow from Financing Activities						
1. Interest & Finance Charges Paid	(225.75)	(530.79)	(335.23)	(276.26)	(245.37)	(183.57)
2. Proceed from short term borrowings	0.00	0.00	0.00	0.00	0.00	0.00
3. Proceeds from Long Term borrowings	91.02	2,562.88	1,116.27	20.94	(221.59)	558.30
4. Proceeds from Unsecured Loans	190.47	111.38	3.43	48.92	21.20	0.49
5. Proceeds From Capital	0.00	0.00	0.00	41.18	0.00	0.00
6. Dividend paid	0.00	0.00	0.00	0.00	0.00	0.00
7. Dividend tax Paid	0.00	0.00	0.00	0.00	0.00	0.00
Net Cash (Used in)/From Financing Activities	55.74	2,143.47	784.47	(165.22)	(445.76)	375.22
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	23.20	18.16	(13.00)	(0.61)	16.71	(16.75)
Cash & Cash Equivalents at the Start of the Period	34.95	16.79	29.79	30.40	13.69	30.44
Cash & Cash Equivalents at the Close of the Period	58.15	34.95	16.79	29.79	30.40	13.69

Adjustments

Statement of Adjustment in Profit & Loss Account arising out of Changes in accounting Policies and material adjustments relating to previous years/periods:

(₹ in Lakhs)

YEAR/PERIOD ENDED	Quarter ended on 30-Jun-11	Quarter ended 31-Mar-11	Quarter ended 31-Mar-10	Quarter ended 31-Mar-09	Quarter ended 31-Mar-08	Quarter ended 31-Mar-07
Net Profit / (Loss) After Tax as per Audited P & L A/C	323.45	1,070.54	732.78	770.91	760.80	751.51
Adjustments - Increase / (Decrease)						
1. Income & Fringe Benefit Tax (Excess & Short Provision made)	-	11.10	3.08	(10.95)	9.54	28.46
2. Income & Fringe Benefit Tax (For earlier years Deposited)	-	-	-	-	-	(25.12)
3. Change in Deferred Tax due to change in Provision of gratuity, leave encashment & WDV of Fixed Assets	-	(14.43)	11.69	302.14	(159.85)	(139.55)
4. Foreign exchange booked on closing balance of Foreign debtors	-	(.12)	0.11	0.03	(0.02)	-
5. Prior Period Expense (Adjusted in respective year)	1.68	5.12	3.31	(2.64)	(7.47)	-
6. Profit on sale of Assets	-	(3.41)	-	-	3.41	-
7. Change in Provision for gratuity & Leave encashment	-	(12.78)	15.53	0.83	(0.01)	(3.57)
Net Total (Decrease)/Increase due to Adjustments	1.68	(14.52)	33.72	289.41	(154.40)	(196.70)
Net Profit /(Loss) After Tax as per Restated Profit and Loss	325.13	1,056.02	766.50	1,060.32	606.40	554.81

Notes for above adjustments:-

YEAR/PERIOD ENDED	Quarter ended on 30-June-11	Quarter ended 31-Mar-11	Quarter ended 31-Mar-10	Quarter ended 31-Mar-09	Quarter ended 31-Mar-08	Quarter ended 31-Mar-07
Disputed Entry Tax Demand, excise duty, sales tax	54.79	54.79	54.79	54.79	69.62	69.62
Disputed Income Tax Demand	0.00	0.00	0.00	0.00	0.00	0.00
Bills Discounted with Banks	0.00	0.00	0.00	0.00	0.00	0.00
Guarantees Invoked by Buyer not provided in Books	0.00	0.00	0.00	0.00	7.00	7.00
Import Letter of Credits issued by Company's Bankers	387.35	387.79	595.77	37.55	0.00	0.00
Guarantees given by Company's Bankers in normal course of	1196.79	1,376.74	790.50	640.50	640.00	640.00
Total	1,638.93	1,819.32	1,441.06	732.84	716.62	716.62

THE ISSUE

The table below gives an overview of the Issue structure in brief:

Equity Shares offered:	
Issue aggregating up to ₹ 11,000 Lacs	[●] Equity Shares
<i>Of which¹</i>	
1. Qualified Institutional Buyers (QIB Portion)	QIB Portion of not more than [●] Equity Shares constituting not more than 50% of the Issue
<i>Of which</i>	
Mutual Fund ²	Mutual Fund Portion of not more than [●] Equity Shares constituting 5% of the QIB Portion available for allocation to proportionately to Mutual Funds only
Balance QIB Portion	[●] Equity Shares
2. Non-Institutional Bidders (Non-Institutional Portion)	[●] Equity Shares constituting not less than 15% of the Issue
3. Retail Individual Bidders (Retail Portion)	[●] Equity Shares constituting not less than 35% of the Issue
Equity Shares outstanding prior to the Issue	2,08,06,872 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of Issue proceeds	Please refer to the chapter titled “Objects of the Issue” beginning on page 58 of the Draft Red Herring Prospectus

¹Allocation to all categories shall be made on a proportionate basis subject to valid Bids received at or above the Issue Price. Under-subscription, if any, in any category would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLM, and the Designated Stock Exchange; and in accordance with applicable laws, rules, regulations and guidelines, subject to valid bids being received at or above the Issue Price.

²5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, out of the QIB Portion. Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the balance QIB Portion.

For further details, please refer to chapter titled ‘Issue Structure’ beginning on page 220 of the Draft Red Herring Prospectus.

GENERAL INFORMATION

Incorporation

Our Company was incorporated as Varahi Plastics Private Limited on December 17, 1993 under the Companies Act, *vide* Certificate of Incorporation bearing registration number 55-56515 of 1993-94 issued by the Additional Registrar of Companies, Delhi & Haryana. The name of our Company was changed to Varahi Private Limited pursuant to fresh certificate of incorporation consequent upon change of name, dated September 08, 2006, issued by the Assistant Registrar of Companies, National Capital Territory of Delhi & Haryana. Lastly, our Company was converted into a public limited company under the Companies Act, pursuant to a fresh certificate of incorporation consequent upon change of name on conversion to public limited company dated May 12, 2011, issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana and the name of our Company was changed to Varahi Limited.

The Corporate Identification Number of our Company is U74899DL1993PLC056515.

Our Registered Office

WZ - 8/1, Kirti Nagar,
Industrial Area,
New Delhi – 110 015
India.

Tel: +91 – 11 – 2510 7300

Fax: +91 – 11 – 2545 1504

Website: www.varahi.in

There has been no change in the Registered Office of our Company since incorporation.

Our Registrar of Companies

Registrar of Companies, Delhi and Haryana

4th floor, IFCI Tower,
61, Nehru Place,
New Delhi – 110 019
India

For physical verification of documents

Plot No. 131,
Sector 5, IMT – Manesar,
Gurgaon, Haryana,
India.

Our Board of Directors

The Board of Directors as on the date of the Draft Red Herring Prospectus is as follows:

Sr. No.	Name and Designation	Age (in years)	DIN	Address
1.	Mr. Pramit Sanghavi <i>Chairman and Managing Director</i>	51	00039239	R-639, Second Floor, New Rajendra Nagar, New Delhi – 110 060.
2.	Mr. Dewang Sanghavi <i>Whole Time Director</i>	49	00039247	Flat No: 1802, Tower 3, Uniworld Gardens, Sector 47, Gurgaon – 122 018, Haryana
3.	Mr. Navin Shah <i>Independent Director</i>	69	02701860	House number 26, Street number 53, Punjabi Bagh West, New Delhi – 110 026
4.	Mr. Rajender Kumar Chawla <i>Independent Director</i>	75	03523843	A-380, Defence Colony, New Delhi – 110 024

For detailed profile of our Directors, please refer to the chapter titled '*Our Management*' beginning on page 124 of the Draft Red Herring Prospectus.

Company Secretary**Ms. Monika Sinha****Varahi Limited**

WZ - 8/1, Kirti Nagar,

Industrial Area,

New Delhi – 110 015

India

Tel: +91 –11 – 2510 7300**Fax:** +91 – 11 – 2545 1504**Email:** ipo@varahi.in**Website:** www.varahi.in***Compliance Officer*****Mr. Antony Varghese**

DGM – Finance & Operations

Varahi Limited

WZ - 8/1, Kirti Nagar,

Industrial Area,

New Delhi – 110 015

India

Tel: +91 –11 – 2510 7300**Fax:** +91 – 11 – 2545 1504**Email:** ipo@varahi.in**Website:** www.varahi.in

Investors can contact the Compliance Officer, Mr. Antony Varghese and/or the Registrar to the Issue, Bigshare Services Private Limited and/or the Book Running Lead Manager, Saffron Capital Advisors Private Limited, in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of allocation, credit of Allotted Equity Shares in the respective beneficiary account or refund orders, etc.

For all Issue related queries and for redressal of complaints, investors may also write to the Book Running Lead Manager. All complaints, queries or comments received by SEBI shall be forwarded to the Book Running Lead Manager, who shall respond to the same.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, Bigshare Services Private Limited with a copy to the relevant SCSBs giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked, ASBA Account number and the Designated Branch or the collection centre of the relevant SCSBs where the ASBA Form was submitted by the ASBA Bidder.

Book Running Lead Manager***Saffron Capital Advisors Private Limited***

A – 102, Everest Grande,

Mahakali Caves Road,

Andheri (East),

Mumbai – 400 093,

Maharashtra,

India.

Tel: +91 – 22 – 4082 0921/-0915**Fax:** +91 – 22 – 4082 0999**Email:** ipo.varahi@saffronadvisor.com**Investor grievance Email:** investorgrievance@saffronadvisor.com**Website:** www.saffronadvisor.com**Contact Person:** Mr. Harshit Vora / Mr. Arun Babu**SEBI Registration Number:** INM 000011211***Legal Advisor to the Issue*****M/s. Crawford Bayley & Co.**

Advocates & Solicitors
State Bank Buildings, 4th Floor,
N.G.N. Vaidya Marg, Fort,
Mumbai – 400 001,
Maharashtra,
India
Tel: +91 –22 –2266 8000
Fax: +91 – 22 – 2266 3978
Email: sanjay.asher@crawfordbayley.com

Registrar to the Issue

Bigshare Services Private Limited
E-2/3, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (East),
Mumbai – 400 072,
Maharashtra,
India
Tel: +91 – 22 – 4043 0200
Fax: +91 – 22 – 2847 5207
Email: ipo@bigshareonline.com
Website: www.bigshareonline.com
Investor grievance: investor@bigshareonline.com
Contact Person: Mr. Ashok Shetty
SEBI Registration Number: INR 000001385

Banker to our Company

Canara Bank
Prime Corporate Branch –II,
2nd Floor, World Trade Tower,
Barakhanba Lane,
New Delhi – 110 001,
India.
Tel: +91 – 11 – 2341 4202
Fax: +91 – 11 – 2341 1590
Email: akjindal@canbank.co.in
Website: www.canarabank.com
Contact Person: Mr. A. K. Jindal

Bankers to the Issue / Escrow Collection Banks

The Bankers to the Issue / Escrow Collection Bank(s) shall be appointed prior to filing of the Red Herring Prospectus with RoC.

Refund Banker(s)

The Refund Banker(s) shall be appointed prior to filing of the Red Herring Prospectus with RoC in consultation with the BRLM.

Syndicate Members

The Syndicate Member(s) will be appointed prior to filing the Red Herring Prospectus with RoC in consultation with the BRLM.

Brokers to this Issue

All the members of the recognised stock exchanges would be eligible to act as brokers to the Issue in consultation with the BRLM.

Self Certified Syndicate Banks

The list of banks have been notified by SEBI to act as SCSBs for ASBA process, which is available on SEBI's website at <http://www.sebi.gov.in/pmd/scsb.html> and at such other websites as may be prescribed by SEBI from time to time. For details of the Designated Branches with which ASBA Bid cum Application Forms can be physically submitted, please refer to the abovementioned link.

Statutory Auditor to our Company

M/s. Mohit Parekh & Co., Chartered Accountants

572, Gandhi Cloth Market,
2nd Floor, Chandani Chowk,
Delhi – 110 006,
India.

Tel: +91 – 11 – 2391 8093/2395 8433

Fax: +91 – 11 – 2391 1496

Email: mm_ap_c@yahoo.co.in

Contact Person: Mr. Mohit Parekh (Membership Number: 81069)

Firm Registration No.: 002067N

Statement of Responsibilities of the Book Running Lead Manager

The following table sets forth the responsibilities for various activities by Saffron Capital Advisors Private Limited as sole BRLM for the Issue:

Sr. No.	Activity
1.	Capital Structuring with relative components and formalities such as type of instruments, etc.
2.	Due diligence of Company's operations / management / business plans / legal etc. Drafting and design of the Offer Document including memorandum containing salient features of the Prospectus. The BRLM shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, ROC and SEBI including finalisation of Prospectus and ROC filing.
3.	Drafting and approval of all statutory advertisement
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in 3 above including corporate advertisement, brochure etc.
5.	Appointment of other intermediaries viz., Registrar's, Printers, Advertising Agency, Bankers to the Issue
6.	Preparation of Road show presentation and preparation of FAQs
7.	International Institutional Marketing strategy <ul style="list-style-type: none"> Finalise the list and division of investors for one to one meetings, in consultation with the Company, and Finalising the International road show schedule and investor meeting schedules.
8.	Domestic institutions / banks / mutual funds marketing strategy <ul style="list-style-type: none"> Finalise the list and division of investors for one to one meetings, institutional allocation in consultation with the Company. Finalising the list and division of investors for one to one meetings, and investor meeting schedules.
9.	Non-Institutional and Retail marketing of the Issue, which will cover, <i>inter alia</i> , <ul style="list-style-type: none"> Formulating marketing strategies, preparation of publicity budget Finalise Media and PR strategy; Finalising centres for holding conferences for press and Brokers; Follow-up on distribution of publicity and Issuer material including form, prospectus and deciding on the quantum of the Issue material. Finalise Collection Centres
10.	Co-ordination with Stock Exchanges for Book Building Software, bidding terminals and mock trading.
	Finalisation of Pricing, in consultation with the Company
11.	The post bidding activities including management of escrow accounts, co-ordination of non-institutional allocation, intimation of allocation and dispatch of refunds to bidders etc. The post Offer activities for the Offer involving essential follow up steps, which include the finalisation of trading and dealing of instruments and demat of delivery of shares, with the various agencies connected with the work such as the registrar's to the Issue and Bankers to the Issue and the bank handling refund business. The merchant banker shall be responsible for ensuring that these agencies fulfill their

Sr. No.	Activity
	functions and enable it to discharge this responsibility through suitable agreements with the Company.

Even if any of these activities may be handled by other intermediaries, the BRLM shall be responsible for ensuring that these agencies fulfil their functions and enable it to discharge these responsibilities through suitable agreements with our Company.

Credit rating

This being an issue of Equity Shares, there is no requirement of credit rating for the Issue.

IPO Grading

This Issue has been graded by Crisil Limited and has been assigned IPO Grade [●] indicating '[●]' fundamentals through its letter dated [●]. The IPO grading is assigned on a [●] scale from [●] with an "IPO Grade [●]" indicating [●] fundamentals and an "IPO Grade [●]" indicating [●] fundamentals. Special attention of the investors is drawn to the disclaimer appearing under the paragraph titled 'Disclaimer clause of the IPO Grading Agency' in the chapter titled 'Other Regulatory and Statutory Disclosures' beginning on page 206 of the Draft Red Herring Prospectus.

This grading expires within [●] from the date of the report. The rationale for the IPO Grade assigned to our Company's IPO by [●], has been set out in its report dated [●].

Grading Rationale

The rationale / description furnished by the IPO Grading Agency will be updated at the time of filing the Red Herring Prospectus with SEBI and will be made available for inspection at our Registered Office from 10.00 a.m. to 4.00 p.m. on Working Days during the Bid/ Issue Period.

Expert Opinion

Except for the report of Crisil Limited in respect of the IPO Grading of this Issue furnishing the rationale for its grading which will be provided to the Designated Stock Exchange (a copy of which will be annexed to the Red Herring Prospectus as Annexure I) and the reports of the Statutory Auditor, M/s. Mohit Parekh & Co., Chartered Accountants, in respect information contained in the chapters titled "Financial Information" and "Statement of Tax Benefits" beginning on page 148 and 74, respectively, of the Draft Red Herring Prospectus, our Company has not obtained any expert opinions.

Trustees

As this is an Issue of Equity Shares, the appointment of Trustees is not required.

Monitoring Agency

A monitoring agency is not required to be appointed in terms of sub-regulation (1) of Regulation 16 of the SEBI ICDR Regulations. The Board of Directors of our Company will monitor the use of the proceeds of this Issue.

Project Appraisal

The objects of the Issue have not been appraised by any appraising entity. The objects of this Issue and means of finance, therefore, are based on internal estimates of our Company.

BOOK BUILDING PROCESS

Book Building refers to the process of collection of Bids made by the investors on the basis of the Red Herring Prospectus. The Issue Price shall be determined by our Company, in consultation with the Book Running Lead Manager, after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

1. Our Company;
2. BRLM, in this case being Saffron Capital Advisors Private Limited;
3. Syndicate Member(s) who are intermediaries registered with SEBI or registered as brokers with the Stock Exchange(s) and eligible to act as underwriters. Syndicate members are appointed by the BRLM;

4. Registrar to the issue, in this case being Bigshare Services Private Limited;
5. Banker(s) to the issue, Refund Bank(s); and
6. Self Certified Syndicate Banks.

This Issue is being made in compliance with Regulation 26(1) of the SEBI ICDR Regulations and through the Book Building Process. In accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees shall be not less than 1,000.

This being an Issue for Equity Shares representing more than 25% of the post-Issue equity share capital of our Company, Equity Shares will be offered to the public for subscription in accordance with Rule 19(2)(b)(i) of the SCRR and SEBI ICDR Regulations. The Issue is being made pursuant to Regulation 26(1) of the SEBI ICDR Regulations through the 100% Book Building Process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs") ("QIB Portion"). 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 QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allotment to Non Institutional Bidders and not less than 35% of the Issue shall be available for allotment to Retail Individual Bidders on a proportionate basis, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories, at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange and in accordance with applicable laws, rules, regulations and guidelines, subject to valid Bids being received at or above the Issue Price. For further details, please refer to the chapter titled '*Issue Procedure*' beginning on page 222 of the Draft Red Herring Prospectus.

Pursuant to SEBI circular number CIR/CFD/DIL/1/2011 dated April 29, 2011 all non- retail Investors i.e. QIBs and Non Institutional Investors are mandatorily required to utilise the ASBA facility to submit their Bids and participate in this Issue. For further details please refer to the chapter titled '*Issue Procedure*' beginning on page 222 of the Draft Red Herring Prospectus.

Attention of all QIBs is specifically drawn to the fact that all QIBs are required to pay the entire Bid Amount at the time of the submission of the Bid cum Application Form. In accordance with the SEBI ICDR Regulations, QIBs Bidding in the QIB Portion are not allowed to withdraw their Bids after the QIB Bid Closing Date. Further, allocation to QIBs will be on a proportionate basis. For further details, please refer to the chapter titled '*Terms of the Issue*' and '*Issue Procedure*' beginning on pages 217 and 222 respectively, of the Draft Red Herring Prospectus.

Our Company will comply with the SEBI ICDR Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, our Company has appointed the BRLM to manage this Issue and procure subscriptions to this Issue.

The Book Building Process under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid in the Issue.

Steps to be taken by the Bidders for making a Bid or application in this Issue:

1. Check eligibility for making a bid (for further details, please refer to the chapter titled '*Issue Procedure*' beginning on page 222 of the Draft Red Herring Prospectus).
2. Specific attention of ASBA Bidders is invited to the chapter titled '*Issue Procedure*' beginning on page 222 of the Draft Red Herring Prospectus;
3. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form, as the case may be;
4. Ensure that the Bid cum Application Form is duly completed as per the instructions given in the Red Herring Prospectus and in the respective forms;
5. Ensure that you have mentioned your PAN in the Bid cum Application Form or ASBA Form (for further details, please refer to the chapter titled '*Issue Procedure*' beginning on page 222 of the Draft Red Herring Prospectus).

Prospectus). Bidders are specifically requested not to submit their GIR number instead of the PAN as the Bid is liable to be rejected on this ground;

6. Ensure the correctness of your Demographic Details (as defined under the paragraph titled '*Bidder's Depository Account and Bank Account Details and PAN*', in chapter titled '*Issue Procedure*' beginning on page 222 of the Draft Red Herring Prospectus), given in the Bid cum Application Form, and the details recorded with your Depository Participant; and
7. Bids by ASBA Bidders have to be submitted to the SCSBs at the Designated Branches or members of the syndicate (at ASBA Bidding Locations). ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSBs to ensure that their ASBA Form is not rejected.

Illustration of book building and price discovery process

Bidders (excluding the Retail ASBA Bidders who can only bid at Cut-off price) can bid at any price within the Price Band. For instance, assume a price band of '20 to 24' per equity 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 centres during the bidding period. The illustrative book below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	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., '22' in the above example. The Issuer, in consultation with the BRLM will finalise the issue price at or below such cut-off price, i.e., at or below '22'. All bids at or above this issue price are valid bids and are considered for allocation in the respective categories.

Withdrawal of this Issue

In accordance to SEBI ICDR Regulations, our Company in consultation with the BRLM, reserves the right not to proceed with the Issue at anytime including after the Bid/Issue Opening Date but before allotment, without assigning reasons thereof. In the event of withdrawal of this Issue after the Bid/Issue Closing Date, the reasons thereof shall be disclosed in a public notice which shall be published within two Working Days of the Bid/Issue Closing Date in English and Hindi daily national newspapers each with wide circulation. The notice of withdrawal shall be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchanges shall be informed promptly. The BRLM, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification.

Further, in the event our Company in consultation with the BRLM withdraws the Issue after the Bid/Issue Closing Date and subsequently we decide to proceed with an initial public offering of Equity Shares, a fresh draft red herring prospectus will be filed with SEBI.

Notwithstanding the foregoing, this 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.

In terms of the SEBI ICDR Regulations, QIBs bidding in the QIB Portion shall not be allowed to withdraw their Bids after the Bid/Issue Closing Date.

Bid/Issue Program

BID/ISSUE OPENS ON	[●]
BID/ISSUE CLOSES ON	[●]

Bids and any revision in Bids shall be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Bid/Issue Period at the Bidding Centres mentioned on the Bid cum Application Form or, in case of Bids submitted through ASBA, by the member of the syndicate or the Designated Branches of the SCSBs except that on the Bid/Issue Closing Date:

For QIB Bidders

- Bids shall be accepted only between 10.00 a.m. to 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 pm (Indian Standard Time).

For Non-Institutional Bidders

- Bids shall be accepted only between 10.00 a.m. to 4.00 p.m. (Indian Standard Time) and uploaded until 5.00 pm (Indian Standard Time).

For Retail Individual Investors

- Bids shall be accepted only between 10.00 a.m. to 4.00 p.m. (Indian Standard Time) and uploaded until 5.00 pm (Indian Standard Time) which may be extended upto such time subject to permission from BSE and NSE.

Due to limitation of the time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one Working Day prior to the Bid/Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are requested to note that due to clustering of last day applications, as is typically experienced in public offerings, some Bids may not get uploaded on the last date. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids not uploaded in the book would be rejected. If such Bids are not uploaded, our Company, BRLM, Syndicate Members, Sub-syndicate members and the SCSBs will not be responsible. Bids will be accepted only on Working Days. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE.

On the Bid/Issue Closing Date, extension of time may be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid cum Application Forms and ASBA Form as stated herein and reported by the BRLM to the Stock Exchange within half an hour of such closure.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from the SCSB.

Investors shall please note that as per letter no. List/smd/sm/2006 dated July 03, 2006 and letter no. NSE/IPO/25101-6 dated July 06, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and Holidays as declared by the respective exchanges.

Our Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI ICDR Regulations provided that the revised cap of the Price Band should not be more than 20% of the revised floor of the Price Band i.e. revised cap of the Price Band shall be less than or equal to 120% of the revised floor of the Price Band. The Floor Price can be revised up or down to a maximum of 20% of the original Floor Price and shall be advertised at least one Working Day before the Bid /Issue Opening Date. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain [●] Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of ₹ 5,000 to ₹ 7,000.

In case of revision of the Price Band, the Issue Period will be extended for three additional Working Days after revision of the Price Band subject to the total Bid /Issue Period not exceeding ten Working Days. Any revision in the Price Band and the revised Bid/Issue, if applicable, will be widely disseminated by notification to the BSE and the NSE and the SCSBs, 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 but prior to the filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the 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 the Syndicate Member(s) do not fulfil their underwriting obligations. The Underwriting shall be to the extent of the bids uploaded by the Underwriter including through its syndicates/sub-syndicates. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter are several and are subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated [●] and has been approved by the Board of Directors.

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 RoC.

(Amount in ₹ Lacs)

Details the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten
[●]	[●]	[●]
[●]	[●]	[●]

The above table has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC.

In the opinion of our Board of Directors (based on a certificate dated [●] given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board of Directors, at its meeting held on [●] has accepted and entered into the Underwriting Agreement with the Underwriters.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the BRLM and the Member(s) of Syndicate shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscriptions for/subscribe to Equity Shares to the extent of the defaulted amount, as specified in the underwriting agreement.

The underwriting arrangements mentioned above shall not apply to the subscriptions by the ASBA Bidders in this Issue.

CAPITAL STRUCTURE

The Share Capital Structure of our Company as on date of filing the Draft Red Herring Prospectus with SEBI and after giving effect to the Issue is set forth below:

(₹ In Lacs)

Particulars	Aggregate value at nominal value	Aggregate value at Issue Price
A) AUTHORISED SHARE CAPITAL		
5,00,00,000 Equity Shares of ₹ 10 each	5,000.00	
B) ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE ISSUE		
2,08,06,872 Equity Shares of ₹ 10 each	2,080.69	
C) PRESENT ISSUE IN TERMS OF THE DRAFT RED HERRING PROSPECTUS		
Public Issue of [●] Equity Shares of ₹ 10 each fully paid up		11,000.00
<i>Of which⁽¹⁾</i>		
QIB Portion of not more than [●] Equity Shares;		[●]
Non-Institutional Portion of not less than [●] Equity Shares		[●]
Retail Portion of not less than [●] Equity Shares		[●]
D) PAID-UP SHARE CAPITAL AFTER THE ISSUE		
[●] Equity Shares of Face Value of ₹ 10 each	[●]	[●]
E) SECURITIES PREMIUM ACCOUNT		
Before the Issue	Nil	
After the Issue ⁽²⁾		[●]

¹⁾ Allocation to QIBs is proportionate as per the terms of the Draft Red Herring Prospectus. 5% of the QIB Portion shall be available to Mutual Funds. Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for applying and allocation in the remaining QIB Portion.

²⁾ The Securities Premium Account after the Issue will be determined after the Book Building Process.

The Issue has been authorised by the Board of Directors vide a resolution passed at its meeting held on July 29, 2011 and by the shareholders of our Company vide a special resolution passed pursuant to section 81(1A) of the Companies Act at the Annual General Meeting held on August 24, 2011.

NOTES TO CAPITAL STRUCTURE

1. Details of increase in Authorised Share Capital of Our Company since incorporation

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

Particulars of Change		Date of Shareholders' Meeting	AGM/EGM
From	To		
₹ 5,00,000 consisting of 50,000 Equity shares of ₹ 10 each.		On incorporation	-
₹ 5,00,000 consisting of 50,000 Equity Shares of ₹ 10 each.	₹ 20,00,000 consisting of 2,00,000 Equity Shares of ₹ 10 each.	October 05, 1994	EGM
₹ 20,00,000 consisting of 2,00,000 Equity Shares of ₹ 10 each.	₹ 1,00,00,000 consisting of 10,00,000 Equity Shares of ₹ 10 each.	August 12, 1996	AGM
₹ 1,00,00,000 consisting of 10,00,000 Equity Shares of ₹ 10 each.	₹ 2,00,00,000 consisting of 20,00,000 Equity Shares of ₹ 10 each.	March 31, 2003	EGM

Particulars of Change		Date of Shareholders' Meeting	AGM/EGM
From	To		
₹ 2,00,00,000 consisting of 20,00,000 Equity Shares of ₹ 10 each.	₹ 4,00,00,000 consisting of 40,00,000 Equity Shares of ₹ 10 each.	September 01, 2003	EGM
₹ 4,00,00,000 consisting of 40,00,000 Equity Shares of ₹ 10 each.	₹ 6,00,00,000 consisting of 60,00,000 Equity Shares of ₹ 10 each.	January 19, 2004	EGM
₹ 6,00,00,000 consisting of 60,00,000 Equity Shares of ₹ 10 each.	₹ 7,00,00,000 consisting of 70,00,000 Equity Shares of ₹ 10 each.	November 01, 2004	EGM
₹ 7,00,00,000 consisting of 70,00,000 Equity Shares of ₹ 10 each.	₹ 10,00,00,000 consisting of 1,00,00,000 Equity Shares of ₹ 10 each.	February 23, 2006	EGM
₹ 10,00,00,000 consisting of 1,00,00,000 Equity Shares of ₹ 10 each.	₹ 20,00,00,000 consisting of 2,00,00,000 Equity Shares of ₹ 10 each.	March 25, 2009	EGM
₹ 20,00,00,000 consisting of 2,00,00,000 Equity Shares of ₹ 10 each.	₹ 50,00,00,000 consisting of 5,00,00,000 Equity Shares of ₹ 10 each.	August 24, 2011	AGM

Our present Authorised Share Capital is sufficient to meet the requirements of the Public Issue.

2. Equity Share Capital history of our Company

The following is the history of the Equity Share Capital of our Company:

Date of allotment	Number of Equity Shares allotted	Face Value (₹)	Issue Price (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid up Equity Share Capital (₹)
January 10, 1994	40	10	10	Cash	Subscription to Memorandum	40	400
March 14, 1995	17,960	10	10	Cash	Preferential Allotment ⁽¹⁾	18,000	1,80,000
January 08, 1996	52,000	10	10	Cash	Preferential Allotment ⁽²⁾	70,000	7,00,000
December 19, 1997	31,150	10	10	Cash	Preferential Allotment ⁽³⁾	1,01,150	10,11,500
March 02, 1998	2,50,000	10	10	Cash	Preferential Allotment ⁽⁴⁾	3,51,150	35,11,500
March 30, 1998	94,000	10	10	Cash	Preferential Allotment ⁽⁵⁾	4,45,150	44,51,500
July 01, 2000	200	10	10	Cash	Preferential Allotment ⁽⁶⁾	4,45,350	44,53,500
January 28, 2003	4,54,650	10	10	Cash	Preferential Allotment ⁽⁷⁾	9,00,000	90,00,000
September 08, 2003	22,00,000	10	10	Cash	Preferential Allotment ⁽⁸⁾	31,00,000	3,10,00,000
February 05, 2004	22,00,000	10	10	Cash	Preferential Allotment ⁽⁹⁾	53,00,000	5,30,00,000
February 27, 2004	3,00,000	10	10	Cash	Preferential Allotment ⁽¹⁰⁾	56,00,000	5,60,00,000
October 18, 2004	4,00,000	10	10	Cash	Preferential Allotment ⁽¹¹⁾	60,00,000	6,00,00,000
November 10, 2004	10,00,000	10	-	Capitalisation of Reserves & Surplus	Bonus (1:6) ⁽¹²⁾ Issue	70,00,000	7,00,00,000
March 02,	4,11,765	10	10	Cash	Preferential	74,11,765	7,41,17,650

Date of allotment	Number of Equity Shares allotted	Face Value (₹)	Issue Price (₹)	Nature of consideration	Nature of allotment		Cumulative number of Equity Shares	Cumulative paid up Equity Share Capital (₹)	
2009					Allotment ⁽¹³⁾				
March 27, 2009	1,05,88,235	10	-	Capitalisation of Reserves & Surplus	Bonus (10:7) ⁽¹⁴⁾	Issue	1,80,00,000	18,00,00,000	
September 30, 2009	19,99,997	10	-	Capitalisation of Reserves & Surplus	Bonus ⁽¹⁵⁾	Issue (1:9)	1,99,99,997	19,99,99,970	
September 30, 2009	3	10	10	Cash	Preferential Allotment ⁽¹⁶⁾		2,00,00,000	20,00,00,000	
October 28, 2011	8,06,872	10	10	Cash	Preferential Allotment ⁽¹⁷⁾		2,08,06,872	20,80,68,720	

¹ Preferential allotment of 5,670 Equity Shares to Mr. Pramit Sanghavi, 5,280 Equity Shares to Ms. Varsha Sanghavi, 6,765 Equity Shares to Mr. Dewang Sanghavi and 245 Equity Shares to Mr. Harkishandas Sanghavi.

² Preferential allotment of 25,000 Equity Shares to Mr. Pramit Sanghavi, 2000 Equity Shares to Ms. Varsha Sanghavi and 25,000 Equity Shares to Mr. Dewang Sanghavi.

³ Preferential allotment of 14,400 Equity Shares to Mr. Pramit Sanghavi, 3,000 Equity Shares to Ms. Varsha Sanghavi and 13,750 Equity Shares to Mr. Dewang Sanghavi.

⁴ Preferential allotment of 1,32,500 Equity Shares to Mr. Pramit Sanghavi and 1,17,500 Equity Shares to Mr. Dewang Sanghavi.

⁵ Preferential allotment of 49,000 Equity Shares to Mr. Pramit Sanghavi and 45,000 Equity Shares to Mr. Dewang Sanghavi.

⁶ Preferential allotment of 100 Equity Shares to Ms. Anuradha Sanghavi and 100 Equity Shares to Ms. Deepti Vishwanath.

⁷ Preferential allotment of 2,27,325 Equity Shares to Mr. Pramit Sanghavi and 2,27,325 Equity Shares to Mr. Dewang Sanghavi.

⁸ Preferential allotment of 11,00,000 Equity Shares to Mr. Pramit Sanghavi and 11,00,000 Equity Shares to Mr. Dewang Sanghavi.

⁹ Preferential allotment of 11,00,000 Equity Shares to Mr. Pramit Sanghavi and 11,00,000 Equity Shares to Mr. Dewang Sanghavi.

¹⁰ Preferential allotment of 1,50,000 Equity Shares to Mr. Pramit Sanghavi and 1,50,000 Equity Shares to Mr. Dewang Sanghavi.

¹¹ Preferential allotment of 2,00,000 Equity Shares to Mr. Pramit Sanghavi and 2,00,000 Equity Shares to Mr. Dewang Sanghavi.

¹² Pursuant to the Board Meeting held on November 10, 2004, 10,00,000 fully paid-up Equity Shares of ₹ 10 each were allotted as bonus shares to the existing equity shareholders as on November 10, 2004, in the ratio of 1 (one) Equity Share for every 6 (six) Equity Shares held by them, by utilising ₹ 1,00,00,000 out of the reserves & surplus of our Company.

¹³ Preferential allotment of 3,48,004 Equity Shares to Mr. Pramit Sanghavi and 63,761 Equity Shares to Mr. Dewang Sanghavi.

¹⁴ Pursuant to the Board Meeting held on March 27, 2009, 1,05,88,235 fully paid-up Equity Shares of ₹ 10 each were allotted as bonus shares to the existing equity shareholders as on March 27, 2009, in the ratio of 10 (ten) Equity Shares for each 7 (seven) Equity Shares held by them, by utilising ₹ 10,58,82,350 out of the reserves & surplus of our Company.

¹⁵ Pursuant to the Board Meeting held on September 30, 2009, 19,99,997 fully paid-up Equity Shares of ₹ 10 each were allotted as bonus shares to the existing equity shareholders as on September 30, 2009 in the ratio of 1 (one) Equity Share for each 9 (nine) Equity Shares held by them, by utilising ₹ 1,99,99,970 out of the reserves & surplus of our Company. The value of the entitlement in respect of the fractional shares was credited to the unsecured loan account of the respective shareholders.

¹⁶ Preferential allotment of 3 Equity Shares to Mr. Ikshenya Sanghavi.

¹⁷ For details of allottees, please refer to point # 5 below.

3. Save and except the issue of bonus shares, our Company has not issued any Equity Shares for consideration other than cash.

4. No share has been allotted by our Company to any person in terms of any scheme approved under sections 391-394 of the Companies Act, 1956.

5. *Issue of Equity Shares at a price lower than the Issue Price during the preceding one year*

We have not issued any shares at price which may be lower than the Issue Price during the preceding one year except as given below:

Sr. No.	Name of the Allottees	Number of Equity Shares allotted	Issue Price	Whether forming part of Promoter Group	Reasons for allotment
1.	Ms. Varsha Sanghavi	17,606	10	Yes	Preferential allotment
2.	Ms. Anuradha Sanghavi	34,685	10	Yes	
3.	Ms. Deepti Vishwanath	9,685	10	Yes	
4.	Ms. Hansa Sanghavi	14,199	10	Yes	
5.	Mr. Ikshenya Sanghavi	24,997	10	Yes	
6.	Ms. Sadhvi Anandi	13,000	10	No	
7.	Mr. Rajendra Parikh	5,000	10	Yes	
8.	Mr. Kadeer Khan	10,000	10	No	
9.	VSJ Enterprises Private Limited	20,000	10	No	
10.	Mr. Rajesh R. Jagtiani and Ms. Sheerin Jagtiani	4,000	10	No	
11.	Mr. Mohit Jagtiani	1,000	10	No	
12.	Mr. Narinder Rastogi	500	10	No	
13.	Mr. Mukul Kumar Rastogi	500	10	No	
14.	Mr. Gyan Arora	2,500	10	No	
15.	Ms. Rajini Arora	2,500	10	No	
16.	Mr. Kunal Arora	2,500	10	No	
17.	Ms. Parul Arora	2,500	10	No	
18.	Mr. Chandra Mohan Kalia	2,500	10	No	
19.	Mr. Parerash Mehta	2,500	10	No	
20.	Mr. Harish Bhide	5,000	10	Yes	
21.	Mr. Anil Bhide	5,000	10	Yes	
22.	Mr. Rajeev Jayvirbhai Amin and Ms. Falguni Rajeev Amin	10,000	10	No	
23.	Rajeev Jayvirbhai Amin HUF	5,000	10	No	
24.	Mr. Sabal Kumar Jain	2500	10	No	
25.	Dinesh Kumar Gupta HUF	1,000	10	No	
26.	Ms. Chandra Mohan	1,000	10	No	
27.	Mr. Sanjay Srivastava	2,500	10	No	
28.	Ms. Pooja Dogra	1,000	10	No	
29.	Ms. Poonam Bharadwaj	1,000	10	No	
30.	Mr. Rahul Kumar	1,000	10	No	
31.	Mr. Saurabh Viren Patel	2,500	10	No	
32.	Mr. Nachiket Gulabrai Vadodaria	1,100	10	No	
33.	Mr. Mamraj Agarwal	2,500	10	No	
34.	Mr. Dewang Patel	5,000	10	No	
35.	Mr. Jaimin Patel	10,000	10	No	
36.	Mr. Siddhartha Mitra	1,100	10	No	

Sr. No.	Name of the Alottees	Number of Equity Shares allotted	Issue Price	Whether forming part of Promoter Group	Reasons for allotment
37.	Mr. Avinash Kumar Verma	1,000	10	No	
38.	Mr. Satyendra Sahai	1,000	10	No	
39.	Mr. Sumit Basu	500	10	No	
40.	Mr. Abhay Kumar Singh	500	10	No	
41.	Ms. Nidhi Dubey	500	10	No	
42.	Mr. Sameer Garg	500	10	No	
43.	Mr. Jagdish Garg	500	10	No	
44.	Varahi Employee Welfare Trust*	5,75,000	10	No	

*Our Company has constituted a trust, being the Varahi Employees Welfare Trust, with the objective of providing various benefits to the employees of our Company vide a trust deed dated October 27, 2011. For details of Varahi Employees Welfare Trust, please refer to chapter titled "Our Management" beginning on page 124 of the Draft Red Herring Prospectus.

6. Equity Shareholding of the Promoters & Promoter Group and details of Promoters' Contribution and Lock-in

a) Details of the build up of the shareholding of the Promoters of our Company is as under:

The Equity Shares held by the Promoters were acquired /allotted in the following manner:

Date of Allotment / Transfer made fully paid	Nature of Allotment (Preferential, Bonus, Rights etc.)	Number of shares	Face value	Issue / Transfer price	Consideration	% of pre-issue capital	% of post-issue capital
Mr. Pramit Sanghavi							
January 10, 1994	Subscription to MOA	10	10	10	Cash		
March 14, 1995	Preferential Allotment	5,670	10	10	Cash		
January 08, 1996	Preferential Allotment	25,000	10	10	Cash		
December 19, 1997	Preferential Allotment	14,400	10	10	Cash		
March 02, 1998	Preferential Allotment	1,32,500	10	10	Cash		
March 30, 1998	Preferential Allotment	49,000	10	10	Cash		
January 28, 2003	Preferential Allotment	2,27,325	10	10	Cash		
September 08, 2003	Preferential Allotment	11,00,000	10	10	Cash		
February 05, 2004	Preferential Allotment	11,00,000	10	10	Cash		
February 27, 2004	Preferential Allotment	1,50,000	10	10	Cash		
October 18, 2004	Preferential Allotment	2,00,000	10	10	Cash		
November 10, 2004	Bonus allotment	5,00,651	10	-	Capitalisation of Reserves & Surplus		
March 02, 2009	Preferential Allotment	3,48,004	10	10	Cash		
March 27, 2009	Bonus allotment	55,03,657	10	-	Capitalisation of Reserves & Surplus		

Date of Allotment / Transfer and made fully paid	Nature of Allotment (Preferential, Bonus, Rights etc.)	Number of shares	Face value	Issue / Transfer price	Consideration	% of pre-issue capital	% of post-issue capital
September 30, 2009	Bonus allotment	10,39,579	10	-	Capitalisation of Reserves & Surplus		
Total (A)		1,03,95,796				49.96	[•]
Mr. Dewang Sanghavi							
January 10, 1994	Subscription to MOA	10	10	10	Cash		
March 14, 1995	Preferential Allotment	6,765	10	10	Cash		
January 08, 1996	Preferential Allotment	25,000	10	10	Cash		
December 19, 1997	Preferential Allotment	13,750	10	10	Cash		
March 02, 1998	Preferential Allotment	1,17,500	10	10	Cash		
March 30, 1998	Preferential Allotment	45,000	10	10	Cash		
January 28, 2003	Preferential Allotment	2,27,325	10	10	Cash		
September 08, 2003	Preferential Allotment	11,00,000	10	10	Cash		
February 05, 2004	Preferential Allotment	11,00,000	10	10	Cash		
February 27, 2004	Preferential Allotment	1,50,000	10	10	Cash		
October 18, 2004	Preferential Allotment	2,00,000	10	10	Cash		
November 10, 2004	Bonus allotment	4,97,558	10	-	Capitalisation of Reserves & Surplus		
March 02, 2009	Preferential Allotment	63,761	10	10	Cash		
March 27, 2009	Bonus allotment	50,66,670	10	-	Capitalisation of Reserves & Surplus		
September 30, 2009	Bonus allotment	9,57,037	10	-	Capitalisation of Reserves & Surplus		
Total (B)		95,70,376				46.00	[•]
Grand Total (A)+(B)		1,99,66,172				95.96	[•]

Note: The shares held by the Promoters of our Company as mentioned above are fully paid-up and have not been pledged.

b) Details of Equity Shares held by Promoter and Promoter Group as on the date of filing the Draft Red Herring Prospectus

Particulars	Number of Equity Shares	Percentage of pre-Issue Equity Share Capital	Percentage of post-Issue Equity Share Capital
(A) Promoters			
Mr. Pramit Sanghavi	1,03,95,796	49.96	[•]
Mr. Dewang Sanghavi	95,70,376	46.00	[•]
Total shareholding of Promoters (A)	1,99,66,172	95.96	[•]

Particulars	Number of Equity Shares	Percentage of pre-Issue Equity Share Capital	Percentage of post-Issue Equity Share Capital
(B) Promoter Group			
Ms. Varsha Sanghavi	50,000	0.24	[●]
Ms. Anuradha Sanghavi	35,000	0.17	[●]
Mr. Ikshenya Sanghavi	25,000	0.12	[●]
Ms. Hansa Sanghavi	15,000	0.07	[●]
Ms. Deepti Vishwanath	10,000	0.05	[●]
Mr. Rajendra Parikh	5,000	0.02	[●]
Mr. Harish Bhide	5,000	0.02	[●]
Mr. Anil Bhide	5,000	0.02	[●]
Total shareholding of Promoter Group	1,50,000	0.72	[●]
(B)			
Total shareholding of Promoter and Promoter Group (A)+(B)	2,01,16,172	96.68	[●]

c) Details of Promoters' Contribution locked-in for three years

Pursuant to the SEBI ICDR Regulations, an aggregate of 20% of the post-Issue capital held by our Promoters shall be considered as promoters' contribution ("**Promoters' Contribution**") and locked-in for a period of three years from the date of commencement of commercial production or the date of allotment in the Issue whichever is later.

As per clause (a) sub-regulation (1) Regulation 32 of the SEBI ICDR Regulations, and in terms of the aforementioned table of Promoter's Equity Share Capital build-up, the below mentioned Equity Shares, held by our Promoters, shall be locked in for a period of three (3) years from the date of Allotment as per sub-regulation (a) of Regulation 36 of SEBI ICDR Regulations.

Name of Promoter	Date of Allotment/ Transfer/ when made fully paid up	Nature of consideration	Reasons for allotment	Number of Shares	Face Value	Issue / Purchase / Transfer Price	% Of Pre Issue Equity share Capital	% Of Post Issue Equity share Capital
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total				[●]			[●]	[●]

**the figures to be provided in this table shall be finalised upon determination of Issue Price and the number of Equity Shares to be issued pursuant to the Issue, through the Book Building Process*

All the Equity Shares held by our Promoters as on the date of filing of the Draft Red Herring Prospectus are eligible for computation of Promoters' Contribution.

Our Promoters have, pursuant to their undertakings, given consent to include such number of Equity Shares held by them as may constitute 20% of the post-Issue Equity Share Capital of our Company as Promoters' Contribution and have agreed not to sell or transfer or pledge or otherwise dispose off in any manner, the Equity Shares forming part of the Promoters' Contribution from the date of filing of the Draft Red Herring Prospectus until the commencement of the lock-in period specified above. The share certificate for Equity Shares in physical form, which is subject to lock-in, shall carry the inscription '*non-transferable*' and the non-transferability details shall be informed to the depositories. The details of lock-in shall also be provided to the Stock Exchanges prior to listing of the Equity Shares.

The Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from persons who are classified and defined as "Promoters" of our Company as per the SEBI ICDR Regulations. All Equity Shares, which are to be locked-in, are eligible for computation of Promoters' Contribution, in accordance with Regulation 33 of SEBI ICDR Regulations.

We confirm that the minimum Promoter's Contribution of 20% which is subject to lock-in for three years:

(a) have not been subject to pledge or any other form of encumbrance; or

- (b) have not been issued out of revaluation reserves or capitalisation of intangible assets and have not been issued against shares, which are otherwise ineligible for Promoters' Contribution; or
- (c) have not been acquired for consideration other than cash and revaluation of assets; or
- (d) have not been acquired by the Promoters during the period of one year immediately preceding the date of filing of the Draft Red Herring Prospectus at a price lower than the Issue Price; or

The Promoters' Contribution can be pledged only with a scheduled commercial bank or public financial institution as collateral security for loans granted by such banks or financial institutions, in the event the pledge of the Equity Shares is one of the terms of the sanction of the loan. The Promoters' Contribution may be pledged only if in addition to the above stated, the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Issue. For further details regarding the objects of the Issue, please refer to the chapter titled "*Objects of the Issue*" on page 58 of the Draft Red Herring Prospectus. The Equity Shares held by our Promoters may be transferred to and among the Promoter Group or to new promoters or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and in compliance with the Takeover Code, as applicable.

d) Details of Equity Shares locked in for 1 Year

In terms of Regulations 36 (b) and 37 of the SEBI ICDR Regulations, other than the above Equity Shares that are locked in for a period of three (3) years, the entire pre-Issue Equity Share Capital of our Company would be locked-in for a period of one (1) year from the date of Allotment of Equity Shares in the Issue. Our Promoters/ Promoter Group/ other pre-Issue non-promoter shareholders have given their written consent for lock-in for a period of 1 year.

Our Promoters have given an undertaking and have agreed not to sell / transfer/dispose in any manner, Equity Shares forming part of the Promoters' Contribution from the date of filing of the Draft Red Herring Prospectus till the date of commencement of lock-in as per the SEBI ICDR Regulations.

e) Other requirements in respect of lock-in

The share certificates which are in physical form for lock-in of Equity Shares will carry an inscription "*non-transferable*" along with the duration of such specified non-transferable period mentioned on the face of the share certificates and in case the Equity Shares are in dematerialised mode, we will ensure that lock-in is recorded in the records of depositories as per Regulation 35(2) of the SEBI ICDR Regulations.

In terms of Regulation 39 of the SEBI ICDR Regulations, Equity Shares held by Promoters and locked-in may be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution, subject to the following:

- (a) if the Equity Shares are locked-in for a period of three years as mentioned above, the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of the Issue and pledge of Equity Shares is one of the terms of sanction of the loan;
- (b) if the Equity Shares are locked-in for a period of one year as mentioned above, the pledge of Equity Shares is one of the terms of sanction of the loan.

In terms of Regulation 40 of the SEBI ICDR Regulations, subject to the provisions of the Takeover Code, the Equity Shares held by Promoters and locked-in as per Regulation 36 of the SEBI ICDR Regulations, may be transferred to another Promoter or any person forming part of the Promoter Group or a new promoter or a person in control of our Company and the Equity Shares held by persons other than Promoters and locked-in as per Regulation 37 of the SEBI ICDR Regulations, may be transferred to any other person holding the Equity Shares which are locked-in along with the Equity Shares proposed to be transferred. However, the lock-in on such Equity Shares shall continue for the remaining period with the transferees and such transferees shall not be eligible to transfer the Equity Shares till the lock-in period stipulated in these Regulations has expired.

1. Our Shareholding pattern as of the date of the Draft Red Herring Prospectus

The table below represents the shareholding pattern of our Company as on the date of filing of the Draft Red Herring Prospectus.

Shareholding Pattern

Category code (I)	Category of shareholder (II)	Number of Shareholders (III)	Total No of shares (IV)	Number of Shares held in dematerialised form (V)	Total shareholding as a percentage of total number of Equity Shares		Equity Shares pledged or otherwise encumbered	
					As a percentage of (A+B) (VI)	As a percent age of (A+B+ C) (VII)	Num ber of Equity Shares (VIII)	As a percenta ge (IX)= (VIII)/(IV)*100
(A)	Shareholding of Promoter and Promoter Group							
1	Indian							
(a)	Individuals/ Hindu Undivided family	10	2,01,16,172	0	96.68	96.68	0	0.00
(b)	Central Government/State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(d)	Financial Institutions/Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any other (specify)	0	0	0	0.00	0.00	0	0.00
	Sub-Total(A)(1)	10	2,01,16,172	0	96.68	96.68	0	0.00
2	Foreign							
(a)	Individuals (Non Resident individuals/Foreign Individuals	0	0	0	0.00	0.00	0	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(c)	Institutions	0	0	0	0.00	0.00	0	0.00
(d)	Any other (specify)	0	0	0	0.00	0.00	0	0.00
	Sub-Total(A)(2)	0	0	0	0.00	0.00	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)							
		10	2,01,16,172	0	96.68	96.68	0	0.00
(B)	Public Shareholding							
1	Institutions							
(a)	Mutual Funds/UTI	0	0	0	0.00	0.00	0	0.00
(b)	Financial Institutions/Banks	0	0	0	0.00	0.00	0	0.00
(c)	Central Government/State Government(s)	0	0	0	0.00	0.00	0	0.00
(d)	Venture capital Funds	0	0	0	0.00	0.00	0	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00	0	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00	0	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0.00
(h)	Any other (specify)	0	0	0	0.00	0.00	0	0.00
	Sub-Total(B)(1)	0	0	0	0.00	0.00	0	0.00
2	Non-institutions							
(a)	Bodies Corporate	1	20,000	0	0.10	0.00	0	0.00

Category code (I)	Category of shareholder (II)	Number of Shareholders (III)	Total No of shares (IV)	Number of Shares held in dematerialised form (V)	Total shareholding as a percentage of total number of Equity Shares		Equity Shares pledged or otherwise encumbered	
					As a percentage of (A+B) (VI)	As a percentage of (A+B+C) (VII)	Number of Equity Shares (VIII)	As a percentage (IX)= (VIII)/(IV)*100
	Individuals-i. Individual Shareholders holding Nominal Share upto Rs 1 lakh.	33	82,700	0	0.40	0.40	0	0.00
	ii. Individual shareholders holding Nominal share capital in excess of Rs 1 lakh.	1	13,000	0	0.06	0.06	0	0.00
	Trusts	1	5,75,000	0	2.76	2.76	0	0.00
	Sub-Total(B)(2)	36	6,90,700	0	3.32	3.32	0	0.00
	Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0.00	0.00	0	0.00
	Total (A)+(B)	46	2,08,06,872	0	100.00	100.00	0	0.00
	Shares held by Custodians and against which Depository receipts have been issued.	0	0	0	0.00	0.00	0	0.00
	GRAND TOTAL (A)+(B)+(C)	46	2,08,06,872	0	100.00	100.00	0	0.00

Shareholding of persons belonging to the category 'Public' and holding more than 1% of our Equity Shares

Sr. No.	Name of the shareholder	Number of Equity Shares held	Percentage of paid up Equity Share Capital
1.	Varahi Employee Welfare Trust	5,75,000	2.76

2. List of Equity Shares held by top ten shareholders

(a) List of top ten shareholders of our Company as on the date of filing of the Draft Red Herring Prospectus is as under:

Sr. No.	Name of the shareholder	Number of Equity Shares held	Percentage of paid up Equity Share Capital
1.	Mr. Pramit Sanghavi	1,03,95,796	49.96
2.	Mr. Dewang Sanghavi	95,70,376	46.00
3.	Varahi Employee Welfare Trust	5,75,000	2.76
4.	Ms. Varsha Sanghavi	50,000	0.24
5.	Ms. Anuradha Sanghavi	35,000	0.17
6.	Mr. Ikshenya Sanghavi	25,000	0.12
7.	VSJ Enterprises Private Limited	20,000	0.10
8.	Ms. Hansa Sanghavi	15,000	0.07
9.	Ms. Sadhvi Anandi	13,000	0.06
10.	Ms. Deepti Vishwanath	10,000	0.05
	Total	2,07,09,172	99.53

(b) List of top 10 shareholders of our Company 10 days prior to the filing of the Draft Red Herring Prospectus is as under:

Sr. No.	Name of the shareholder	Number of Equity Shares held	Percentage of then issued share capital
1.	Mr. Pramit Sanghavi	1,03,95,796	51.98
2.	Mr. Dewang Sanghavi	95,70,376	47.85
3.	Ms. Varsha Sanghavi	32,394	0.16
4.	Ms. Hansa Sanghavi	801	<0.01
5.	Ms. Anuradha Sanghavi	315	<0.01
6.	Ms. Deepti Vishwanath	315	<0.01
7.	Mr. Ikshenya Sanghavi	3	<0.01
Total		2,00,00,000	100.00

(c) List of top ten shareholders of our Company two years prior to the date of filing the Draft Red Herring Prospectus is as under:

Sr. No.	Name of the shareholder	Number of Equity Shares held	Percentage of then issued share capital
1.	Mr. Pramit Sanghavi	1,03,95,796	51.98
2.	Mr. Dewang Sanghavi	95,70,376	47.85
3.	Ms. Varsha Sanghavi	32,394	0.16
4.	Ms. Hansa Sanghavi	801	<0.01
5.	Ms. Anuradha Sanghavi	315	<0.01
6.	Ms. Deepti Vishwanath	315	<0.01
7.	Mr. Ikshenya Sanghavi	3	<0.01
Total		2,00,00,000	100.00

- The Issue is being made under sub-regulation (1) of Regulation 26 of the SEBI ICDR Regulations and through a Book Building Process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers (“QIBs”) (“QIB Portion”). 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 QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price.
- Under-subscription, if any, in any category 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 and the Designated Stock Exchange and in accordance with applicable laws, rules, regulations and guidelines, subject to valid Bids being received at or above the Issue Price. In the event that the aggregate demand in the QIB Portion and/or Non-Institutional Portion and/or Retail Portion has not been met, under-subscription, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange; and in accordance with applicable laws, rules, regulations and guidelines, subject to valid bids being received at or above the Issue Price.
- In case of over-subscription, allotment will be on proportionate basis as detailed in paragraph titled “Basis of Allotment” under the chapter titled ‘Issue Procedure’ beginning on page 220 of the Draft Red Herring Prospectus. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearer multiple of [●] Equity Shares (which is minimum allotment lot), while finalising the Basis of Allotment.
- A Bidder cannot make a bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
- There are no Equity Shares that have been purchased or acquired or financed by our Promoters and Promoter Group and/or the Directors and/or the immediate relatives of the Directors (as defined under Regulation 2(1)(zb)(ii) of the SEBI ICDR Regulations) within the last six months preceding the date of filing the Draft Red Herring Prospectus with SEBI except for the details provided in point # 5 above.

8. Our Company has not re-valued its assets since inception and has not issued any Equity Shares out of the revaluation reserves.
9. Neither our Company, nor our Promoters and Directors, nor the BRLM have entered into any buy-back and/or standby arrangements for purchase of Equity Shares of our Company being offered pursuant to the Issue.
10. Our Company has not raised any bridge loan against the Net Proceeds of the Issue.
11. Our Company does not have any ESOS/ESPS scheme for our employees and do not intend to allot any Equity Shares to our employees under ESOS/ESPS scheme from the proposed Issue. As and when, options will be granted to the employees of our Company under the ESOP scheme, Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.
12. Our Company presently 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 exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise, except that our goes for acquisitions, joint ventures or strategic alliances, subject to necessary approvals, it might consider raising additional capital to fund such activity or use Equity Share as a currency for acquisition and/or participation in such joint venture or strategic alliance or for regulatory compliances.
13. All the existing Equity Shares of our Company are fully paid up. Further, since the entire money in respect of the Issue is being called on application, all the successful Bidders will be issued fully paid-up Equity Shares.
14. There would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of the Draft Red Herring Prospectus with SEBI until the Equity Shares issued/ to be issued pursuant to the Issue have been listed.
15. At any given point of time, there shall be only one denomination for the Equity Shares of our Company. Our Company shall comply with such disclosure and accounting norms, as may be specified by SEBI from time to time.
16. Our Promoters and the members of the Promoter Group will not participate in this Issue.
17. Our Company has 46 members as on the date of filing of the Draft Red Herring Prospectus with SEBI.
18. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares.
19. Neither the BRLM nor their associates hold any Equity Share in our Company as on the date of filing of the Draft Red Herring Prospectus with SEBI.

OBJECTS OF THE ISSUE

We intend to utilise the proceeds of the Issue, after deducting lead management fees, syndicate fees, underwriting and selling commission, fees payable to registrar to the issue, advertising, marketing, printing, and other expenses associated with the Issue, ('Net Proceeds') to meet the following objects:

- Setting up a manufacturing unit in Indore, Madhya Pradesh and to meet its working capital requirements
- Setting up a manufacturing unit in Manesar, Haryana and to meet its working capital requirements
- Part repayment of existing Term Loans

The other Objects of the Issue also include creating a public trading market for the Equity Shares of our Company by listing them on BSE and NSE. We believe that the listing of our Equity Shares will enhance our visibility and brand name and enable us to avail of future growth opportunities.

The main object 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 by us through the present Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association.

The details of the use of Proceeds of the Issue are summarised in the table below:

Use of Proceeds of the Issue

(In ₹ Lacs)

Sr. No.	Expenditure Items	Total estimated cost	Amount deployed as on September 15, 2011*	Balance to be deployed as on September 15, 2011	Amount to be financed from Net Proceeds of the Issue	Estimated Net Proceeds of the Issue utilisation for Fiscal 2013
1.	Setting up a manufacturing unit in Indore, Madhya Pradesh and to meet its working capital requirements	4,385.50	Nil	4,385.50	4,385.50	4,385.50
2.	Setting up a manufacturing unit in Manesar, Haryana and to meet its working capital requirements	3,755.87	Nil	3,755.87	3,755.87	3,755.87
3.	Part repayment of existing Term Loans	2,500.00	Nil	2,500.00	2,500.00	2,500.00
4.	Public Issue Expenses	[●]**	42.74	[●]**	[●]**	[●]**
	Total	[●]	42.74	[●]	[●]	[●]

* As per the certificate of M/s. Mohit Parekh & Co., Chartered Accountants (Statutory Auditor of our Company) dated September 20, 2011.

** To be finalised upon determination of Issue Price.

Means of Finance

We intend to finance the fund requirement for Objects of the Issue in the following manner:

Manner of Funding	₹ Lacs
Proceeds of the Issue	11,000
Internal Accruals	[●]
Total	[●]

We intend to utilise the Proceeds of the Issue for financing the growth of our business. The funding of these projects is proposed to be made completely from the Proceeds of the Issue and Internal Accruals. Hence the requirement of Regulation 4(2)(g) of SEBI ICDR Regulations in respect of firm arrangements is not applicable. Our fund requirements and deployment of the Proceeds of the Issue is based on internal management estimates and our Company's current business operations. The fund requirement has not been appraised by any bank or financial institution. The costs are based on current conditions and are subject to change in light of changes in external circumstances or costs, or in other financial condition, business or strategy. In case of a shortfall in the Proceeds of the Issue, our management may explore a range of options including seeking debt from existing and/or future lenders.

In case of variations in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue.

We operate in competitive and dynamic market conditions and may have to revise our estimates from time to time on account of market conditions including any industry consolidation initiatives, such as potential acquisition opportunities etc. Consequently, our fund requirements may also change accordingly. Any such change in our plans may require rescheduling of our expenditure programs, starting projects which are not currently planned, discontinuing projects currently planned and an increase or decrease in the expenditure for a particular project or land acquisition in relation to current plans, at the discretion of the management of our Company.

In case the Issue does not go as planned, our Company will make alternative arrangements for funding the proposed projects.

Brief Details about the Projects

1. Setting up a manufacturing unit in Indore, Madhya Pradesh and to meet its working capital requirements

Our Company proposes to set up a manufacturing unit in Indore. In this unit we propose to manufacture PET bottles, jars, HDPE bottles, preforms, caps & closures. On completion of this project, the total installed capacity of our Company will increase tremendously. Brief details of the proposed installed production capacity of this project are mentioned below:

Products	Installed Capacity (Pieces in Lacs)*
50ml to 200ml PET Bottles	138.00
PET bottle – Preforms	2,178.00
200ml wide mouth Jar (HDPE / LLDPE)	108.00
500ml wide mouth Jar (HDPE / LLDPE)	86.40
100ml narrow mouth Bottle (HDPE / LLDPE)	122.40
200ml narrow mouth Bottle (HDPE / LLDPE)	108.00
60gm Container (HDPE / LLDPE)	136.80
1500gm Container (HDPE / LLDPE)	36.00
Caps (Compression Moulding)	2,138.40
Caps & Closures (IBM)	1,155.00

* Management Estimate

The brief break up of cost involved in setting up a manufacturing unit in Indore, Madhya Pradesh and working capital requirement is mentioned in table below:

		(In ₹Lacs)
Sr. No.	Particulars	Amount
1.	Acquisition of Land	226.71
2.	Site Development and Construction Charges	271.25
	Procurement of machineries, equipments and other items	
3.	• Imported	1854.79
	• Indigenous	577.75
4.	Miscellaneous Fixed Assets	55.00

Sr. No.	Particulars	Amount
	Total	2,985.50
5.	Working Capital requirements	1,400.00
	Grand Total	4,385.50

Acquisition of Land

Our Company proposes to acquire land admeasuring approximately 10,000 sq. mts. in the Industrial Area of Indore, Madhya Pradesh for the proposed project. The total cost of the land (including stamp duty) is estimated to be ₹ 226.71 Lacs as per the quotation received from M/s. Sharma Property Brokers, Indore dated October 07, 2011. Our Company is in the process of identification of land.

Site Development and Construction Charges

The break up of the site development and construction charges is mentioned below:

(In ₹ Lacs)

Sr. No.	Particulars	Amount
1.	Site Development Charges	10.00
2.	Office & Administration Block (R.C.C. framed structure) (2500 sq. fts.)	23.75
3.	Industrial Shed (PEB Structure)	
	• Plant / Production area (20,000 sq. fts.)	140.00
	• Stores & Godown (12,500 sq. fts.)	87.50
4.	Other Miscellaneous Expenses	10.00
	Total	271.25

The above details of site development and construction charges are based on the quotation received from 'Yoshanika Associates – Engineers and Contractors' dated September 22, 2011.

Procurement of machineries, equipments and other items

The details of cost of plant and machineries are as follows:

Imported Plant and Machineries

Sr. No.	Particulars of Machinery	Qty.	Rate (₹ in Lacs)	Total Cost (₹ in Lacs)	Name of the Supplier	Quotation Date
1.	NISSEI ASB Biaxial Orientaiton Stretch – Blow Molding Machine Model: ASB-50MB	2	45.87#	91.74	ASB International Pvt. Ltd.	August 29, 2011
2.	NISSEI ASB Preform Molding Machine Model PMI – 70/65 NII for 24-Cavity + Preform Molds (Proprietary Varahi neck preform molds)	5	189.48#	947.40	ASB International Pvt. Ltd.	August 29, 2011
3.	Complete manufacturing line for 1-pieces plastic closures, mainly composed of No.1 CCM24 compression moulding press, No.1 FSM12L band folding and scoring machine. Closure type: AF281LN-27 mm ALASKA (Proprietary Varahi design 26 mm closures) Performance: 600 PCS/minute	1	443.01	443.01	Sacmi Imola (Italy)	August 30, 2011
	Taxes, Landing charges, Shipping cost, bank and other charges		121.18	121.18		
	Subtotal of CCM24	1	564.19	564.19		
4.	Injection Blow Molding Machine – IBM-45	6	31.93	191.58	Victor Machinery Co.	Sept. 12, 2011

Sr. No.	Particulars of Machinery	Qty.	Rate (₹ in Lacs)	Total Cost (₹ in Lacs)	Name of the Supplier	Quotation Date
					Ltd.	
	Taxes, Landing charges, Shipping cost, bank and other charges		9.98	59.88		
	Subtotal	6	41.91	251.-46		
	Total			1854.79		

Note: No orders have been placed for any of the plant and machinery mentioned above.

includes taxes and other charges

Indigenous Plant and Machineries

Sr. No.	Particulars of Machinery	Qty.	Rate (₹ in Lacs)	* Total Cost (₹ in Lacs)	Name of the Supplier	Quotation Date
1.	Injection Molding Machine, Sumo Smart 180 Ton	5	28.12	140.60	Windsor Machines Ltd.	September 05, 2011
2.	Bry-Air Honey Comb Dehumidifying Dryer Model BHD-170 Combo	7	5.29	37.03	Bry Air (Asia) Pvt. Ltd.	July 05, 2011
3.	High Pressure Compressor – Single Deck, Model 40P10-75PD IVR. Make Chicago Pneumatic	2	46.33	92.66	Chicago Pneumatic through Atcorp	September 05, 2011
4.	Air-cooled Electric Motor Driven Silenced Screw Compressor with Inventor Drive, Model: CPC 50 IVR. Make Chicago Pneumatic	4	16.50	66.00	Chicago Pneumatic through Atcorp	September 05, 2011
5.	Water Chilling Plant Model No. AE-1040 (40 TR capacity)	2	12.19	24.38	Arci Engineers	June 30, 2011
6.	FRP Cooling Tower - 200 TR capacity	6	2.40	14.40	Perfect Engineering Co.	August 29, 2011
7.	Installation & commissioning			50.00		
	<u>Power & Electrical Installation</u>					
1.	500 KVA Green Silent Diesel Generating Set. Make Kirloskar	2	25.30	50.60	Kirloskar through Jakson & Company	September 02, 2011
2.	1250 KVA, 11/0.433 volts distribution Transformer	1	9.15	9.15	Jay Bee Industries	August 27, 2011
3.	Electric Panels & Installation			50.00	Management Estimate	
	<u>Others</u>					
1.	Mini mobile hoist crane	1	4.00	4.00	Management Estimate	
2.	Plastic Scrap Grinder	10	2.72	27.20	Glow Plast Machines Private Limited	September 07, 2011
3.	Fork-lift Truck	1	11.73	11.73	Zyxel Logistics India Pvt. Ltd.	August 23, 2011
	Total			577.75		

* inclusive of all applicable taxes

Note: No orders have been placed for any of the plant and machinery mentioned above.

Procurement of miscellaneous fixed assets

The details of the cost of miscellaneous fixed assets which our Company proposes to acquire for setting up a manufacturing unit in Indore, Madhya Pradesh are mentioned below:

Sr. No.	Particulars of Fixed Assets	₹ in Lacs
1.	Air-conditioning	25.00
2.	Furniture & Fixtures	10.00
3.	Office Equipments	20.00
	Total	55.00

Note: No orders have been placed for any of the miscellaneous fixed assets mentioned above. The above figures of the miscellaneous fixed assets are based on the management estimates.

We do not propose to purchase any used / second hand machinery in the proposed project at Indore, Madhya Pradesh.

Schedule of Implementation

Sr. No.	Particulars	Estimated Month of Commencement	Estimated Month of Completion
1.	Acquisition of Land	April 2012	May 2012
2.	Site Development and Construction	May 2012	September 2012
3.	Procurement of machineries, equipments and other items and its installation	June 2012	September 2012
4.	Procurement of miscellaneous fixed assets	June 2012	September 2012
5.	Trial Run	October 2012	October 2012
6.	Commencement of Production	October 2012	
7.	Working Capital	October 2012 to March 2013	

Working Capital requirements for the proposed project at Indore, Madhya Pradesh

We have existing banking relationships with sanctioned working capital limits as provided in the section “Financial Information” on page 148 of this DRHP. These limits and our internal accruals are adequate to meet our existing working capital requirements.

The total working capital needs for the proposed project at Indore, Madhya Pradesh, based on the internal working of our Company, is estimated to be ₹ 1,400 Lacs for fiscal 2013. This is proposed to be met entirely from the Net Proceeds of the Issue. Brief detail of computation of working capital requirements for the Indore Project is as under:

Particulars	₹ in Lacs
Inventory	
Raw Material	295
Work-in-process	69
Finished goods	243
Packing material	5
Total Inventory (a)	612
Sundry Debtors (b)	985
Total Current Assets (A) = (a+b)	1,597
Sundry Creditors	197
Total Current Liabilities (B)	197
Net Current Assets (A-B)	1,400

Working Capital Required	1,400
Funding Pattern	
Proposed to be funded from Public Issue	1,400
Total	1,400

Assumptions for Working Capital requirements

Particulars	Number of days outstanding
Inventories	
• Raw material	30
• Work-in-progress	6
• Finished goods	21
Sundry Debtors	60
Sundry Creditors	20

Note: While the sundry debtors is in terms of number of days 'Sales'; sundry creditors and inventory of raw material are in terms of number of days 'Material Purchased'; work-in-progress and finished goods are in terms of number of days 'Cost of goods sold'.

2. Setting up a manufacturing unit in Manesar, Haryana and to meet its working capital requirements

Our Company proposes to enter into the packaged drinking business by setting up a manufacturing unit in Manesar, Haryana. This unit of our Company will purify the ground water and will carry on the bottling of the purified water. With increased awareness in various health programs the demand for Packaged Drinking Water is expected to increase tremendously in near future. Forecasting a huge market potential in this sector, our Company is proposing to set up an advanced Packaged Drinking Water project in Manesar, Haryana. This diversification will reduce the overall risk of our business. The details of the proposed installed production capacity of this project are mentioned below:

Products	Installed Capacity (Pieces / Cases in Lacs)
14 ltr PET Jar	6.48
250 ml packaged drinking water (Cases) (1 Case = 60 bottles)	21.12
500 ml packaged drinking water (Cases) (1 Case = 24 bottles)	7.26
1 ltr packaged drinking water (Cases) (1 Case = 12 bottles)	11.88

The brief break up of cost involved in setting up a manufacturing unit in Manesar, Haryana, and its working capital requirement is mentioned in table below:

(In ₹ Lacs)

Sr. No.	Particulars	Amount
1.	Acquisition of Land	705.91
2.	Site Development and Construction charges	395.00
	Procurement of machineries, equipments and other items	
3.	• Imported	1458.99
	• Indigenous	544.47
4.	Procurement of miscellaneous fixed assets	47.50
	Total	3151.87
5.	Working Capital requirements	604.00
	Grand Total	3755.87

Acquisition of Land

Our Company proposes to acquire land measuring approximately 6,689 sq. mts. in the Pioneer Industrial Park, Manesar, Haryana for the proposed project. The total cost of the land (including charges of IDC, IFMS and stamp duty) is estimated to be ₹ 705.91 Lacs as per the quotation received from Ansal Properties & Infrastructure Limited. Our Company is yet to identify the exact location of the land.

Site Development and Construction Charges

The break up of the site development and construction charges is mentioned below:

(In ₹ Lacs)

Sr. No.	Particulars	Amount
1.	Site Development Charges	15.00
2.	Office & Administration Block (R.C.C. framed structure) (4000 sq. fts.)	38.00
3.	Industrial Shed (PEB Structure)	
	• Plant / Production area (25,000 sq. fts.)	175.00
	• Stores & Godown (21,000 sq. fts.)	147.00
4.	Other Miscellaneous Expenses	20.00
	Total	395.00

The above details of site development and construction charges are based on the quotation received from 'Yoshanika Associates – Engineers and Contractors' dated September 22, 2011.

Procurement of machineries, equipments and other items

The details of expenditure for the plant and machineries of the manufacturing unit to be set up in Manesar, Haryana is mentioned below:

Imported plant and machineries

Sr. No.	Particulars of Machinery	Qty.	Rate (₹ in Lacs)	* Total Cost (₹ in Lacs)	Name of the Supplier	Quotation Date
1.	NISSEI ASB Preform Molding Machine Model PMI – 70/65 NII for 24-Cavity + Preform Mold	2	189.48	378.96	ASB International Pvt. Ltd.	August 29, 2011
2.	SR-1/4 Machine to blow PET Containers with bi-orientation, Air recovery system, Set of Level-1 spares package, Molds, and other services	1	85.73	85.73	Sidel India Pvt. Ltd.	September 05, 2011
3.	SR-0.5/6 Machine to blow PET Containers with bi-orientation, Set of Level-1 spares, Molds, and other services	3	97.88	293.64	Sidel India Pvt. Ltd.	September 05, 2011
4	Rinser – Filler – Capper, Roll Fed Labeller, Case Packer	1	700.66	700.66	KHS	August 31, 2011
	Total			1458.99		

* inclusive of all applicable taxes

Note: No orders have been placed for any of the plant and machinery mentioned above.

Indigenous plant and machineries

Sr. No.	Particulars of Machinery	Qty.	Rate (₹ in Lacs)	* Total Cost (₹ in Lacs)	Name of the Supplier	Quotation Date
1.	Complete Water Treatment Plant with MGF+ACF+CSRO (MaestRO) – II Pass + Ozonation System + UV	1	103.40	103.40	Doshion Veolia Water Solution	October 23, 2011
2.	High Pressure Compressor – Single Deck, Model 40P10-75PD IVR	2	46.33	92.66	Chicago Pneumatic through Atcorp	September 05, 2011

Sr. No.	Particulars of Machinery	Qty.	Rate (₹ in Lacs)	* Total Cost (₹ in Lacs)	Name of the Supplier	Quotation Date
3.	Water Chilling Plant Model No. AE-1040 (40 TR capacity)	2	12.19	24.38	Arci Engineers	June 30, 2011
4.	FRP Cooling Tower - 200 TR capacity	6	2.40	14.40	Perfect Engineering Co.	August 29, 2011
5.	Installation & commissioning			50.00		
	<u>Power & Electrical Installation</u>					
1	500 KVA Green Silent Diesel Generating Set Make Kirloskar	2	25.30	50.60	Kirloskar through Jakson & Company	September 02, 2011
2	Transformer 1250 KVA	1	9.15	9.15	Jay Bee Industries	August 27, 2011
3	Electric Panels & Installation			50.00	Management Estimate	
	<u>Others</u>					
1.	Plastic Scrap Grinder	3	2.72	8.16	Glow Plast Machines Private Limited	September 07, 2011
2.	Fork-lift Truck	1	11.72	11.72	Zyxxel Logistics India Pvt. Ltd.	August 23, 2011
3.	Molds		130.00	130.00		
	Total			544.47		

* inclusive of all applicable taxes

Note: No orders have been placed for any of the plant and machinery mentioned above.

Procurement of miscellaneous fixed assets

The details of the cost of miscellaneous fixed assets which our Company proposes to acquire for setting up a manufacturing unit in Manesar, Haryana are mentioned below:

Sr. No.	Particulars of Fixed Assets	Total Cost (₹ in Lacs)
1.	Air-conditioning & others	25.00
2.	Furniture & Fixtures	7.50
3.	Office Equipments	10.00
4.	Inkjet Printer	5.00
	Total	47.50

Notes: No orders have been placed for the any miscellaneous fixed assets mentioned above. The above figures of the miscellaneous fixed assets are based on the management estimates.

We do not propose to purchase any used / second hand machinery in the proposed project at Manesar, Haryana.

Schedule of Implementation

Sr. No.	Particulars	Estimated Month of Commencement	Estimated Month of Completion
1.	Acquisition of Land	April 2012	May 2012
2.	Site Development and Construction	May 2012	September 2012
3.	Procurement of machineries, equipments and other items and its installation	June 2012	September 2012
4.	Procurement of miscellaneous fixed assets	June 2012	September 2012

Sr. No.	Particulars	Estimated Month of Commencement	Estimated Month of Completion
5.	Trial Run	October 2012	October 2012
6.	Commencement of Production	October 2012	
7.	Working Capital	October 2012 to March 2013	

Working Capital requirements for the proposed project at Manesar, Haryana

We have existing banking relationships with sanctioned working capital limits as provided in the section “Financial Information” on page 148 of this DRHP. These limits and our internal accruals are adequate to meet our existing working capital requirements.

The total working capital needs for the proposed project at Manesar, Haryana, based on the internal working of our Company, is estimated to be ₹ 604.00 Lacs by Fiscal 2013. This is proposed to be met entirely from the Proceeds of the Issue. Brief details of computation of working capital requirements for the Manesar Project is as under:

Particulars	₹ in Lacs
Inventory	
Raw Material	152
Work-in-process	40
Finished goods	106
Packing material	4
Total Inventory (a)	302
Sundry Debtors (b)	378
Total Current Assets (A) = (a+b)	680
Sundry Creditors	76
Total Current Liabilities (B)	76
Net Current Assets (A-B)	604
Working Capital Required	604
Funding Pattern	
Proposed to be funded from Public Issue	604
Total	604

Assumptions for Working Capital requirements

Particulars	Number of days outstanding
Inventories	
• Raw material	30
• Work-in-progress	6
• Finished goods	16
Sundry Debtors	30
Sundry Creditors	15

Note: While the sundry debtors is in terms of number of days ‘Sales’; sundry creditors and inventory of raw material are in terms of number of days ‘Material Purchased’; work-in-progress and finished goods are in terms of number of days ‘Cost of goods sold’.

3. Part repayment of the existing Term Loans

Our Company has availed terms loans aggregating ₹ 3,930 Lacs from Canara Bank. Of these ₹ 3,289.47 Lacs is outstanding as on September 15, 2011. In order to reduce the interest burden, our Company intends to utilise ₹ 2,500 Lacs from the Proceeds of the Issue for the part repayment of the loan. Brief details of the term loan are as under:

Sr. No.	Name of the Lender	Facility documentation details	Interest Rate	Repayment Schedule*	Amount Outstanding (as on September 15, 2011)**	Amount to be financed from Proceeds of the Issue
1.	Canara Bank (“Bank”)	Term Loan: ₹ 3,930 Lacs	BPLR [@]	20 quarterly instalments of ₹ 196.5 Lacs commencing February 25, 2012	₹ 3,289.47 Lacs	₹ 2,500 Lacs

* No prepayment penalty is mentioned in the loan agreement

** As per certificate from M/s. Mohit Parekh & Co., Chartered Accountants (Statutory Auditor of our Company) dated September 20, 2011.

[@] Current BPLR of Canara Bank is 14.25% effective from May 05, 2011 (Source: www.canarabank.com)

The Statutory Auditor ‘M/s. Mohit Parekh & Co., Chartered Accountants have further certified *vide* their certificate dated September 20, 2011, that the proceeds of the above Term Loan has been utilised for the purposes for which the loans were sanctioned.

4. Public Issue Expenses

The expenses for this Issue include Issue management fees, IPO grading expenses, Registrar’s fee, selling commissions, underwriting commission, printing and distribution expenses, fee payable to other intermediaries, statutory advertisement expenses and listing fees payable to the Stock Exchanges, amongst others. The estimated Issue expenses are as under:

(In ₹ Lacs)			
Activity	Amount* (₹ Lacs)	% of Issue Size*	% of Issue expenses *
Lead management, Syndicate fees, underwriting and selling commission	[●]	[●]	[●]
Advertisement and marketing expenses	[●]	[●]	[●]
Printing and stationery (including expenses on transportation of the material)	[●]	[●]	[●]
Others (Filing Fees with SEBI, BSE and NSE, Registrar’s fees, legal fees, IPO Grading, listing fees, travelling and other miscellaneous expenses etc.)	[●]	[●]	[●]
Total	[●]	[●]	[●]

* To be completed upon determination of Issue Price

Bridge Loan

Our Company has not entered into any bridge loan facility that will be repaid from the Issue Proceeds.

Interim Use of Funds

The management, in accordance with the approval of the Board of Directors, will have the flexibility in deploying the Issue Proceeds received by us. Pending utilisation for the purposes described above, we intend to invest the funds in high quality interest/dividend bearing liquid instruments including money market mutual funds and deposits with banks for the necessary duration or for reducing overdraft.

Monitoring of Issue proceeds

Our Audit Committee will also monitor the utilisation of the Issue Proceeds. We will disclose the utilisation of the Issue proceeds under separate head in our balance sheet for the Fiscal Year 2013.

Further, on an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in the Draft Red Herring Prospectus and place it before the Audit Committee. The said disclosure shall be made till such time that the full money raised through the Issue has been fully spent. The statement shall be certified by the Statutory Auditor. Further, our Company will furnish to the Stock Exchanges on a quarterly

basis, a statement indicating material deviations, if any, in the use of Issue Proceeds from the Objects stated in the Draft Red Herring Prospectus. Pursuant to Clause 49 of the listing agreement, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Issue Proceeds. We will disclose the utilisation of the Issue Proceeds under a separate head in our balance sheet till such time the Issue Proceeds have been utilised, clearly specifying the purpose for which such proceeds have been utilised. We will also, in our balance sheet till such time the Issue Proceeds have been utilised, provide details, if any, in relation to all such Issue Proceeds that have not been utilised thereby also indicating investments, if any, of such unutilised Issue Proceeds.

No part of the Issue Proceeds of this issue will be paid as consideration to our Promoters, directors, key managerial employees or group concerns/companies promoted by our Promoters.

BASIC TERMS OF THE ISSUE

Principal Terms and Conditions of the Issue

The Equity Shares being offered are subject to the provisions of the Companies Act, the SCRR, the Memorandum and Articles of Association of our Company, conditions of RBI approval, if any, the terms of the Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, Bid-cum-Application Form, the Revision Form, including ASBA forms, Listing Agreements with the Stock Exchanges and other terms and conditions as may be incorporated in the Allotment Advice, 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, Government of India, Stock Exchanges, RBI, RoC, FIPB and / or other authorities, as in force on the Issue Opening Date and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Memorandum and Articles of Association and shall rank *pari passu* in all respects with the other existing Equity Shares of our Company including in respect of the rights to receive dividends. The Allottees of the Equity Shares pursuant to this Issue shall be entitled to dividends and/or any other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to the section titled '*Main Provisions of the Articles of Association*' beginning on page 258 of the Draft Red Herring Prospectus.

Mode of payment of dividend

We shall pay dividend, if declared, to our shareholders as per the provisions of the Companies Act, the Articles of Association of our Company and the Listing Agreements entered into with the Stock Exchanges.

Face Value and Issue Price per Share

The face value of each Equity Share is ₹ 10. The Issue Price is [●]. The Floor Price is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share. At any given point of time there shall be only one denomination of Equity Shares, subject to applicable law. The Price Band and Minimum Bid Lot for the Issue will be decided by our Company in consultation with the BRLM. These will be published by our Company at least two Working Days prior to the Issue/Bid opening date, in an English national daily newspaper and a Hindi national daily newspaper, each with wide circulation.

Compliance with SEBI Rules and Regulations

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

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 subject to any statutory and other preferential claims being satisfied;
- Right of free transferability subject to applicable foreign direct investment policy, foreign exchange regulations and other applicable laws; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the Listing Agreements executed with the Stock Exchanges, and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of our Articles of Association such as those dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and / or consolidation / splitting, please refer to the section titled '*Main Provisions of the Articles of Association*' beginning on page 258 of the Draft Red Herring Prospectus.

Market Lot and Trading Lot

Under Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. In terms of existing SEBI ICDR Regulations, the trading in the Equity Shares shall only be in dematerialised form for all investors. Since trading of the Equity Shares is in dematerialised mode, the tradable lot is one Equity Share.

Allocation and allotment of Equity Shares through this Issue will be done only in electronic form, in multiple of one Equity Share, subject to a minimum allotment of [●] Equity Shares.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts/authorities at New Delhi.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint – tenants with benefits of survivorship.

Nomination Facility to the Investor

In accordance with Section 109A of the Companies Act, the sole or first bidder, along with other joint bidders, may nominate any one person in whom, in the event of the death of sole bidder or in case of joint bidders, death of all the Bidders, the Equity Shares that are 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 such person would be entitled if such person 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 our Company's Registered Office or with the Registrar 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:

1. to register himself or herself as the holder of the Equity Shares; or
2. 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 (90) 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 us. Nominations registered with respective depository participant of the applicant will prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If we do not receive the minimum subscription of 90% of the Issue through the Red Herring Prospectus including devolvement of Underwriters within 60 days from the date of closure of the Issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company shall pay interest as prescribed under Section 73 of the Companies Act and the rules formulated thereunder.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted shall not be less than 1,000.

Arrangement for disposal of odd lots

The Equity Shares will be traded in dematerialised form only and therefore the marketable lot is one (1) Equity Share. Hence, there is no possibility of any odd lots.

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 would not be liable to inform the investors of any amendment, modification or change in applicable laws, which may occur after the date of filing of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws or as specified in the Red Herring Prospectus and the Prospectus.

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 issued Equity Shares by the Book Building Process. The face value of the Equity Shares is ₹10 and the Issue Price is [●] times the face value of the Equity Shares at the lower end of the price band and [●] times the face value at the higher end of the price band.

Investors should read the following summary with the sections titled ‘Risk Factors’ and ‘Financial Information’ beginning on page 13 and 148 respectively, the Draft Red Herring Prospectus.

QUALITATIVE FACTORS

For some of the qualitative factors which form the basis for computing the price, please refer to the section titled “Our Business” on page 92 of the Draft Red Herring Prospectus.

QUANTITATIVE FACTORS

Information presented in this section is derived from our Company’s restated financial statements. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. Basic & Diluted Earning Per Share (EPS)

Year ended	EPS (₹)	Weight
March 31, 2009	6.02	1
March 31, 2010	3.83	2
March 31, 2011	5.28	3
Weighted Average	4.92	
Quarter ended June 30, 2011 (Annualized)	6.52	

Note:

$$\text{Earnings per share (₹)} = \frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted Average no. of equity shares outstanding during the year}}$$

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

Sr. No.	Particulars	P/E
1.	P/E ratio on the Basic/Diluted EPS for the year ended March 31, 2011 at the Floor Price	[●]
2.	P/E ratio on the Basic/Diluted EPS for the year ended March 31, 2011 at the Cap Price	[●]
3.	P/E ratio on the weighted average Basic/Diluted EPS at the Floor Price	[●]
4.	P/E ratio on the weighted average Basic/Diluted EPS at the Cap Price	[●]

Industry P/E

Particulars	Name of Company	P/E
i) Highest	Pearl Polymers Limited	54.88
ii) Lowest	Manjushree Propack Limited	8.04
iii) Average		25.24

** Note: The Industry P/E high and low has been considered from the industry peer set provided below in point no.6 titled “Comparison of Accounting Ratios” The industry composite has been calculated as the arithmetic average P/E of the industry peer set provided below.*

3. Return on Net Worth (RONW %)

Year ended	RONW (%)	Weight
March 31, 2009	28.73	1
March 31, 2010	17.20	2
March 31, 2011	19.32	3

Year ended	RONW (%)	Weight
Weighted Average	20.18	
3 months ended June 30, 2011 (Annualized)	22.44	

$$\text{Return on Net Worth (\%)} = \frac{\text{Net profit after tax, as restated}}{\text{Net Worth (excluding revaluation reserve) as at the end of the year}} \times 100$$

4. Minimum Return on Net Worth after Issue to maintain Pre- Issue EPS for FY 2010-11:

Based on Basic & Diluted EPS

At the Floor Price - [●] and [●] based on Restated financial statements.

At the Cap Price - [●] and [●] based on Restated financial statements.

5. Net Asset Value per Equity Share

Particulars	(₹)
NAV as on March 31, 2011	27.33
NAV as on June 30, 2011	28.97
NAV after the Issue*	[●]
Issue Price*	[●]

* Will be determined on conclusion of the Book Building Process and determination of Issue Price.

6. Comparison of Accounting Ratios

The comparable ratios of the companies which are to some extent similar in business are as given below:

Sr. No.	Name of the Company	Standalone / Consolidated	Face Value (₹)	EPS [#] (₹)	P/E ^{\$}	RONW (%) [#]	Book Value per share (₹) [#]	Sales (₹ Cr.) [#]
1.	Varahi Limited	Standalone*	10	5.28	[●] [@]	19.32	27.33	110.92
Peer Group								
2.	Pearl Polymers Limited	Standalone	10	0.40	54.88	1.37	29.15	189.28
3.	Essel Propack Limited	Standalone	2	2.81	12.18	6.88	40.94	418.34
4.	Manjushree Technopack Limited	Standalone	10	10.92	8.04	18.18	60.06	216.17

* Based on restated financial statements of our Company for year ended March 31, 2011

[#] Source: Annual Report for the year ended March 31, 2011.

^{\$} Source: Computed based on the market price on BSE as on September 30, 2011 and EPS for the year ended March 31, 2011 as reported in the Annual Report

[@] To be finalised upon determination of Issue Price

The Face value of the Share is ₹10 per Equity Share and the Issue Price is [●] time of the face value.

The issue Price will be determined on the basis of the demand from the investors in accordance with the SEBI Regulations. The investors should peruse the risk factors and the financials of our Company including accounting ratios, as set out in "Financial Information of our Company" on page 148 of the Draft Red Herring Prospectus to have a more informed view of the investment.

STATEMENT OF TAX BENEFITS

**The Board of Directors,
Varahi Limited
WZ-8/1, Industrial Area,
Kirtinagar, New Delhi.**

Dear Sirs,

Sub: Statement of Possible Tax Benefits

We hereby report that the enclosed annexure states the possible tax benefits that may be available to Varahi Limited (the “Company”) and to the Shareholders of the Company under the provisions of current tax laws presently in force in India.

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws and their interpretations. Hence, the ability of the Company or its Shareholders to derive 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 fulfil.

The benefits discussed in the enclosed statement are not exhaustive nor are they conclusive. This statement is only intended to provide general information and to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ their own tax consultant with respect to the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

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 revenue authorities/ courts will concur with the views expressed herein.

Our views are based on the existing provisions of law and its interpretations, which are subject to change from time to time. We do not assume responsibility to up-date the views of such changes. The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. While all reasonable care has been taken in the preparation of this opinion, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

This report is intended solely for information and for the inclusion in the offer Document in connection with the proposed 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 M/s.Mohit Parekh & Co.,
Chartered Accountants**

**Mohit Parekh
Proprietor**

**Membership No.: 81069
Firm Registration No.: 002067N**

Date: [September 20, 2011]

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

A. SPECIAL TAX BENEFITS TO THE COMPANY

The benefits pursuant to section 80-IC of Income Tax Act, 1961, are available to the units of our Company located at Baddi, Himachal Pradesh and Pantnagar, Uttaranchal. The details of the section 80-IC is mentioned below:

Section 80-IC: - Where the gross total income of an assessee includes any profits and gains derived by an undertaking or an enterprise from any specific business mentioned in this section, there shall, in accordance with and subject to the provisions of this section, be allowed, in computing the total income of the assessee, a deduction from such profits and gains, as mentioned below:

The Section provides a special deduction for a period of ten years in respect of new undertakings or those undertaking substantial expansion in **Sikkim, Uttaranchal, Himachal Pradesh and North Eastern states**.

The deduction as referred above is available as follows:

State of Sikkim	Between 23rd December 2002 and 1st April 2012
State of Himachal Pradesh or Uttaranchal	Between 7th January 2003 and 1st April 2012
North Eastern States	Between 24th December 1997 and 1st April 2007

Quantum of Deduction Available

100% of profit for ten Assessment Years in the case of undertaking located in the states of Sikkim and north-eastern states.

100% of profit for the first five Assessment Years and 25% in next five assessment years in the case of undertaking located in Uttaranchal and Himachal Pradesh. In case of companies 25% should be taken as 30%.

This section applies to any undertaking or enterprise which fulfils all the following conditions, namely:—

(i) it is not formed by splitting up, or the reconstruction, of a business already in existence :

Provided that this condition shall not apply in respect of an undertaking which is formed as a result of the re-establishment, reconstruction or revival by the assessee of the business of any such undertaking as is referred to in section 33B, in the circumstances and within the period specified in that section;

(ii) it is not formed by the transfer to a new business of machinery or plant previously used for any purpose.

The Company has established one unit in Uttaranchal and two units in Himachal Pradesh and the production from the above said units started before the prescribed date, therefore the Company is eligible for deduction of 100% of the profits derived from the business of the above mentioned units as follows:

- Unit at Pantnagar, Uttaranchal for a period of five years (from FY 2006-07 to FY 2010-11) and thereafter 30% for the next five years.
- Unit I at Baddi, Himachal Pradesh for a period of five years (from FY 2003-04 to FY 2007-08) and thereafter 30% for the next five years.
- Unit II at Jharmajri, Baddi, Himachal Pradesh for a period of five years (from FY 2009-10 to FY 2013-14) and thereafter 30% for the next five years.

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS OF OUR COMPANY:

NIL

C. GENERAL TAX BENEFITS, AVAILABLE TO ALL CATEGORIES OF COMPANIES OR TO THE SHAREHOLDERS OF ANY COMPANY, SUBJECT TO FULFILLING CERTAIN CONDITIONS AS REQUIRED UNDER THE RESPECTIVE ACTS:

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

1. Under section 10(34) of the IT Act, income by way of dividends referred to in Section 115-O received by the Company from domestic companies is exempt from income tax.

2. Under section 112 of the IT Act and other relevant provisions of the IT Act, long term capital gains, (other than those exempt under section 10(38) of the IT Act) arising on transfer of shares in the Company, would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess) after indexation. The amount of such tax should however be limited to 10% (plus applicable surcharge and education cess) without indexation, at the option of the shareholder, if the transfer is made after listing of shares.
3. Under section 10(38) of the IT Act, long term capital gains arising to a shareholder on transfer of equity shares in the Company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India after 1st October, 2004 and is liable to securities transaction tax.
4. Under section 111A of the IT Act and other relevant provisions of the IT Act, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the Company would be taxable at a rate of 15 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax. Short-term capital gains arising from transfer of shares in a Company, other than those covered by section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.
5. Under section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the IT Act) arising on the transfer of shares of the Company would be exempt from tax if such capital gain is invested within 6 months after the date of such transfer in the bonds (long term specified assets) issued by:
 - (a) National Highway Authority of India constituted under section 3 of The National highway Authority of India Act 88;
 - (b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

The investment made in the long term assets as specified above by the assessee during any financial year is subject to maximum of fifty lacs rupees. If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion. The cost of the long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the income-tax under Section 80C of the IT Act.

6. **Deduction under Section 32:** As per provisions of Section 32(1)(iia) of the Act, the company is entitled to claim additional depreciation of 20% of the actual cost of any new machinery or plant which has been acquired and installed after 31st March, 2005 subject to fulfillment of conditions prescribed therein.
7. Under section 115JAA (2A) of the Act tax credit shall be allowed in respect of any tax paid (MAT) under section 115JB of the Act for any Assessment Year commencing on or after 1st April 2006. 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 10 years immediately succeeding the year in which the MAT credit initially arose.

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

1. Under section 10(34) of the IT Act, income by way of dividends referred to in Section 115-O received on the shares of the Company is exempt from income tax in the hands of shareholders.
2. Under section 48 of the IT Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition / improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, as per second proviso to section 48 of the IT Act, in respect of long term capital gains (i.e. shares held for a period exceeding 12 months) from transfer of shares of Indian Company, it permits substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index, as prescribed from time to time.

3. Under section 10(38) of the IT Act, long term capital gains arising to a shareholder on transfer of equity shares in the Company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to securities transaction tax.
4. Under section 112 of the IT Act and other relevant provisions of the IT Act, long term capital gains, (other than those exempt under section 10(38) of the IT Act) arising on transfer of shares in the Company, would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess) after indexation. The amount of such tax should however be limited to 10% (plus applicable surcharge and education cess) without indexation, at the option of the shareholder, if the transfer is made after listing of shares.
5. Under section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the IT Act) arising on the transfer of shares of the Company would be exempt from tax if such capital gain is invested within 6 months after the date of such transfer in the bonds (long term specified assets) issued by:
 - (a) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act;
 - (b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

The investment made in the long term assets as specified above by the assessee during any financial year is subject to maximum of Fifty lacs rupees. If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion. The cost of the long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the income-tax under Section 80C of the IT Act.

6. Under section 54F of the IT Act and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the IT Act) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.
7. Under section 111A of the IT Act and other relevant provisions of the IT Act, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the Company would be taxable at a rate of 15 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax. Short-term capital gains arising from transfer of shares in a Company, other than those covered by section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.
8. In terms of section 36(xv) of the Act, the securities transaction tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for deduction from the amount of income chargeable under the head "Profit and gains of business or profession" arising from taxable securities transactions. As such, no deduction will be allowed in computing the income chargeable to tax as capital gains, such amount paid on account of securities transaction tax.

BENEFITS AVAILABLE TO MUTUAL FUNDS

1. As per the provisions of Section 10(23D) of the IT Act, Mutual Funds registered under the Securities and Exchange Board of India or Mutual Funds set up by Public Sector Banks or Public Financial Institutions or authorized by the Reserve Bank of India and subject to the conditions specified therein, would be eligible for exemption from income tax on their income.

BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS ('FIIS')

1. Under section 10(34) of the IT Act, income by way of dividends referred to in Section 115-O received on the shares of the Company is exempt from income tax in the hands of shareholders.
2. Under section 10(38) of the IT Act, long term capital gains arising to a shareholder on transfer of equity shares in the Company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to securities transaction tax.
3. Under section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the IT Act) arising on the transfer of shares of the Company would be exempt from tax if such capital gain is invested within 6 months after the date of such transfer in the bonds (long term specified assets) issued by:
 - (a) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act;
 - (b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

The investment made in the long term assets as specified above by the assessee during any financial year is subject to maximum of Fifty lacs rupees. If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion. The cost of the long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the income-tax under Section 80C of the IT Act.

4. Under section 115AD (1)(ii) of the Act short term capital gains on transfer of securities shall be chargeable @ 30% and 10% (where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax). The above rates are to be increased by applicable surcharge and education cess.

Under section 115AD(1)(iii) of the Act income by way of long term capital gain arising from the transfer of shares (in cases not covered under section 10(38) of the Act) held in the company will be taxable @10% (plus applicable surcharge and education cess). It is to be noted that the benefits of indexation and foreign currency fluctuations are not available to FIIs.

5. As per section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the FII would prevail over the provisions of the IT Act to the extent they are more beneficial to the FII.
6. In terms of section 36(xv) of the Act, the securities transaction tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for deduction e from the amount of income chargeable under the head "Profit and gains of business or profession" arising from taxable securities transactions. As such, no deduction will be allowed in computing the income chargeable to tax as capital gains, such amount paid on account of securities transaction tax.

BENEFITS AVAILABLE TO VENTURE CAPITAL COMPANIES/ FUNDS

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

BENEFITS AVAILABLE TO NON-RESIDENTS/ NON-RESIDENT INDIAN SHAREHOLDERS (OTHER THAN MUTUAL FUNDS, FIIS AND FOREIGN VENTURE CAPITAL INVESTORS)

1. Under section 10(34) of the IT Act, income by way of dividends referred to in Section 115-O received on the shares of the Company is exempt from income tax in the hands of shareholders.

2. Under section 10(38) of the IT Act, long term capital gains arising to a shareholder on transfer of equity shares in the Company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to securities transaction tax.
3. Under the first proviso to section 48 of the IT Act, in case of a non resident shareholder, in computing the capital gains arising from transfer of shares of the company acquired in convertible foreign exchange (as per exchange control regulations) (in cases not covered by section 115E of the IT Act-discussed hereunder), protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case. The capital gains/ loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into the same foreign currency which was utilized in the purchase of the shares.
4. Under section 112 of the IT Act and other relevant provisions of the IT Act, long term capital gains, (other than those exempt under section 10(38) of the IT Act) arising on transfer of shares in the Company, would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess) after indexation. The amount of such tax should however be limited to 10% (plus applicable surcharge and education cess) without indexation, at the option of the shareholder, if the transfer is made after listing of shares.
5. Under section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the IT Act) arising on the transfer of shares of the Company would be exempt from tax if such capital gain is invested within 6 months after the date of such transfer in the bonds (long term specified assets) issued by:
 - (a) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act;
 - (b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

The investment made in the long term assets as specified above by the assessee during any financial year is subject to maximum of Fifty lacs rupees. If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion. The cost of the long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the income-tax under Section 80C of the IT Act.

6. Under section 54F of the IT Act and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the IT Act) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.
7. Under section 111A of the IT Act and other relevant provisions of the IT Act, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the Company would be taxable at a rate of 15 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax. Short-term capital gains arising from transfer of shares in a Company, other than those covered by section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.
8. Where shares of the Company have been subscribed in convertible foreign exchange, Non-Resident Indians (i.e. an individual being a citizen of India or person of Indian origin who is not a resident) have the option of being governed by the provisions of Chapter XII-A of the IT Act, which *inter alia* entitles them to the following benefits:

- i. Under section 115E, where the total income of a non-resident Indian includes any income from investment or income from capital gains of an asset other than a specified asset, such income shall be taxed at a concessional rate of 20 per cent (plus applicable surcharge and education cess). Also, where shares in the company are subscribed for in convertible foreign exchange by a Non-Resident India, long term capital gains arising to the non-resident Indian shall be taxed at a concessional rate of 10 percent (plus applicable surcharge and education cess). The benefit of indexation of cost and the protection against risk of foreign exchange fluctuation would not be available.
- ii. Under provisions of section 115F of the IT Act, long term capital gains (in cases not covered under section 10(38) of the IT Act) arising to a non-resident Indian from the transfer of shares of the Company subscribed to in convertible Foreign Exchange (in cases not covered under section 115E of the IT Act) shall be exempt from Income tax, if the net consideration is reinvested in specified assets or in any savings certificates referred to in section 10(4B), within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.
- iii. Under provisions of section 115G of the IT Act, it shall not be necessary for a Non-Resident Indian to furnish his return of income under section 139(1) if his income chargeable under the Act consists of only investment income or long term capital gains or both; arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from as per the provisions of Chapter XVII-B of the IT Act.
- iv. In accordance with the provisions of Section 115H of the Act, a Non Resident Indian become assessable as a resident in India, he may furnish a declaration in writing to the assessing officer along with his return of income for that year under Section 139 of the Act to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
9. In terms of section 36(xv) of the Act, the securities transaction tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for deduction e from the amount of income chargeable under the head “Profit and gains of business or profession” arising from taxable securities transactions. As such, no deduction will be allowed in computing the income chargeable to tax as capital gains, such amount paid on account of securities transaction tax.
10. As per Section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the Non-Resident/ Non- Resident India would prevail over the provisions of the IT Act to the extent they are more beneficial to the Non-Resident/ Non-Resident India.

BENEFITS AVAILABLE UNDER THE WEALTH TAX ACT, 1957

Asset as defined under Section 2(ea) of the Wealth tax Act, 1957 does not include shares in companies and hence, shares of the Company held by the shareholders would not be liable to wealth tax.

Notes:

1. 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;
2. The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws, including as laid down by the circular 4/2007 dated 15th June 2007 issued by CBDT concerning capital gain, for availing concessions in relation to capital gains tax;
3. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax

consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue;

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

SECTION IV – ABOUT THE COMPANY

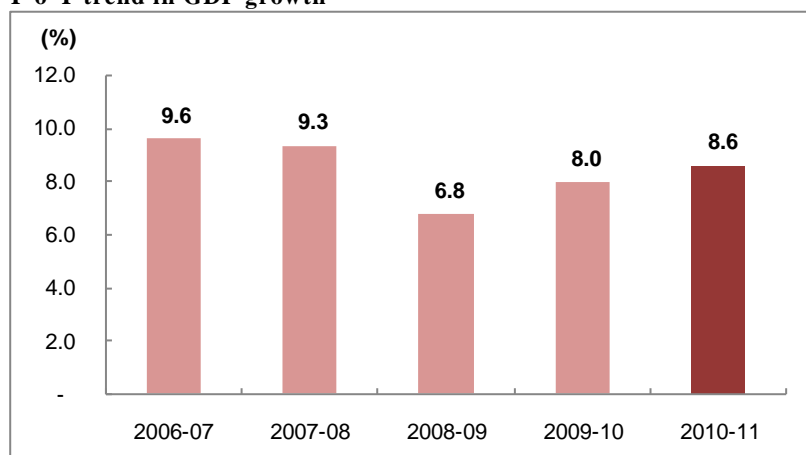
INDUSTRY OVERVIEW

1. Indian Economy

GDP registers a healthy 8.4 per cent CAGR over the last 5 years

India's economy has been growing at a healthy rate over the last 5 years. On an average, Indian economy has grown at 8.4 per cent CAGR over the period 2005-06 to 2010-11. Real GDP grew faster at 8.5 per cent in 2010-11 as compared to the 8 per cent growth recorded in 2009-10. This growth was mainly led by robust agriculture growth, which surged to 6.6 per cent in 2010-11 from a meagre 0.4 per cent in 2009-10. Both industry and services growth, however, declined in 2010-11 to 7.9 per cent and 9.4 per cent, respectively.

Y-o-Y trend in GDP growth



Source: CSO, CRISIL Computations

CRISIL Research expects GDP growth rate to decline to 7.7-8.0 per cent in 2011-12. Given the high inflationary pressure as well as a need for fiscal consolidation, there is little room for fiscal and monetary stimulus, even if the external environment deteriorates further.

Real GDP at factor cost (y-o-y, %)

(2004-05 prices)	2006-07	2007-08	2008-09	2009-10	2010-11
GDP at factor cost	9.6	9.3	6.8	8.0	8.5
Agriculture and allied activities	4.2	5.8	-0.1	0.4	6.6
Industry	12.2	9.7	4.4	8.0	7.9
Mining & quarrying	7.5	3.7	1.3	6.9	5.8
Manufacturing	14.3	10.3	4.2	8.8	8.3
Construction	10.3	10.7	5.4	7.0	8.1
Electricity, gas and water supply	9.3	8.3	4.9	6.4	5.7
Services	10.1	10.3	10.1	10.1	9.4
Trade, Hotels, Transport & Communication	11.6	11.0	7.5	9.7	10.3
Financing, insurance, real estate and business services	14.0	11.9	12.5	9.2	9.9
Community, social & personal services	2.9	6.9	12.7	11.8	7.0

Source: CSO, CRISIL Computations

Private consumption grew strongly by 8.6 per cent in 2010-11

GDP, at market prices, clocked 8.8 per cent growth in 2010-11, against 9.1 per cent growth in 2009-10. But, both private consumption and fixed investment grew faster at 8.6 per cent each in 2010-11 as

compared to 7.3 per cent each in 2009-10. International trade performed extremely well as overall exports, at \$246 billion, exceeded the annual target of \$200 billion by a significant margin.

Real GDP at market price (y-o-y, %)

(2004-05 prices)	2006-07	2007-08	2008-09	2009-10	2010-11
GDP at market price	9.3	9.8	4.9	9.1	8.8
Private consumption	8.3	9.3	7.7	7.3	8.6
Government consumption	3.7	9.5	10.7	16.4	4.8
Fixed investment	13.8	16.2	1.5	7.3	8.6

Source: CSO, CRISIL Computations

Relationship with the packaging industry

As India's economy grows driven by the expansion in agriculture and industry the demand for packaging also rises with increased production. Buoyant growth also increases affordability overtime thereby generating demand for consumer goods, which is the main demand driver for the packaging industry. Over the last 3 years (2008-09 to 2010-11), GDP at factor cost has grown on an average 7.8 per cent. During the same period (2007 to 2010), the Indian packaging industry grew at about 15 per cent CAGR.

2. Packaging Industry

Packaging is essential for the preservation and movement of retail, institutional and industrial goods. With changing lifestyles and increased consumerism, packaging has acquired greater importance. It performs four basic functions: protection, containment, dissemination of information and utility of product.

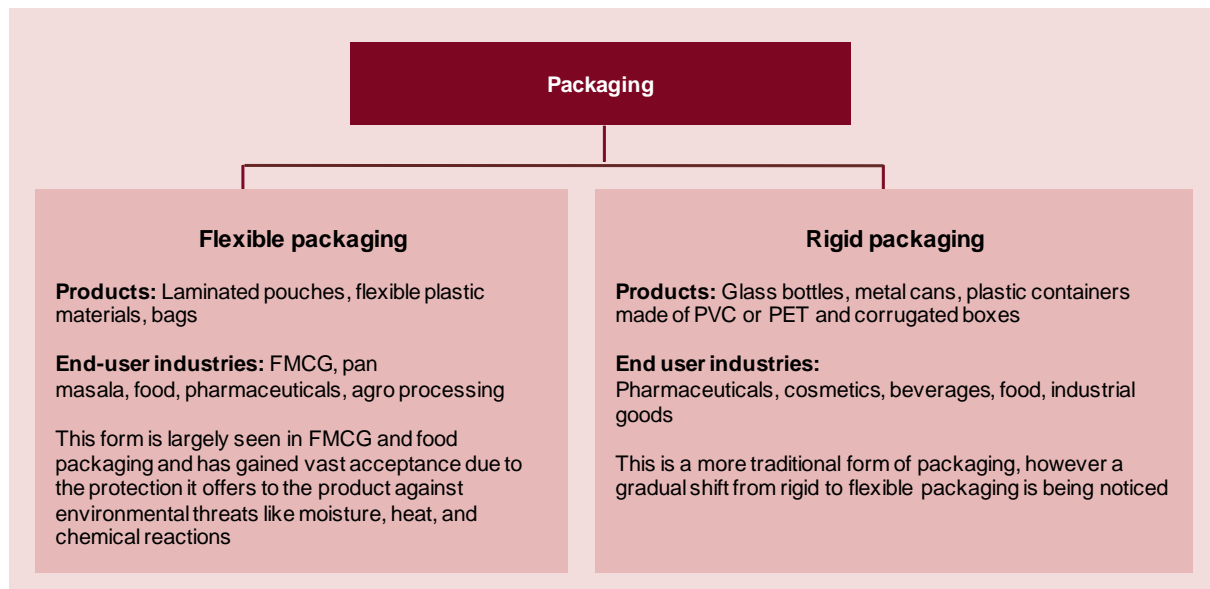
2.1 Types of Packaging

The packaging industry uses different materials like glass, metals, wood and polymers for packaging different types of products. Packaging industry can be classified on the different basis namely, shape/form/size of packaging, method of packing, contents packed and materials used for packing.

Types of industry classification

On the basis of the material used, the packaging industry can be broadly classified as: rigid and flexible. Rigid packaging involves the use of glass, tin, aluminium, wood and plastic. Flexible packaging involves the use of lightweight, durable and flexible materials like plastic films, paper and aluminium foils. In 2010, rigid packaging accounted for about 76 per cent of the total packaging industry and flexible packaging accounted for the balance.

Segmentation of packaging industry on the basis of materials used

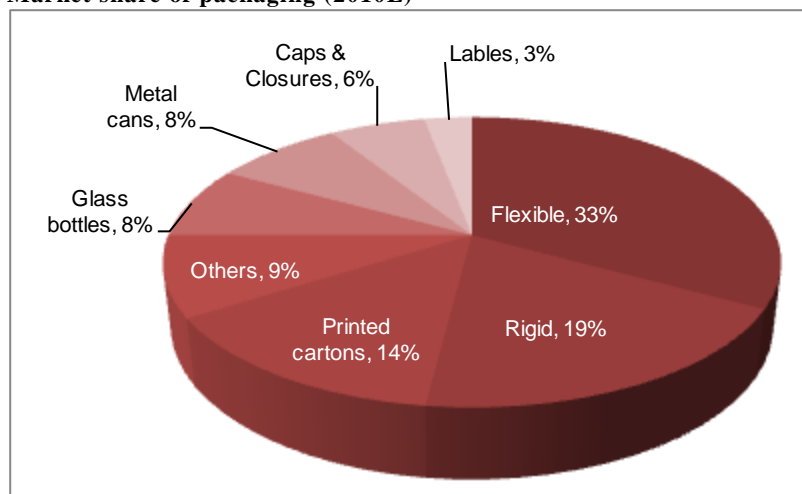


Source: CRISIL Research

2.2 Industry Structure & Market Size

The Indian packaging industry is estimated to be about Rs 860 billion (2010). The industry is highly fragmented and local. This is a low-capital, technology-intensive business and hence attracts a large number of small players. It includes both organised large players (both Indian and international) having pan-India presence and unorganised small and medium size players with local presence. The organised segment typically caters to major FMCG and pharmaceutical companies who are conscious about quality and the ability to produce different types of packaging products enabling them to target a larger market. Flexible packaging is the largest segment contributing about 33 per cent of the total industry.

Market share of packaging (2010E)



E - Estimated

Source: Packaging India

2.2 Polymer-based packaging industry

Polymer-based packaging (rigid, flexible and caps & closures) accounts for 55-60 per cent of the packaging industry. The packaging industry is one of the major consumers of basic polymers — polyethylene (PE) and polypropylene (PP). Some of the major polymers used in flexible packaging are PP (Polypropylene), HDPE

(High density polyethylene), TQPP (Tubular quenched polypropylene), LDPE (Low density polyethylene) and LLDPE (Linear low density polyethylene). In rigid packaging, HDPE and PET are the major polymers used.

Polymer-based packaging has been gaining market share. It is preferred over metallic and other packaging products due to advantages such as:

- Lower weight;
- Higher resale value of polymer containers;
- Higher quality since they are better equipped for transportation and difficult material handling conditions; many products are sensitive or hazardous in nature and, hence, safety of the materials in transit is of prime importance to end-users.

Over the next 5 years, CRISIL Research expects demand for polymers to increase at a CAGR of 10-12 per cent driven mainly by Polyethylene (PE), Polypropylene (PP) and Poly Vinyl Chloride (PVC) segments, which together account for approximately 92 per cent of the total polymer demand.

FMCG, industrial chemicals and pharmaceutical are the major end-use sectors of polymer-based packaging and contribute about 80-90 per cent of the total demand.

2.2.1 Flexible packaging

Flexible packaging enjoys a 33 per cent share in the total domestic packaging market. Flexible packaging is broadly classified into laminated pouches, plastic films and bags. In the flexible packaging market, films have a major share.

1. **Flexible laminated pouches:** They are films wherein two or more different extruded films as well as different packing materials (like metal foils), are laminated together with adhesives. The kind of materials used can vary according to the product to be packed.
2. **Multilayered films:** They are layers of PE films co-extruded together. These films can be further laminated, to suit the requirement of the product to be packed.
3. **Woven sacks:** They are mainly used in cement, fertiliser, chemicals, sugar and food packaging. PP and HDPE are the widely used polymers in woven sacks.

The major end-use segments of flexible packaging are FMCG and food packaging, which contribute to more than half the total demand. They also include the entire range of oral, hair and personal care products, which are increasingly favouring flexible packaging. The pan masala and gutka industries also constitute major end-users, especially in northern India, besides electronic packaging, cement, fertilisers etc.

2.2.2 Rigid packaging

Rigid packaging includes bottles and containers made of plastic, glass, metals etc; corrugated boxes and caps & closures. Polymer based rigid packaging accounts for about 25 per cent of the total packaging industry. Bottles and containers account for a majority share in the rigid packing segment. Bottles and containers can be made from glass, metals or polymers. Polymer based bottles and containers can be further classified into 3 categories: PET, HDPE and PP. Major end-user industries of rigid packaging are FMCG, pharmaceutical, packaged drinking water, chemicals and household uses.

Comparison of major applications of PET and HDPE

HDPE

HDPE is the most widely used polymer in the bottles and container segment used for rigid packaging. HDPE containers have good tensile strength and impact-resistance. They have good resistance to stress and cracking. They find major application in industrial packaging, with chemicals and lube oil being major markets.

Major end-use sectors are chemicals, edible oil, pesticides, pharmaceuticals etc. Edible oil, chemicals and pharmaceutical together contribute about 50-60 per cent of the total demand for HDPE containers. Typically, blow-moulding grade of HDPE is used for making HDPE containers.

PET

PET bottles are made from MEG, which is manufactured by oxidising ethylene. The PET bottles are break-proof, heat-resistant, light in weight, odourless and non-toxic. They have good clarity and thus find major application in consumer packaging, with mineral water and carbonated drinks being the largest market for them. Besides packaged water, PET bottles are also used in packaging pharmaceutical products, edible oil, confectionary items, malted foods, beverages, etc. Packaged drinking and mineral water, confectionary and other carbonated & non-carbonated beverages contribute about 80-90 per cent of the total demand for PET bottles and containers.

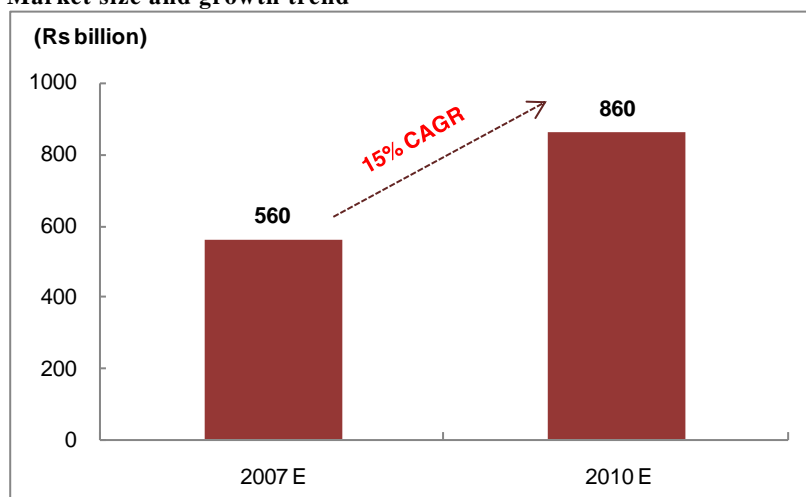
PP containers, caps and closures and thermoformed articles

PP is the most common raw material used in the manufacturing of containers, caps and closures and thermoformed types of packaging. Containers, caps and closures find major application in pharmaceuticals and cosmetics. Thermoforming finds application in cups and trays, which are widely used in food packaging.

2.3 Industry Review & Outlook

India's packaging industry has grown at a healthy 15 per cent CAGR over the last 3 years. While rigid packaging has grown at a little over 14 per cent, flexible packaging has grown faster at approximately 17 per cent over the past 5 years. Recent trends show, flexible packaging is gaining share, owing to its better properties and advantages. Rural marketing, which promotes smaller sachets, is one of the key drivers of flexible packaging. Additionally, 8-10 per cent of the flexible packaging products are exported.

Market size and growth trend



E - Estimated

Source: CRISIL Research

Domestic packaging industry to grow at 13-16 per cent CAGR over the next 3 years

Going ahead, domestic packaging industry is expected to continue to expand at 13-16 per cent CAGR over the next 3 years driven by growth in the end-user industries mainly pharmaceutical and branded foods. Demand for polymer packaging is expected to grow at a higher rate due to the trend to replace metals with plastics. CRISIL Research believes that, the flexible packaging industry is poised to report a healthy demand growth of 17-18 per cent annually for the next 3 years, mainly on account of growth in the end-user industries such as FMCG and packaged food products. Over the next 3 years, the rigid packaging industry is expected to grow by 12-15 per cent CAGR driven by growth in end-user industries like pharmaceutical, edible oil, FMCG etc.

Growth in end-user industries to drive future growth

Demand for packaging is driven by growth in end-user segments such as FMCG, pharmaceutical, chemicals, etc. FMCG - including food and food products - forms the largest category of consumer spending and has been growing at a healthy rate of 13-14 per cent in the past few years. The industry is expected to grow at a similar rate given the increase in disposable incomes, which would lead to increased spending on food, expanding the domestic food market. Further, the growth of the organised retail sector will also lead to an increase in consumer packaging. Pharmaceutical sector uses different types of glass, pet bottles, strip and blister packs, injectibles, ampoules, bulk packs, etc, for packaging of drugs and formulations. With the pharmaceutical industry expected to grow at a CAGR 14-15 per cent over the next 3 years, the demand for pharma packaging is expected to grow at a healthy rate.

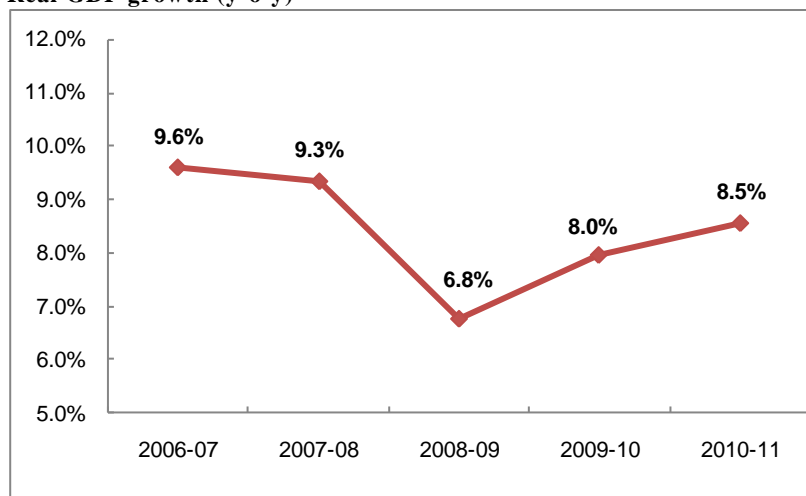
2.4 Growth Drivers

As the economy grows driven by increased industrial production and international trade, it generates demand for the packaging industry. Moreover, with increasing population, rising income levels, changing food habits and increased penetration of organised retail, preference for branded products is also expanding. Growing preference for branded foods is also a major catalyst for the growth of packaging industry. In addition, other factors like rise in the number of nuclear families, rural marketing and growth from end-user industries also fuel the packaging industry's demand growth.

Economic growth

India's GDP is growing at a healthy rate on an annual basis after declining sharply in 2008-09 driven by growth in agriculture and industry. Buoyant economic growth has resulted in increasing affluence. Overall economic growth is beneficial for the packaging industry as more and more consumer goods become affordable to a larger section of the population. Over the last 5 years (2005-06 to 2010-11), GDP has grown at an average of 8.4 per cent. The Indian packaging industry has grown at about 15 per cent CAGR over the last 3 years (2007 to 2010).

Real GDP growth (y-o-y)

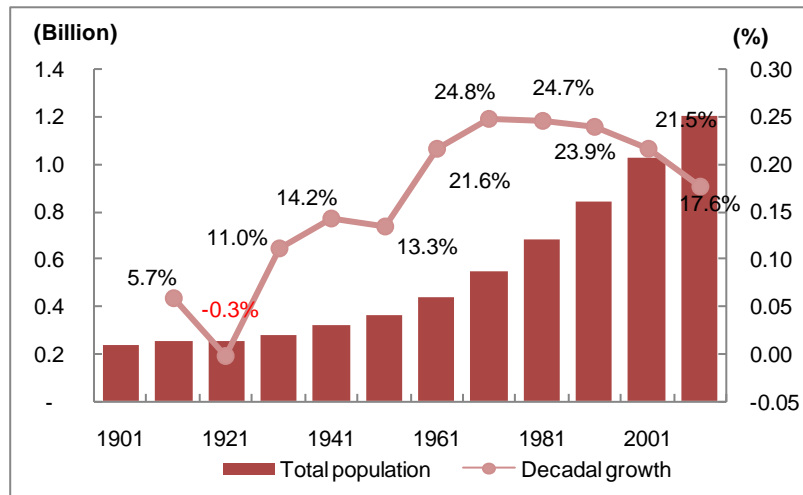


Source: CRISIL Research

Population growth

The growth in population has direct bearing on the growth in demand for consumer goods. India has always been viewed as a huge potential market for consumer products due to its favourable demographics. According to the provisional data released by Census 2011, India's population stands at 1.2 billion. Over the last decade, India's population has grown by 17.6 per cent. According to Census 2001, India's population is expected to grow at 1.3 per cent CAGR between 2010 and 2015.

India - Population growth



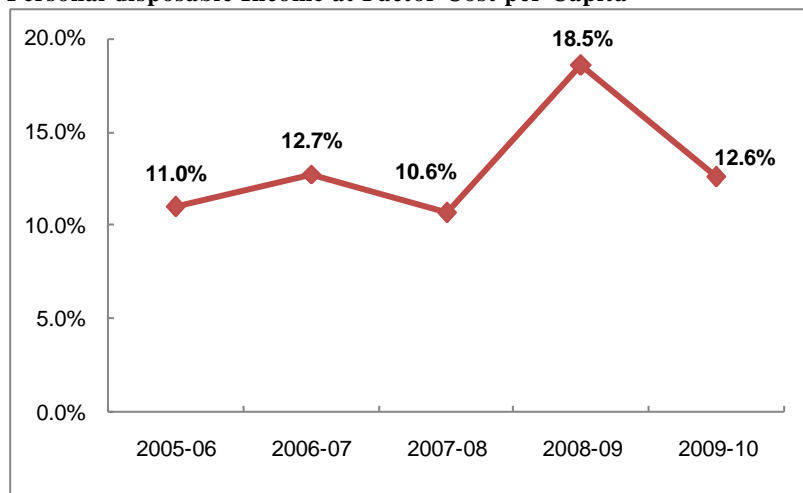
* Data for 2011 is provisional as per Census 2011

Source: Urban Statistics, Hand Book 2000, National Institute of Urban Affairs & Agricultural Research, Data Book 2004, Census 2001

Rising income levels

India's per capita disposable income has witnessed healthy growth over the last few years. Rising income levels and increased health consciousness is leading to increased preference for packaged branded food/non-food items over unpacked non-branded food/non-food items. The rising income levels also support this growth in consumption due to improved affordability. Households have steadily moved from the lower income brackets to the higher income bracket.

Personal disposable Income at Factor Cost per Capita



Source: CRISIL Centre for Economic Research

Shift in the preference for branded products

Rising income levels and working population and increased preference for healthy and hygienic food is changing the food habits of people. Preference for "eating out" and trying new cuisines has increased amongst both youngsters and families. This is also creating a demand for similar packaged branded food items like burgers, Chinese, Italian, etc for their homes. Increased health consciousness is also creating a demand for packaged drinking or mineral water and other branded beverages like juices, energy drinks, diet aerated beverages etc. Also, with more women entering the corporate world, the life of an average middle-income family has become very hectic. This is creating a preference for ready-to-eat meals, fruit juices and other packed food items to reduce the average cooking time.

Growth in the penetration of organised retail

Growth in organised retail also drives the demand for packaging industry. Favourable demographics, rising disposable incomes, increasing urbanisation, relatively low penetration along with large expansions by existing players and the entry of new players have driven the growth of the Indian organised retail market. The organised retail industry is expected to grow at 23.4 per cent, between 2009-10 and 2014-15, driven by buoyant consumer demand.

Nuclearisation

Nuclearisation refers to the shift from joint families to single families. Nuclearisation is primarily driven by employment-related migration, which is an outcome of urbanisation. Nuclearisation is another important factor driving the demand for packaging. Nuclear families have a greater propensity to spend; hence the per capita consumption is higher. Since both men and women tend to be working and therefore find lesser time for household chores like cleaning, cooking, etc. This is generating a demand for packaging of even basic food items like cut and uncut fruits & vegetables, flour, etc.

Growth prospects in end-use segments

Growth prospects in end-use segments like FMCG, pharmaceuticals, bottled water, packaged food, etc is also an important demand driver for the packaging industry.

Rural marketing

India's rural market is largely untapped even today. Therefore, consumer goods manufacturers are increasing their focus to tap the same. This also led to the creation of economy packs like sachets since rural population typically has lower purchasing power as compared to their urban counterparts. Increased focus on rural marketing is thus generating the demand for innovative packaging.

Replacement of other packaging materials with polymer packaging

There is a growing preference for polymer based packaging compared to other materials like glass, metal, wood, etc, due to the underlying benefits of polymer based packaging. Lower cost, ease in handling, transportation and storage and lower weight as compared to other packaging materials are some of the benefits of polymer based packaging driving its demand.

3. Packaged Drinking Water Industry

Amongst other things, access to clean drinking water is a basic necessity for a healthy living. In India, access to safe drinking water has always been an issue due to several reasons. Overpopulation and scarcity of water resources are some of the major factors. This has resulted in high growth in demand for packaged drinking water.

3.1 Industry structure & Regulation

The domestic packaged water industry is highly fragmented and local with more than 1,000 players. The bottled water industry in India is regulated by Bureau of India Standards (BIS) by providing ISI mark. All Indian packaged water manufacturers have to mandatorily obtain the ISI mark from BIS for manufacturing and sale of packaged drinking water or natural mineral water.

In India, there are two categories of packaged water as recognized by BIS:

3. **Packaged natural mineral water (PNMW):** This is regulated under IS: 13428 and is drawn from a natural source. It should meet the composition standard defined under IS: 13428 and must be bottled without altering the natural composition of water. Some brands under this category are, Evian, Qua, Himalayan, etc.

4. **Packaged drinking water (PDW):** This is regulated under IS: 14543 and is ordinary water treated to meet the regulatory standards. In this case, any of the processes of filtration/disinfection listed under the IS: 14543 can be used for changing the composition of water before bottling. Some popular brands are, Kinley, Aquafina, Bailey, etc.

3.2 Types of packaging

Packaged drinking water is sold in a variety of packaging like pouches, glasses, bottles and bulk cans or jars. Bottles come in different capacities like 250ml, 300ml, 500ml, 1 litre, 2 litre, etc. Cans or jars come in 5 and 20 litre variants. PET is the most commonly used material in branded packaged water industry. LDPE is used for making pouches. High Impact Polystyrene (HIPS) is normally used for making glasses and are sealed with peelable lids. Non-branded or local manufacturers also use PVC and other cheaper plastic bottles, containers, etc.

On the basis of size of packaging, the industry can be classified as:

- **Retail packaging** - Packaged drinking water containers having less than 5 litre capacity are categorised as retail water. It normally comes in pouches, glasses and bottles.
- **Bulk packaging** - Packaged drinking water containers having more than 5 litre capacity are categorised as bulk and come in cans or jars.

3.3 Major growth drivers

Demand for packaged drinking water is being driven by

- **Higher disposable income:** With healthy economic growth, India's per capita disposable income has also witnessed a healthy growth over the past few years. Rising incomes is one of the major factors driving the demand for packaged drinking or natural mineral water.
- **Increased preference for hygiene:** Over the past few years, on account of increased awareness people have become more health consciousness and have started giving importance to hygiene. As water is a basic necessity and unclean water might lead to life threatening diseases, people now prefer to have safe drinking water even when they are travelling. This has boosted the demand for packaged drinking water and mineral water.
- **Improved affordability:** With rising income levels and preference for safe drinking water, more and more people are able to afford packaged water (drinking or mineral). Moreover, availability of packed water in different sizes ranging from 200 ml to 20 litre also makes it affordable.
- **Easier availability of packaged drinking water:** As compared to the last decade, packaged drinking water/natural mineral water is easily available even in remote areas of the country today, primarily due to better logistics and other infrastructure services.
- **Shortage of safe drinking water:** Due to existing shortage of safe drinking water, packaged drinking water is increasingly being opted for as an alternate especially in the bulk segments.

3.4 Major players

While in the past, Bisleri virtually dominated the organised packaged drinking water industry, today it is competing against multiple local and international players. Some other major players in the branded packaged drinking water industry today are Parle (Bailey), Coca Cola (Kinley), PepsiCo India (Aquafina), Tata (Himalayan), etc.

Major packed drinking and mineral water brands in India

Brand	Company	Type
Bisleri	Bisleri International	PDW
Bailey	Parle Agro	PDW
Aquafina	PepsiCo	PDW
Kinley	Coca Cola	PDW
Qua	Narang Group	PNMW
Himalayan	Tata	PNMW
Evian	Danone	PNMW

Source: CRISIL Research

OUR BUSINESS

The financial figures used in this chapter, unless otherwise stated, have been derived from our Company's restated financial statements for the relevant years.

Overview

Our Company, incorporated in the year 1993, is engaged in the manufacturing of plastic packaging products. We offer a broad spectrum of packaging products which includes plastic caps and closures, PET pre-forms, PET / HDPE / PP Bottles, PET Jars and containers made from rigid plastics and caters to various FMCG, Pharmaceuticals and other Companies. We innovate and design new concepts in plastic packaging by using different technologies like Injection Molding (IM), Extrusion Blow Molding (EBM), Injection Stretch Blow Molding (ISBM), Injection Blow Molding (IBM) and Compression Molding (CM).

Since inception our Company has made continuous efforts to grow and expand our business and products lines. We started as a manufacturer of plastic caps and closures at Delhi and then diversified into manufacturing of PET / HDPE / PP bottles, PET jars, PET pre-forms and PET containers at our unit in Baddi, Himachal Pradesh (Unit-I) in the year 2003. We increased our manufacturing facilities by setting up units at Noida and Pantnagar. In the year 2008, our Company expanded the capacity by acquiring a partnership firm, M/s. Sachi Plastics at Pantnagar engaged in the business of manufacturing plastic caps, bottles and other plastic items. We further increased our manufacturing facilities by setting up another unit at Baddi, Himachal Pradesh (Unit-II) in the year 2010 and this unit has received ISO 22000:2005 certification from International Certifications Limited. We have licence to use a total of 70 intellectual properties which consists of 58 designs, 2 copyrights, 1 patent and 9 trademarks.

Our Company's business strategy is to offer one stop solution to all our clients through a systematic process right from initiation of the order to the delivery. Our core competency lies in understanding the gaps in the market, the technology and requirements of our clients and accordingly manufacture quality products to suit our client's requirements

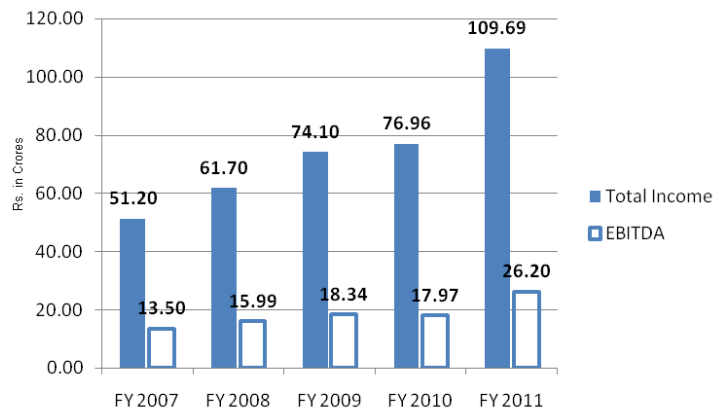
Our Company segments the customers as per their geographies, the look of the product and the features desired and accordingly cater to their requirements. We have our plants in close proximity to the clients' set-up, thus reducing the inventory for the client. Last year, in order to maintain the quality and reduce the production time, we purchased a machine from SACMI, Italy and installed the same in Unit-II at Baddi, Himachal Pradesh for manufacturing plastic caps. There is no human intervention in the process right from input of raw materials and getting the finished product and hence has helped us in maintaining uniform quality and increasing the volume of production at reduced man power.

With more than a decade's presence in the packaging industry, our Company has identified the demand and supply gap and is proposing to set up a unit in Indore, Madhya Pradesh to manufacture plastic packaging products like Plastic Caps and Closures, PET Pre-Forms, PET / HDPE / PP Bottles, PET Jars and PET Containers, which will help our Company to increase the geographical and client-base along with enhanced production capacities.

As part of diversification we propose to set up a unit at Manesar, Haryana for manufacturing and bottling packaged drinking water. *For further details on these projects, please refer to the chapter titled "Object of the Issue" beginning on page 58 of the Draft Red Herring Prospectus.*

Our Company has also been appointed by IOCL (Indian Oil Corporation Limited) as a consignment stockist on a non-exclusive basis for products such as LLDPE, HDPE, PP and such other products as may be intimated by IOCL from time to time ("**Products**") for the area covered under the state of Uttarakhand. Our Company is also appointed as del-credere associate for securing prompt payments to IOCL against sale of products by IOCL to its customers.

The last decade for our Company was marked with a significant capacity expansion with the number of manufacturing units increasing from one to five. Our Company is headquartered at New Delhi and has five manufacturing facilities, one each at Noida, New Delhi and Pantnagar and two at Baddi. This approach of having a wide product portfolio and at multiple locations for diversified customers has helped us in tapping multiple avenues and has helped us grow over the years.



For the fiscal year 2011, we had net sales of ₹ 10,846.18 Lacs and net profit as restated of ₹ 1,056.02 Lacs, as compared to net sales of ₹ 7,583.32 Lacs and net profit as restated of ₹ 766.50 Lacs in fiscal year 2010. Our Net Sales have grown at the rate of 43% in fiscal year 2011 as compared to fiscal year 2010.

Competitive Strengths

Our principal competitive strengths are as follows:

5. Usage of modern equipments and technology

Our Company believes that technology plays an important part in the business and therefore we have invested in modern technology and equipments across all areas of our operations. Presently, our Company has purchased a machine from SACMI, Italy installed in Unit-II at Baddi, Himachal Pradesh for manufacturing plastic caps. Our technology while ensuring that labour requirement is minimal facilitates quick turnaround times, clean finishes and consistency in quality. Additionally, we also keep ourselves abreast with the latest changes in technology by participating in various international fairs, seminars, expositions and benchmarking with various brands in the world.

6. Wide product portfolio, multiple locations and diversified customers base

Our Company is presently manufacturing wide range of packaging products across our manufacturing locations which are in close proximity to our major clients. Further, these products are supplied to a diversified customer base across various sectors such as FMCG, healthcare, food & beverages, pharmaceuticals, etc.

7. Repeat Orders

We work closely with our clients to understand their changing needs and adopt safer, newer and sophisticated packaging solutions to suit their needs. Hence we have been able to retain many customers for more than a decade and get repeat orders on a continuous basis.

8. We have a qualified and experienced employee base and management team with vast knowledge in this domain

We are managed by an experienced professional team of senior managers who have an average of over 20 years of industry experience, with extensive management and operational experience in varied industries including packaging industry. Our experienced management team brings us their industry experience and knowledge of production and related logistics services, managing and operating manufacturing operations, managing, implementing and operating new projects, cost and operational efficiencies and marketing and business development initiatives. We believe that our senior management's expertise has played a key role in the growth of our business and in the development of consistent procedures and internal controls. In addition, the skills and diversity of our senior management team gives the us flexibility to respond to changes in the business environment.

Our management, supported by a capable and talented pool of employees, will continue to be an important driver of growth and success in all of our existing and new business ventures.

Our Strategies

5. *Expansion of existing range of products through innovation and diversification*

It has been our strategy to continuously grow and expand our business and products lines. We started as a manufacturer of plastic caps & closures and then diversified into manufacturing of PET / HDPE / PP bottles, PET jars and PET containers. We have also been expanding our business at various locations in order to serve our clients better. Further, after decade's presence in the packaging market, our Company has decided to foray into the packaged drinking water segment by setting up a unit in Manesar, Haryana. Through this expansion, our Company will be able to diversify our revenue streams thereby reducing the overall risk.

6. *Continue to develop client relationships*

Our Company proposes to expand its business by increasing the client base and continue to develop relationships with them. The increased client relationships will add stability to our business. We expect that the growth of our clients will provide an opportunity to increase our sales and make a formidable contribution to the bottom line of our Company. Further, our manufacturing facilities are located in close proximity to the clients' set-up which has helped in reducing the logistics for the client and in turn increased our revenues. Our Company intends to follow a similar strategy in future which will provide our Company ready market for its products.

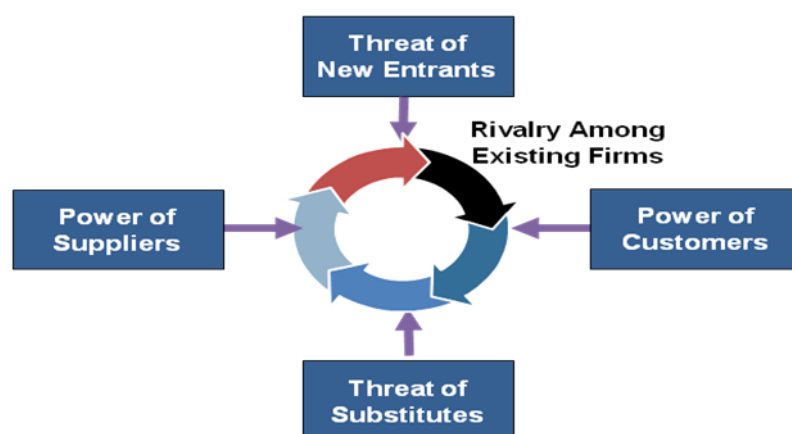
7. *Explore inorganic growth opportunities*

Our Company believes that inorganic growth opportunities would be a "growth and value driver" in our future strategic plans. In the past, our Company has acquired a partnership firm, M/s. Sachi Plastics at Pantnagar. With the acquisition of the partnership firm, our Company further enhanced its manufacturing capacity. In the same way, we intend to acquire or partner with any entity to enable us to expand our operations, access new products or diversify into newer markets that have large growth potential for our Company. Our Company believes that pursuing selective acquisitions, partnerships, or alliances in domestic and international markets would improve our competitiveness, further broaden our product offerings and strengthen our market position.

8. *Maintain high quality standards*

Our Company has created a reputation of a supplier providing products without compromising on the quality and delivery schedules. Our Company uses the best technologies available for manufacturing its various products and trains its employees and workers in regular intervals to provide the high quality products to its clients. The unit of our Company at Baddi (Unit-II) has also received ISO 22000:2005 for Food Safety Management Systems from International Certifications Limited. Our Company intends to continue its focus on maintaining the quality standards besides being innovative in the products. Our Company also intends to maintain its quality standards for the new projects as well.

Competitive Forces



▪ **Power of Customers**

The main differentiator in the plastic packaging market is the buyers and their consumption patterns. Thus, it is imperative that a comprehensive analysis be done of the consumer. Plastic packaging is essentially used in the following sectors like pharmaceuticals, FMCG, mineral water / packaged drinking water.

▪ **Power of Suppliers**

The major raw materials required in our manufacturing process are PET, PP, HDPE & LLDPE. The raw material suppliers' bargaining power does not form a significant threat as suppliers are not in a position to leverage their status and raise prices or reduce quantity supplied. Supply of the inputs is essentially in the open market and specific parameters for supply to this industry are negligible, thus reducing supplier differentiation and negotiating power. Moreover, the suppliers are not of a colluding nature, and the cost of switching suppliers is not significantly high.

The players in the industry retain the option of multiple supply sources and thus organisation and concentration on the part of certain suppliers does not affect the market price. Long-term relationships also ensure that frequent variations do not take place and affect the input costs.

▪ **Threat of Substitutes**

There is no distinct brand preference. The brand is rarely demanded at the time of purchase, as the buyers typically ask for the products with their specifications. Within the specific segment, industrial buying takes place on established quality parameters and supplier relationships, thus substitutability is not a threat, the corporates being brand and quality conscious. With non-industrial buyers prices need to be monitored closely, as due to largely undifferentiated brands and non-existence of brand loyalty, 'quality' products may be substituted by local products from the unorganised sector. The threats are of advanced technology which may sway the market, given that prices do not increase significantly, as the buyers are price-sensitive to an extent.

▪ **Threat of New Entrants**

The plastic packaging business requires a huge capital investment and technical know-how of the designs and manufacturing process of the products. But many unorganised players have entered into this segment in the recent few years with miniscule installed capacity. But due to the large installed capacity and having a benefit of economies of scale and long-term relationship with customers, our company is not much affected by the entrance of such new players in the business. Again, entry into this business is risky since there are not many alternative uses of the machineries and technology required.

▪ **Rivalry among Existing Firms**

There are many organised as well as unorganised players in this segment. It's a highly competitive industry and many players leave the industry losing ₹. Price warring occurs in the segment among the organised sector, though fluctuations are infrequent as most large players have their own long term relationships with their clients.

Registered Office

Registered office of our Company is at WZ -8/1, Kirti Nagar, Industrial Area, New Delhi.

Facilities

Presently, we have 5 operating units situated at the following locations:

Sr. No.	Location	Unit	Total Land Area
1.	WZ-8/1 and WZ-8/2, Industrial Area, Kirti Nagar, New Delhi- 110 015	New Delhi Unit	188 sq. yards
2.	E-76, E-77, E-100, E-101, E-102 & E-103, Sector 6, Noida, District – Gautam Buddha Nagar – 201 301, Uttar Pradesh.	Noida Unit	1,272.3 sq. mts.
3.	23 & 23A, Sector-2, Industrial Area, 11E Pantnagar, Udham Singh Nagar, Uttarakhand.	Pantnagar Unit	7,267.5 sq. mts.
4.	217 & 218, HPSIDC, Industrial Area, Baddi, District – Solan, Himachal Pradesh – 173 205.	Baddi Unit - I	1,000 sq. mts.
5.	70 & 71B, EPIP, Jahrmajri, Baddi, Solan, Himachal Pradesh.	Jahrmajri, Baddi, Unit - II	6,327 sq. mts.

Our Products






Unit-wise break up of the key products being manufactured in our units, raw materials used and the technology employed are mentioned in the table below:

	Caps & Closures	Bottles, Containers & Jars	Others
Unit located at	New Delhi, Noida, Baddi, Pantnagar	Noida, Baddi, Pantnagar	New Delhi, Noida, Baddi, Pantnagar
Product Range	<ul style="list-style-type: none"> • Ordinary roll on cap • Specialty Plastic Caps: Tamper evident, Flip top screw & top snap type 	<ul style="list-style-type: none"> • PET Bottles (ISBM) 25ml – 1L • HDPE/PP Bottles (EBM) 30ml – 1L • HDPE/PP Bottles (IBM) 5ml – 100ml • PET Bottles (2 stage) 100ml – 2L • Injection Molded Containers 100ml – 1.5L • Injection Blow Molded Containers 5ml – 25ml • PET Jars (ISBM) 1L – 14L • PET Jars (2 stage) 1L – 14L 	<ul style="list-style-type: none"> • Bungs/Stoppers/Lid, Plastic wick holder • Mouth Freshener Tubes • Handles for water bottles
Technology Used	Injection Molding (IM), Compression Molding	ISBM Stage 1 and Stage 2, EBM, IBM, IM	Injection Molding
Major Raw Material Used	Polypropylene (PP), HDPE, LLDPE	PP, PET, HDPE, LLDPE	PP, HDPE, LLDPE

PLANT AND MACHINERY, TECHNOLOGY AND PROCESS

Plant & Machinery and Technology

Our manufacturing facilities use the most sophisticated technology available to produce quality products with maximum efficiency. Our Company has installed machineries possessing different technologies required in the manufacturing process which vary from product to product. Major technologies and processes used by us in our manufacturing units are as follows:

-  Injection Molding (IM)
-  Injection Stretch Blow Molding (ISBM) and Stretch Blow Molding
-  Extrusion Blow Molding (EBM)
-  Injection Blow Molding (IBM) and
-  Compression Molding (CM)

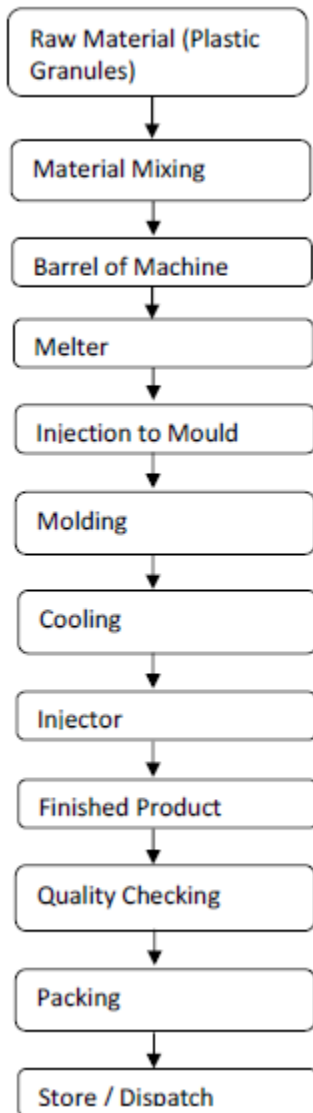
Our Company is proposing to purchase new plants and machineries for the expansion plan out of the funds proposed to be raised through this issue. For details of the plant and machineries required to be bought for the proposed expansion, kindly refer to section ‘Objects of the Issue’ on page 58 of the Draft Red Herring Prospectus.

Brief manufacturing process of our products

The manufacturing process is different for different products and depends on the process and machinery being used to get the final product. In rigid plastic packaging, following are the major process and techniques used.

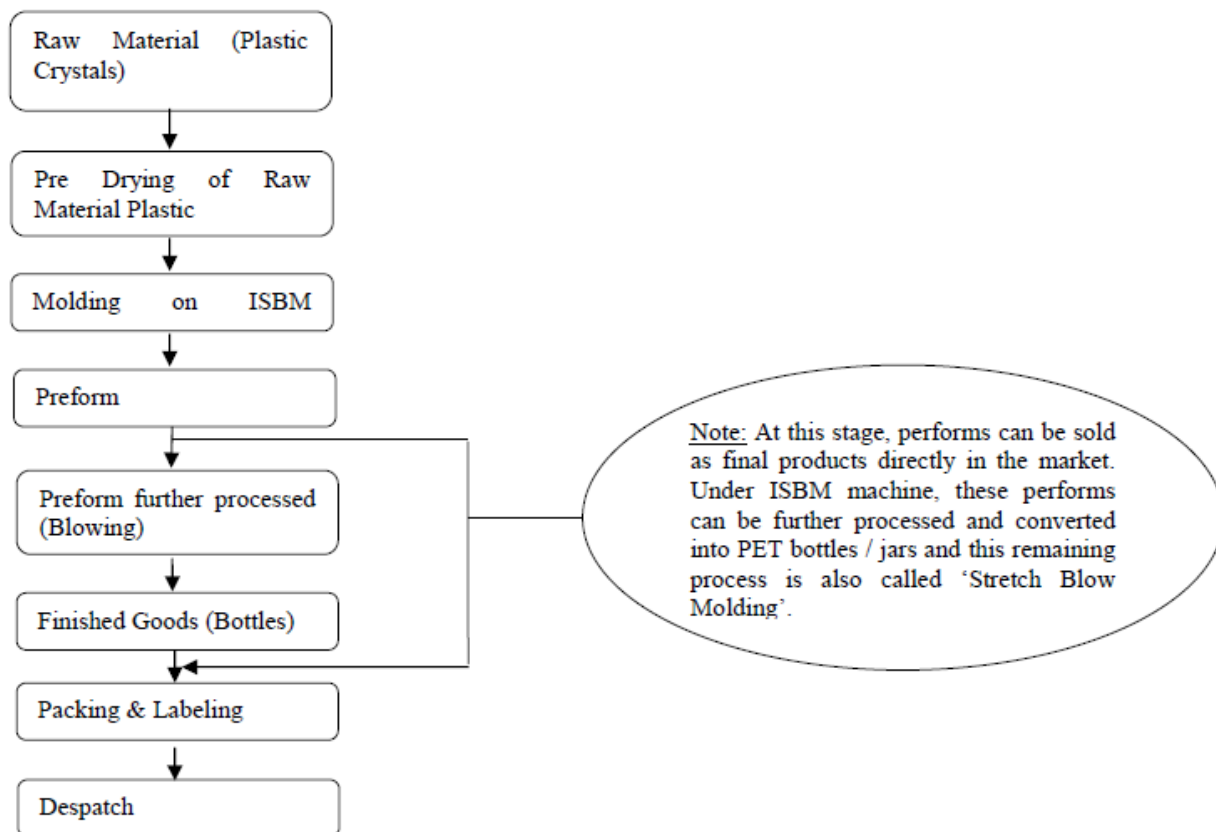
Injection Moulding (IM)	Injection Stretch Blow Moulding (ISBM)	Stretch Blow Moulding (Two Stage)	Extrusion Blow Moulding (EBM)	Injection Blow Moulding (IBM)	Compression Moulding (CM)
• Caps & Closures	• PET Bottles • PET Jars	• PET Bottles	• HDPE Bottles	• Bottles & Containers	• Caps

Injection Molding (IM)



Injection molding is used to make three dimensional shapes. In this process, plastic granules are fed into the hopper of an Injection Molding Machine from where it flows into a Barrel having a reciprocating screw. The barrel is surrounded by Band Heaters, and the screw's rotation pushes the granule along the length of the barrel, so the granules reach a molten state. Once melted, the material is injected, under pressure, into the mould where it conforms the shape of the mould. The mould is temperature controlled, usually by circulating water through it. Once the part is cooled, the mould is opened and the part removed. The mould is then closed and ready for the next shot. The mould is clamped shut while the material is being injected into the cavity since the injection pressure could go as high as 5000 psi. The clamping force of the mould is decided by the Tonnage of the machine.

Injection Stretch Blow Molding (ISBM)



In this process, bottles and jars are formed in a single machine, in a single shot and with multiple processes from plastic granules to bottles and jars. The process begins by injecting molten resin into a chilled preform mould. Once the preform is solidified it is transferred to a heating chamber and subsequently to the blow station where it is surrounded by a chilled blow mould, and then it is stretched and blown with the help of high pressure air. Because the preform is held constant during the entire moulding process, the neck finish is oriented to body of the bottle. This feature is useful for bottles using a dispensing closure and requiring an oriented neck finish. This process is used for high volume production runs of items such as wide mouth jars, narrow neck water bottles, liquor bottles and has a large capital expense associated with the preform and blow mould.

Stretch Blow Molding (Two-Stage)

This is also known as the second stage of the two-stage technology. This is a Bottle / Jar Blowing process that produces fairly lightweight containers with very high impact resistance and, in some cases, superior chemical resistance. This is brought about by aligning the molecules of the resin during the stretching process. This process is perhaps best known for producing PET bottles commonly used for water, juice and carbonated beverages. This process requires Pet Preforms as inputs. The output (Bottles/Jars) will hence depend on the Preform being used, for stretching and blowing into final product. There are two different machines involved in this blowing process. The first machine produces preforms by injection of the molten plastic into a chilled mould and gets the preform as a final product. This preform is then loaded into a separate blowing machine where the preform is reheated, transferred to the molding station, stretched, blown into a chilled mould to form the bottle/container and then ejected from the machine. The preform can be reheated and blown the same day or it can be reheated and blown into a container at a later stage also. One of the main advantages of this process is preform being basic raw material for bottles and can be blown to bottles of different designs and sizes, it makes the process versatile and cost effective.

Extrusion Blow Molding (EBM)

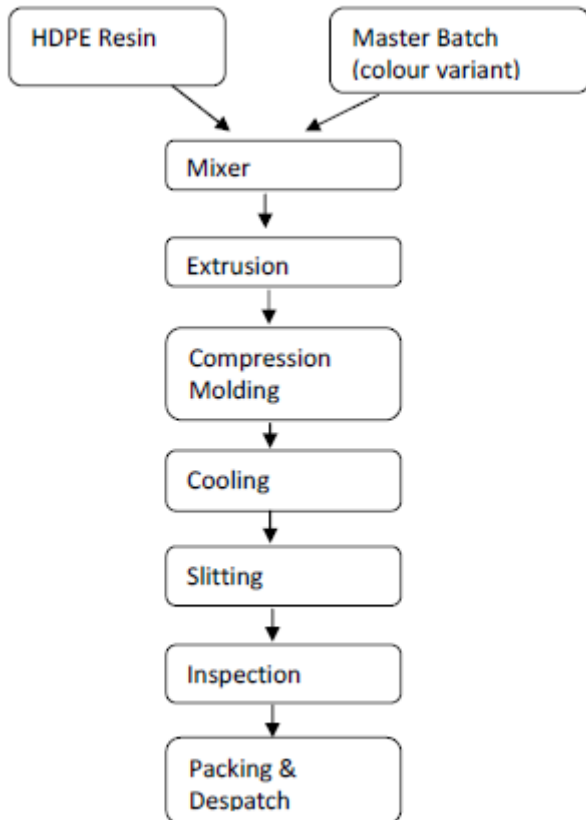
EBM is a method of forming hollow articles out of thermoplastic resin. The basic steps of the operations include: A thermoplastic resin is heated to a molten state. The material is then extruded through a die head to form a hollow tube called a parison. The molten parison is dropped or placed between two mold halves which

close around it. The parison is then inflated with high pressure air. The plastic gets solidified as it comes into contact with the chilled blow mold. The mold opens and the finished component is ejected.

Injection Blow Molding (IBM)

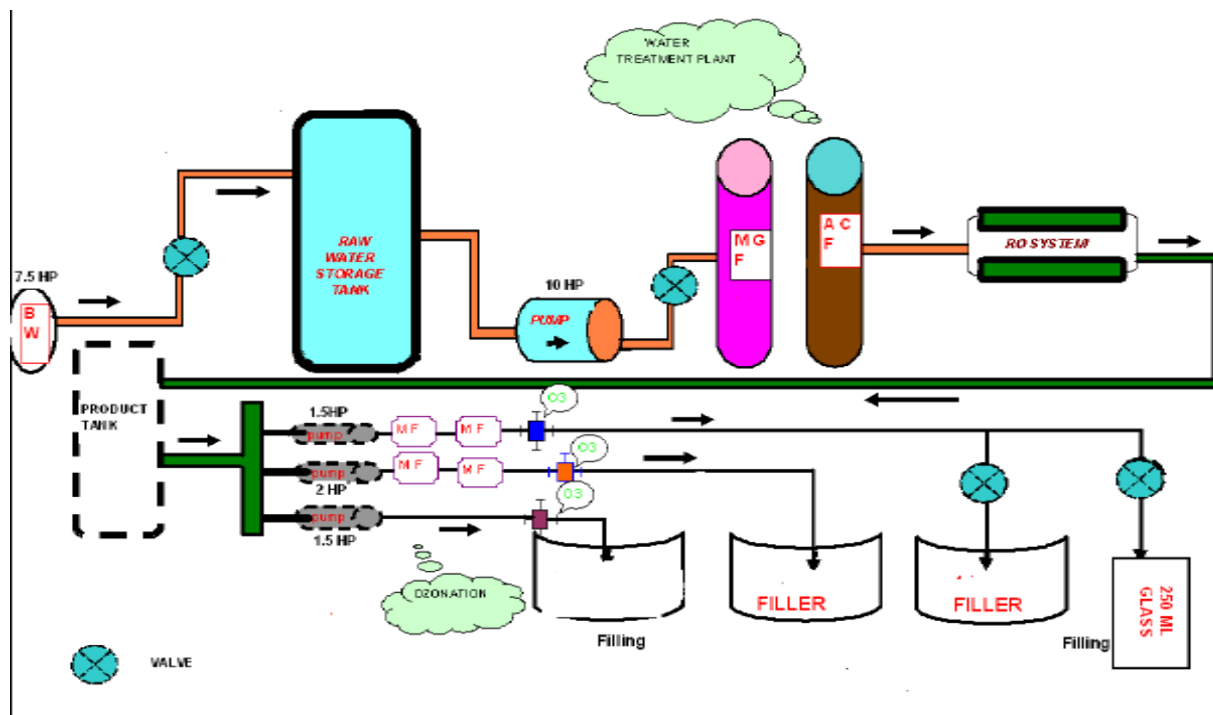
This is an advancement and replacement of the EBM process. This is very similar to the Injection Molding (IM) process where it is used to manufacture caps. In IBM, bottles and containers can be produced by injecting the molten material in to chilled mold.

Compression Molding (CM)



Compression molding is one of the simplest methods of converting polymers. Material is poured into a cavity and leveled to provide a flat and uniform charge. A top is then put over the cavity and the blank is ready to be put into a heated press. The size and thickness of the cavity dictates the size of the finished product. Contact with the heated mould surface softens the material, allowing it to fill the entire cavity and initiating the chemical reaction which cures the part. Cure time is determined by the thickest cross section, mould temperature, material type and grade. After curing, the mould opens and the final product is ejected.

Purification process of the proposed Packaged Drinking Water business



1. Collection of Raw Water: Raw water is drawn from underground spring and stored in raw water storage tank.
2. Multi Grade Filtration: Raw water is then passed through Multi Grade Sand Filter (MGF) to remove suspended particles present in the water.
3. Activated Carbon Filtration: The filtered water from MGF is then passed through Activated Carbon Filter (ACF) to remove Colour, Odor and Smell, Oil & Grease and other harmful gases from the raw water.
4. Microfiltration: This process prevents the smallest particles from entering into the water.
5. UV Treatment. The water then passes through UV system where the ultra violet rays kills microorganisms like fungi, bacteria protozoan, which are extremely harmful for human health.
6. Reverse Osmosis: This is one of the main processes in Packaged Drinking Water process. The raw water is then passed through the RO system with the help of external high pressure pumps. RO System is the latest technology for the removal of Total Dissolved Solids (TDS). It is based on membrane technology and removes all dissolved solids up to 95% to 99% both ionic and & non-ionic in one stroke. It also removes biological impurities including virus and other organic matters. The membranes have a pore size upto 0.0001 micron and water which is passed through the membranes leaving behind the dissolved ions and suspended particles is considered as useful product and also known as permeate. Water which can't pass through this membrane is treated as rejected water and goes to drain.
7. Mineral Dosing & PH maintenance: Dosing for required minerals as required and as per standards.
8. Micron Filtration
9. Ozonation: Dosing of ozone into permeate water. It safeguards the permeate water from any sort of bacterial infection.
10. Filling and packaging.

COLLABORATIONS

Our Company has not entered into any technical or financial collaboration in India/abroad.

UTILITIES AND INFRASTRUCTURE FACILITIES

Raw materials

PET, PP, HDPE & LLDPE are the raw materials for the products manufactured by our Company. This raw material is easily available to our Company from the oil marketing companies in India and if needed, our Company also imports the raw material from foreign countries. We will be buying the raw materials in the open market for the proposed projects. For the proposed packaged drinking water business sufficient ground water is available in Manesar, Haryana where we propose to set up the packaged drinking water unit..

Power and Fuel

The respective authorities of all the factory units of our Company have sanctioned the power load in the following manner:

Factory Unit	KVA	Authority
Delhi Unit	280	North Delhi Power Limited
Noida Unit	470	Paschimanchal Vidyut Vitran Nigam Limited
Baddi Unit-I	1325	Himachal Pradesh State Electricity Board
Baddi Unit-II	999	Himachal Pradesh State Electricity Board
Pantnagar Unit	1340	Uttarakhand Power Corporation Limited

All the units of our Company have DG Sets for the backup purpose.

Our Company will apply to the applicable authorities for the sanction of the power required for the proposed units at Indore and Manesar.

Water

Water is being used for the manufacturing facilities as well as for general drinking and sanitary purposes. Water requirement at all the units of our Company is being met from the supply from the local authorities and bore wells. The estimated water consumption for the proposed additional units will be met through bore wells and local authority.

Manpower

The employees comprise of skilled, semi skilled and unskilled who are involved in the day to day operation at all the units of our Company. The manufacturing process for all our products does not require extensive skills for various operations. Most of our employee requirements fall under the semi-skilled/ unskilled category and are available in the industrial area where all our manufacturing units are situated.

Similarly the proposed expansion in Indore and packaged drinking water projects at Manesar will be in the existing industrial areas and hence we do not foresee any problem in hiring the required manpower for these units. Our Company has a good track record of maintaining good relationship with the employees and we have not had any labour related issues in any of our plants. We would continue to maintain good relationship with our employees at the proposed plants site as well.

As on the date, our Company has manpower of 437 people for existing units, details of which are as under:-

Sr.No	Category of Employees	Delhi Unit	Noida Unit	Baddi Unit-I	Baddi Unit-II	Pantnagar Unit	Total
1	Senior Manager	4	2	2	2	2	12
2	Middle Manager	9	2	2	2	2	17
3	Semi Skilled / Unskilled	83	65	70	109	146	473
	Total	96	69	74	113	150	502

The manpower requirement for the proposed projects shall be as under:

Sr.No	Category of Employees	Indore Unit	Manesar Unit	Total
1	Senior Manager	3	4	7
2	Middle Manager	6	4	10
3	Semi Skilled / Unskilled	123	130	253
	Total	132	138	270

PAST PRODUCTION FIGURES FOR THE INDUSTRY

For details, please refer to the section titled "Industry Overview" beginning on page 82 of the Draft Red Herring Prospectus.

COMPETITION

With the growing market, competition is bound to increase. Our Company faces competition from companies engaged in manufacturing other plastic packaging products. Our competitors include domestic companies like Essel Propack Limited, Manjushree Technopack Limited, Gaurav Containers Limited, Innovative Tech Pack Limited, Pearl Polymers Limited, Hitech Plast Limited and other organised as well as unorganised players in the market. Our Company is focusing on maintaining the quality of its final products and innovate new designs to sustain the competition. Our Company believes that it enjoys certain key competitive strengths which will help to grow in future and will enable to perform still better, once the proposed projects are implemented.

MAJOR CUSTOMERS

Our top 2 customers contribute to around 80% of our net sales. The major customers of our Company are FMCG and Pharmaceutical Companies. Some of the prestigious Brands to whom we supply our products are Dabur India Limited, Hemma Herbs Private Limited, Wipro Limited, Bajaj Corp Limited, Perfetti Van Melle India Private Limited, S. C. Johnson Products Private Limited and other major players in FMCG and Pharmaceutical industry.

APPROACH TO MARKETING AND MARKETING SET-UP

For existing products: The Marketing and Business Development is headed by our Managing Director, Mr. Pramit Sanghavi. He personally leads negotiations, oversees execution of customer orders and takes lead in business development and planning. The marketing team is based at our Company's office at New Delhi and co-ordinate with customers for their requirements and sales orders. These sales orders are being communicated to our manufacturing units for their production plan and monitor the dispatch schedule and ultimately ensure timely delivery of materials. We have long term business relationship and understanding with our customers since we customise the products according to their requirements.

For the proposed packaged drinking water: Our Company intends to develop its own marketing setup and may also align with existing nationwide retail distribution channels in the industry.

INSTALLED CAPACITY AND CAPACITY UTILISATION

As our Company manufactures the products with different size and the process time required for manufacturing the company's products varies on the basis of the types and characteristics of the products like product size, etc., it is not possible to arrive at the installed capacity of our Company. And capacity utilisation cannot be arrived at without determining the installed capacity.

However, as per the audit report for fiscal year 2011, the detail of the current installed capacity and capacity utilisation is mentioned hereunder:

Products	FY 2010-11 (Pieces in Lacs)	FY 2009-10 (Pieces in Lacs)
Installed Capacity		
Bottles & Containers	4000	3500
Caps	5000	5000
Other Articles	750	750
Actual Production		
Bottles & Containers	2842.45	2349.62
Caps	4173.74	4080.52
Other Articles	746.04	577.97
Capacity Utilisation		
Bottles & Containers	71.06%	67.13%
Caps	83.47%	81.61%
Other Articles	99.47%	77.06%

Proposed Capacity & Capacity utilisation of the existing projects

Products	FY 2011-12 (Pieces in	FY 2012-13 (Pieces in Lacs)	FY 2013-14 (Pieces in Lacs)	FY 2014-15 (Pieces in
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	Lacs)			Lacs)
Installed Capacity				
Bottles & Containers	4000	4300	4600	4700
Caps	6700	8100	9700	10000
Other Articles	1500	2400	3500	3600
Estimated Production				
Bottles & Containers	3250	3600	4000	4000
Caps	5550	6600	8200	8500
Other Articles	1200	1900	2900	3000
Capacity Utilisation				
Bottles & Containers	81.25%	83.72%	86.96%	85.11%
Caps	79.85%	81.48%	84.54%	85%
Other Articles	80%	79.17%	82.86%	83.33%

Capacity & Capacity utilisation of the proposed project at Indore, Madhya Pradesh

Products	2012-13 (Pieces in Lacs)	2013-14 (Pieces in Lacs)	2014-15 (Pieces in Lacs)
Installed Capacity			
50ml to 200ml PET Bottles	138.00	138.00	138.00
PET bottle – Preforms	2178.00	2178.00	2178.00
200ml wide mouth Jar (HDPE / LLDPE)	108.00	108.00	108.00
500ml wide mouth Jar (HDPE / LLDPE)	86.40	86.40	86.40
100ml narrow mouth Bottle (HDPE / LLDPE)	122.40	122.40	122.40
200ml narrow mouth Bottle (HDPE / LLDPE)	108.00	108.00	108.00
60gm Container (HDPE / LLDPE)	136.80	136.80	136.80
1500gm Container (HDPE / LLDPE)	36.00	36.00	36.00
Caps (Compression Moulding)	2138.40	2138.40	2138.40
Caps & Closures (IBM)	1155.00	1155.00	1155.00
Estimated Capacity Utilisation			
50ml to 200ml PET Bottles	80%	85%	90%
PET bottle – Preforms	80%	85%	90%
200ml wide mouth Jar (HDPE / LLDPE)	80%	85%	90%
500ml wide mouth Jar (HDPE / LLDPE)	80%	85%	90%
100ml narrow mouth Bottle (HDPE / LLDPE)	80%	85%	90%
200ml narrow mouth Bottle (HDPE / LLDPE)	80%	85%	90%
60gm Container (HDPE / LLDPE)	80%	85%	90%
1500gm Container (HDPE / LLDPE)	80%	85%	90%
Caps (Compression Moulding)	80%	85%	90%
Caps & Closures (IBM)	80%	85%	90%

Capacity & Capacity utilisation of the proposed project at Manesar, Haryana

Products	2012-13 (Pieces in Lacs)	2013-14 (Pieces in Lacs)	2014-15 (Pieces in Lacs)
Installed Capacity			
14 ltr PET Jar	6.48	6.48	6.48
250 ml packaged drinking water (Cases) (1 Case = 60 bottles)	21.12	21.12	21.12
500 ml packaged drinking water (Cases) (1 Case = 24 bottles)	7.26	7.26	7.26
1 ltr packaged drinking water (Cases) (1 Case = 12 bottles)	11.88	11.88	11.88
Estimated Capacity Utilisation			
14ltr packaged drinking water Jar	85%	90%	90%
250ml packaged drinking water bottle	70%	75%	80%
500ml packaged drinking water bottle	70%	75%	80%
1000ml packaged drinking water bottle	70%	75%	80%

EXPORT OBLIGATIONS


Our Company is currently exporting to countries like Dubai, Bangladesh & Egypt. We look forward to expand our exports to other countries as well after the completion of our expansions. Currently, we have an outstanding export obligation of US\$ 15,89,758.71 which needs to be fulfilled. This amount pertains to various EPCG/Advance/DFIA Licences. The details of the licences and outstanding export obligations are as follows:

Sr . No.	Details (EPCG/Advance Licence etc.)	Authorisation	Name of Material	Issue Date	Export Obligations in (US \$)	Export Obligation Completed in (US \$)	Balance Export obligation to be completed (in US\$)	Period upto which Export Obligation to be completed
1.	Advance Authorisation	0510283121	Articles made of Polypropylene	February 04, 2011	1,54,560	--	1,54,560	36 months from the date of issue
2.	Advance Authorisation	0510283124	Articles made of Polyester (PET/PBT)	February 04, 2011	68,780	--	68,780	36 months from the date of issue
3.	Advance Authorisation	0510283129	Articles made of HDPE	February 04, 2011	61,825	--	61,825	36 months from the date of issue
4.	EPCG	0530154308	Plastic Caps (For Bottles), Plastic Bottles, Mineral Water, Preforms	December 21, 2010	13,04,593.71	--	13,04,593.71	8 years from the date of issue

INSURANCE

We have a standard fire and special perils policy with the United India Insurance Company Limited for all our units covering stocks, building, furniture, plant and machinery, etc. All our insurance policies are valid as on the date of the Draft Red Herring Prospectus.

INTELLECTUAL PROPERTY

Our Company conducts its business under the brand name “Varahi” and logo “ Varahi” which are trademarks of M/s. V-2 Corp. Our Company is licensed to use the said trademarks and other intellectual property rights which include registered designs, copyrights and other trademarks and a patent under the terms of a license agreement dated April 21, 2011 between M/s. V-2 Corp and our Company and a license agreement dated June 13, 2011 between M/s. V-2 Corp and our Company (“License Agreements”). In terms of the License Agreements, M/s. V-2 Corp, the proprietor of the said intellectual property rights has granted us a worldwide exclusive licence to use the designs, copyrights, patents and trademarks in relation to our products for the purposes of conducting our business. In accordance with the License Agreements, we are required to pay a license fee of ₹ 7,000 per intellectual property per year, licensed under the License Agreements for the initial term of ten years. The License fee may be revised at the end of each year. The License Agreements are renewable in accordance with the terms thereof. In all, we have a licence to use a total of 70 intellectual properties which consists of 58 designs, 2 copyrights, 1 patent, and 9 trademarks including the license to use such intellectual property rights in relation to trademarks, designs, patents and copyrights that have been applied by M/s. V-2 Corp and whose rights on successful registration (in future) shall be licensed to our Company and which are already forming part of the License Agreements.

PROPERTIES

The following table sets forth our significant properties of our Company, as on the date of the Draft Red Herring Prospectus:

Properties owned by our Company

Sr. No.	Documents providing title and registration details	Name of the purchaser/transferee	Name of the seller/transferor	Consideration	Area	Particulars of the property/description	Usage
1.	Sale Deed dated June 02, 1994	Varahi Plastics Private Limited	Ms. Surinder Kaur	₹ 1,75,000	108 sq. yards.	WZ-8/1, Industrial Area, Kirti Nagar, New Delhi- 110 015	Registered Office cum Factory Unit
2.	Sale Deed dated April 23, 1999	Varahi Plastics Private Limited	Ms. Surinder Kaur	₹ 1,90,000	110 sq. yards.	WZ-8/1, Industrial Area, Kirti Nagar, New Delhi- 110 015	

Properties of our Company with rights granted on lease or leave and license basis

Details of Deed/Agreement	Nature of right granted	Particulars of the property, Description and Area	Area (in square meters)	Consideration/lease fee/rent (in ₹)	Tenure/Term	Existing usage
NEW DELHI – UNIT						
Leave and Licence Agreement dated July 01, 2011 between Sataksi Polymers Private Limited and Varahi Limited	Leave and licence*	WZ-8/2, Industrial Area, Kirti Nagar, New Delhi- 110 015	80 sq. yards	Monthly rent: ₹ 25,000	July 01, 2011 to June 30, 2016	Factory unit
Lease agreement dated March 31, 2009 between Ms Savitri Khiwani and Varahi Private Limited	Leave and licence	211, 2 nd Floor, Shivam House, Opposite Milan Cinema, Karampura Commercial Complex, New Delhi.	354 sq. ft.	Monthly rent: ₹ 10,500	April 01, 2009 to March 31, 2012	Accounts' office of our Company
Lease agreement dated March 31, 2009 between Mr Rajesh Khiwani and Varahi Private Limited	Leave and licence	210, 2 nd Floor, Shivam House, Opposite Milan Cinema, Karampura	351 sq. ft.	Monthly rent: ₹ 10,500	April 01, 2009 to March 31, 2012	Accounts' office of our Company

Details of Deed/Agreement	Nature of right granted	Particulars of the property, Description and Area	Area (in square meters)	Consideration/lease fee/rent (in ₹)	Tenure/Term	Existing usage
		Commercial Complex, New Delhi.				
Leave and Licence Agreement dated July 06, 2011 between Mr. Dewang Sanghavi and Varahi Limited	Leave and licence*	Plot number M-16, Balram House, Karampura Commercial Complex, New Delhi – 110 015	218 sq. ft. / 20.28 sq. mt.	Monthly rent: ₹ 1,000	July 05, 2011 to July 04, 2016	Record room of our Company
NOIDA – UNIT						
Lease Agreement dated April 01, 2011 between Mr. Pramit Sanghavi and Varahi Private Limited	Sublease *	E-100 & E-101, Sector 6, Noida, District – Gautam Buddha Nagar – 201 301, Uttar Pradesh.	214.01 sq. mt. + 210.69 sq. mt.	Monthly rent: ₹ 20,000	2 years from April 01, 2011	Factory unit
Lease Agreement dated April 01, 2011 between Mr. Dewang Sanghavi and Varahi Private Limited	Sublease *	E-102 & E-103, Sector 6, Noida, District – Gautam Buddha Nagar – 201 301, Uttar Pradesh.	210.69 sq. mt. + 214.01 sq. mt.	Monthly rent: ₹ 14,000	2 years from April 01, 2011	Factory unit
Lease Agreement dated April 01, 2011 between Mr. Dewang Sanghavi and Varahi Private Limited	Sublease *	E-76 & E-77, Sector 6, Noida, District – Gautam Buddha Nagar – 201 301, Uttar Pradesh.	211.45 sq. mt. + 211.45 sq. mt.	Monthly rent: ₹ 11,000	5 years from April 01, 2011	Factory unit
PANTNAGAR – UNIT						
Lease deed dated February 26, 2010 between State Infrastructure and Industrial Development Corporation of Uttarakhand Limited and Varahi Private Limited	Lease	23A, Sector-2, Industrial Area, 11E Patnagar, Udham Singh Nagar, Uttarakhand .	2,992.50 sq. mt.	Lumpsum premium payment: ₹ 30,94,994 Annual rent: ₹ 14,962	90 years	Factory unit; Godown for consignment stockist business
Lease deed dated October 18, 2010 between State	Lease	23, Sector-2, Industrial Area, 11E Pantnagar,	4,275 sq. mt.	Lumpsum premium payment: ₹ 26,33,400 Annual rent:	90 years	Factory unit

Details of Deed/Agreement	Nature of right granted	Particulars of the property, Description and Area	Area (in square meters)	Consideration/lease fee/rent (in ₹)	Tenure/Term	Existing usage
Infrastructure and Industrial Development Corporation of Uttarakhand Limited and Varahi Plastics Private Limited		Udham Singh Nagar, Uttarakhand.		₹ 21,375		
Rent agreement dated June 10, 2011 between Ms Harpal Kaur and Varahi Private Limited	Leave and licence	Khasra number 196, Shimla Bahadur Rudrapur, Kichha, Udham Singh Nagar, Uttarakhand.	4,300 sq. ft.	Monthly rent: ₹ 39,000	June 15, 2011 to May 14, 2012	Godown
Rent agreement cum contract deed dated July 22, 2011 between Mr. S. B. Tiwari and Varahi Private Limited	Leave and license	B-2-2-23, Metropolis City Rudrapur, District Udham Singh Nagar, Uttarakhand.	1,250 sq. ft.	Monthly rent: ₹ 9,500	March 27, 2011 to March 26, 2012	Employees' residential purposes
Rent agreement dated February 03, 2011 between Rajkumar Garg and Varahi Private Limited	Leave and licence	37, Khasra number 3, Kaliyar Road, Bahadraba, Haridwar, Uttarakhand	2,200 sq. ft.	Monthly rent: ₹ 22,500	March 01, 2011 to March 31, 2014	Godown for consignment stockist business
Agreement between Mr. K. K. Bhatt and Varahi Private Limited	Leave and license	Building number 63, Friends Enclave Colony, Rudrapur, District Udham Singh Nagar, Uttarakhand	1,800 sq. ft.	Monthly rent: ₹ 9,000	January 20, 2011 to December 12, 2011	KMP's residential purposes
BADDI – UNIT – I						
Lease Agreement dated July 01, 2011 between Mr. Dewang Sanghavi and Varahi Limited	Lease*	217, HPSIDC, Industrial Area, Baddi, District – Solan, Himachal Pradesh – 173 205.	500 sq. mt.	Monthly rent: ₹ 7,000	5 years from July 01, 2011	Factory unit
Lease	Lease*	218,	500 sq.	Monthly rent: ₹ 7,000	5 years from	Factory unit

Details of Deed/Agreement	Nature of right granted	Particulars of the property, Description and Area	Area (in square meters)	Consideration/lease fee/rent (in ₹)	Tenure/Term	Existing usage
Agreement dated July 01, 2011 between Mr. Pramit Sanghavi and Varahi Limited		HPSIDC, Industrial Area, Baddi, District – Solan, Himachal Pradesh – 173 205.	mt.		July 01, 2011	
JHARMAJRI- BADDI – UNIT – II						
Lease Deed dated September 15, 2005 between Governor of Himachal Pradesh and Bajaj Consumer Care Limited Agreement dated February 15, 2010 Bajaj Consumer Care Limited and Varahi Private Limited Supplementary Lease Deed dated March 04, 2010 between Governor of Himachal Pradesh and Varahi Private Limited	Sublease	70 & 71B, EPIP, Jharmajri, Baddi, Solan, Himachal Pradesh.	6,327 sq. mt.	One time lump sum premium of ₹ 3,00,00,000 Annual Rent: ₹ 6 per sq. mt.	95 years from period beginning September 15, 2005	Factory unit
Lease Deed dated May 27, 2005 between Government of Himachal Pradesh and Varahi Plastics Private Limited	Lease	Plot number 29 & 48 & adjoining patch, EPIP, Phase – I, Jharmajri, (Baddi), Solan, Himachal Pradesh.	4,574.5 sq. mt.	One time lump sum premium of ₹ 25,15,975 Annual rent: ₹ 2 per annum Maintenance charges: ₹ 3/sq. mt. Surface rent: ₹ 2/acre subject to revisions from the 31 st and the 61 st year	95 years	Currently not in use
Rent deed agreement dated September 03, 2011 between Ranjana Sharma and Varahi Private Limited	Leave and license	House number 12, Sector-1, Shiwalik Nagar, Jharmajri, Baddi, Solan,	2150 s. fts.	Monthly rent: ₹ 14,000	March 01, 2011 to February 29, 2012	Employees' residential purposes

Details of Deed/Agreement	Nature of right granted	Particulars of the property, Description and Area	Area (in square meters)	Consideration/lease fee/rent (in ₹)	Tenure/Term	Existing usage
		Himachal Pradesh.				
Rent deed agreement dated September 03, 2011 between Sunil Dutt Sharma and Varahi Private Limited	Leave and license	House number 214, Phase II, Housing Board Colony, Baddi, Solan, Himachal Pradesh.	1800 sq. fts.	Monthly rent: ₹ 14,000	March 01, 2011 to February 29, 2012	Employees' residential purposes

**these properties have been taken on leave & license basis / lease from one of our Promoters/Group Entities*

KEY REGULATIONS AND POLICIES

Our Company is engaged in the manufacturing of plastic packaging products. The following description is an overview of certain laws and regulations in India, which are relevant to our Company. The statements below are based on the current provisions of laws, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

The regulations set out below are not exhaustive, and are only intended to provide general information to Bidders and is neither designed nor intended to be a substitute for professional legal advice.

For details of government approvals obtained by us, please refer to the chapter titled 'Government and Other Approvals' beginning on page 196 of the Draft Red Herring Prospectus.

Standards of Weights and Measures Act, 1976 ("Act") and Standards of Weights and Measures (Packaged Commodities) Rules, 1977 ("Rules")

The Act aims at introducing standards in relation to weights and measures used in trade and commerce. The rules made there under, lay down the norms to be followed, in the interests of consumer safety, when commodities are sold or distributed in packaged form in the course of inter-state trade or commerce. The Act and rules formulated thereunder regulate *inter alia* inter-state trade and commerce in weights and measures and commodities sold, distributed or supplied by weights or measures.

ENVIRONMENTAL LAWS

Plastic packaging process must ensure compliance with environmental legislation such as the Water (Prevention and Control of Pollution) Act 1974 ("**Water Act**") as amended, the Air (Prevention and Control of Pollution) Act, 1981 ("**Air Act**") as amended, and the Environment Protection Act, 1986 ("**Environment Act**") as amended. Water Act aims to prevent and control water pollution. It provides for the constitution of a Central Pollution Control Board ("**CPCB**") and State Pollution Control Boards ("**SPCBs**").

The functions of the CPCB include coordination of activities of the SPCBs, collecting data relating to water pollution and the stipulation of measures for the prevention and control of water pollution and prescription of standards for streams or wells. The SPCBs are responsible for the planning for programs for, among other things, the prevention and control of pollution of streams and wells, collecting and disseminating information relating to water pollution and its prevention and control; inspection of sewage or trade effluents, works and plants for their treatment and to review the specifications and data relating to plants set up for treatment and purification of water; and laying down standards for treatment of trade effluents to be discharged. This legislation prohibits any person from establishing any industry, operation or process or any treatment and disposal system, which is likely to discharge trade effluents into a stream, well or sewer without the prior consent of the relevant SPCB.

The CPCB and the SPCBs constituted under the Water Act are to perform functions under the Air Act for the prevention and control of air pollution. The Air Act aims to prevent and control air pollution. It is mandated under the Air Act that no person may, without the prior consent of the relevant SPCB, establish or operate any industrial plant in an air pollution control area.

The Environment (Protection) Act, 1986 (the "Environment Act")

The Environment Act has been formulated by the GoI for the protection and improvement of the environment in India and for matters connected there with. The Environment Act is an umbrella legislation designated to provide a framework for the GoI to co-ordinate activities of various state and central authorities established under previous environmental laws. The scope of the Environment Act is very broad with the term "environment" being defined to include water; air and land; human beings; and other living creatures, plant, micro-organisms and property.

The Environment Act vests the GoI with the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and for preventing, controlling and abating environmental pollution. This includes the power to make rules for among other things, determining the quality of environment, standards for emission of discharge of environment pollutants from various sources, inspection of any premises, plan, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution. The Environment Act also prohibits any person carrying on any industry, operation or process

from discharging or emitting or permitting to be discharged or emitted any environmental pollutants in excess of such standards as may be prescribed.

Environment Impact Assessment Notifications

The Environment Impact Assessment Notification S.O.60(E), issued on January 27, 1994 (“**1994 Notification**”) under the provisions of the Environment Act, as amended, prescribes that for the construction of certain power projects specified in the 1994 Notification, in the case of new projects, if the investment is more than ₹10,000 Lacs and in the case of expansion or modernisation projects, if the investment is more than ₹5,000 Lacs the prior environmental clearance of the Ministry of Environment and Forest (“**MoEF**”) is required. The environmental clearance must be obtained from the MoEF according to the procedure specified in the 1994 Notification. No construction work, preliminary or other, relating to the setting up of a project can be undertaken until such clearance is obtained.

The application to the MoEF is required to be accompanied by a project report which should include, *inter alia*, an Environmental Impact Assessment Report and an Environment Management Plan. The Impact Assessment Authority evaluates the report and plan submitted. Such assessment is required to be completed within a period of 90 days from receipt of the requisite documents from the project developer/manager. Thereafter, a public hearing has to be completed and a decision conveyed within thirty days.

The clearance granted is valid for a period of five years from the commencement of the construction or operation of the project. The project developer/manager concerned is required to submit a half yearly report to the Impact Assessment Authority to enable it to effectively monitor the implementation of the recommendations and conditions subject to which the environmental clearance has been given. If no comments from the Impact Assessment Authority are received within the time limits specified above, the project will be deemed to have been approved by the project developer/manager.

On September 14, 2006, the Environmental Impact Assessment Notification S.O. 1533 (“**2006 Notification**”) superseded the 1994 Notification. Under the 2006 Notification, the environmental clearance process for new projects consists of four stages – screening, scoping, public consultation and appraisal. After completion of public consultation, the applicant is required to make appropriate changes in the draft Environment Impact Assessment Report and the Environment Management Plan. The final Environment Impact Assessment Report has to be submitted to the concerned regulatory authority for appraisal. The regulatory authority is required to give its decision within 105 days of the receipt of the final Environment Impact Assessment Report.

Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)

The Water Act provides for the prevention and control of water pollution and the maintaining or restoring of wholesomeness of water, for the establishment, with a view to carrying out the purposes aforesaid, of boards for the prevention and control of water pollution, for conferring on and assigning to such boards powers and functions relating thereto and for matters connected therewith. The Water Act defines “*pollution*” as such contamination of water or such alteration of the physical, chemical or biological properties of water or such discharge of any sewage or trade effluent or of any other liquid, gaseous or solid substance into water (whether directly or indirectly) as may, or likely to, create a nuisance or render such water harmful or injurious to public health or safety, or to domestic, commercial, industrial, agricultural or other legitimate uses, or to the life and health of animals or plants or of aquatic organisms. The Water Act envisages establishing a Central Pollution Control Board as well as State Pollution Control Board for prevention and control of water pollution.

Accordingly, the previous consent of the board constituted under the Water Act must be obtained, for establishing or taking steps to establish operation or process, or any treatment and disposal system or any extension or addition thereto, which is likely to discharge sewage or trade effluent into a stream or well or sewer or on land. Such previous consent is required for bringing into use any new or altered outlet for the discharge of sewage or for the new discharge of sewage. If at any place where any industry, operation or process, or any treatment and disposal system or any extension or addition thereto is being carried on, due to accident or other unforeseen act or event, any poisonous, noxious or pollution matter is being discharged, or is likely to be discharged into a stream or well or sewer or on land and, as a result of such discharge, the water in any stream or well is being polluted, or is likely to be polluted, then the person in charge of such place shall forthwith intimate the occurrence of such accident, act or event to the Board constituted under the Water Act and such other authorities or agencies as may be prescribed.

Water (Prevention and Control of Pollution) Cess Act, 1977 (“Water Cess Act”)

The Water Cess Act, as amended provides for levy and collection of a cess on water consumed by industries with a view to augment the resources of the Central and State Pollution Control Boards constituted under the Water Act. Under this Act, every person carrying on any industry is required to pay a cess calculated on the basis of the amount of water consumed for any of the purposes specified under the Water Cess Act at such rate not exceeding the rate specified under the Water Cess Act. A rebate of up to 25% on the cess payable is available to those persons who install any plant for the treatment of sewage or trade effluent, provided that they consume water within the quantity prescribed for that category of industries and also comply with the provision relating to restrictions on new outlets and discharges under the Water Act or any standards laid down under the Environment Act. For the purpose of recording the water consumption, every industry is required to affix meters as prescribed. Penalties for non-compliance with the obligation to furnish a return and evasion of cess include imprisonment of any person for a period up to six months or a fine of ₹1,000 or both and penalty for non payment of cess within a specified time includes an amount not exceeding the amount of cess which is in arrears.

Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)

Pursuant to the provisions of the Air Act, as amended, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. The State Pollution Control Boards required to grant consent within a period of four months of receipt of an application, but may impose conditions relating to pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the SPCBs. The penalties for the failure to comply with the provisions of the Air Act include imprisonment of up to six years and the payment of a fine as may be deemed appropriate. If an area is declared by the State Government to be an air pollution control area, then, no industrial plant may be operated in that area without the prior consent of the SPCB.

Under the Air Act, the Central Pollution Control Board has powers, *inter alia*, to specify standards for quality of air, while the SPCBs have powers, *inter alia*, to inspect any control equipment, industrial plant or manufacturing process, to advise the State Government with respect to the suitability of any premises or location for carrying on any industry and to obtain information from any industry.

Hazardous Waste (Management and Handling) Rules, 1989 (“Hazardous Waste Act”)

The Hazardous Waste Act defines waste oil and oil emulsions as hazardous wastes and imposes an obligation on each occupier and operator of any facility generating hazardous waste to dispose of such hazardous wastes properly and also imposes obligations in respect of the collection, treatment and storage of hazardous wastes. The Hazardous Waste Rules impose an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such hazardous wastes properly including proper collection, treatment, storage and disposal. Each occupier and operator of any facility generating hazardous waste is required to obtain an approval from the relevant SPCB for collecting, storing and treating the hazardous waste. The occupier, transporter and operator’s liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and any fine that may be levied by the respective SPCBs. Penalty for the contravention of the provisions of the Hazardous Waste Act includes imprisonment up to five years and imposition of fines as may be specified in the Environment Act or both.

Plastics (Manufacture, Usage and Waste Management) Rules, 2009 (“Plastic Rule”)

All manufacturing units should be in compliance with the environmental legislation, the Plastics (Manufacture, Usage and Waste Management) Rules, 2009 (“**Plastics Rules**”). The Plastics Rules consist of rules, which the Central Government proposes to issue in exercise of powers conferred by clause (c) and clause (d) of sub-section (2) of section 6 and sections 8 and clause (b) of sub-section (2) of section 25 of the Environment Act.

Under the applicable provisions of the Plastics Rules, any factory occupier manufacturing carry bags or containers which are made up of virgin plastics or recycled plastics or biodegradable plastics shall be required to apply for the registration of that unit where the manufacturing process is undertaken.

For the purpose of such registration, the unit should possess a valid consent under the Water Act and the Air Act as per the requirements laid down by the SPCBs or Pollution Control Committee, as the case may be.

Public Liability Insurance Act, 1991 (“Public Liability Act”)

The Public Liability Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of 'hazardous substances' covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the Environment Relief Fund, a sum equal to the premium paid on the insurance policies. This amount is payable to the insurer.

LABOUR LAWS

India has stringent labour related legislation. We are required to comply with certain labour and industrial laws, which includes the Industries (Development and Regulation) Act, 1951, Industrial Disputes Act 1947, the Employees' Provident Funds and Miscellaneous Provisions Act 1952, the Minimum Wages Act, 1948, the Payment of Bonus Act 1965, Workmen Compensation Act, 1923, the Payment of Gratuity Act, 1972, the Payment of Wages Act, 1936 and the Factories Act, 1948, amongst others.

Factories Act, 1948 ("Factories Act")

The Factories Act defines a 'factory' to cover any premises which employs ten or more workers and in which manufacturing process is carried on with the aid of power and covers any premises where there are at least 20 workers who may or may not be engaged in an electrically aided manufacturing process. Each State Government has rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that the occupier of a factory, i.e. the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers' health and safety, cleanliness and safe working conditions. Persons who design, manufacture, import or supply articles for use in a factory must ensure the safety of the workers in the factory where the articles are used. If the safety standards of the country where the articles are manufactured are above Indian safety standards, the articles must conform to the relevant foreign standards. There is a prohibition on employing children below the age of fourteen years in a factory. If there is violation of any provisions of the Factories Act or rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment for a term up to two years and/or with a fine up to ₹1,00,000 or both, and in case of such violation continuing after conviction, with a fine of up to ₹1,000 per day of violation. In case of a contravention which results in death or serious bodily injury, the fine shall not be less than ₹25,000 in the case of an accident causing death, and ₹5,000 in the case of an accident causing serious bodily injury. In case of contravention after a prior conviction, the term of imprisonment increases up to three years and the fine would be ₹200,000 and in case such contravention results in death or serious bodily injury the fine would be a minimum of ₹35,000 and ₹10,000, respectively.

State specific Shops and Commercial Establishments Acts as applicable

Under various state laws dealing with shops and establishments, any shop or commercial establishment has to obtain a certificate of registration from the supervising inspector and has to comply with certain rules laid down therein. These statutes and rules and regulations framed thereunder regulate the opening and closing hours of shops and commercial establishments, daily and weekly work hours, closing dates and holidays, health and safety of persons working in shops and commercial establishments, payment of wages, maintenance of records and registers by the employers, among others.

The Employees State Insurance Act, 1948 ("ESI Act")

The ESI Act provides for certain benefits to employees in case of sickness, maternity and employment injury. The ESI Act extends to the whole of India. It applies to all factories (including government factories but excluding seasonal factories) employing ten or more persons and carrying on a manufacturing process with the aid of power or employing twenty or more persons and carrying on a manufacturing process without the aid of power and such other establishments as the Government may specify.

A factory or other establishment, to which the ESI Act applies, shall continue to be governed by its provisions even if the number of workers employed therein falls below the specified limit or the manufacturing process therein ceases to be carried on with the aid of power, subsequently.

The ESI Act does not apply to the following:

- i. Factories working with the aid of power wherein less than ten persons are employed;
- ii. Factories working without the aid of power wherein less than twenty persons are employed;
- iii. Seasonal factories engaged exclusively in any of the following activities viz. cotton ginning, cotton or jute pressing, decortications of groundnuts, the manufacture of coffee, indigo, lacs, rubber, sugar (including gur) or tea or any manufacturing process incidental to or connected with any of the aforesaid activities, and including factories engaged for a period not exceeding seven months in a year in blending, packing or repackaging of tea or coffee, or in such other process as may be specified by the Central Government;
- iv. A factory which was exempted from the provisions of the Act as being a seasonal factory will not lose the benefit of the exemption on account of the amendment of the definition of seasonal factory;
- v. Mines subject to the Mines Act, 1952;
- vi. Railway running sheds;
- vii. Government factories or establishments, whose employees are in receipt of benefits similar or superior to the benefits provided under the Act and Indian naval, military or air forces.

The appropriate Government may exempt any factory or establishments or class of factories or establishments or any employee or class of employees from the provisions of the ESI Act. Every employee (including casual and temporary employees), whether employed directly or through a contractor, who is in receipt of wages upto ₹10,000 per month is entitled to be insured under the ESI Act. However, apprentices engaged under the Apprentices Act are not entitled to the ESI benefits. Coverage of part time employees under the ESI Act will depend on whether they have contract of service or contract for service with the employer. The former is covered whereas the latter are not covered under the ESI Act.

Payment of Gratuity Act, 1972 (“Gratuity Act”)

Under the Gratuity Act, an employee in a factory is deemed to be in ‘continuous service’ for a period of at least two hundred forty days in a period of twelve months or one hundred twenty days in a period of six months immediately preceding the date of reckoning, whether or not such service has been interrupted during such period by sickness, accident, leave, absence without leave, lay-off, strike, lock-out or cessation of work not due to the fault of the employee.

An employee who has been in continuous service for a period of five years will eligible for gratuity upon his retirement, superannuation, death or disablement. The maximum amount of gratuity payable shall not exceed 3,50,000.

Payment of Bonus Act, 1965 (“Payment of Bonus Act”)

Under the Payment of Bonus Act, an employee in a factory who has worked for at least thirty Working Days in a year is eligible to be paid bonus. ‘Allocable surplus’ is defined as 67% of the available surplus in the financial year, before making arrangements for the payment of dividend out of profit of our Company.

The minimum bonus to be paid to each employee is 8.33% of the salary or wage or ₹100, whichever is higher, and must be paid irrespective of the existence of any allocable surplus. If the allocable surplus exceeds minimum bonus payable, then the employer must pay bonus proportionate to the salary or wage earned during that period, subject to a maximum of 20% of such salary or wage. Contravention of the Payment of Bonus Act by a company will be punishable by proceedings for imprisonment up to six months or a fine up to ₹1,000 or both against those individuals in charge at the time of contravention of the Payment of Bonus Act.

Minimum Wages Act, 1948

The State Governments may stipulate the minimum wages applicable to a particular industry. The minimum wages generally consist of a basic rate of wages, cash value of supplies of essential commodities at concession rates and a special allowance, the aggregate of which reflects the cost of living index as notified in the official gazette. Workers are to be paid for overtime at overtime rates stipulated by the appropriate State Government. Any contravention may result in imprisonment of up to six months or a fine of up to ₹500.

Workmen’s Compensation Act, 1923 (“Workmen’s Compensation Act”)

If personal injury is caused to a workman by accident during employment, his employer would be liable to pay him compensation. However, no compensation is required to be paid if the injury did not disable the workman for three days or the workman was at the time of injury under the influence of drugs or alcohol, or the workman willfully disobeyed safety rules. Where death results from the injury the workman is liable to be paid the higher

of 50% of the monthly wages multiplied by the prescribed relevant factor (which bears an inverse ratio to the age of the affected workman, the maximum of which is ₹228.54 for a worker aged sixteen years) or ₹80,000 whichever is more. Where permanent total disablement results from injury the workman is to be paid the higher of 60% of the monthly wages multiplied by the prescribed relevant factor or ₹90,000 whichever is more. The maximum wage which is considered for the purposes of reckoning the compensation is ₹4,000. On December 01, 2009, the Indian Parliament passed the Workmen's Compensation Amendment Bill, 2009, which broadens the scope of the Workmen's Compensation Act to include clerical staff, raising the monetary compensation payable in the event of death or permanent disability, and introducing reimbursement for treatment of injuries sustained in course of employment. The restriction of the application of this law to companies with at least twenty employees has been done away with, and it would now be obligatory for compensation commissioners to decide on a claim within three months of an application being filed. Under the Workmen's Compensation Act, it is obligatory for the employers brought within the ambit of the Act to furnish, to the State Governments/Union Territory Administrations, annual returns containing statistics relating to the average number of workers covered under the Act, number of compensated accidents and the amount of compensation paid.

Payment of Wages Act, 1936 ("Payment of Wages Act")

The Payment of Wages Act regulates the period and payment of wages, overtime wages and deductions from wages and also regulates the working hours, overtime, weekly holidays of certain classes of employed persons. It requires the person responsible for payment of wages to maintain certain registers and display of the abstracts of the rules made thereunder. The Act also contains provisions as to the minimum wages that are to be fixed by the appropriate governments for the employees, entitlement of bonus of the employees, fixing the payment of wages to workers and ensuring that such payments are disbursed by the employers within the stipulated time frame and without any unauthorised deductions.

Employees (Provident Fund and Miscellaneous Provisions) Act, 1952 ("EPF Act")

The EPF Act applies to factories employing more than twenty employees and such other establishments and industrial undertakings as notified by the government from time to time. It requires all such establishments to be registered with the relevant state provident fund commissioner. Also, such employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance payable to employees. Employees are also required to make equal contribution to the fund. A monthly return is required to be submitted to the relevant state provident fund commissioner in addition to the maintenance of registers by employers.

The Contract Labour (Regulation and Abolition) Act, 1970 ("CLRA")

The CLRA regulates the employment, and protects the interests, of workers hired on the basis of individual contracts in certain establishments. In the event any activity is outsourced, and is carried out by labourers hired on contractual basis, compliance with the CLRA including registration will be necessary and the principal employer will be held liable in the event of default by the contractor to make requisite payments towards provident fund. The CLRA regulates the employment of contract labour in certain establishments provides for its abolition in certain circumstances. It applies:

- to every establishment which does not carry on intermittent/ casual work in which twenty or more workmen are/were employed on any day of the preceding 12 months as contract labour ("Establishment");
- To every contractor who employs, or who employed on any day of the preceding 12 months, twenty or more workmen.

Every Establishment must, within the specified period, apply to the registering officer for registration of the Establishment and obtain a certificate of registration containing such particulars as may be prescribed.

Further, a contractor can only undertake or execute any work through contract labour under and in accordance with a licence issued in that behalf by the licensing officer. The license may contain conditions including, in particular, conditions as to hours of work, fixation of wages and other essential amenities in respect of contract labour. The license will be valid for the period specified therein.

Every contractor is duty-bound to provide and maintain supply of drinking water, canteens, rest-rooms latrines and urinals, washing facilities, first-aid box in the prescribed manner for contract labour employed in connection with the work of an Establishment to which the Act applies. If such amenities are not provided by the contractor within the prescribed time, such amenities shall be provided by the principal employer of the

Establishment. Contractor shall be responsible for payment of wages to each worker employed by him as contract labour within the prescribed period and in case he fails to do so, the principal employer of the Establishment will be so responsible. Every principal employer and contractor is required to maintain the prescribed records in respect of the contract labour employed.

The Contract Labour (Regulation and Abolition) Central Rules, 1971 (“Contract Labour Rules”)

The Contract Labour Rules were formulated to carry out the purposes of the Contract Labour (Regulation and Abolition) Act, 1970 (“Act”) has not been captured. As per the Contract Labour Rules, the application for registration of establishments to which the Act applies shall be made in Form I in triplicate and shall be accompanied by a treasury receipt showing payment of fees. A certificate of registration in Form II containing particulars of the name of the establishment, type of work carried on therein, number of contract labourers employed and other particulars is then issued. Any change in these particulars must be intimated by the principal employer at the establishment within thirty days of such change along with details of such change. Every application for license by the Contractor, made in Form IV, shall be accompanied by a certificate by the principal employer in Form V to the effect that the applicant has been employed by him as a contractor in relation to his establishment. Security as prescribed must also be deposited. Every license granted to the contractor in Form VI is non-transferable and shall contain particulars such as the maximum number of contract labourers employed.

Industrial (Development and Regulation) Act, 1951

The Industrial (Development and Regulation) Act, 1951 was enacted to provide for the development and regulation of certain industries. Under the applicable provisions of the act, the owner of every existing industrial undertaking, specifically industries manufacturing plastic moulded goods has to register the existing undertaking under section 10 of the said act. Further, an owner of a new industrial undertaking with compliance of section 11 of the said act has to apply for permission from the Central Government for the commencement of such industrial activity and for producing new articles at the same industry the owner of the company has to apply for license under section 11 A of the said Act.

The Industrial Employment (Standing Orders) Act, 1946 (“Standing Orders Act”)

The Standing Orders Act requires employers in industrial establishments, who employ 100 or more workmen to define with sufficient precision the conditions of employment of workmen employed and to make them known to such workmen. The Standing Orders Act requires every employer to which the Standing Orders Act applies to certify and register the draft standing order proposed by such employer in the prescribed manner. However until the draft standing orders are certified, the prescribed standing orders given in the Standing Orders Act must be followed. The standing orders as finally certified under this Act shall be prominently posted by the employer in English and in the language understood by the majority of his workmen on special boards to be maintained for the purpose at or near the entrance through which the majority of workmen enter the industrial establishment and in all departments thereof where the workmen are employed.

The Punjab Industrial Establishment Act, 1965

The Punjab Industrial Establishment (National & Festival Holidays, Casual & Sick Leave) Act, 1965 and the Rules made thereunder have been enforced in the National Capital Territory of Delhi w.e.f. January 01, 1974 for the benefit of the employees working at the factories which are registered under Factories Act 1948. As per provisions of this Act, It is the mandatory duty of every employer to allow three National holidays and a minimum of four festival holidays in a year and seven days' casual Leave and 14 days Sick Leave at half pay in a year. A register has to be maintained by the employer containing details of Casual and Sick leave availed by the workers.

Foreign Trade (Development and Regulation) Act, 1992 (The “Foreign Trade Act”)

The Foreign Trade Act was enacted to provide for the development and regulation of foreign trade by facilitating imports into and augmenting exports from India. The Foreign Trade Act prohibits anybody from undertaking any import or export except under an importer-exporter code number granted by the Director General of Foreign Trade.

INTELLERCTUAL PROPERTY LAWS

Trade Marks Act, 1999 (“Trademark Act”)

The Trade Marks Act governs the statutory protection of trademarks in India. In India, trademarks enjoy protection under both statutory and common law. Indian trademark law permits the registration of trademarks for goods and services so as to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A 'mark' may consist of a word or invented word, signature, device, letter, numeral, brand, heading, label, name written in a particular style and so forth. Certification marks and collective marks are also registrable under the Trademark Act. An application for trademark registration may be made by individual or joint applicants and can be made on the basis of either use or intention to use a trademark in the future. However, the registration of a trademark that is not inherently distinctive on the basis of intent to use may be difficult to obtain.

Applications for a trademark registration may be made for in one or more international classes. The trademark, once applied for, is advertised in the trademarks journal. Oppositions, if any, are invited and, after satisfactory adjudications of the same, a certificate of registration is issued. The right to use the mark can be exercised either by the registered proprietor or a registered user. The registration is valid for ten years unless cancelled. If not renewed after ten years, the mark lapses and the registration has to be restored.

The Patents Act, 1970 ("Patents Act")

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

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

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

1. Any earlier patent on such invention in any country;
2. Prior publication of information relating to such invention;
3. An earlier product showing the same invention; or
4. A prior disclosure or use of the invention that is sought to be patented.

Following its amendment by the Patents Amendment Act, 2005, the Patents Act permits opposition to grant of a patent to be made, both pre-grant and post-grant. The grounds for such patent opposition proceedings, *inter alia*, include lack of novelty, inventiveness and industrial applicability, non-disclosure or incorrect mention of source and geographical origin of biological material used in the invention and anticipation of invention by knowledge (oral or otherwise) available within any local or indigenous community in India or elsewhere. The Patents Act also prohibits any person resident in India from applying for patent for an invention outside India without making an application for the invention in India. Following a patent application in India, a resident must wait for six weeks prior to making a foreign application or may obtain the written permission of the Controller of Patents to make foreign applications prior to this six week period. The Controller of Patents is required to obtain the prior consent of the Central Government before granting any such permission in respect of inventions relevant for defense purpose or atomic energy.

This prohibition on foreign applications does not apply, however, to an invention for which a patent application has first been filed in a country outside India by a person resident outside India.

Copyright Act, 1957 ("Copyright Act")

The Copyright Act protects original literary, dramatic, musical and artistic works, Cinematographic films and sound recordings from unauthorised use of such works. Unlike the case with patents, copyright protects the expressions and not the ideas. There is no copyright in an idea. The object of copyright law is to encourage

authors, artists and composers to create original works by rewarding them with exclusive right for a fixed period to reproduce the works for commercial exploitation. Copyrights subsist in following class of works:

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

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

HISTORY AND CERTAIN CORPORATE MATTERS

Our History & Corporate Profile

Our Company was incorporated as Varahi Plastics Private Limited on December 17, 1993 under the Companies Act, *vide* Certificate of Incorporation bearing registration number 55-56515 of 1993-94 issued by the Additional Registrar of Companies, Delhi & Haryana. The name of our Company was changed to Varahi Private Limited pursuant to fresh certificate of incorporation consequent upon change of name, dated September 08, 2006, issued by the Assistant Registrar of Companies, National Capital Territory of Delhi & Haryana. Lastly, our Company was converted into a public limited company under the Companies Act, 1956, pursuant to a fresh certificate of incorporation consequent upon change of name on conversion to public limited company dated May 12, 2011, issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana and the name of our Company was changed to Varahi Limited.

The Corporate Identification Number of our Company is U74899DL1993PLC056515.

Since inception our Company has made continuous efforts to grow and expand our business and products lines.

We started as a manufacturer of plastic caps and closures at Delhi and then diversified into manufacturing of PET / HDPE / PP bottles, PET jars, PET pre-forms and PET containers at our unit in Baddi, Himachal Pradesh (Unit-I) in the year 2003. We increased our manufacturing facilities by setting up units at Noida and Pantnagar. In the year 2008, our Company expanded the capacity by acquiring a partnership firm, M/s. Sachi Plastics at Pantnagar, engaged in the business of manufacturing plastic caps, bottles and other plastic items for a total consideration of ₹ 271 Lacs. We further increased our manufacturing facilities by setting up another unit at Baddi, Himachal Pradesh (Unit-II) in the year 2010 and this unit has received ISO 22000:2005 certification from International Certifications Limited. We have licence to use a total of 70 intellectual properties which consists of 58 designs, 2 copyrights, 1 patent, and 9 trademarks.

Our Company has been appointed as a consignment stockist by Indian Oil Corporation Limited (“IOCL”), on a non-exclusive basis for products such as LLDPE, HDPE, PP and such other products as may be intimated by IOCL from time to time (“**Products**”) for the state of Uttarakhand. Our Company has also been appointed as *del credere* associate for securing prompt payments to IOCL against sale of products by IOCL to its customers.

Changes in the Registered Office of our Company

The Registered Office of our Company is at WZ -8/1, Kirti Nagar, Industrial Area, New Delhi – 110 015. There has been no change in the Registered Office of our Company since incorporation.

Main Object of our Company

The main object of our Company, as contained in our Memorandum of Association, is as set forth below:

1. To manufacture, mould, extrude, compound, blend, laminate, weave prepare, process, print, blow, repair, buy and sell, resell, export, import and market in:
2. (a) All kinds of plastics, thermo-plastics, raw materials and plastics goods including roto moulding tanks and other products like toys, furniture wares, extrusion profiles and pipes, injection moulding of components and extrusion of sheets, pipes, films, plastic liners, sacks all made from HDPE, PP, LDPE, LLDPE, HM, HDPE. Also from materials such as nylon, polystyrene, ABS, acetal homopolymers, copolymers, rubber and all other plastic raw materials and synthetic resins and compounds, ancillary and auxiliary materials and derivatives, intermediates and compositions. vacuum forming and thermo forming of components from any or all of the above said materials, Blow Moulding and Stretch Blow Moulding of components from any or all of the above said materials.
- (b) Plastic processing, printing and ancillary machinery, tools, moulds, dyes, and instruments and other engineering goods.
- (c) Master batches, colour concentrates, pigments, compounds of rigid as well as flexible PVC, reinforced compounds of HDPE, PP, nylon, ABS, HIPS, other materials as in (a) above.

- (d) To deal in all types of containers, packing materials and articles of plastic, polyethylene, paper, card board, wood, nylon, acetate, polyesters, urea, plasticizers, stabilizers, extenders, lubricants, fillers and anti-oxidants.
- (e) To deal in, prepare, repair, buy and sell, resell, export, import and market, plastic machinery, mould, tools and equipments related thereto.
3. Trading, manufacturing, importing, exporting, packing, distribution, sale & resale of all kinds of Aerated and Non Aerated water, whether flavoured or natural or otherwise as for eg. Mineral Water, Packaged Drinking Water, Natural Mineral Water, Packaged and Natural Mineral Water, Club Soda, Soft Drinks, juices, Sharbats, Squashes etc., soft drink, bottling plants etc.
4. To carry on in India or elsewhere the business to process, prepare, disinfect, fermentate, compound, mix, clean, wash, concentrate, crush, grind, segregate, pack, repack, add, remove, heat, grade, preserve, freeze, distillate, boil, sterilize, improve, extract, refine, buy, sell, resale, import, export, barter, transport, store, forward, distribute, dispose, develop, handle, manipulate, consultant, collaborator, adatia stockists, liasioner, middleman, export house, job worker or otherwise to deal in all types, descriptions, tastes, uses and packs of consumer food items, their by products, ingredients, derivatives, residues, including foods and vegetables, packed foods, powders, pastes, liquids, drinks, beverages, juices, jams, jelly, squashes, pickles, sausages, concentrates, extracts, essences, flavors, syrups, sharbats, flavored drinks, health and diet drinks, extruded foods, frozen foods, dehydrated foods, precooked foods, canned foods, preserved foods, health foods, protein foods, cream, cheese, butter, biscuits, breads, cakes, pastries, confectionery, sweets, chocolates, toffees, fun foods, breakfast foods, protein foods, dietic products, strained baby foods, instant foods, cereal products, table delicacies, and all other items, whether natural, artificial or synthetic.
5. To carry on the business of manufacturing, producing, buying, selling, refining, preparing, milling and trading, processing, researching, importing, exporting, distributing, storing, extracting and otherwise dealing in all kinds of medicines, natural health products, cosmetics, ayurvedic, herbal, allopathic, dental medicines, toothpaste, mouthwash, herbal fragrances and flavor for medicines or cosmetics herbal soaps, face creams, other cosmetic creams, hair oil, shampoo, any other medicine or cosmetics, health tonics and general medicines and cosmetics, beauty care/ health care/ personal care products.
6. To carry on the business of trading, manufacturing, indenting in all types of herbs, extract, bottling and distribution of herbs oil, natural essential oils, synthetic essential oils, flavors for milk and milk products, rennoids, gums, aromatic chemicals and perfumery compounds.
7. To undertake execution of turnkey contracts for hydro power generation and other power projects conventional and non- conventional energy sources in India and abroad and to undertake engineering and technical consultancy services in the fields of hydro power generation and other power projects conventional and non- conventional energy resources and to set up power plants in India and abroad.

The main objects as contained in our Memorandum of Association enable us to carry on the business that is being presently carried out and also permit us to carry on the activities for which this Issue is being made.

Amendments to our Memorandum of Association since incorporation

EGM/ AGM	Date of shareholders' approval	Nature of Amendment
EGM	October 05, 1994	<i>Change in Capital Clause</i> The authorized shares capital of ₹ 5,00,000 divided into 50,000 equity shares of ₹10 each was increased to Rs 20,00,000 divided into 2,00,000 equity shares of Rs 10 each.
AGM	August 12, 1996	<i>Change in Capital Clause</i> The authorized share capital of Rs 20,00,000 divided into 2,00,000 equity shares of Rs 10 each was increased to ₹1,00,00,000 divided into 10,00,000 equity shares of ₹10 each.
EGM	March 31, 2003	<i>Change in Capital Clause</i> The authorized share capital of ₹1,00,00,000 divided into 10,00,000 equity shares of

EGM/ AGM	Date of shareholders' approval	Nature of Amendment
		₹10 each was increased to ₹2,00,00,000 divided into 20,00,000 equity shares of ₹10 each.
EGM	September 01, 2003	Change in Capital Clause The authorized share capital of ₹2,00,00,000 divided into 20,00,000 equity shares of ₹10 each was increased to ₹4,00,00,000 divided into 40,00,000 equity shares of ₹10 each.
EGM	January 19, 2004	Change in Capital Clause The authorized share capital of ₹4,00,00,000 divided into 40,00,000 equity shares of ₹10 each was increased to ₹6,00,00,000 divided into 60,00,000 equity shares of ₹10 each.
EGM	November 01, 2004	Change in Capital Clause The authorized share capital of ₹6,00,00,000 divided into 60,00,000 equity shares of ₹10 each was increased to ₹7,00,00,000 divided into 70,00,000 equity shares of ₹10 each.
EGM	February 23, 2006	Change in Capital Clause The authorized share capital of ₹7,00,00,000 divided into 70,00,000 equity shares of ₹10 each was increased to ₹10,00,00,000 divided into 1,00,00,000 equity shares of ₹10 each.
EGM	March 31, 2006	Change in Object Clause Clauses 3 to 7 after the existing clause 2 of Part A i.e. Main Objects Clause were inserted: <ol style="list-style-type: none"> 3. Trading, manufacturing, importing, exporting, packing, distribution, sale & resale of all kinds of Aerated and Non Aerated water, whether flavoured or natural or otherwise as for eg. Mineral Water, Packaged Drinking Water, Natural Mineral Water, Packaged and Natural Mineral Water, Club Soda, Soft Drinks, juices, Sharbats, Squashes etc., soft drink, bottling plants etc. 4. To carry on in India or elsewhere the business to process, prepare, disinfect, fermentate, compound, mix, clean, wash, concentrate, crush, grind, segregate, pack, repack, add, remove, heat, grade, preserve, freeze, distillate, boil, sterilize, improve, extract, refine, buy, sell, resale, import, export, barter, transport, store, forward, distribute, dispose, develop, handle, manipulate, consultant, collaborator, adatia stockists, liasioner, middleman, export house, job worker or otherwise to deal in all types, descriptions, tastes, uses and packs of consumer food items, their by products, ingredients, derivatives, residues, including foods and vegetables, packed foods, powders, pastes, liquids, drinks, beverages, juices, jams, jelly, squashes, pickles, sausages, concentrates, extracts, essences, flavors, syrups, sharbats, flavored drinks, health and diet drinks, extruded foods, frozen foods, dehydrated foods, precooked foods, canned foods, preserved foods, health foods, protein foods, cream, cheese, butter, biscuits, breads, cakes, pastries, confectionery, sweets, chocolates, toffees, fun foods, breakfast foods, protein foods, dietic products, strained baby foods, instant foods, cereal products, table delicacies, and all other items, whether natural, artificial or synthetic. 5. To carry on the business of manufacturing, producing, buying, selling, refining, preparing, milling and trading, processing, researching, importing, exporting, distributing, storing, extracting and otherwise dealing in all kinds of medicines, natural health products, cosmetics, ayurvedic, herbal, allopathic, dental medicines, toothpaste, mouthwash, herbal fragrances and flavor for medicines or cosmetics herbal soaps, face creams, other cosmetic creams, hair oil, shampoo, any other medicine or cosmetics, health tonics and general medicines and cosmetics, beauty care/ health care/ personal care products. 6. To carry on the business of trading, manufacturing, indenting in all types of

EGM/ AGM	Date of shareholders' approval	Nature of Amendment
		herbs, extract, bottling and distribution of herbs oil, natural essential oils, synthetic essential oils, flavors for milk and milk products, rennoids, gums, aromatic chemicals and perfumery compounds.
		7. To undertake execution of turnkey contracts for hydro power generation and other power projects conventional and non- conventional energy sources in India and abroad and to undertake engineering and technical consultancy services in the fields of hydro power generation and other power projects conventional and non- conventional energy resources and to set up power plants in India and abroad.
AGM	August 21, 2006	Change in the Name Clause The name of our Company was changed from Varahi Plastics Private Limited to Varahi Private Limited
EGM	March 25, 2009	Change in Capital Clause The authorized share capital of ₹10,00,00,000 divided into 1,00,00,000 equity shares of ₹10 each was increased to ₹20,00,00,000 divided into 2,00,00,000 equity shares of ₹10 each.
EGM	April 12, 2011	Change in the Name Clause The name of our Company was changed from Varahi Private Limited to Varahi Limited
AGM	August 24, 2011	Change in Capital Clause The authorized share capital of ₹20,00,00,000 divided into 2,00,00,000 equity shares of ₹10 each was increased to ₹50,00,00,000 divided into 5,00,00,000 equity shares of ₹10 each.

Major Events

Year	Key event / milestone / achievement
1993	Incorporation of our Company
1998	Membership of the All India Federation of Plastic Industries
2001	Declared as “Sreshta Vyapari” by Sales Tax Department, Government of Delhi for the year 2000-2001
2003	Commencement of production at Baddi (Unit-I) & Noida Unit.
2006	Commencement of production at Pantnagar
2008	Acquisition of M/s. Sachi Plastics
2010	Commencement of production at Jharmajri, Baddi (Unit-II)
2011	Appointed as del credere agent and consignment agent of Indian Oil Corporation Limited for sale of their polymer products for the state of Uttarakhand. Received ISO 22000:2005 certification for the unit located at Plot No. 70-71, EPIP, Phase-1, Jharmajri, Baddi (Unit-II). Scope of Registration: Plastic Moulded Products / Items for Primary & Secondary Packaging of Personal Care, Hair Care, Cosmetics, Confectionary, Foods & pharmaceuticals.

For details on the description of our Company's activities, products, technology, capacity utilisation and exports, please refer to chapters titled “Industry Overview”, “Management's Discussion and Analysis of Financial Condition and Results of Operations” and “Basis for Issue Price” beginning on pages 82, 177 and 72 of the Draft Red Herring Prospectus.

Business acquisitions

Our Company acquired a partnership firm M/s. Sachi Plastics, from its partners, Mr. H. M. Patel and Ms. Shwetaben Patel vide Memorandum of Understanding (“MOU”) dated February 14, 2008. Under the terms of the MOU, our Company purchased all the movable & immovable assets along with a manufacturing unit of M/s. Sachi Plastics which was engaged in the manufacturing of plastic caps, bottles and other plastic items, located at

Pantnagar, Uttarakhand and acquired a bank liability of M/s. Sachi Plastics, for a total cash consideration of ₹ 271 Lacs. The said acquisition was effected in the books of our Company from in February 2010.

Raising of capital in the form of equity or debt

Other than as disclosed in “*Capital Structure*” and “*Financial Information*” beginning on page 46 and 148 respectively of the Draft Red Herring Prospectus, our Company has not issued any capital in the form of equity or debt.

Revaluation of assets

Our Company has not revalued its assets since incorporation.

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

There has been no change in the activities of our Company in the preceding five years which has had a material effect on the profits /losses of our Company, including any activities like discontinuance of lines of business, loss of agencies or markets, etc.

Injunctions or restraining orders

Our Company is not operating under any injunction or restraining order.

Time and cost overruns

There have been no time and cost overruns in any projects undertaken by our Company since incorporation.

Strikes and lock- outs

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

Members

As on the date of the Draft Red Herring Prospectus our Company has forty six (46) members.

Shareholders’ Agreement

Our Company has not entered into any shareholders’ agreement as on the date of the Draft Red Herring Prospectus.

Strategic partners

Our Company does not have any strategic partners as on date of the Draft Red Herring Prospectus.

Financial partners

Our Company does not have any financial partners as on date of the Draft Red Herring Prospectus.

Our Subsidiaries

As on the date of the Draft Red Herring Prospectus, our Company does not have any subsidiaries.

OUR MANAGEMENT

Under the Articles of Association of our Company, our Board shall consist of not less than three and not more than twelve Directors. As on the date of the Draft Red Herring Prospectus, our Board consists of 4 Directors out of which one (1) is a Chairman and Managing Director, one (1) is a Whole Time Director and two (2) are independent Directors.

OUR DIRECTORS

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

Sr. No.	Name, Designation, Address, Nationality, Age, Occupation and DIN	Date of Appointment and Term of Office	Other directorships and associations
1.	Mr. Pramit Sanghavi <i>s/o Late Harkisandas R. Sanghavi</i> <i>Designation:</i> Chairman and Managing Director <i>(Executive and non-independent)</i> <i>Address:</i> R-639, Second Floor, New Rajendra Nagar, New Delhi – 110 060. <i>Nationality:</i> Indian <i>Age:</i> 51 years <i>Occupation:</i> Business <i>DIN:</i> 00039239	Date of appointment: December 17, 1993 Term: Appointed for a term of five years w.e.f. April 01, 2011	<i>Private Limited Company/ies</i> <ul style="list-style-type: none"> Sataksi Polymers Private Limited V-Two Plastics Private Limited Yoshaka Edutech Private Limited <i>Partnership firm(s)</i> <ul style="list-style-type: none"> M/s. Adhya Himalayan Waters M/s. V-2 Corp <i>Sole proprietorship(s)</i> <ul style="list-style-type: none"> M/s. Mahodar Beverages M/s. Lambodar Industries
2.	Mr. Dewang Sanghavi <i>s/o Late Harkisandas R. Sanghavi</i> <i>Designation:</i> Whole Time Director <i>(Executive and non-independent)</i> <i>Address:</i> Flat No: 1802, Tower 3, Uniworld Gardens, Sector 47, Gurgaon – 122 018, Haryana <i>Nationality:</i> Indian <i>Age:</i> 49 years <i>Occupation:</i> Business <i>DIN:</i> 00039247	Date of appointment: December 17, 1993 Term: Appointed for a term of five years w.e.f. April 01, 2011 Liable to retire by rotation	<i>Private Limited Company/ies</i> <ul style="list-style-type: none"> Sataksi Polymers Private Limited V-Two Plastics Private Limited <i>Partnership firm(s)</i> <ul style="list-style-type: none"> M/s. Adhya Himalayan Waters M/s. V-2 Corp <i>Sole proprietorships</i> <ul style="list-style-type: none"> M/s. Hans Plastics
3.	Mr. Navin Shah <i>s/o Mr Tokarshi Shah</i> <i>Designation:</i> Independent Director <i>(Non-executive and independent)</i>	Date of appointment: July 29, 2011 Term: Liable to retire by rotation	<i>Public Limited Company/ies</i> <ul style="list-style-type: none"> Insecticides Limited (India)

Sr. No.	Name, Designation, Address, Nationality, Age, Occupation and DIN	Date of Appointment and Term of Office	Other directorships and associations
	<p>Address: House number 26, Street number 53, Punjabi Bagh West, New Delhi – 110 026</p> <p>Nationality: Indian</p> <p>Age: 69 years</p> <p>Occupation: Business</p> <p>DIN: 02701860</p>		<p>Sole proprietorship(s)</p> <ul style="list-style-type: none"> • M/s/ Kamal Polymers
4.	<p>Mr. Rajender Kumar Chawla s/o Mr. Uttam Chand Chawla</p> <p>Designation: Independent Director (Non-executive and independent)</p> <p>Address: A-380, Defence Colony, Delhi – 110 024,</p> <p>Nationality: Indian</p> <p>Age: 75 years</p> <p>Occupation: Professional</p> <p>DIN: 03523843</p>	<p>Date of appointment: October 17, 2011</p> <p>Term: Liable to retire by rotation</p>	Nil*

*He was an Independent Director in a listed company, namely Shonkh Technologies International Limited from May 01, 2011 and October 01, 2011. He resigned from the board of Shonkh Technologies International Limited vide his letter dated October 01, 2011 addressed to the company.

Note:

1. None of the above mentioned Directors are on the RBI List of wilful defaulters as on the date of the Draft Red Herring Prospectus.
2. Further, neither our Company nor our Promoters, persons forming part of our Promoter Group, Directors or persons in control of our Company are debarred from accessing the capital market by SEBI.
3. None of the Promoters, Directors or persons in control of our Company, have been or are involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by the SEBI.
4. The companies, with which any of the Promoters, Directors or persons in control of our Company are or were associated as promoters, directors or persons in control, have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or the RBI or any other regulatory or governmental authority.
5. * Further, none of our Directors were directors of any company when the shares of the said company were suspended from trading by Stock Exchange(s) for more than 3 months during last 5 years or delisted.
6. There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above mentioned Directors was selected as director or member of senior management.
7. As on the date of the Draft Red Herring Prospectus, there are no service contracts entered into by and between our Directors and our Company whereby benefits would be provided upon termination of employment.

* However, Mr. Rajendra Kumar Chawla was a director of Shonkh Technologies Limited between April 01, 2011 and October 01, 2011. Shares of Shonkh Technologies Limited have been suspended for trading for five years upto year 2012. Mr. Chawla has resigned from this company vide his letter dated October 01, 2011

Brief Profile of our Directors

Mr. Pramit Sanghavi, aged 51 years, is the Promoter and Chairman and Managing Director of our Company. He holds Indian School Certificate Examination of the University of Cambridge Local Examinations Syndicate. In the year 1983, he joined the sole proprietorship of his father, M/s. Sanghavi Engineering Industries, engaged in the business of manufacturing microscopes, wherein he started manufacturing plastic caps and closures. Thereafter, he also started providing consultancy to various entities engaged in plastic packaging. To further expand the business in the industry, he along with Mr. Dewang Sanghavi, incorporated our Company in the year 1993. He has over 25 years of experience in the industry of plastics processing. In May 2004, he was selected as a member of the International Association of Business Leaders, New Bern, North Carolina. He was enrolled as a Life Member of Indian Plastics Institute in 1994. In 2004, he was inducted as a Life Member of International Association of Business Leaders, New Bern, North Carolina, U.S.A. He was listed in the first edition of 'Who's Who in Plastics and Polymers' published by Technomic Publishing Co, Inc., Lancaster, Pennsylvania, U.S.A. Currently, he looks after the overall business & development of our Company. He is also responsible for designing and feasibility of new products as well as execution of new projects. He personally leads negotiations for business development and networks with industry players and associates to support business strategies of our Company. Mr. Pramit Sanghavi was paid remuneration of ₹ 12 Lacs in Fiscal 2011.

Mr. Dewang Sanghavi, aged 49 years, is the Promoter and Whole Time Director of our Company. He holds a degree in Master of Science (Operational Research) from University of Delhi. In the year 1987, he joined M/s. Sanghavi Engineering Industries in the manufacturing of plastic caps and closures. To further expand the business in the industry, he along with Mr. Pramit Sanghavi, incorporated our Company in the year 1993. He has over 20 years of experience in the industry of plastics processing. Currently, he is managing the business operations of our Company. He is also responsible for finance functions of our Company and oversees finance requirements, accounts, taxation and other related matters. Mr. Dewang Sanghavi was paid remuneration of ₹ 12 Lacs and was provided rent-free accommodation of ₹ 6 Lacs in Fiscal 2011.

Mr. Navin Shah, aged 69 years, is an Independent Director on the Board of our Company. Since 1981, he is in the business of manufacturing PVC compounds and plastic raw material under his sole proprietorship, M/s. Kamal Polymers. He is a member of the Executive Council of All India Federation of Plastic Industries, since 1985. During his tenure, he has been the Honorary General Secretary between 1988 and 1990 and the Vice President between 2003 and 2006. Currently, he is also on the board of directors of Insecticides (India) Limited. He was appointed as a Director on the Board of our Company on July 29, 2011.

Mr. Rajender Kumar Chawla, aged 75 years, is an Independent Director on the Board of our Company. He is a graduate from Punjab University. He started his career as an insurance executive with National Insurance Company in 1959 and became a divisional manager for Rajasthan in the year 1965. He entered the plastic industry in 1968 as a sales head in Sviklon Industries manufacturing PVC footwear. He remained a partner in Sviklon Industries till 1971. In the year 1971, he joined Kalinga Udyog Private Limited as the marketing manager and remained associated with them till 1981. He then joined Poly Plast Industries Private Limited in 1981 as the general manager and was associated with them till 1990. In the year 1990, he joined Astha Industries as a managing partner. He left Astha Industries in the year 1995. He then joined Padmini Polymers Limited (Now Padmini Technologies Limited) in 1995. He retired as President of Padmini Technologies Limited in May 2011. He has over 50 years of experience in areas like marketing, public relations, administration and business development. He was appointed as a Director on the Board of our Company on October 17, 2011.

Family Relationship between Directors and Key Managerial Personnel

Mr. Pramit Sanghavi and Mr. Dewang Sanghavi are brothers. Except as disclosed herein, none of our Directors and Key Managerial Personnel are relatives (as defined under the Companies Act).

BORROWING POWERS OF BOARD OF DIRECTORS

The borrowing powers of our Directors are regulated by Article 85 of the Articles of Association of our Company. Pursuant to a resolution passed at the extra ordinary general meeting held on July 28, 2009, our shareholders have authorised our Board to borrow monies (apart from temporary loans obtained from banks in the ordinary course of business) up to a limit not exceeding ₹ 12,500 Lacs.

For further details of the provisions of our Articles of Association regarding borrowing powers, please refer to the section titled “Main Provisions of the Articles of Association of our Company” beginning on page 258 of the Draft Red Herring Prospectus.

REMUNERATION / COMPENSATION BENEFITS TO THE MANAGING DIRECTOR / WHOLE TIME DIRECTOR

1. Mr. Pramit Sanghavi

Mr. Pramit Sanghavi has been the director of our Company since incorporation and as our Managing Director on October 01, 2005. Mr. Pramit Sanghavi has since been reappointed as Chairman and Managing Director of our Company in the Extra-ordinary General Meeting held on April 12, 2011 with effect from April 01, 2011 till March 31, 2016 on the following terms set out below:

Particulars	Amount (₹)
<i>Basic salary</i>	₹ 1,50,000 per month Further, the Basic salary will increase at the rate of 10% every year upto next five years.
<i>House rent allowance</i>	₹ 75,000 per month
<i>Special allowance</i>	₹ 75,000 per month
<i>Reimbursement of expenses</i>	
(a) Medical reimbursement	Expenses incurred for self and family upto ₹ 15,000 per month as per rules of the Company
(b) Leave travel concession	Leave travel expenses ₹ 52,500 per month as per rules of the Company
(c) Car	Maximum ₹ 35,000 per month
(d) Telephone	Maximum ₹ 15,000 per month
(e) Fuel	Maximum ₹ 50,000 per month
(f) Entertainment	Maximum ₹ 18,000 per month
<i>Other benefits</i>	
(g) Superannuation fund and gratuity	As per rules of the Company
(h) Encashment of earned leave	As per rules of the Company
(i) Other benefits	As per rules of the Company
Performance based incentive	Performance based incentive varying from zero to ₹ 1,00,00,000 per annum would be payable based on the achievement of such performance parameters as may be laid by the Board of Directors.

Mr Pramit Sanghavi shall be paid salary and perquisites so that the salary and perquisites shall not exceed the ceiling, if any, prescribed under Schedule XIII of the Companies Act, 1956.

The remuneration payable to Mr Pramit Sanghavi shall be in accordance with the limits prescribed in Section II Part II of Schedule XIII of the Companies Act, 1956 as amended from time to time subject to compliance of provisions thereof but in any event shall not exceed the remuneration payable aforesaid.

2. Mr. Dewang Sanghavi

Mr. Dewang Sanghavi has been the director of our Company since incorporation. Mr. Dewang Sanghavi has since been reappointed as Whole Time Director of our Company in the Extra-ordinary General Meeting held on April 12, 2011 with effect from April 01, 2011 till March 31, 2016 on the terms set out below:

Particulars	Amount (₹)
<i>Basic salary</i>	₹ 1,35,000 per month Further, the Basic salary will increase at the rate of 10% every year upto next five years.
<i>House rent allowance</i>	₹ 67,500 per month
<i>Special allowance</i>	₹ 67,500 per month
<i>Reimbursement of expenses</i>	
(a) Medical reimbursement	Expenses incurred for self and family upto ₹ 15,000 per month as per rules of the Company
(b) Leave travel concession	Leave travel expenses ₹ 52,500 per month as per

Particulars	Amount (₹)
	rules of the Company
(c) Car	Maximum ₹ 35,000 per month
(d) Telephone	Maximum ₹ 15,000 per month
(e) Fuel	Maximum ₹ 50,000 per month
(f) Entertainment	Maximum ₹ 18,000 per month
<i>Other benefits</i>	
(g) Superannuation fund and gratuity	As per rules of the Company
(h) Encashment of earned leave	As per rules of the Company
(i) Other benefits	As per rules of the Company
Performance based incentive	Performance based incentive varying from zero to ₹ 1,00,00,000 per annum would be payable based on the achievement of such performance parameters as may be laid by the Board of Directors.

Mr Dewang Sanghavi shall be paid salary and perquisites so that the salary and perquisites shall not exceed the ceiling, if any, prescribed under Schedule XIII of the Companies Act, 1956.

The remuneration payable to Mr Dewang Sanghavi shall be in accordance with the limits prescribed in Section II Part II of Schedule XIII of the Companies Act, 1956 as amended from time to time subject to compliance of provisions thereof but in any event shall not exceed the remuneration payable aforesaid.

Sitting Fees Payable to Non-Executive Directors

As per resolution of our Board of Directors dated July 29, 2011, the sitting fees payable to each of our Non-Executive Directors is ₹ 2,500 for every meeting of the Board or any Committee thereof. None of our Non-Executive Directors have been paid any sitting fees in Fiscal 2011.

Shareholding of Directors

As per our Articles of Association of our Company, a Director of our Company is not required to hold any qualification shares. The following table details the shareholding of our Directors in their personal capacity and either as sole or first holder, as on the date of the Draft Red Herring Prospectus:

Sr. No.	Name of the Directors	No. of Equity Shares held	Percentage (%) of pre-issue Equity Share Capital in our Company
1.	Mr. Pramit Sanghavi	10,395,796	49.96
2.	Mr. Dewang Sanghavi	95,70,376	46.00
3.	Mr. Navin Shah	Nil	0.00
4.	Mr. Rajender Kumar Chawla	Nil	0.00

Interest of Directors

Except for Mr. Pramit Sanghavi and Mr. Dewang Sanghavi who are Promoter Directors of our Company, none of our Directors are interested in the promotion of our Company.

All the Directors may be deemed to be interested to the extent of fees payable to them, if any, for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them, if any under the Articles of Association, and to the extent of remuneration paid to them, if any for services rendered as an officer or employee of our Company.

The Directors may also be regarded as interested to the extent of the Equity Shares held by them or by the companies/firms/ventures promoted by them or that may be subscribed by or allotted to the companies, firms, trusts, in which they are interested as Directors, members, partners, trustees and Promoters, pursuant to this Issue.

Our Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by our Company with either the Director himself, other company in which they hold directorships or any partnership firm in which they are partners.

Mr. Pramit Sanghavi and Mr. Dewang Sanghavi who are Promoter Directors of our Company, may be deemed to be interested to the extent of their interest in M/s. V-2 Corp, of which they are partners, and with whom our Company has entered into agreements for license to use intellectual property. They are also interested to the extent of the rent amounts received from our Company for using their properties. Further, except as stated herein, none of our Directors have any interest in any property acquired by our Company within two years preceding the date of the Draft Red Herring Prospectus or proposed to be acquired by our Company as on the date of the Draft Red Herring Prospectus. For further details, please refer to the paragraphs titled '*Intellectual Property*' and '*Our Property*' under in the chapter titled '*Our Business*' beginning on page 92 of the Draft Red Herring Prospectus.

The Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Further, our Directors may be deemed to be interested to the extent of the payments made by our Company, if any, to/from our Group Entities. Except as stated in the Annexure – 10 under the chapter titled 'Financial Information' beginning on page 148 of the Draft Red Herring Prospectus, the Directors do not have any other interest in the business of our Company.

Our Directors are not interested in the appointment of or acting as Underwriters, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

CHANGES IN THE BOARD OF DIRECTORS DURING THE LAST THREE YEARS

The following changes have taken place in the Board of Directors of our Company during the last 3 years:

Name of the Director	Date of Appointment	Date of Cessation of Directorship	Reasons
Mr. Suresh Kumar	September 30, 2008	July 29, 2011	Resignation from directorship of the Board
Mr. Gulab Rai	September 30, 2008	July 29, 2011	Resignation from directorship of the Board
Mr. Vijay Sharma	September 30, 2008	July 29, 2011	Resignation from directorship of the Board
Mr. Navin Shah	July 29, 2011	-	Appointment
Mr. Anup Trehan	July 29, 2011	October 01, 2011	Appointment and cessation
Mr. Rajender Kumar Chawla	October 17, 2011	-	Appointment

CORPORATE GOVERNANCE

The provisions of the Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance and SEBI ICDR Regulations in respect of corporate governance will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchanges. Our Company has complied with the corporate governance code in accordance with Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges, particularly, in relation to appointment of independent directors to our Board and constitution of an audit committee and a shareholders' grievance committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas. Our Company undertakes to take all necessary steps to continue to comply with all the requirements of the corporate governance code in accordance with Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges.

Currently, our Company has four Directors on its Board. Our Chairman and Managing Director is an executive Director and in compliance with the requirement of clause 49 of the Listing Agreement, our Company is required to constitute its Board of Directors to include 1/2 of the Board as independent directors. Our Company has one whole time director and two independent directors.

Sr. No.	Name of the Director	Designation	Category
1.	Mr. Pramit Sanghavi	Chairman and Managing Director	Promoter Director
2.	Mr. Dewang Sanghavi	Whole Time Director	Promoter Director
3.	Mr. Navin Shah	Director	Independent Director
4.	Mr. Rajender Kumar Chawla	Director	Independent Director

Composition of the Board

The Board of Directors of our Company has an optimum combination of executive and non-executive Directors as envisaged in Clause 49 of the Listing Agreement. As on the date of the Draft Red Herring Prospectus, our Board consists of 4 Directors out of which one (1) is a Chairman and Managing Director, one (1) is a whole time Director and two (2) are independent Directors.

In terms of the Clause 49 of the Listing Agreement, our Company has constituted the following committees of the Board:

1. Audit Committee; and
2. Shareholders, Share Transfers and Investors' Grievance Committee.

AUDIT COMMITTEE

Our Board constituted the Audit Committee, pursuant to the provisions of Section 292A of the Companies Act and in accordance with Clause 49 of the Listing Agreement. The Audit Committee was constituted at a meeting of the Board of Directors held on July 29, 2011. It was re-constituted on October 17, 2011.

The Audit Committee consists of the following Directors:

Sr. No.	Name	Designation	Nature of Directorship
1.	Mr. Rajender Kumar Chawla	Chairman	Independent Director
2.	Mr. Navin Shah	Member	Independent Director
3.	Mr. Dewang Sanghavi	Member	Whole Time Director

Ms. Monika Sinha will act as the Secretary to the Audit Committee.

The terms of reference of Audit Committee comply with the requirements of Clause 49 of the Listing Agreement, which will be entered into with the Stock Exchanges in due course. The terms of reference of the Audit Committee are as follows:

Powers of the Audit Committee

1. To invite such of the executives, as it considers appropriate (and particularly the head of finance function) to be present at the meetings of the Committee,
2. To investigate any activity within its terms of reference,
3. To seek information from any employee,
4. To obtain outside legal or other professional advice,
5. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of Audit Committee

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

1. Oversight of our Company's financial reporting processes and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment and; if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
3. Approval of payment to the statutory auditor for any other services rendered by the statutory auditor;
4. Appointment, removal and terms of remuneration of internal auditor;
5. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in the accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions; and
 - g. Qualifications in the draft audit report.
6. Reviewing, with the management, the quarterly financial statements before submission to the Board of Directors for their approval;

7. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
8. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
9. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
10. Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors;
11. Discussion with internal auditors on any significant findings and follow up there on;
12. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
13. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
14. To look into the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
15. To review the functioning of the Whistle Blower mechanism, when the same is adopted by our Company and is existing;
16. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate; and
17. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or as may be statutorily required to be carried out by the Audit Committee.

Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information:

1. Management's discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

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

Meeting of the Audit Committee

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

SHAREHOLDERS, SHARE TRANSFERS AND INVESTORS' GRIEVANCE COMMITTEE

For redressing the Shareholders/ Investors complaints, the Shareholders, Share Transfers and Investors' Grievance Committee has been formed by the Board of Directors at the meeting held on July 29, 2011 in compliance with Clause 49 of the Listing Agreement. It was re-constituted on October 17, 2011.

The Shareholders, Share Transfers and Investors' Grievance Committee consists of the following Directors:

Sr. No.	Name	Designation	Nature of Directorship
1.	Mr. Rajender Kumar Chawla	Chairman	Independent Director
2.	Mr. Navin Shah	Member	Independent Director

3.	Mr. Dewang Sanghavi	Member	Whole Time Director
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Ms. Monika Sinha will act as the Secretary to the Shareholders, Share Transfers and Investors' Grievance Committee.

The terms of reference of the Shareholders, Share Transfers and Investors' Grievance Committee are given below:

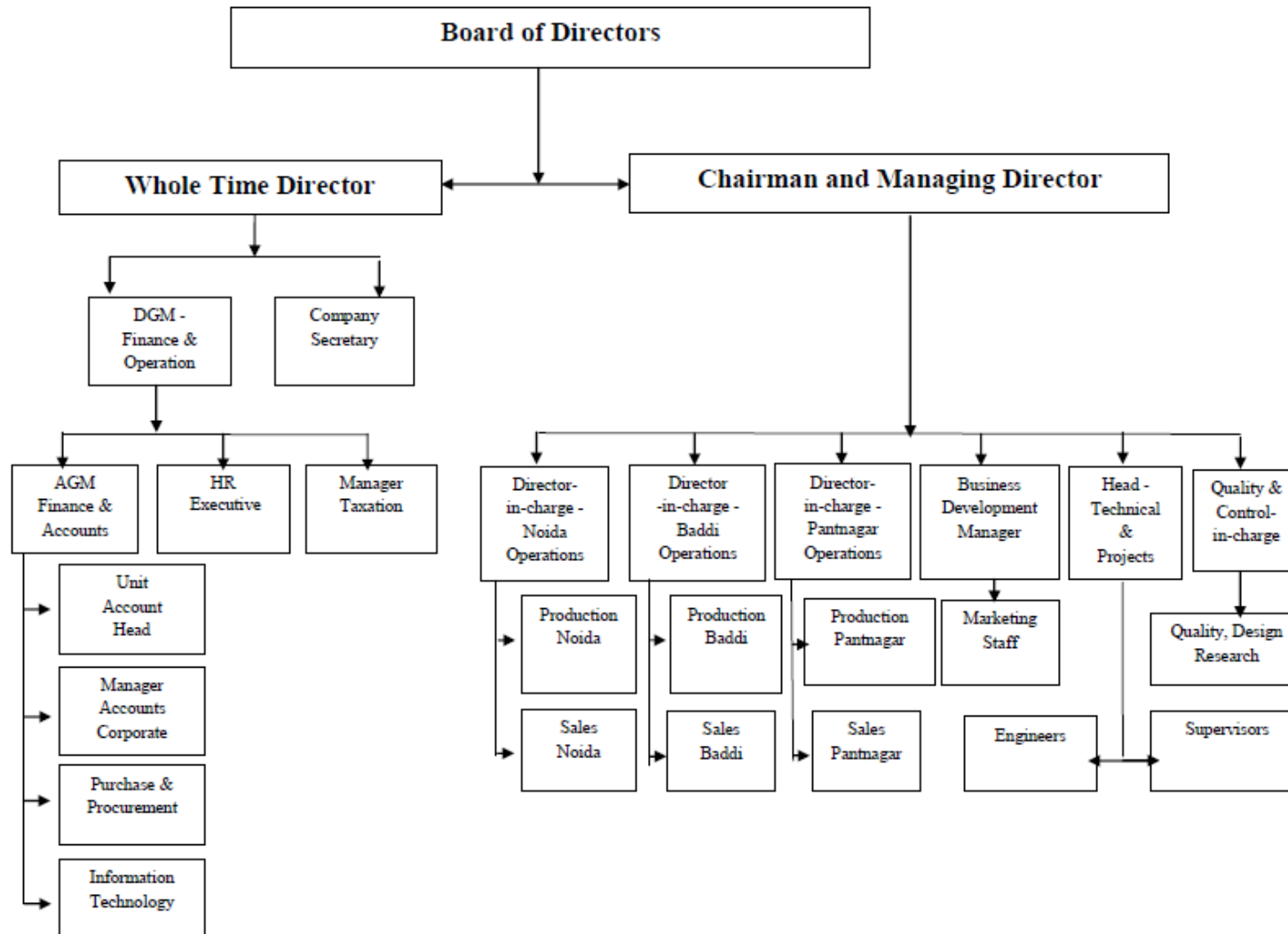
1. Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
2. Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;
3. Monitoring transfers, transmissions, dematerialisation, re-materialisation, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
4. Allotment and listing of shares;
5. Review of cases for refusal of transfer / transmission of shares and debentures;
6. Reference to statutory and regulatory authorities regarding investor grievances;
7. Ensure proper and timely attendance and redressal of investor queries and grievances; and
8. To do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

Policy On Disclosures and Internal Procedure For Prevention Of Insider Trading

The provisions of Regulation 12 (1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchanges.

Ms. Monika Sinha, Company Secretary is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

ORGANISATIONAL STRUCTURE



KEY MANAGERIAL PERSONNEL

Our Company is managed by its Board of Directors, assisted by qualified professionals, who are permanent employees of our Company having experience in their respective fields, including but not limited to finance, compliance and marketing.

None of our Key Managerial Personnel were appointed pursuant to any arrangement or understanding with major shareholders, customers and/or suppliers. Further, as on the date of filing of Draft Red Herring Prospectus, the key management personnel mentioned below are not related parties as per the Accounting Standard 18.

Other than our Managing Director and Whole Time Director, following are the Key Managerial Personnel:

Mr. Suresh Kumar, aged 48 years, has been employed with our Company since December, 1995. He is currently designated as 'Director-in-charge – Noida Operations' and is primarily responsible for operations of the unit of our Company located at Noida, Uttar Pradesh. He is an undergraduate. Prior to joining our Company, he was associated with Roshan Polymers Limited. He has over 15 years of experience in technical front of plastic processing and manufacturing techniques. He was also a director on the Board of our Company between September 30, 2008 and July 29, 2011. In FY 2011, he was paid an aggregate compensation of ₹ 6.34 Lacs.

Mr. Gulab Rai, aged 35 years, has been employed with our Company since December, 2003. He is currently designated as 'Director-in-charge – Baddi Operations' and is primarily responsible for operation of both the units of our Company located at Baddi, Himachal Pradesh. He is an undergraduate. Prior to joining our Company, he was self-employed as a construction contractor. He has over 5 years of experience in the field of plastic manufacturing. He was also a director on the Board of our Company between September 30, 2008 and July 29, 2011. In FY 2011, he was paid an aggregate compensation of ₹ 6.54 Lacs.

Mr. Vijay Sharma, aged 34 years, has been employed with our Company since November, 2005. He is currently designated as 'Director-in-charge – Pantnagar Operations' and is primarily responsible for operation of the unit of our Company located at Pantnagar, Uttarakhand. He is an undergraduate. Prior to joining our Company, he was self-employed in the business of readymade garments. He has over 5 years of experience in the field of plastic manufacturing. He was also a director on the Board of our Company between September 30, 2008 and July 29, 2011. In FY 2011, he was paid an aggregate compensation of ₹ 6.90 Lacs.

Mr. Mohan Parmar, aged 51 years, has been employed with our Company since September, 2010. He is currently designated as 'Head – Technical & Projects' and oversees technical execution of projects and commissioning and erection of machinery. He holds a Secondary School Certificate Examination from Maharashtra State Board of Secondary Education. He also holds Diploma in Mechanical Engineering (Incorporating Inplant Training) from Board of Technical Examinations, Maharashtra State. Prior to joining our Company, he was associated with Emami Limited. He has over 26 years of experience in the project management, operations & maintenance and installation & commissioning of plant & machinery. In FY 2011, he was paid an aggregate compensation of ₹ 4.05 Lacs.

Mr. Antony Varghese, aged 47 years, has been employed with our Company since August, 2010. He is currently designated as 'DGM – Finance & Operations' of our Company and is primarily responsible for the finance operations of our Company. He holds a degree in Bachelor of Commerce (Cost Accounting) from University of Kerala and degree in Master of Commerce in Finance from Mahatma Gandhi University, Kottayam. Prior to joining our Company, he was associated with Pearl Drinks Limited. He has over 20 years of experience in managing the overall finance function with strategic planning, budgeting, financial controls, accounts, audits, costing and statutory compliance. He has also been appointed as the Compliance Officer for this Issue. In FY 2011, he was paid an aggregate compensation of ₹ 4.42 Lacs.

Mr. Shri Krishnan Garg, aged 48 years, has been employed with our Company since May, 2009. He is currently designated as 'AGM – Finance & Accounts' and is primarily responsible for the finance and accounts' operations of our Company. He holds a degree in Bachelor of Commerce from Punjabi University, Patiala. He is also a fellow member of The Institute of Chartered Accountants of India. Prior to joining our Company, he was associated with Surya Boards Limited. He has over 20 years of experience in the field of accounts and finance. In FY 2011, he was paid an aggregate compensation of ₹ 5.70 Lacs.

Mr. Pradeep Khare, aged 44 years, has been employed with our Company since January, 2011. He is currently designated as 'Business Development Manager' of our Company and is primarily responsible for business

development and marketing. He holds a degree in Master of Arts from University of Lucknow. Prior to joining our Company, he was associated with Ninestars Information Technologies Limited. He has over 20 years of experience in the field of sales and marketing. In FY 2011, he was paid an aggregate compensation of ₹ 56,821.

Mr. Paramjeet Singh, aged 42 years, has been employed with our Company since July, 2007. He is currently designated as ‘Manager – Taxation’ of our Company and is primarily responsible for taxation and other statutory compliances of our Company. He holds a degree in Bachelor of Commerce from Maharshi Dayanand University, Rohtak. Prior to joining our Company, he was associated with Pal Mohan Electronics Private Limited. He has over 15 years of experience in the field of accounts. He is primarily responsible for taxation and statutory compliances for our Company. In FY 2011, he was paid an aggregate compensation of ₹ 4.38 Lacs.

Ms. Vanadana Arora, aged 24 years, has been employed with our Company since June, 2011. She is currently designated as ‘HR Executive’ of our Company and is looking after HR functions. She holds a degree in Bachelor of Arts from University of Rajasthan and a degree in Master of Business Administration from Rajasthan Technical University. Prior to joining our Company, she was associated with Modern Institute of Technology and Research Centre, Alwar. Since Ms. Vandana Arora has been appointed in FY 2012, no remuneration was paid to her in Fiscal 2011.

Mr. Bhagwan Chand Joshi, aged 31 years, has been employed with our Company since September, 2005. He is currently designated as ‘Quality & Control-in-charge’ of our Company and is responsible of quality control. He holds a degree of Bachelor of Arts from Kumaun University, Nainital. He has also completed a training course in Packaging from Indian Institute of Packaging, Delhi (accredited by Asian Packaging Federation) and Industrial Training course in Fitters from State Industrial Training Institute, Utranchal. He has experience of over 6 years in area of quality & control. In FY 2011, He was paid an aggregate compensation of ₹ 2.03 Lacs.

Ms. Monika Sinha, aged 30 years, has been employed with our Company since November, 2010 and has been appointed as the Company Secretary of our Company since December 2010. She is responsible for looking after the secretarial affairs of our Company. She holds a degree in Bachelor of Commerce and Master of Commerce, both from Allahabad University. She is also an associate member of The Institute of Company Secretaries of India. Prior to joining our Company, she was associated with Shri Natraj Ceramic and Chemical Industries Limited. In FY 2011, she was paid an aggregate compensation of ₹ 0.82 Lacs.

Relation of Key Management Personnel and Directors

None of the Key Managerial Personnel are related to each other or to our Directors.

Shareholding of our Key Managerial Personnel

As on the date of the Draft Red Herring Prospectus, none of our Key Managerial Personnel hold any shares in our Company.

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

Our Company does not have any bonus or profit-sharing plan for its Key Managerial Personnel save and except the bonus paid including under the Payment of Bonus Act to our Key Managerial Personnel.

Except as stated below and elsewhere in the Draft Red Herring Prospectus, no amount or benefit has been paid or given within the two preceding years or are intended to be given to any of our Key Managerial Personnel except the normal remuneration for services rendered as directors, officers or employees:

Our Company has entered into an agreement for a property on leave and license basis for the use of residential purposes for Mr. Vijay Sharma, for a monthly rent of ₹ 9,000. For further details, please refer to the paragraph titled ‘Property’ under the chapter titled ‘Our Business’ beginning on page 92 of the Draft Red Herring Prospectus.

Contingent and Deferred Compensation

No contingent or deferred compensation has accrued in favour of our Key Managerial Personnel.

Loans given to our Key Managerial Personnel

Our Company has not advanced any loans to our Key Managerial Personnel.

Changes in our Key Managerial Personnel during the past three years

Sr. No.	Name	Designation	Date of	
			Appointment	Resignation
1.	Mr. Shri Kishan Garg	AGM – Finance & Accounts	May 18, 2009	-
2.	Mr. Antony Varghese	DGM - Operations	July 19, 2010	-
3.	Ms. Amita Gupta	Company Secretary	May 22, 2008	September 24, 2010
4.	Mr. Shrestha Dev Burman	HR Executive	June 22, 2009	July 31, 2011
5.	Ms. Vandana Arora	HR Executive	June 08, 2011	-
6.	Mr Mohan Parmar	Head – Technical & Projects	September 18, 2010	-
7.	Ms. Monika Sinha	Company Secretary	December 01, 2010	-

Interest of Key Managerial Personnel

Apart from above, all our Key Managerial Personnel may be deemed to be interested to the extent of the remuneration and other benefits in accordance with their terms of employment for services rendered and reimbursement of expenses incurred by them during the ordinary course of business as officers or employees to our Company. Furthermore, no amount or benefit has been paid or given during the preceding year to any of our Key Managerial Personnel.

Employees

For details of the Employees/ Manpower of our Company, please refer to the paragraph titled “*Manpower*” under the chapter “*Our Business*” beginning on page 92 of the Draft Red Herring Prospectus.

Employees Stock Option Scheme

Varahi Employee Welfare Trust

Our Company has constituted a trust, being the Varahi Employees Welfare Trust, with the objective of providing various benefits to the employees of our Company *vide* a trust deed dated October 27, 2011. The beneficiaries under the said Varahi Employees Welfare Trust include the existing as well as future employees of our Company. On October 29, 2011, 5,75,000 Equity Shares were allotted to the Varahi Employees Welfare Trust. The trust would *inter alia* hold and deal in the said Equity Shares of the Company for the benefit of the employees, as defined in the trust deed. The Company shall, from time to time, identify such employees who are entitled to receive the said Equity Shares of the Company. The Equity Shares shall be transferred (in one or more tranches) to such Employees, the price of which shall be decided by our Board of Directors.

Payment of Benefits to Officers of our Company (non-salary related)

Except as stated above and the payment of salaries, perquisites and reimbursement of expenses incurred in the ordinary course of business, and the transactions as enumerated in the chapter titled “*Financial Statements*” and the chapter titled “*Our Business*” beginning on page 148 and 92 of the Draft Red Herring Prospectus, we have not paid / given any amount or benefit to the officers of our Company, within the two preceding years nor do we intend to make such payment/give such benefit to any officer as on the date of the Draft Red Herring Prospectus.

Retirement Benefits

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company.

OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are:

1. Mr. Pramit Sanghavi; and
2. Mr. Dewang Sanghavi

The brief profiles of our Promoters are mentioned herein below:



Mr. Pramit Sanghavi, aged 51 years, is the Promoter and Chairman and Managing Director of our Company. He holds Indian School Certificate Examination of the University of Cambridge Local Examinations Syndicate. In the year 1983, he joined the sole proprietorship of his father, M/s. Sanghavi Engineering Industries, engaged in the business of manufacturing microscopes, wherein he started manufacturing plastic caps and closures. Thereafter, he also started providing consultancy to various entities engaged in plastic packaging. To further expand the business in the industry, he along with Mr. Dewang Sanghavi, incorporated our Company in the year 1993. He has over 25 years of experience in the industry of plastics processing. In May 2004, he was selected as a member of the International Association of Business Leaders, New Bern, North Carolina. He was enrolled as the Life Member of Indian Plastics Institute in 1994. In 2004, he was inducted as a Life Member of International Association of Business Leaders, New Bern, North Carolina, U.S.A. He was listed in the first edition of 'Who's Who in Plastics and Polymers' published by Technomic Publishing Co, Inc., Lancaster, Pennsylvania, U.S.A.

Currently, he oversees Production activities of all the units of our Company. He is also responsible for designing and feasibility of new products as well as execution of new projects. He personally leads negotiations for business development and networks with industry players and associates to support business strategies of our Company.

Passport number: Z2041383

PAN: AAAPS4895P

Voter ID Card: SMM1362706

Driving License Number: DL-1220110068491

Address: R-639, Second Floor, New Rajendra Nagar, New Delhi – 110 060.



Mr. Dewang Sanghavi, aged 49 years, is the Promoter and Whole Time Director of our Company. He holds a degree in Master of Science (Operational Research) from University of Delhi. In the year 1987, he joined M/s. Sanghavi Engineering Industries in the manufacturing of plastic caps and closures. To further expand the business in the industry, he along with Mr. Pramit Sanghavi, incorporated our Company in the year 1993. He has over 20 years of experience in the industry of plastics processing.

Currently, he is managing the business operations of our Company. He is also responsible for finance functions of our Company and oversees finance requirements, accounts, taxation and other related matters.

Passport number: J9519455

PAN: AAAPS2655M

Voter ID Card: BNR0523993

Driving License Number: P 8012002279902

Address: Flat No: 1802, Tower 3, Uniworld Gardens, Sector 47, Gurgaon – 122 018, Haryana

We confirm that the permanent account number, bank account details and passport number of our promoters have been submitted to BSE and NSE, at the time of filing the Draft Red Herring Prospectus with the Stock Exchanges.

Further our Promoters have not been identified as willful defaulters by RBI or any other Government authority and there are no violations of Securities Law committed by our Promoters in past or pending against them. Our

Promoters are not prohibited from accessing the capital markets and no order or direction has been passed by SEBI or any other regulatory/statutory authority.

For more details of our Promoters, please refer to the chapter titled ‘*Our Management*’ on page 124 of the Draft Red Herring Prospectus.

Our Promoter Group

Our Promoter Group in terms of Regulation 2(1)(za) and 2(1)(zb) of the SEBI ICDR Regulations is as under:

i. Natural Persons who form part of our Promoter Group:

The following natural persons (being the immediate relatives of our Promoters in terms of the SEBI ICDR Regulations) form part of our Promoter Group:

Relationship	Mr. Pramit Sanghavi	Mr. Dewang Sanghavi
Father	Mr. Harkisandas R. Sanghavi	Mr. Harkisandas R. Sanghavi
Mother	Ms. Hansa Sanghavi	Ms. Hansa Sanghavi
Spouse	Ms. Varsha Sanghavi	Ms. Anuradha Sanghavi
Brother	Mr. Dewang Sanghavi	Mr. Pramit Sanghavi
Sister	Ms. Deepti Vishwanath	Ms. Deepti Vishwanath
Son	Mr. Ikshanya Sanghavi	-
Daughter	Ms. Sachi Sanghavi	Ms. Adhya Sanghavi Ms. Bhanuja Sanghavi
Spouse’s Father	Mr. Velji Bhide	Mr. Rajendra Parikh
Spouse’s Mother	Ms. Jayaben Bhide	Ms. Dharmista Parikh
Spouse’s Brother	Mr. Harish Bhide Mr. Anil Bhide	Mr. Ashish Parikh
Spouse’s Sister	-	Ms. Amita Modi

ii. Entities forming part of the Promoter Group

1. Sataksi Polymers Private Limited
2. V-Two Plastics Private Limited
3. Yoshaka Edutech Private Limited
4. M/s. Adhya Himalayan Waters
5. M/s. V-2 Corp
6. M/s. Hans Plastics
7. M/s. Mahodar Beverages
8. M/s. Lambodar Industries

For further details, please refer to the chapter titled ‘*Our Group Entities*’ beginning on page 141 of the Draft Red Herring Prospectus.

Relationship of Promoters with each other and with our Directors

Mr. Pramit Sanghavi and Mr. Dewang Sanghavi are brothers. Except as disclosed herein, none of our Promoters are related to any of our Company’s Directors.

Changes in our Promoters

Mr. Pramit Sanghavi and Mr. Dewang Sanghavi are the original promoters of our Company and there have been no changes in the control of our Company since its incorporation.

Companies / firms from which our Promoters have disassociated themselves in last 3 (three) years

Except as stated herein, none of our Promoters have disassociated themselves from any of the companies or firms during the three years preceding the date of the Draft Red Herring Prospectus:

Name of the entity	Persons who have disassociated	Date of disassociation	Reasons for disassociation
M/s. Jwalaji Packagings	Mr. Pramit Sanghavi and Mr. Dewang Sanghavi	April 01, 2009	Firm dissolved

Interest of Promoters

Our Promoters, who are also Directors of our Company, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of remuneration and reimbursement of expenses payable to them as per the terms of our Articles and relevant provisions of Companies Act. Our Promoters may also be deemed to be interested to the extent of Equity Shares held by them and their relatives, in our Company and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Our Promoters, may be deemed to be interested to the extent of their interest in M/s. V-2 Corp, of which they are partners, and with whom our Company has entered into agreements for license to use intellectual property. They are also interested to the extent of the rent amounts received from our Company for using their properties. Further, except as stated herein, none of our Promoters have any interest in any property acquired by our Company within two years preceding the date of the Draft Red Herring Prospectus or proposed to be acquired by our Company as on the date of the Draft Red Herring Prospectus. For further details, please refer to the paragraphs titled '*Intellectual Property*' and '*Our Property*' under in the chapter titled '*Our Business*' beginning on page 92 of the Draft Red Herring Prospectus.

Further, our Promoters may be deemed to be interested to the extent of the payments made by our Company, if any, to/from these Group Entities. For further details, please refer to Annexure – 10 under chapter titled '*Financial Information*' beginning on page 148 of the Draft Red Herring Prospectus.

Except as stated in Annexure – 10 under chapter titled "Financial Statements" beginning on page 148 of the Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of the Draft Red Herring Prospectus in which the Promoters are directly or indirectly interested and no payments have been made to them in respect of these contracts, agreements or arrangements which are proposed to be made to them including the properties purchased by our Company other than in the normal course of business.

Except as stated in Annexure – 12 and Annexure – 13 under the chapter titled "Financial Statements" beginning on page 148 of the Draft Red Herring Prospectus, our Promoters and their immediate relatives have not given any loans to our Company, secured or unsecured, as on the date of the Draft Red Herring Prospectus.

Payment or Benefit to Our Promoters in the last two years

Except as mentioned in the chapter titled '*Our Management*' and in the section titled '*Financial Information*' beginning on page 124 and 148 respectively, of the Draft Red Herring Prospectus, no payment has been made or benefit given to our Promoters in the two years preceding the date of the Draft Red Herring Prospectus.

There is no bonus plan for our Promoters. Except as disclosed in the chapter titled '*Our Management*' beginning on page 124 of the Draft Red Herring Prospectus, our Promoters are not entitled to any profit-sharing plan.

Other Ventures of our Promoters

Save and except as disclosed in the chapter titled '*Our Group Entities*' beginning on page 141 of the Draft Red Herring Prospectus, there are no other ventures of our Promoters in which they have business interests/other interests.

Related Party Transactions

For details on our related party transactions please refer to Annexure – 10 under the chapter titled '*Financial Information*' beginning on page 148 of the Draft Red Herring Prospectus.

Other confirmations

Our Promoter and Promoter Group confirm that they have not been declared as a wilful defaulter by RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them.

Our Promoters, Promoter Group, Group Entities or Directors or persons in control of our Company or bodies corporate forming part of our Promoter Group or Group Entities or the companies with which our Promoters are or were associated as a promoter have not been (i) prohibited from accessing the capital markets under any order or direction passed by SEBI or any other authority or (ii) refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

OUR GROUP ENTITIES

As on the date of the Draft Red Herring Prospectus, the following table sets forth the companies and other entities that are promoted by our Promoters and forming part of the Promoters Group and thus, our Group Entities:

Sr. No.	Name of Promoters Group Companies and entities
Private Limited Companies	
1.	Sataksi Polymers Private Limited
2.	V-Two Plastics Private Limited
3.	Yoshaka Edutech Private Limited
Partnership Firms	
4.	M/s. Adhya Himalayan Waters
5.	M/s. V-2 Corp
Sole Proprietorship Concerns	
6.	M/s. Hans Plastics
7.	M/s. Mahodar Beverages
8.	M/s. Lambodar Industries

Financial Information of Group Entities

The information for the last 3 years based on the audited/unaudited statements in respect of all the companies, firms, ventures etc. promoted by our Promoters irrespective of whether these are covered under section 370(1)(B) of the Companies Act, 1956 or not.

1. Sataksi Polymers Private Limited (“SPPL”)

Corporate Information

SPPL was incorporated on January 31, 1996. The corporate identification number of SPPL is U25209DL1996PTC075905. The registered office of SPPL is at WZ-8/2, Industrial Area, Kirti Nagar, New Delhi – 110015. The main object of SPPL is to carry on the business to manufacture, mould, extrude, compound, blend, laminate, weave, prepare, process, etc. and market in all kinds of plastics, thermo-plastic raw materials and plastic goods. At present, SPPL is not engaged in any kind of activities and the total income of SPPL only consists of the income from rent.

Change in capital structure

There has been no change in the capital structure of SPPL during the preceeding six months from the date of filing of the Draft Red Herring Prospectus.

Shareholding of SPPL as on the date of filing of the Draft Red Herring Prospectus:

Sr. No.	Name of Shareholder	Number of shares held	Percentage of shareholding
1.	Ms. Hansa Sanghavi	34,030	77.17
2.	Ms. Anuradha Sanghavi	9,010	20.43
3.	Mr. Dewang Sanghavi	530	1.20
4.	Mr. Pramit Sanghavi	530	1.20
Total		44,100	100.00

Board of Directors of SPPL as on the date of filing of the Draft Red Herring Prospectus:

Name of Director	Designation
Mr. Pramit Sanghavi	Director
Mr. Dewang Sanghavi	Director
Ms. Hansa Sanghavi	Director

Financial highlights for the last 3 years are given below:

(₹ in Lacs)

Year Ended March 31	2011	2010	2009
Total Income	3.00	2.50	1.80
Profit after Tax (PAT)	1.06	1.85	1.24
Share Capital	4.41	4.41	4.41
Reserves (excluding revaluation reserve)	2.07	1.01	(0.84)
Net Worth	6.48	5.42	3.57
Net Asset Value (NAV) per share (₹)	14.69	12.29	8.09

Source: Audited Financial Statements

Note: Face Value of each Equity Share is ₹ 10

2. V-Two Plastics Private Limited (“VPPL”)

Corporate Information

VPPL was incorporated on February 04, 1997. The corporate identification number of VPPL is U25209DL1997PTC084882. The registered office of VPPL is at WZ-8/1, Industrial Area, Kirti Nagar, New Delhi – 110015. The main object of VPPL is to carry on the business to manufacture, injection mould, blow mould, compound, lend, extrude, laminate, weave, prepare, process, recycle, etc. and market in all kinds of plastics, thermo-plastic raw materials and plastic goods. At present, VPPL is not engaged in any kind of activities.

Change in capital structure

There has been no change in the capital structure of VPPL during the preceeding six months from the date of filing of the Draft Red Herring Prospectus.

Shareholding of VPPL as on the date of filing of the Draft Red Herring Prospectus:

Sr. No.	Name of Shareholder	Number of shares held	Percentage of shareholding
1.	Mr. Dewang Sanghavi	2,500	25.00
2.	Mr. Pramit Sanghavi	2,500	25.00
3.	Ms. Varsha Sanghavi	2,500	25.00
4.	Ms. Anuradha Sanghavi	2,500	25.00
	Total	10,000	100.00

Board of Directors of VPPL as on the date of filing of the Draft Red Herring Prospectus:

Name of Director	Designation
Mr. Dewang Sanghavi	Director
Mr. Pramit Sanghavi	Director
Ms. Varsha Sanghavi	Director
Ms. Anuradha Sanghavi	Director

Financial highlights for the last 3 years are given below:

(₹ in Lacs)

Year Ended March 31	2011	2010	2009
Total Income	-	-	-
Profit after Tax /(Loss)	(0.09)	(0.11)	(0.09)
Share Capital	1.00	1.00	1.00
Reserves (excluding revaluation reserve)	(0.91)	(0.82)	(0.71)
Net Worth	0.09	0.18	0.29
Net Asset Value (NAV) per share (₹)	0.91	1.80	2.85

Source: Audited Financial Statements

Note: Face Value of each Equity Share is ₹ 10

3. Yoshaka Edutech Private Limited (“YEPL”)

Corporate Information

YEPL was incorporated on August 31, 2009. The corporate identification number of YEPL is U80301DL2009PTC193717. The registered office of YEPL is at WZ-8/1, Industrial Area, Kirti Nagar, New Delhi – 110015. The main object of YEPL is to establish, run, manage and administer in, India and/or abroad, centers, management courses institute, technical and commercial institute, professional courses, study point, colleges, pre-medical, engineering, etc. subject to the approval of the appropriate authority. At present, YEPL provides end to end learning and educational solutions, helps students in preparing various competitive tests and assessments.

Change in capital structure

There has been no change in the capital structure of YEPL during the preceeding six months from the date of filing of the Draft Red Herring Prospectus.

Shareholding of YEPL as on the date of filing of the Draft Red Herring Prospectus:

Sr. No.	Name of Shareholder	Number of shares held	Percentage of shareholding
1.	Mr. Pramit Sanghavi	4,000	33.33
2.	Ms. Priyanka Srivastava	2,000	16.67
3.	Mr. Raj Singh	2,000	16.67
4.	Mr. Gyan Arora	2,000	16.67
5.	Mr. Khalalilulla Shaik Ibrahim	2,000	16.67
	Total	12,000	100.00

Board of Directors of YEPL as on the date of filing of the Draft Red Herring Prospectus:

Name of Director	Designation
Mr. Pramit Sanghavi	Director
Mr. Raj Singh	Director
Mr. Gyan Arora	Director
Ms. Priyanka Srivastava	Director
Mr. Khalalilulla Shaik Ibrahim	Director

Financial highlights for the last 3 years are given below:

	(₹ in Lacs)		
Year Ended March 31	2011	2010	2009
Total Income	13.25	2.93	NA
Profit after Tax/(Loss)	(48.47)	(11.26)	NA
Share Capital	1.20	1.20	NA
Reserves (excluding revaluation reserve)	(59.73)	(11.26)	NA
Net Worth	(58.53)	(10.06)	NA
Net Asset Value (NAV) per share (₹)	(487.77)	(83.83)	NA

Source: Audited Financial Statements

Note: Face Value of each Equity Share is ₹10

4. M/s. Adhya Himalayan Waters (“AHW”)

AHW is a registered partnership firm under the Indian Partnership Act, 1932 bearing registration number 962 of 2006 and date of registration being May 01, 2006. AHW has its principal office at WZ-8/1, Industrial Area, Kirti Nagar, New Delhi – 110015 and is engaged in the business of processing and filling packaged and natural mineral water and to manufacture, trade, import and export of all kinds of plastics, thermo-plastic raw materials and processed plastic goods through Blow Moulding, Injection Moulding machines, dies, moulds and tools, etc.

AHW was originally formed as a partnership firm constituted between Mr. Pramit Sanghavi and Mr. Dewang Sanghavi *vide* Partnership Deed dated June 11, 2004. Thereafter, AHW was reconstituted between Mr. Pramit Sanghavi, Mr. Dewang Sanghavi and Mr. Shiv Sharma *vide* Reconstituted Deed of Partnership dated April 01, 2008.

Partners as on the date of filing of the Draft Red Herring Prospectus:

Sr. No.	Name of the partner	Interest (%)
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Sr. No.	Name of the partner	Interest (%)
1.	Mr. Pramit Sanghavi	49.90
2.	Mr. Dewang Sanghavi	49.90
3.	Mr. Shiv Sharma	0.20
Total		100.00

Financial highlights for the last 3 years are given below:

(₹ in Lacs)

Year Ended March 31	2011	2010	2009
Total Income	768.41	944.22	1037.85
Net Profit	174.45	193.71	240.10
Partners' Capital Account	287.28	331.98	255.98

Source: Audited Financial Statements

5. M/s. V-2 Corp ("V2C")

V2C is a registered partnership firm under the Indian Partnership Act, 1932 bearing registration number 1086/09 and date of registration being April 21, 2009. V2C has its principal office at WZ-8/1, Industrial Area, Kirti Nagar, New Delhi – 110015 and is formed to carry on the business of registration, acquisition, holding, selling, etc. of all intellectual property rights, patents, trademark, design registrations, copyrights, etc. relating to processing and filing the packaged and natural mineral water, and of all kinds of plastics, thermo-plastic raw materials and processed plastic goods through blow moulding, injection moulding machines and injection stretch blow moulding, any other plastic processing machine, dies & moulds, tools, etc. At present, no activity is carried on by V2C.

Partners of V2C as on the date of filing of the Draft Red Herring Prospectus:

Sr. No.	Name of the partner	Interest (%)
1.	Mr. Pramit Sanghavi	50.00
2.	Mr. Dewang Sanghavi	50.00
Total		100.00

V2C's income is below the income required for statutory audit.

6. M/s. Hans Plastics ("HP")

HP, a sole proprietorship of Mr. Dewang Sanghavi, is having its principal office at WZ-8/1, Industrial Area, Kirti Nagar, New Delhi – 110015 and is engaged in the business of plastic packaging goods.

Financial highlights for the last 3 years are given below:

(₹ in Lacs)

Year Ended March 31	2011*	2010**	2009**
Total Income	12.29	43.59	16.48
Net Profit	0.64	4.31	0.54
Capital Account	36.94	46.51	42.46

**Source: Unaudited Financial Statements*

***Source: Audited Financial Statements*

7. M/s. Mahodar Beverages ("MB")

MB, a sole proprietorship of Mr. Pramit Sanghavi, is having its principal office located at Plot No. 81D-I, EPIP, Phase-I, Jharmajri, Tehsil Baddi, District Solan, Himachal Pradesh and is engaged in the business of manufacturing of the plastic bottles and caps.

Financial highlights for the last 3 years are given below:

(₹ in Lacs)

Year Ended March 31	2011*	2010*	2009
Total Income	254.09	387.87	-
Net Profit	82.49	169.18	-
Capital Account	144.40	298.22	139.79

**Source: Audited Financial Statements*

8. M/s. Lambodar Industries (“LI”)

LI, a sole proprietorship of Mr. Pramit Sanghavi, is having its principal office at WZ-8/1, Industrial Area, Kirti Nagar, New Delhi – 110015 and is presently not engaged in any kind of activities.

LI’s income is below the income required for statutory audit.

Confirmations

Further, Group Entities have confirmed that they have not been declared as willful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them.

Additionally, none of the Group Entities have been restrained from accessing the capital markets for any reasons by the SEBI or any other authorities.

None of the Group Entities have made any public or rights issues in the preceding three years.

None of the Group Entities have become a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 or is under winding up or has any BIFR proceeding initiated against it.

None of the Group Entities has been struck off as a defunct company by a registrar of companies in India and no application was made to the registrar of companies for striking off the name of any of the Group Entities during the five years preceding the date of filling the Draft Red Herring Prospectus with the SEBI.

Litigation

For details on litigations pending against our Group Entities, please refer to the chapter titled “Outstanding Litigations and Material Developments” beginning on page 189 of the Draft Red Herring Prospectus.

Common Pursuits

Our Promoters, Mr. Pramit Sanghavi and Mr. Dewang Sanghavi are on the board of directors of Sataksi Polymers Private Limited whose business objects are, *inter alia*, to manufacture, mould, extrude, compound, blend, laminate, weave, prepare, process and market all kinds of plastics, thermo-plastic raw materials and plastic goods. Our Company has entered into a Memorandum of Understanding dated September 12, 2011 with SPPL for three years, wherein SPPL will not compete with our Company for independent sale of pet bottles / performs whereby SPPL will not enhance its existing installed capacity for the purpose of commercial marketing, sale and trading of similar products as those manufactured and sold by our Company nor it shall compete or solicit any person that is a customer of our Company or adversely affect the business, negotiations and dealings of our Company with any third parties

Further, Mr. Pramit Sanghavi and Mr. Dewang Sanghavi are also the promoters and directors of V-Two Plastics Private Limited whose business objects are, *inter alia*, to manufacture, inject mould, blow mould, compound, lend, extrude, laminate, weave, prepare, process, recycle and market in all kinds of plastics, thermo-plastic raw materials and plastic goods. Our Company has entered into a Memorandum of Understanding dated September 12, 2011 with VPPL for three years, wherein VPPL will not compete with our Company for independent sale of pet bottles / performs whereby VPPL will not enhance its existing installed capacity for the purpose of commercial marketing, sale and trading of similar products as those manufactured and sold by our Company nor it shall compete or solicit any person that is a customer of our Company or adversely affect the business, negotiations and dealings of our Company with any third parties.

Also, Mr. Pramit Sanghavi and Mr. Dewang Sanghavi are partners of M/s. Adhya Himalayan Waters which is engaged in the business of processing and filling packaged and natural mineral water and to manufacture, trade, import and export of all kinds of plastics, thermo-plastic raw materials and processed plastic goods through blow moulding, injection moulding machines, dies, moulds and tools, etc. Our Company has entered into a Memorandum of Understanding dated September 24, 2011 with AHW for three years, wherein AHW will not compete with our Company for independent sale of pet bottles / performs whereby AHW will not enhance its existing installed capacity for the purpose of commercial marketing, sale and trading of similar products as those manufactured and sold by our Company nor it shall compete or solicit any person that is a customer of our Company or adversely affect the business, negotiations and dealings of our Company with any third parties

M/s. Hans Plastics, sole proprietorship of Mr. Dewang Sanghavi, is engaged in the business of plastic packaging goods. Our Company has entered into a Memorandum of Understanding dated September 12, 2011 with HP for three years, wherein HP will not compete with our Company for independent sale of pet bottles / performs whereby HP will not enhance its existing installed capacity for the purpose of commercial marketing, sale and trading of similar products as those manufactured and sold by our Company nor it shall compete or solicit any person that is a customer of our Company or adversely affect the business, negotiations and dealings of our Company with any third parties

M/s. Mahodar Beverages, sole proprietorship of Mr. Pramit Sanghavi, is engaged in the business of manufacturing of the plastic bottles and caps. Our Company has entered into a Memorandum of Understanding dated September 24, 2011 with MB for three years, wherein MB will not compete with our Company for independent sale of pet bottles / performs whereby MB will not enhance its existing installed capacity for the purpose of commercial marketing, sale and trading of similar products as those manufactured and sold by our Company nor it shall compete or solicit any person that is a customer of our Company or adversely affect the business, negotiations and dealings of our Company with any third parties

For associated risk factor, please refer to the section titled 'Risk Factors' beginning on page 13 of the Draft Red Herring Prospectus.

Sales or purchase between Group Entities

For details on related party transactions, please refer to Annexure – 10 under the chapter titled "Financial Information" beginning on page 148 of the Draft Red Herring Prospectus.

Business interest of Group Entities in our Company

None of the Group Entities have business interest in our Company except to the extent of related party transaction by and between our Companies and such Group Entities and as disclosed in the Annexure – 10 titled "Related Party Transactions" under the chapter titled 'Financial Information' beginning on page 148 of the Draft Red Herring Prospectus. Further, none of the Group Entities had related business transaction within the group which had significance on the financial performance of our Company except otherwise stated in the Annexure – 10 titled "Related Party Transaction" under the chapter titled '*Financial Information*' beginning on page 148 of the Draft Red Herring Prospectus.

Companies / firms from which our Promoters have disassociated themselves in last 3 (three) years

Except as stated herein, none of our Promoters have disassociated themselves from any of the companies or firms during the three years preceding the date the Draft Red Herring Prospectus:

Name of the entity	Persons who have disassociated	Date of disassociation	Reasons for disassociation	Terms of disassociation
M/s. Jwalaji Packagings	Mr. Pramit Sanghavi and Mr. Dewang Sanghavi	April 01, 2009	Dissolved	Capital account was repaid

DIVIDEND POLICY

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the general meeting of our Company. The Articles of Association of our Company give our shareholders, the right to decrease, and not to increase, the amount of dividend recommended by the Board of Directors. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

The dividends may be declared or paid out of profits of our Company in that fiscal year in which the dividend is declared or out of the remaining undistributed profits of previous fiscal year or fiscal years or out of both or out of the accumulated profits earned by our Company in previous fiscal years and transferred by it to the reserves or out of moneys provided by the Central Government or State Government for the payment of dividend in pursuance of a Guarantee given by the Government.

Our Company does not have any formal dividend policy for declaration of dividend in respect of the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and may depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial condition, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements we have entered into and those which we may enter into, to finance our various projects and also the fund requirements for our projects.

Our Company has not declared any dividend on the Equity Shares in the past five financial years. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future.

SECTION V – FINANCIAL INFORMATION

FINANCIAL INFORMATION

AUDITOR'S REPORT

To,
The Board of Directors,
Varahi Limited,
WZ 8/1, Kirtinagar Kirtinagar Industrial Area
New Delhi -110015

Dear Sirs,

We have examined the attached financial information of Varahi Limited, (hereinafter referred to as 'the Company'),

1) as approved by Board of Directors of the Company, prepared in term of the requirements of Paragraph B(1) of Part II of the Companies Act, 1956 ('the Act') and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations) and in terms of our engagement agreed upon with you in accordance with our engagement letter in connection with the proposed Initial Public Offer of equity shares of the Company.

2) This information have been extracted by the Management of the Company from the audited financial statement of the Company for the financial year ended on March 31, 2007, March 31, 2008, March 31, 2009, March 31, 2010, March 31, 2011 and quarter ended on June 30, 2011 audited by us except for the year ended on March 31, 2007 & March 31, 2008 is audited by N K Nagpaul & Co., Delhi and same was relied upon by us. Accordingly reliance has been placed on the audited financial statements for the said years for the purpose of the restated financial information.

3) We have also examined the restated financial information of the Company for the above years/periods prepared and approved by the Board of Directors for the purpose of disclosure in the offer document of the Company. The financial information for the above years/periods was examined to the extent practicable, for the purpose of audit of financial information in accordance with the Auditing and Assurance Standards issued by the Institute of Chartered Accountants of India. Those Standards required that we plan and perform our audit to obtain reasonable assurance, whether the financial information under examination is free of material misstatement.

4) We report that:

a) The Restated Summary Statement of Assets and Liabilities of the Company for the year/period that ended on March 31, 2007, March 31, 2008, March 31, 2009, March 31, 2010, March 31, 2011 and quarter ended on June 30, 2011 are as set out in Annexure-1 to this report are after making adjustments/restatements and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Restated Financial Information as set out in Annexure-4 to this report.

b) The Restated Statement of Profit and Loss of the Company for the year/period that ended on March 31, 2007, March 31, 2008, March 31, 2009, March 31, 2010, March 31, 2011 and quarter ended on June 30, 2011 are as set out in Annexure-2 to this report are after making adjustments/restatements and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes to the Restated Financial Information as set out in Annexure-4 to this report.

5) We have examined the following financial information relating to the Company for the year/period that ended on March 31, 2007, March 31, 2008, March 31, 2009, March 31, 2010, March 31, 2011 and quarter year ended on June 30, 2011 proposed to be included in the Draft Red Hearing Prospectus, as prepared and approved by the Board of Directors and annexed to this report:

S.No.	Particulars	Annexure No.
1	Statement of restated Cash flow	Annexure-3
2	Significant Accounting Policies & Notes on Accounts	Annexure-4
3	Statement of Break up of Other income	Annexure-5

S.No.	Particulars	Annexure No.
4	Details of loans and advances showing the same with the Related Parties	Annexure-6
5	Accounting Ratios	Annexure-7
6	Capitalization Statement as at March 31, 2011	Annexure-8
7	Statement of tax shelters	Annexure-9
8	Statement of Related Party transactions	Annexure-10
9	Statement showing age wise analysis of Debtors	Annexure-11
10	Statement of Unsecured Loans	Annexure-12
11	Statement of Secured Loans	Annexure-13
12	Statement of Dividend	Annexure-14
13	Statement of Investments	Annexure-15
14	Statement of Segment Reporting	Annexure-16
15	Statement of Current Liabilities & Provisions	Annexure-17

6) In our opinion the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss Account and the financial information as stated above read along with the Significant Accounting Policies and Notes as set out in Annexure-4 have been prepared in accordance with Paragraph B(1) of Part II of Schedule II of the Companies Act, 1956 and the SEBI (ICDR) Regulations.

7) We further state that:

i. There are no incorrect accounting practices or failures to make provisions or other adjustments to restated accounts which resulted in audit qualifications for which adjustment or rectification was required.

ii. There have been no material amounts relating to adjustments for previous years/periods in arriving at the profits of the years/periods to which they relate irrespective of the period in which the event triggering the profit or loss occurred except for adjustments related to previous year which for the purpose of restated accounts has been adjusted in the respective years as stated in Point No. C to Notes to Accounts forming part of Annexure 4.

iii. There has been no change in accounting policy in the profits or losses of the earlier years/periods except for adjustments related to change in accounting policy for the purpose of restated accounts has been adjusted in the respective years as stated in Point No. C to Notes to Accounts forming part of Annexure 4.

iv. There has been no incorrect accounting policy which needs re computation in the financial information.

8) This report should not be in any way construed as a re-issuance or re-dating of any of the previous audit reports issued by us nor should it be construed as a new opinion on any of the financial statements referred to therein.

9) This report is intended solely for use of the management and for inclusion in the Offer document in connection with the Proposed Initial Public Offer of the Company and should not be used or referred to or distributed for any other purpose without our prior consent in writing.

For Mohit Parekh & Co. Chartered Accountants
(Firm Reg. No. 002067N)

Mohit Parekh
Proprietor
Membership No. 81069

Place: New Delhi
Date: 20.09.2011

Annexure 1**STATEMENT OF AUDITED ASSETS AND LIABILITIES AS RESTATED****(Rs. In Lakhs)**

YEAR/PERIOD ENDED	Quarter ended on 30-June-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
A. Fixed Assets						
Gross Block	10,121.13	8,932.22	7,242.95	4,745.85	4,651.13	3,487.86
Less: Depreciation	2,463.15	2,301.96	1,789.79	1,464.57	1,102.29	789.10
Net Block	7,657.98	6,630.26	5,453.16	3,281.28	3,548.84	2,698.76
Capital Work-in-Progress	626.96	1,298.72	716.91	1,124.82	210.14	760.58
TOTAL FIXED ASSETS (A)	8,284.94	7,928.98	6,170.07	4,406.10	3,758.98	3,459.34
B. Investments (B)	0.27	0.27	0.27	0.27	0.27	0.27
C. Current Assets, Loans & Advances						
Inventories	2,555.10	2,559.56	1,719.08	1,303.37	1,080.14	781.89
Receivables/Sundry Debtors	2,091.32	1,715.54	1,022.42	630.13	823.05	747.38
Cash & Bank Balances	58.15	34.95	16.79	29.79	30.40	13.69
Loans & Advances	908.95	961.89	858.39	526.16	538.76	477.36
TOTAL (C)	5,613.52	5,271.94	3,616.68	2,489.45	2,472.35	2,020.32
D. Liabilities & Provisions						
Secured Loans	6,185.12	6,094.10	3,531.21	2,414.95	2,394.01	2,615.60
Unsecured Loans	379.83	189.35	77.97	74.54	25.63	4.43
Deferred Tax Liability	488.49	455.59	349.46	280.69	559.41	376.02
Current Liabilities & Provisions	1,051.18	995.81	1,372.82	435.22	667.68	504.90
TOTAL (D)	8,104.62	7,734.85	5,331.46	3,205.40	3,646.73	3,500.95
E. Net Worth [A+B+C-D]	5,794.11	5,466.34	4,455.56	3,690.42	2,584.87	1,978.98
F. Represented By						
Share Capital (A)	2,000.00	2,000.00	2,000.00	1,800.00	700.00	700.00
Paid up Share Capital	2,000.00	2,000.00	2,000.00	1,800.00	700.00	700.00
Reserves & Surplus (B)	3,848.66	3,523.53	2,467.51	1,901.01	1,899.51	1,293.11
Accumulated Profits	1,489.98	1,164.85	108.83	142.33	282.01	275.61
General Reserve	2,358.68	2,358.68	2,358.68	1,758.68	1,617.50	1,017.50
Miscellaneous Expenditure to the extent not written off (C)	54.55	57.19	11.95	10.59	14.64	14.13
TOTAL (A+B-C)	5,794.11	5,466.34	4,455.56	3,690.42	2,584.87	1,978.98
Net Worth	5,794.11	5,466.34	4,455.56	3,690.42	2,584.87	1,978.98
Note: The Above summary of statement of Assets & Liabilities are to be read with notes to restated financial statement and significant accounting policies as Appearing in Annexure -4						

Annexure 2**STATEMENT OF AUDITED PROFIT AND LOSS AS RESTATED****(Rs. in Lakhs)**

YEAR/PERIOD ENDED	Quarter ended on 30-June-	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Income						
Sales						
-Manufactured Goods	3,439.30	11,092.25	7,785.07	7,466.96	6,452.79	5,419.57
-Traded Goods	-	-	-	-	-	-
Less: Excise Duty	(82.08)	(246.07)	(201.75)	(336.24)	(387.97)	(402.75)
Net Sales	3,357.22	10,846.18	7,583.32	7,130.72	6,064.82	5,016.82
Commission Income	11.41	20.53	-	-	-	-
Other Income	17.48	27.68	109.98	189.79	81.05	131.52
Increase/(Decrease) in stock	(11.20)	70.83	2.93	89.46	23.94	(28.44)
Total Income	3,374.91	10,965.22	7,696.23	7,409.97	6,169.81	5,119.90
Expenditure						
Raw Material Consumed	1,724.90	6,071.29	4,460.57	4,415.56	3,612.26	3,033.58
Other Manufacturing Expenses	510.74	1,730.00	907.82	817.46	623.89	488.75
Employees Cost	50.75	119.78	155.80	85.56	71.26	60.26
Administrative, Selling and Distribution Expenses	242.86	426.47	371.45	252.02	262.05	187.18
Preliminary Expenses Written off	2.64	13.68	3.96	5.26	1.66	-
TOTAL EXPENDITURE	2,531.89	8,361.22	5,899.60	5,575.86	4,571.12	3,769.77
Net Profit before Interest, Depreciation & Tax	843.02	2,604.00	1,796.63	1,834.11	1,598.69	1,350.13
Depreciation	161.19	521.57	378.77	382.91	321.14	264.78
Net Profit before Interest & Tax	681.83	2,082.43	1,417.86	1,451.20	1,277.55	1,085.35
Interest/Financial Charges	234.68	624.91	405.48	533.94	372.29	243.86
Net Profit before Tax & Extraordinary Item	447.15	1,457.52	1,012.38	917.26	905.26	841.49
Provision for Taxation						
Current	89.13	293.68	170.31	117.17	102.18	98.98
Deferred	32.89	106.14	68.77	(278.72)	183.40	157.72
Previous Year Tax & FBT	-	-	-	-	-	25.12
Fringe Benefit Tax	-	-	-	8.38	5.81	4.86
Net Profit After Tax but before Extraordinary Item	325.13	1,057.70	773.30	1,070.43	613.87	554.81
Extraordinary Item (Prior period items) transfer from next year	-	1.68	6.80	10.11	7.47	0.00
Net Profit	325.13	1,056.02	766.50	1060.32	606.40	554.81
Net Profit As Restated	325.13	1,056.02	766.50	1060.32	606.40	554.81
APPROPRIATION						

YEAR/PERIOD ENDED	Quarter ended on 30-June-	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Add: Brought Forward from Previous Period	1,164.85	108.83	142.33	282.01	275.61	220.80
Less: Transfer to General Reserve	-	-	800.00	1,200.00	600.00	500.00
Balance C/f to Balance Sheet	1,489.98	1,164.85	108.83	142.33	282.01	275.61

Annexure 3**Statement of Restated Cash Flow Statement****(Rupees in Lakhs)**

YEAR/PERIOD ENDED	Quarter ended on 30-Jun-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
A) Cash Flow from Operating Activities						
Net Profit before tax & Extraordinary Items	447.15	1,457.52	1,012.38	917.26	905.26	841.49
Adjustments for -						
Depreciation	161.19	521.57	378.77	382.91	321.14	264.78
(Profit)/Loss on sale of Fixed Assets	0.00	-0.77	41.80	8.73	(3.47)	10.81
Interest Income	0.00	0.00	0.00	0.00	0.00	0.00
Preliminary Expenses	2.64	13.68	3.96	5.26	1.66	0.00
Interest & Financial Expenses	225.75	530.79	335.23	276.26	245.37	183.57
Non-operating income						
Foreign Exchange Fluctuation	(0.39)	(7.83)	(3.75)	(4.86)	0.00	0.00
Interest (operating)	(9.03)	(20.85)	(1.32)	(0.68)	0.00	0.00
Misc. Income	(2.81)	0.00	0.00	(3.12)	(0.92)	(118.62)
Operating profit before working capital changes	824.50	2,494.11	1,767.07	1,581.76	1,469.04	1,182.03
Adjustments for -						
1. Decrease/(Increase) in Debtors	(375.78)	(693.22)	(392.29)	192.92	(75.67)	(306.73)
2. Decrease/(Increase) in Inventories	4.46	(840.48)	(415.71)	(223.22)	(298.25)	(120.92)
3. Decrease/(Increase) in Loans & Advances	52.94	(103.49)	(332.23)	12.60	(61.40)	(167.59)
4. Increase/(Decrease) in Current Liabilities & Provisions	55.39	(358.98)	945.97	(225.90)	197.51	245.90
Cash generated from operations	561.51	497.94	1572.81	1,338.16	1,231.23	832.69
Direct Taxes Paid (net)	(89.13)	(304.79)	(178.69)	(132.15)	(142.72)	(98.39)
Cash flow before extraordinary item	472.38	193.15	1,394.12	1,206.01	1,088.51	734.30
Extraordinary Item	0.00	(1.68)	(6.80)	(10.11)	(7.47)	0.00
Non-operating income	12.23	28.68	5.07	8.66	0.92	118.62
Net Cash From Operating Activities	484.61	220.15	1,392.39	1,204.56	1,081.96	852.92
B) Cash Flow from Investing Activities						
1. Purchase of Fixed Assets	(1,215.03)	(2,312.79)	(2,970.89)	(1,143.68)	(646.47)	(1,377.15)
2. Purchase of Investments	0.00	0.00	0.00	0.00	0.00	0.00
3. Sale of Fixed Assets	697.88	26.25	786.36	104.93	29.15	136.98
4. Interest Received	0.00	0.00	0.00	0.00	0.00	0.00
5. Misc Expenditure	0.00	(58.92)	(5.33)	(1.20)	(2.17)	(4.72)
Net Cash (Used in)/From Investing Activities	(517.15)	(2,345.46)	(2,189.86)	(1,039.95)	(619.49)	(1,244.89)

YEAR/PERIOD ENDED	Quarter ended on 30-Jun-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
C) Cash Flow from Financing Activities						
1. Interest & Finance Charges Paid	(225.75)	(530.79)	(335.23)	(276.26)	(245.37)	(183.57)
2. Proceed from short term borrowings	0.00	0.00	0.00	0.00	0.00	0.00
3. Proceeds from Long Term borrowings	91.02	2,562.88	1,116.27	20.94	(221.59)	558.30
4. Proceeds from Unsecured Loans	190.47	111.38	3.43	48.92	21.20	0.49
5. Proceeds From Capital	0.00	0.00	0.00	41.18	0.00	0.00
6. Dividend paid	0.00	0.00	0.00	0.00	0.00	0.00
7. Dividend tax Paid	0.00	0.00	0.00	0.00	0.00	0.00
Net Cash (Used in)/From Financing Activities	55.74	2,143.47	784.47	(165.22)	(445.76)	375.22
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	23.20	18.16	(13.00)	(0.61)	16.71	(16.75)
Cash & Cash Equivalents at the Start of the Period	34.95	16.79	29.79	30.40	13.69	30.44
Cash & Cash Equivalents at the Close of the Period	58.15	34.95	16.79	29.79	30.40	13.69

Adjustments

Statement of Adjustment in Profit & Loss Account arising out of Changes in accounting Policies and material adjustments relating to previous years/periods:

(Rs. in Lakhs)

YEAR/PERIOD ENDED	Quarter ended on 30-Jun-	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Net Profit / (Loss) After Tax as per Audited P & L A/C	323.45	1,070.54	732.78	770.91	760.80	751.51
Adjustments - Increase / (Decrease)						
1. Income & Fringe Benefit Tax (Excess & Short Provision made)	-	11.10	3.08	(10.95)	9.54	28.46
2. Income & Fringe Benefit Tax (For earlier years Deposited)	-	-	-	-	-	(25.12)
3. Change in Deferred Tax due to change in Provision of gratuity, leave encashment & WDV of Fixed Assets	-	(14.43)	11.69	302.14	(159.85)	(139.55)
4. Foreign exchange booked on closing balance of Foreign debtors	-	(.12)	0.11	0.03	(0.02)	-
5. Prior Period Expense (Adjusted in respective year)	1.68	5.12	3.31	(2.64)	(7.47)	-
6. Profit on sale of Assets	-	(3.41)	-	-	3.41	-
7. Change in Provision for gratuity & Leave encashment	-	(12.78)	15.53	0.83	(0.01)	(3.57)
Net Total (Decrease)/Increase due to Adjustments	1.68	(14.52)	33.72	289.41	(154.40)	(196.70)
Net Profit /(Loss) After Tax as per Restated Profit and Loss	325.13	1,056.02	766.50	1,060.32	606.40	554.81

Notes for above adjustments:-

The restated financials have been prepared after taking into effect the prior period items for the relevant years. During the F.Y. 2007-08 company had sold moulds amounting Rs. 5.25 Lakhs and have been debited to Sundry debtors account but the accounting treatment regarding calculation of profit of Rs. 3.41 Lakhs on the sale of Fixed Assets and the effect on the accumulated depreciation on the same has not been worked out. Company has not made provision on Gratuity & leave Encashment untill 31st March 2010 in the audited financial statements. The same has been restated and provided for Gratuity & Leave Encashment on the basis of Actuarial Calculation in FY 2006-07, FY 2007-08, FY 2008-09 and FY 2009-10. Company has not followed the Accounting Standard 11 issued by the ICAI for "Treatment for Exchange Difference" until 31st March 2010 in the audited financial statements. The same has been followed in restated financial statements and adjustments are made in FY 2006-07, FY 2007-08, FY 2008-09 and FY 2009-10. Company has not followed the Accounting Standard 22 issued by ICAI for "Accounting for Taxes on Income" until 31st March 2010 in the audited financial statements. The same has been followed in restated financial statements and adjustments are made in FY 2006-07, FY 2007-08, FY 2008-09 and FY 2009-10.

Deferred Tax

In accordance with AS-22 issued by ICAI, the Company has accounted for Deferred Taxes during the year ended March 31, 2007, 2008, 2009, 2010 & 2011 and quarter June 30th 2011:

(Rupees in Lakhs)						
YEAR/PERIOD ENDED	Quarter ended on 30-	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
On account of Depreciation & Profit/(Loss) on Sale of Fixed	488.49	455.59	349.46	280.69	559.41	376.02
On account of allowance/disallowance under provisions of Sec 40(a)(ia) of the	0.00	0.00	12.12	0.42	1.84	1.20
Net Liability/(Assets)	488.49	455.59	349.46	280.69	559.41	376.02

Contingent Liabilities not provided for in respect of:

(Rupees in Lakhs)						
YEAR/PERIOD ENDED	Quarter ended on 30-June-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Disputed Entry Tax Demand, excise duty, sales tax	54.79	54.79	54.79	54.79	69.62	69.62
Disputed Income Tax Demand	0.00	0.00	0.00	0.00	0.00	0.00
Bills Discounted with Banks	0.00	0.00	0.00	0.00	0.00	0.00
Guarantees Invoked by Buyer not provided in Books	0.00	0.00	0.00	0.00	7.00	7.00
Import Letter of Credits issued by Company's Bankers	387.35	387.79	595.77	37.55	0.00	0.00
Guarantees given by Company's Bankers in normal course of	1196.79	1,376.74	790.50	640.50	640.00	640.00
Total	1,638.93	1,819.32	1,441.06	732.84	716.62	716.62

ANNEXURE – 4

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIE

i) BASIS OF ACCOUNTING

Accounts are prepared on the basis of historical cost convention. Accounting Policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles, followed by the company. Financial statements have also been prepared in accordance with the relevant presentational requirement of the companies Act 1956. A Summary of Important account policies which have been applied consistently are set out below

ii) USE OF ESTIMATES:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from these estimates and difference between actual results and estimates are recognized in the period in which the results are known/materialize.

iii) VALUATION OF INVENTORIES (AS-2)

(a)	Finished Goods (Manufactured Goods)	At selling price less average gross profit earned during the year.
(b)	Raw Material	At cost or market price, whichever is lower (On FIFO Basis.)
(c)	Other Inventories	Packing material etc. are valued at cost (On FIFO Basis.)
(d)	Semi Finished Goods	At Estimated Cost
(e)	Traded Goods	At Cost (On FIFO Basis.)
(f)	Stores & Spares	At Cost (On FIFO Basis.)

Note: The Valuation of stocks are inclusive of taxes/ duties incurred as required by Sec. 145A of the Income Tax Act, 1961

iv) DEPRECIATION (AS-6)

Depreciation on fixed assets is being provided on straight line method as the rates prescribed in schedule XIV of the companies Act, 1956. Depreciation on assets added/disposed off during the year has been provided on pro-rata basis with reference to the month of addition / disposal.

v) REVENUE RECOGNITION (AS-9)

The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis.

vi) FIXED ASSETS (AS-10)

Fixed assets are stated at cost of acquisition, net of tax/duty credit availed if any, including any cost attributable for bringing the assets to its working condition for its intended use; less accumulated depreciation.

vii) FOREIGN CURRENCY TRANSACTION (AS-11)

All transactions in foreign currency are recorded at the rates of exchange prevailing at the date of transaction.

Monetary items in the form of Loans, Current assets and Current liabilities in foreign currencies, outstanding at the close of the year are converted in Indian currency at the appropriate rates of exchange prevailing on the date of Balance Sheet. Resultant gain or loss is accounted during the year.

Any Gain or Loss on account of exchange difference either on settlement or on translation is being debited and/or credited to Profit & Loss Account under the captioned head "Exchange Rate Fluctuation". Similarly, where they relate to acquisition of fixed assets, they are being adjusted to the carrying cost of such assets.

viii) INVESTMENTS (AS-13)

Current investments, if any, are stated at lower of cost or fair value determined on individual investment basis. Long Term investments, if any, are stated at cost. Provision for diminution in the value of long term investments is made only if such decline is other than temporary.

ix) EMPLOYEE BENEFITS (AS-15)

Post- employment benefit plans

i) Retirement benefits in the form of Provident Fund/Family Pension Fund, which are defined contribution plans, are accounted for on accrual basis and charged to the Profit & Loss Account of the year.

ii) Retirement benefits in the form of Leave Encashment, which is defined benefit plan, is accounted for on accrual basis every year and charged to the Profit & Loss Account of the year.

iii) Retirement benefits in the form of Gratuity, which is defined benefit plan, is determined and accounted for on accrual basis every year & charged to the profit and loss account for the year.

x) BORROWING COST (AS-16)

Borrowing costs attributable to acquisitions and construction of assets are capitalized as a part of the cost of such asset up to the date when such asset is ready for its intended use. Other borrowing costs are charged to Profit & Loss Account.

xi) SEGMENT REPORTING (AS- 17)

The Company is engaged in the business of Manufacturing & Reselling of Plastic Bottles, Jars, Containers, Pre-forms & its caps & allied parts and also trading in Polymer Compound in the capacity of consignee agent. Segment Revenue, Segment Expenses, Segment Assets & Segment Liabilities have been identified to the segments on the basis of their relationship to the operating activities of the segment. The Revenue, Expenses, Assets & Liabilities which are not allocable to segments, have been included under "Unallocated Revenue, Expenses, Assets & Liabilities."

Primary Segment

Based on the following guiding principles given in the Accounting Standard-17 "Segment Reporting" issued by The Institute of Chartered Accountants of India, the Company's primary segments are plastic goods and plastic raw materials consisting of Pet Bottles, jars and containers, caps and closures, pre-forms and Plastic Granules (which is the basic active ingredients used for making plastic goods):

The nature of the products.

The related risks and returns.

The internal financial reporting system.

Revenue and Expenses have been accounted for based on the basis of their relationship to the operating activities of the segments.

Revenue and Expenses, which relates to the enterprise as a whole and are not allocable to the segments on a reasonable basis, have been included in under "Un-allocable Expenses".

Assets and Liabilities, which relates to the enterprise as a whole and are not allocable to the segments on a reasonable basis, have been included in under "Un-allocable Assets / Liabilities".

Secondary Segment

The Company caters mainly to the need of the Indian Market. The Export Turnover during the year is less than 10 % of the total turnover and as such there is no reportable geographical segment.

xi) EARNING PER SHARE (AS-20)

The Company reports basic and diluted Earning Per Share (EPS) in accordance with Accounting Standard (AS)-20 on "Earning Per Share". The basic EPS is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

xii) TAXES ON INCOME (AS-22)

Current tax is the amount of tax payable on taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Deferred Tax is recognized on timing difference between taxable income and accounting income that originate in one period and are capable of reversal on one or more subsequent period. Deferred Tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

xiii) IMPAIRMENT OF ASSETS (AS-28)

An asset is impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. An impairment loss recognized in prior period is reversed if there has been a change in the estimate of recoverable amount.

xiv) SALES

Sales are inclusive of export incentive and exchange fluctuation on export receivables and net of trade discount / rebate.

B. NOTES ON ACCOUNTS

Contingent Liabilities: As per contingent liability details stated in restatement annexure.

In the opinion of the Board of Directors, Current Assets Loans & Advances have value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and that the provision for known liabilities is adequate and reasonable.

Some of the balances of creditors, debtors, deposits and advances are not confirmed.

Sundry Creditors does not include any amount due to small-scale industrial undertakings. Information is based on details provided to us by the company.

The Company has lodged a claim of Rs. 12,89,630/- with insurance co. against loss due to fall of factory building wall at Jharmajri. The loss if any due to rejection of claim by insurance co. will be booked during the year of acceptance /rejection of claim.

Earning per Share (EPS)

S. No.	YEAR/PERIOD ENDED	Quarter ended on 30-June-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
a	Net Profit/(Loss) after tax but before extraordinary items (Rs. In Lakhs)	325.13	1,056.02	766.50	1,060.32	606.40	554.81
b	Weighted Average Number of Equity Shares (in Lakhs)	200.00	200.00	200.00	176.22	70.00	70.00
c	Nominal Value Per ordinary Share (In Rs.)	10.00	10.00	10.00	10.00	10.00	10.00
d	Basic & Diluted Earning Per Share (In Rs.)	1.63*	5.28	3.83	6.02	8.66	7.93

* Unannualized basic & diluted Earning per share for the quarter ended June 30, 2011

Annexure 5
Statement of Breakup of Other Income

(Rupees in Lakhs)

YEAR/PERIOD ENDED	Quarter ended on 30-June-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Other Income for the Year/Period						
Recurring Income						
Interest on Loans & Advances & Deposits	9.03	20.85	1.32	0.68	0.00	0.00
Discount	0.00	0.00	0.00	36.83	0.00	0.37
Foreign Exchange Fluctuations	0.39	7.71	3.75	4.86	0.00	0.00
Job Work - Local	0.06	0.48	78.62	104.68	26.52	19.86
Freight Outward	-	-	19.74	39.53	28.54	3.46
Other Receipts	8.00	(1.36)	6.55	3.21	25.99	107.83
Total (A)	17.48	27.68	109.98	189.79	81.05	131.52
Non Recurring Income	Nil	Nil	Nil	Nil	Nil	Nil
Total	17.48	27.68	109.98	189.79	81.05	131.52

Annexure 6
Details of Loans & Advances

(Rupees in Lakhs)

YEAR/PERIOD ENDED	Quarter ended on 30-June-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Security Deposits	307.18	340.38	285.13	24.26	49.86	50.77
Advances Recoverable in Cash or kind or value to be received	81.77	31.41	24.25	5.76	6.03	6.62
Advance Tax & TDS	262.47	215.71	282.13	136.16	281.72	147.60
Advances to Suppliers	161.87	238.87	168.74	84.45	86.21	191.68
Balances with Tax Authorities- Customs Duty, Excise, VAT etc	68.51	114.86	68.85	49.13	76.58	42.77
Inter corporate loans & advances	-	-	-	-	-	-
Other Loans & Advances	27.15	20.66	29.29	226.40	38.36	37.92
Total	908.95	961.89	858.39	526.16	538.76	477.36

Note: None of the Loans & Advances are provided to the directors, promoters, promoter group of the issuer company.

Annexure 7
Statement of Restated Accounting Ratios
(Rs. in Lakhs except per share data)

YEAR/PERIOD ENDED	Quarter ended on 30-Jun-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Basis of Accounting Ratios						
Net Profit After Tax but before Extraordinary Item	325.13	1056.02	766.50	1,060.32	606.40	554.81
Weighted average number of Equity Shares outstanding during the year/period (In	200.00	200.00	200.00	176.22	70.00	70.00
Net Worth	5,794.11	5466.34	4455.56	3690.423	2584.87	1978.98
Accounting Ratios						
Basic/Diluted Earning per share (EPS) (Rs.)	1.63	5.28	3.83	6.02	8.66	7.93
Net Asset Value (NAV) (Rs. per Share)	28.97	27.33	22.28	20.94	36.93	28.27
Return on Net Worth (RONW) (%)	5.61	19.32	17.20	28.73	23.46	28.04

Note: The figures of EPS and RONW are not annualized for the quarter ended June 30, 2011

The Ratios have been computed as per the following formula: -

Earning per Equity Share = $\frac{\text{Adjusted Net Profit after Tax but before extraordinary Items}}{\text{Weighted Average Number of Equity Shares}}$

(b) Net Asset Value = $\frac{\text{Net Worth}}{\text{Weighted Average Number of Equity Shares}}$

Return on Net Worth = $\frac{\text{Adjusted Net Profit after Tax but before extraordinary Items}}{\text{Adjusted Equity Share Holders Fund after reduction of Miscellaneous Expenditure not written off at the end of the year.}}$

Net Profit, as restated and appearing in the statement of profit and losses has been considered for the purpose of computing the above ratios. These Earnings per share calculations have been done in accordance with Accounting standard- 20 "Earning per share" issued by the Institute of Chartered Accountants of India.

Annexure 8
Capitalization Statement
(Rs. in Lakhs)

Particulars	Pre issue as at 31-March-11	Pre issue as at 30-June-11	Post Issue *
Borrowings			
Short Term Debts	239.46	422.69	
Long Term Debts	6,043.99	6,142.26	
Total Debts	6,283.45	6,564.95	
Shareholders Funds			
Share Capital			
Equity	2,000.00	2,000.00	
Reserves & Surplus	3,523.53	3848.66	
Less : Miscellaneous expenditure not written off	57.19	54.55	
Total Shareholders' fund	5466.34	5,794.11	
Long term Debts / Shareholders' Fund	1.11	1.06	
Total Debts / Shareholders' Fund	1.15	1.13	

Note: The Figures disclosed above are based on Restated Financial Statements

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

Annexure 9
Tax Shelter Statement

(Rupees in Lakhs)

YEAR/PERIOD ENDED	Quarter ended on 30-Jun-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Tax Rate (Including Surcharge & Education Cess)	32.45	33.22	33.99	33.99	33.99	33.66
MAT Rate (Including Surcharge & Education Cess)	19.47	19.93	17.00	11.33	11.33	11.22
Profit / (Loss) as per books of Accounts	447.15	1,455.84	1005.58	907.15	897.79	841.49
MAT Payable	87.06	290.15	170.95	102.78	101.72	94.42
Notional Tax Payable (A) (Income Tax)	145.10	483.63	341.80	308.34	305.16	283.25
Timing Differences						
1. Difference Between Book & IT depreciation	107.39	410.58	279.78	105.81	69.26	53.97
2. Profit/(Loss) on Sale of Fixed Assets	0.00	(2.64)	(41.80)	(8.73)	3.47	(10.81)
3. Disallowance/Allowance u/s 40(a)(ia)	0.00	0.00	54.60	(55.94)	0.00	(6.81)
4. Disallowance/Allowance u/s 43B	0.00	(6.11)	(14.21)	1.30	(2.11)	(0.97)
5. Gratuity Disallowed	(9.27)	5.88	(21.45)	(2.53)	(3.27)	(2.60)
Total of B	98.12	407.71	256.92	39.91	67.35	32.78
Permanent Differences						
1. Club Membership	0.00	0.00	0.00	0.00	0.00	0.00
2. Prior Period Expenses	(1.68)	(6.80)	0.00	0.00	0.00	0.00
3. Donation	(153.34)	(127.14)	(92.15)	(18.57)	(20.10)	(12.31)
4. Penalty	(0.02)	(0.46)	(0.04)	(1.33)	(0.02)	(0.16)
5. Misc Expenditure Written off	(2.64)	0.00	0.00	(3.18)	0.00	0.00
6. Disallowance u/s 36(1)(va)	0.00	0.44	(0.63)	0.00	0.00	0.00
7. Dividend Income	0.00	0.02	0	0.00	0.00	0.00
8. Deduction under chapter VI A (u/s 80IC)	252.96	789.54	576.41	567.86	810.13	660.06
Total of C	95.28	655.58	483.59	544.78	790.01	647.59
Net Adjustments (B+C)	193.40	1,063.31	740.51	584.69	857.36	680.37
Tax savings thereon	62.76	353.23	251.70	198.74	291.42	229.01
Net Tax for the year / Period	82.34	130.40	90.10	109.60	13.74	54.23

Annexure 10

Related Party Transactions

As per Accounting Standard (AS-18) on Related Party Disclosures Issued by ICAI, The Disclosures of Transaction with the related Parties are as Follows-

1) Related Party Disclosures

A. Enterprises in which Management or Directors have Significant Influence

ASSOCIATES ENTITIES

Sr. No.	Name of Associate Entities
Private Limited Companies	
1	Sataksi Polymers Pvt. Ltd.
2	V-Two Plastics Private Limited
3	Yoshaka Edutech Private Limited
Partnership Firms	
4	M/s. Adhya Himalyan Water
5	M/s. V-2 Corp.
Sole Proprietorship Concerns	
6	M/s. Hans Plastic.
7	M/s. Mahodar Beverages
8	M/s. Lambodar Industries

B. Key Management Personnel

	Directors	DESIGNATION
1	Mr. Pramit Sanghavi	Managing Director
2	Mr. Dewang Sanghavi	Whole Time Director
3	Mr. Gulab Rai*	Director
4	Mr. Vijay Sharma*	Director
5	Mr. Suresh Kumar*	Director

*Cease to be directors w.e.f. July 29th 2011.

C. Relatives of Key Management Personnel

S.No.	Name of Relative	Relationship
1	Ms. Varsha Sanghavi	Wife of Mr. Parmit Sanghavi
2	Ms. Anuradha Sanghavi	Wife of Mr. Dewang Sanghavi
3	Ms Vaishali Sanghavi	Realative of Directors
4	Smt.Deepti Vishwanath	Sister of Directors
5	Mr.Suresh Sanghavi	Uncle of Directors

(Rupees in Lakhs)

Nature of Transaction	Nature of Relationship	Name of Related Party	Quarter ended on 30th June 2011	For the year ended March 31,				
				2011	2010	2009	2008	2007
Purchase	Associate Concern	Hans Plastics	0.00	0.37	0.00	0.00	0.00	0.00
	Associate Concern	Adhya Himalayan	0.00	0.00	4.41	3.59	0.00	0.00
Sales	Associate Concern	Hans Plastics	0.00	0.87	0.55	1.54	0.00	0.00
	Associate Concern	Adhya Himalayan	0.00	0.61	2.57	6.94	0.00	0.00
Rent	Associate Concern	Hans Plastics	0.00	1.79	0.00	0.00	0.00	0.00
	Associate Concern	Sataksi Polymers P.	0.75	3.00	2.50	1.80	1.80	1.80
	Key Managerial Personnel – Director	Mr. Pramit Sanghavi	0.75	3.00	3.00	3.00	3.00	1.00
	Key Managerial Personnel – Director	Mr. Dewang Sanghavi	0.90	3.60	3.60	3.60	3.60	1.20
	Wife of Director- Mr. Dewang Sanghavi	Smt. Anuradha Sanghavi	0.00	6.00	4.50	0.00	0.00	0.00
Salary	Wife of Director- Mr. Pramit Sanghavi	Smt. Varsha Sanghavi	0.00	3.06	3.04	2.56	1.89	1.80
	Wife of Director- Mr. Dewang Sanghavi	Smt. Anuradha Sanghavi	0.00	3.00	3.04	2.56	1.89	1.80
	Sister Of Directors	Smt. Deepthi Vishwanath	0.00	2.12	2.08	1.80	1.53	1.44
	Uncle of Directors	Mr. Suresh Sanghavi	0.00	0.00	1.35	2.33	0.00	0.00
	Relative of Director	Ms. Vaishali	0.00	1.80	0.45	0.00	0.00	0.00
Legal Professional Expenses &	Wife of Director- Mr. Dewang Sanghavi	Smt. Anuradha Sanghavi	0.75	0.00	0.00	0.00	0.00	0.00
Legal Professional Expenses &	Wife of Director- Mr. Pramit Sanghavi	Smt. Varsha Sanghavi	0.75	0.00	0.00	0.00	0.00	0.00
Legal Professional Expenses &	Sister of Directors	Smt. Deepthi Vishwanath	0.75	0.00	0.00	0.00	0.00	0.00
Director Remuneration	Key Managerial Personnel – Director	Mr. Pramit Sanghavi	9.00	12.00	7.50	6.00	2.40	2.40
	Key Managerial Personnel – Director	Mr. Dewang Sanghavi	8.10	12.00	7.50	6.00	2.40	2.40
	Director	Mr. Gulab Rai	1.48	6.54	4.66	3.00	2.04	0.00
	Director	Mr. Suresh Kumar	1.21	6.34	3.94	1.44	1.44	0.00
	Director	Mr. Vijay Sharma	1.41	6.90	5.08	3.50	1.25	0.00
Staff Welfare	Associate Concern	Adhya Himalayan Waters	0.18	0.89	0.00	0.33	0.00	0.00
	Associate Concern	V-2 Corp	0.00	0.00	0.60	0.00	0.00	0.00
Job Works (Income)	Associate Concern	Adhya Himalayan Waters	0.00	0.00	63.12	74.45	0.00	0.00

Nature of Transaction	Nature of Relationship	Name of Related Party	Quarter ended on 30th June 2011	For the year ended March 31,				
				2011	2010	2009	2008	2007
Security Deposit	Associate Concern	Satakshi Polymers Pvt. Ltd.	0.00	0.00	0.25	0.00	0.00	0.00
Fixed Assets Purchase	Associate Concern	Adhya Himalayan Waters	0.00	0.00	26.90	0.16	0.00	0.00
	Associate Concern	Hans Plastics	0.00	4.08	0.00	0.20	0.00	0.00
Loan Taken	Key Managerial Personnel – Director	Mr. Pramit Sanghavi	127.50	253.13	4.07	117.42	122.52	0.00
	Key Managerial Personnel – Director	Mr. Dewang Sanghavi	149.75	274.25	5.00	148.67	136.52	1.32
	Wife of Director- Mr. Dewang Sanghavi	Smt. Anuradha Sanghavi	0.00	0.00	0.00	0.00	0.00	0.00
Loan Repaid	Key Managerial Personnel – Director	Mr. Pramit Sanghavi	48.63	250.50	0.00	95.00	113.41	0.01
	Key Managerial Personnel – Director	Mr. Dewang Sanghavi	36.75	165.50	5.64	122.18	124.43	0.81
	Wife of Director- Mr. Dewang Sanghavi	Smt. Anuradha Sanghavi	1.40	0.00	0.00	0.00	0.00	0.00
Outstanding Payable (Against Loan)	Key Managerial Personnel – Director	Mr. Pramit Sanghavi	119.08	40.20	37.57	33.50	11.08	1.98
	Key Managerial Personnel – Director	Mr. Dewang Sanghavi	260.75	147.75	39.00	39.64	13.15	1.05
	Wife of Director- Mr. Dewang Sanghavi	Smt. Anuradha Sanghavi	0.00	1.40	1.40	1.40	1.40	1.40

Annexure 11
Statement Showing Analysis of Sundry Debtors
(Rupees in Lakhs)

YEAR/PERIOD ENDED	Quarter ended on 30-Jun-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Debts outstanding exceeding six Months						
Considered Good	286.28	214.93	108.34	60.04	112.76	88.06
Considered Bad	0.00	0.00	0.00	0.00	0.00	0.00
Other Debts						
Considered Good	1,805.04	1,500.61	914.08	570.09	710.29	659.32
Considered Bad	0.00	0.00	0.00	0.00	0.00	0.00
Total	2,091.32	1,715.54	1,022.42	630.13	823.05	747.38

The details of the amount due from the sundry debtors who are directors, promoters, promoter group of the issuer company, is mentioned below:

Related Party Transaction
(Rupees in Lakhs)

Name of Party	Quarter ended on 30-Jun-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Hans Plastics	0.00	0.00	0.00	0.74	0.02	0.00
Adhya Himalyan Water	0.79	0.79	0.18	0	0.00	0.00
Total	0.79	0.79	0.18	0.74	0.02	0.00

Annexure 12
Details of Unsecured Loans

(Rupees in Lakhs)

YEAR/PERIOD ENDED	Quarter ended on 30-Jun-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
From Group Firms & Companies	0.00	0.00	0.00	0.00	0.00	0.00
From Directors & Relatives of Directors	379.83	189.35	77.97	74.54	25.63	4.43
From Others	0.00	0.00	0.00	0.00	0.00	0.00
Total	379.83	189.35	77.97	74.54	25.63	4.43

Note: The Unsecured Loans are Repayable on demand.

The detail of the unsecured loans payable to directors, promoters, promoter group of the issuer company, is mentioned below:

Related party transaction

(Rupees in Lakhs)

Name of Party	Quarter ended on 30-Jun-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Smt. Anuradha Sanghavi	0.00	1.40	1.40	1.40	1.40	1.40
Mr. Dewang Sanghavi	260.75	147.75	39.00	39.64	13.15	1.05
Mr. Pramit Sanghavi	119.08	40.20	37.57	33.50	11.08	1.98
Total	379.83	189.35	77.97	74.54	25.63	4.43

Annexure 13
Statement of Secured Loans

(Rupees in Lakhs)

YEAR/PERIOD ENDED	Quarter ended on 30-Jun-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Term Loan						
State Bank of India	0.00	0.00	0.00	1,606.52	1,071.00	1,362.44
Canara Bank	4,097.60	3,912.94	2,698.17	0.00	0.00	0.00
Working Capital Loan						
State Bank of India	276.86	168.18	0.00	767.59	1,302.06	1,233.68
Canara Bank	1,767.81	1,962.87	773.44	0.00	0.00	0.00
Vehicle Loan						
Citibank N.A.	0.00	0.00	0.00	0.00	0.77	4.50
HDFC Bank Limited	30.22	36.47	59.60	32.15	0.00	0.50
ICICI Bank Limited	12.63	13.64	0.00	8.69	20.18	14.48
Total	6,185.12	6,094.10	3,531.21	2,414.95	2,394.01	2,615.60

Our Company utilizes various credit facilities from financial institutions for conducting its business. Following is a summary of our Company's outstanding borrowings as on September 15, 2011:

Secured Borrowings
Cash Credit / OCC/OBD / Term Loan

Set forth below is a brief summary of the outstanding secured borrowings of our Company, together with a brief description of certain significant terms of such financing arrangements:

Sr. No.	Name of the Lender	Facility documentation details	Amount Outstanding (as on June 30, 2011)	Amount Outstanding (as on March 31, 2011)	Interest Rate	Repayment Schedule	Security
	State Bank of India ("Bank")	Cash Credit: ₹ 300 lacs Letter of Arrangement dated February 23, 2011 Agreement of Loan-Cum-Hypothecation dated March 11, 2011 Letter of Confirmation for Extension of Equitable Mortgage of Property dated March 11, 2011 from M/s. Adhya Himalyan	₹ 276.86 lacs	₹ 168.18 lacs	Interest on working capital (CRA proposed) SB-4; Interest on working capital (pricing proposed) – 5.25% above base rate	Working capital: repayable on demand	Primary security for Cash Credit: hypothecation of receivables for which invoices have been raised on the IOCL customers for polymer business. Collateral security: extension of equitable mortgage of factory land & building of M/s. Adhya Himalyan Waters, Plot number 81/D-2, at EPIP,

Sr. No.	Name of the Lender	Facility documentation details	Amount Outstanding (as on June 30, 2011)	Amount Outstanding (as on March 31, 2011)	Interest Rate	Repayment Schedule	Security
		Waters to the Bank					Industrial Area, Phase-1, Jharmajri, Baddi, Nalagarh, Solan, Himachal Pradesh (extension of charge on fixed assets of M/s. Adhya Himalyan Waters, excluding equitable mortgage of factory land & building). This property is mortgaged and fixed assets therein are hypothecated as primary security for a borrowing extended by the Bank to M/s. Adhya Himalayan Waters. Personal guarantees of Mr. Pramit Sanghavi and Mr. Dewang Sanghavi Corporate Guarantee of M/s. Adhya Himalyan Waters.
	Canara Bank ("Bank")	OCC/ODBD: ₹ 2050 lacs ILC/FLC: ₹ 750 lacs Term Loan-1: ₹ 3930 lacs Term Loan-3: ₹ 279.85 lacs	₹ 1767.81 lacs ₹ 379.76 lacs ₹ 3249.45 lacs ₹ 154.90 lacs	₹ 1962.87 lacs ₹ 380.76 lacs ₹ 3024.22 lacs ₹ 172.75 lacs	OCC/ODBD: Base rate + 4% ILC/FLC/Bas per guidelines Term loan: BPLR	Term loan repayment: 20 quarterly instalments of ₹ 196.5 lacs commencing February 25, 2012 Term loan tenor: 7	Hypothecation of goods, i.e. raw materials, semi finished and finished goods, and other items of stock in trade, stores, spares and other moveable goods and

Sr. No.	Name of the Lender	Facility documentation details	Amount Outstanding (as on June 30, 2011)	Amount Outstanding (as on March 31, 2011)	Interest Rate	Repayment Schedule	Security
		Term Loan-4: ₹ 95 lacs	₹ 37.96 lacs	₹ 44.45 lacs		years, including maximum moratorium period of 2 years from the date of first disbursement	Company's present and future book debts of the Company
		Term Loan-5: ₹ 419.28 lacs	₹ 275.53 lacs	₹ 290.76 lacs			
		Corporate Loan: ₹ 416 lacs	Nil	Nil			Hypothecation of plant and machinery, tools and accessories and other fixed assets of the Company.
		Total: ₹ 7940.13 lacs	₹ 5865.41 lacs	₹ 5875.81 lacs			Equitable mortgage on immoveable property of the Company situated at: Plot number 23, Sec-2, Pant Nagar Industrial Area, Pant Nagar, Village Kalyanpur, Uttrakand Plot number 70 & 71B EPIP, Phase-I, Jharmajri Baddi, Nalagarh, Himachal Pradesh Plot number WZ-8/1, Kirti Nagar, New Delhi Plot number 217 & 218, Industrial Area, Baddi, Solan Factory land & building at Plot number 100, Sec-6, Noida Factory land & building at 102, Sector-6, Noida Factory land & shed at D-19, Sec-7,
		Sanction Memorandum dated December 24, 2010					
		Supplemental Common Hypothecation Agreement dated January 29, 2011					
		Counter Indemnity dated January 29, 2011					
		Agreement for Opening Inland Irrevocable Letter of Credit dated January 29, 2011					
		Letter Evidencing the Deposit of Title Deeds dated January 29, 2011					
		Letter of Renewal dated January 29, 2011					
		Common Hypothecation Agreement dated January 18, 2010					

Sr. No.	Name of the Lender	Facility documentation details	Amount Outstanding (as on June 30, 2011)	Amount Outstanding (as on March 31, 2011)	Interest Rate	Repayment Schedule	Security
							Noida
							Personal guarantee of Mr. Pramit Sanghavi and Mr. Dewang Sanghavi

Vehicle Loans

Set forth below is a brief summary of the outstanding unsecured borrowings (vehicle loans) of our Company, secured against hypothecation of respective vehicles:

Lender	Date(s) of financing documents	Amount outstanding as on June 30, 2011	Amount outstanding as on March 31, 2011	Repayment Schedule and Interest
ICICI Bank Limited	February 24, 2011	₹ 12.63 lacs	₹ 13.64 lacs	Original loan amount being ₹ 14.00 lacs repayable with monthly instalments of ₹ 45,710.00 each over a period of 36 months. Interest: 10.81% Last date of repayment: September 15, 2013
HDFC Bank Limited	July 04, 2009	₹ 1.62 lacs	₹ 1.97 lacs	Original loan amount being ₹ 4.03 lacs repayable with monthly instalments of ₹ 13,380.00 each over a period of 36 months. Interest: 12% Last date of repayment: July 05, 2012
HDFC Bank Limited	March 20, 2009	₹ 12.57 lacs	15.03 lacs	Original loan amount being ₹ 35.20 lacs repayable with monthly instalments of ₹ 97,125.00 each over a period of 46 months. Interest: 12.8% Last date of repayment: August 05, 2012
HDFC Bank Limited	May 02, 2009	₹ 2.84 lacs	₹ 3.63 lacs	Original loan amount being ₹ 9.00 lacs repayable with monthly instalments of ₹ 30,105.00 each over a period of 36 months. Interest: 13.26% Last date of repayment: March 07, 2012
HDFC Bank Limited	July 04, 2009	₹ 1.62 lacs	₹ 1.97 lacs	Original loan amount being ₹ 4.03 lacs

Lender	Date(s) of financing documents	Amount outstanding as on June 30, 2011	Amount outstanding as on March 31, 2011	Repayment Schedule and Interest
				repayable with monthly instalments of ₹ 13,380 each over a period of 36 months. Interest: 12% Last date of repayment: July 05, 2012
HDFC Bank Limited	July 04, 2009	₹ 3.24 lacs	₹ 3.93 lacs	Original loan amount being ₹ 8.00 lacs with monthly instalments of ₹ 26,760.00 each over a period of 36 months. Interest: 12.50% Last date of repayment: July 05, 2012
HDFC Bank Limited	October 24, 2009	₹ 3.90 lacs	₹ 4.56 lacs	Original loan amount being ₹ 8.00 lacs repayable with monthly instalments of ₹ 26,384.00 each over a period of 36 months. Interest: 11.51% Last date of repayment: October 07, 2012
HDFC Bank Limited	July 04, 2009	₹ 1.62 lacs	₹ 1.97 lacs	Original loan amount being ₹ 4.03 lacs repayable with monthly instalments of ₹ 13,380.00 each over a period of 36 months. Interest: 12.00% Last date of repayment: July 05, 2012
HDFC Bank Limited	July 09, 2009	₹ 2.81 lacs	₹ 3.41 lacs	Original loan amount being ₹ 7.00 lacs repayable with monthly instalments of ₹ 23,086.00 each over a period of 36 months. Interest: 11.51% Last date of repayment: July 05, 2012

Annexure 14
Statement of Dividend Paid

(Rupees in Lakhs)

YEAR/PERIOD ENDED	Quarter ended on 30-Jun-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Dividend (Interim & Final)	0.00	0.00	0.00	0.00	0.00	0.00
Dividend (%)	0.00	0.00	0.00	0.00	0.00	0.00

Annexure 15
Statement of Investment

(Rupees in Lakhs)

YEAR/PERIOD ENDED	Quarter ended on 30-Jun-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Short Term Investments	0.00	0.00	0.00	0.00	0.00	0.00
Long Term Investments (Unquoted)	0.00	0.00	0.00	0.00	0.00	0.00
Long Term Investments (Quoted)*	0.27	0.27	0.27	0.27	0.27	0.27
TOTAL	0.27	0.27	0.27	0.27	0.27	0.27
*900 Eq. Shares of Dena Bank (Face Value-Rs. 10/- per Share) [Market value on June 30th 2011 Rs.79,479/-]						

Annexure 16
Statement of Segment Reporting
Primary Segment Information
(Rs. In Lakhs)

Description	Plastic Goods		Polymer Compound		Un- Allocated				Total	
	Quarter ended on 30 June 2011	FY 2010-11	Quarter ended on 30 June 2011	FY 2010-11	Quarter ended on 30 June 2011	FY 2010-11			Quarter ended on 30 June 2011	FY 2010-11
Segment Revenue (Sales/Income) :										
a) External Sales	3,357.22	10,846.18	-	-	-	-			3,357.22	10,846.18
b) Inter Segmental Sales	-	-	-	-	-	-			-	-
Gross Sales	3,357.22	10,846.18	-	-	-	-			3,357.22	10,846.18
Commission from Consignment business	-	-	11.41	20.53	-	-			11.41	20.53
Segment Result :	3,357.22	10,846.18	11.41	20.53	-	-			3,368.63	10,866.71
Operating Profit before interest and taxes	668.11	1961.16	(4.24)	6.28	-	-			663.87	1967.44
Less : Interest Expenses	218.99	527.54	6.76	3.25	-	-			225.75	530.79
Add : Profit on Sale of Investment	-		-		-				-	-
Add : Dividend Income	-	0.02	-	-	-	-			-	0.02
Add : Interest income	2.72	15.93	6.31	4.92	-	-			9.03	20.85
Profit Before Tax	451.84	1449.57	(4.69)	7.95	-	-			447.15	1,457.52
Current Tax	-	-	-	-	89.13	292.43			89.13	292.43
Deferred Tax	-	-	-	-	32.89	106.14			32.89	106.14
Wealth Tax	-	-	-	-	-	1.25			-	1.25
Profit After Tax	-	-	-	-	323.44	1,070.54			325.13	1,057.70

Description Other Information	Plastic Goods		Polymer Compound		Un- Allocated				Total	
Segment Assets	13,359.3 2	12,911. 69	593.9 5	346.6 9	-	-			13,953 .27	13,258.38
Segment Liabilities	13,359.3 2	12,911. 69	593.9 5	346.6 9	-	-			13,953 .27	13,258.38
Capital Expenditure	1214.12	2,269.8 4	0.91	1.25	-	-			1215.0 3	2,271.09
Depreciation	161.16	521.56	0.03	0.01	-	-			161.19	521.57
Non-Cash Expenditure	-	-	-	-	-	-			-	-

Note: Prior to FY 2010-11, company was having only one segment of business i.e 'Plastic Goods'.

Annexure 17**Statement of Current liabilities and Provisions****(Rs. In Lakhs)**

YEAR/PERIOD ENDED	Quarter ended on 30-Jun-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Creditors- Advance from Customers	24.53	11.88	399.33	9.71	79.78	118.71
Sundry Creditors	365.33	465.13	527.42	203.87	248.66	143.47
Other Current Liabilities	42.02	49.99	0.46	0.01	10.08	10.21
Provision for Taxation	382.81	293.68	293.46	125.55	244.74	177.56
Provision for Expenses	236.48	175.13	152.15	96.08	84.42	54.95
Total	1051.18	995.81	1372.82	435.22	667.68	504.90

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

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements included in the Draft Red Herring Prospectus. You should also read the *Section titled 'Risk Factors' beginning on page 13 of the Draft Red Herring Prospectus*, which enumerates number of factors and contingencies that could impact our financial condition and results of operations. The following discussion relates to our Company on a standalone basis, and unless otherwise stated, is based on our restated unconsolidated financial statements, which have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act, 1956, and the SEBI (ICDR) Regulations, 2009. Our Financial year ends on March 31 of each year.

Business Overview

Our Company, incorporated in the year 1993, is engaged in the manufacturing of plastic packaging products. We offer a broad spectrum of packaging products which includes plastic caps and closures, PET pre-forms, PET / HDPE / PP Bottles, PET Jars and containers made from rigid plastics and caters to various FMCG, Pharmaceuticals and other Companies. We innovate and design new concepts in plastic packaging by using different technologies like Injection Molding (IM), Extrusion Blow Molding (EBM), Injection Stretch Blow Molding (ISBM), Injection Blow Molding (IBM) and Compression Molding (CM).

Our Company has also been appointed by IOCL (Indian Oil Corporation Limited) as a consignment stockist on a non-exclusive basis for products such as LLDPE, HDPE, PP and such other products as may be intimated by IOCL from time to time ("**Products**") for the area covered under the state of Uttarakhand. Our Company is also appointed as del-credere associate for securing prompt payments to IOCL against sale of products by IOCL to its customers.

Competitive Strengths

1. Usage of modern equipments and technology
2. Wide product portfolio, multiple locations and diversified customers base
3. Repeat orders
4. We have a qualified and experienced employee base and management team with vast knowledge in this domain

Our Strategies

1. Expansion of existing range of products through innovation and diversification
2. Continue to develop client relationships
3. Explore inorganic growth opportunities
4. Maintain high quality standards

Significant developments subsequent to the month of June 30, 2011

After the date of June 30, 2011, the Directors of our Company confirm that in their opinion, there have not been any significant material developments.

Key factors affecting the results of our operation

Our Company's future results of operations could be affected by the factors which are not limited to as mentioned hereunder:

- Increase in interest rates;
- Increase in cost of power or other fuel;
- Increase in competition from existing players;
- Capital expenditure, including capacity expansion;
- Growth of unorganised sector and threat from national/regional players;
- General economic and business conditions;
- Company's ability to successfully implement its marketing, business and growth strategies.
- Changes in laws and regulations relating to the industry in which we operate;
- Changes in the regulations / regulatory framework / economic policies / political conditions in India.

- Loss or shutdown of operations of our Company at any time due to strike or labour unrest or any other reason;
- Withdrawal of any tax benefits available to our Company;
- Non – receipt of the approvals to be taken for the proposed projects.
- Adverse change in the prevailing trends in the plastic packaging industry in which our company operates or intends to operate.

Components of Income and Expenditure

The components of our income and expenditure are as set forth below:

Income

Our income comprises gross sales, commission income and other income.

Gross Sales

Our operating income is substantially derived from the sale of our plastic packaging products like PET bottles, PET jars, HDPE & LLDPE bottles, performs, caps and closures. Payment terms for our products vary with the terms and conditions agreed with various counterparties.

Commission Income

Our commission income consists of the income commission received for conducting the business as Consignment Stockist on a non-exclusive basis for products such as LLDPE, HDPE, PP and such other products as may be intimated by IOCL (Indian Oil Corporation Limited) from time to time (“**Products**”) for the area covered under the state of Uttarakhand.

Other Income

Our other income includes interest received on loans & advances and deposits, gain from foreign exchange fluctuations, income from job work, freight outward and other such receipts.

Expenditure

Our expenditure comprises the cost of materials consumed, manufacturing expenses, employee costs, administrative expenses, selling and distribution expenses, interest / financial charges and depreciation.

Cost of Raw Material Consumed

Our expenditure on materials consumed comprises the costs of raw materials, as adjusted for inventory levels.

Manufacturing Expenses

Our manufacturing expenses comprise expenditure on packing material consumed, consumable stores consumed, clearing & forwarding expenses, repair & maintenance machinery, power, fuel & water expenses, freight inward, job work charges, loading & unloading charges, packing charges, pollution charges, repair & maintenance building & factory, repair & maintenance – electrical, rent – factory, etc.

Employee Costs

Our employee costs comprise salaries, bonus and allowances to our employees, Directors’ remuneration, gratuity, medical expenses, training expenses, ex-gratia and staff welfare expenses such as food and transport costs.

Administrative Expenses

Our administrative expenses primarily comprise expenditure on legal & professional charges, rent, telephone & mobile phone expenses, vehicle repair & maintenance, charity & donation, security charges, printing & stationery, travelling and conveyance, insurance, computer expenses, courier & postage expenses, fine & penalty, membership & subscription charges, auditors’ remuneration and other miscellaneous office expenses.

Selling and Distribution Expenses

Our selling and distribution expenses comprise the payment of advertisement & publicity expenses, business promotion, bad debts written off, clearing & forwarding expenses, file & processing charges, expenses on free samples, rebate & discount and other marketing expenses.

Interest / Financial Charges

Our interest / financial charges comprise bank charges, bank interest on working capital limits and bank interest on term loans.

Depreciation

Depreciation on fixed assets is being provided on straight line method as the rates prescribed in schedule XIV of the companies Act, 1956. Depreciation on assets added/disposed off during the year has been provided on pro-rata basis with reference to the month of addition / disposal.

Discussion on Results of Operation:

The following discussions on results of operations should be read in conjunction with the audited restated financial results of our Company for the years ended 31st March, 2007, 2008, 2009, 2010 and 2011.

Breakup of Revenue under major heads of Income

Particulars	Three months ended June 30, 2011		FY 2011	
	<i>(₹ In Lakhs)</i>	<i>%</i>	<i>(₹ In Lakhs)</i>	<i>%</i>
Plastic Goods	3357.22	99.66%	10846.18	99.81%
Polymer Compound	11.41	0.34%	20.53	0.19%
Total	3368.63	100.00%	10866.71	100.00%

Note: Prior to FY 2011, our Company had only one segment of plastic goods and the operational income was only from the business of plastic packaging products.

Set forth below is our restated profit and loss statement, the components of which are expressed as a percentage increase / decrease from the previous year.

(₹ in lacs)

Particulars	FY 2008	% of Total Income	FY 2009	% of Total Income	FY 2010	% of Total Income	FY 2011	% of Total Income
Income								
Gross Sales	6452.79	104.59	7466.96	100.77	7785.07	101.15	11092.25	101.16
Less: Excise Duty	(387.97)	(6.29)	(336.24)	(4.54)	(201.75)	(2.62)	(246.07)	(2.24)
Net Sales	6064.82	98.30	7130.72	96.23	7583.32	98.53	10846.18	98.91
Commission Income		0.00	-		-		20.53	0.19
Other income	81.05	1.31	189.79	2.56	109.98	1.43	27.68	0.25
Increase / (Decrease) in Stock	23.94	0.39	89.46	1.21	2.93	0.04	70.83	0.65
Total Income	6169.81	100.00	7409.97	100.00	7696.23	100.00	10965.22	100.00
Expenditure								
Raw Material Consumed	3612.26	58.55	4415.56	59.59	4460.57	57.96	6071.29	55.37

Other Manufacturing Expenses	623.89	10.11	817.46	11.03	907.82	11.80	1730.00	15.78
Employees Cost	71.26	1.15	85.56	1.15	155.80	2.02	119.78	1.09
Administrative, Selling and Distribution Expenses	262.05	4.25	252.02	3.40	371.45	4.83	426.47	3.89
Preliminary Expenses written off	1.66	0.03	5.26	0.07	3.96	0.05	13.68	0.12
Total Expenditure	4571.12	74.09	5575.86	75.25	5899.60	76.66	8361.22	76.25
Net Profit before Interest, Depreciation & Tax	1598.69	25.91	1834.11	24.75	1796.63	23.34	2604.00	23.75
Depreciation	321.14	5.21	382.91	5.17	378.77	4.92	521.57	4.76
Net Profit before Interest & Tax	1277.55	20.71	1451.20	19.58	1417.86	18.42	2082.43	18.99
Interest/Financial Charges	372.29	6.03	533.94	7.21	405.48	5.27	624.91	5.70
Net Profit before Tax & Extraordinary Item	905.26	14.67	917.26	12.38	1012.38	13.15	1457.52	13.29
Provision for Taxation								
Current	102.18	1.66	117.17	1.58	170.31	2.21	293.68	2.68
Deferred	183.40	2.97	(278.72)	(3.76)	68.77	0.89	106.14	0.97
Previous Year Tax & FBT	-	-	-	-	-	-	-	-
Fringe Benefit Tax	5.81	0.09	8.38	0.11	-	-	-	-
Net Profit After Tax but before Extraordinary Item	613.87	9.95	1070.43	14.45	773.30	10.05	1057.70	9.65
Extraordinary Item (Prior period items) transfer from next year	7.47	0.12	10.11	0.14	6.80	0.09	1.68	0.02
Net Profit after Tax as restated	606.40	9.83	1060.32	14.31	766.50	9.96	1056.02	9.63

Fiscal Year Ended March 31, 2011 compared to Fiscal Year Ended March 31, 2010

Income

Our total income increased by 42.48% from ₹ 7,696.23 Lacs in fiscal 2010 to ₹ 10,965.22 lacs in fiscal 2011.

Gross Sales. Our gross sales increased by 42.48% from ₹ 7,785.07 lacs in fiscal 2010 to ₹ 11,092.25 lacs in fiscal 2011. This increase was primarily due to an increase in the production capacity because of the commencement of production in Baddi (Unit-II) in the year 2010. Consequently, our gross sales have increased in fiscal year 2011. Our domestic sales increased by 43.6% from ₹ 7464.86 lacs in fiscal 2010 to ₹ 10719.71 lacs in fiscal 2011 and our export sales increased by 6.76% from ₹ 118.47 lacs in fiscal 2010 to ₹ 126.47 lacs in fiscal 2011.

Commission Income. Our commission income from the business of consignment stockist of IOCL was ₹ 20.53 lacs in fiscal year 2011. There was no such income in fiscal year 2010 as we started generating revenue from business of consignment stockist in fiscal year 2011.

Other Income. Our other income decreased by 74.83% from ₹ 109.98 lacs in fiscal 2010 to ₹ 27.68 lacs in fiscal 2011. This decrease was primarily due to a significant decrease of 99.39% in the job work income from ₹ 78.62 lacs in fiscal 2010 to ₹ 0.48 lacs in fiscal 2011.

Expenditure

Our expenditure including depreciation and interest / financial charges increased by 42.25% from ₹ 6683.85 lacs in fiscal 2010 to ₹ 9507.70 lacs in fiscal 2011. This increase was primarily due to an increase in expenditure on purchase of raw materials consumed, manufacturing expenses, administrative, distribution & selling expenses, all of which were attributable to the growth of our operations.

Raw Material Consumed. Our expenditure on materials consumed increased by 36.11% from ₹ 4460.57 lacs in fiscal 2010 to ₹ 6071.29 lacs in fiscal 2011. This increase was primarily due to an increase in the consumption of raw materials for the production of our final products. However, as a percentage of our income, expenditure on materials consumed decreased from 57.96% in fiscal 2010 to 55.37% in fiscal 2011 due to the increase in our production efficiency.

Other Manufacturing Expenses. Our other manufacturing expenses increased by 90.57% from ₹ 907.82 lacs in fiscal 2010 to ₹ 1730.00 lacs in fiscal 2011. This increase was primarily due to an increase in power & fuel expenses and increase in packing material consumed. This increase is attributable to increase in production and sales of the products of our Company. As a percentage of our income, our other manufacturing expenses increased from 11.80% in fiscal 2010 to 15.78% in fiscal 2011.

Employees Cost. Employees costs decreased by 23.12% from ₹ 155.80 lacs in fiscal 2010 to ₹ 119.78 lacs in fiscal 2011. This decrease was primarily adjustment in gratuity provision made by our Company as per actuarial valuation. As a percentage of our income, employee costs decreased from 2.02% in fiscal 2010 to 1.09% in fiscal 2011.

Administrative, Selling & Distribution Expenses. Administrative, selling & distribution expenses increased by 14.81% from ₹ 371.45 lacs in fiscal 2010 to ₹ 426.47 lacs in fiscal 2011. The increase in administrative expenses was primarily due to increases in charity & donation, festival expenses, insurance, printing & stationery, rent, security charges, travelling expenses and other miscellaneous charges. The increase in selling and distribution expenses was primarily due to increases in rebate and discount given to customers, expenses for business promotion and bad debts written off. These increases are attributable to the growth in the operations of our Company. As a percentage of our income, administrative, selling & distribution expenses decreased from 4.83% in fiscal 2010 to 3.89% in fiscal 2011.

Depreciation. Depreciation on our fixed assets increased by 37.7% from ₹ 378.77 lacs in fiscal 2010 to ₹ 521.57 lacs in fiscal 2011. This increase was mainly attributable to the capitalisation of fixed assets at our manufacturing units of our Company. However, as a percentage of our income, depreciation decreased from 4.92% in fiscal 2010 to 4.76% in fiscal 2011.

Interest / Financial charges. Finance costs increased by 54.12% from ₹ 405.48 lacs in fiscal 2010 to ₹ 624.91 lacs in fiscal 2011. This increase was primarily due to an increase in interest paid on term loans and increase in bank charges. Our total secured loans increased from ₹ 3531.21 lacs in fiscal 2010 to ₹ 6094.09 lacs in fiscal

2011. As a percentage of our income, interest / financial charges increased from 5.27% in fiscal 2010 to 5.70% in fiscal 2011.

Profit before Tax & Extraordinary Items.

For the reasons stated above, our profit before tax & extraordinary items increased by 43.97% from ₹ 1012.38 Lacs in fiscal 2010 to ₹ 1457.52 lacs in fiscal 2011. As a percentage of our income, profit before tax & extraordinary items remained constant at 13.29% in fiscal 2011 as compared to 13.15% in fiscal 2010.

Net Profit as restated

As a result of the foregoing factors, our net profit as restated increased by 37.77% from ₹ 766.50 lacs in fiscal 2010 to ₹ 1056.02 lacs in fiscal 2011. However, as a percentage of our income, our net profit as restated decreased from 9.96% in fiscal 2010 to 9.63% in fiscal 2011 mainly due to the increase in the current tax of our Company.

Fiscal Year Ended March 31, 2010 compared to Fiscal Year Ended March 31, 2009

Income

Our income increased by 3.86% from ₹ 7,409.97 lacs in fiscal 2009 to ₹ 7,696.23 lacs in fiscal 2010.

Gross Sales. Our gross sales increased by 4.26% from ₹ 7,466.96 lacs in fiscal 2009 to ₹ 7,785.07 lacs in fiscal 2010. This increase was primarily due to addition of new machineries during fiscal 2010 which resulted in increase in production capacity of our Company. Consequently, our gross sales have increased in fiscal year 2010. Our domestic sales increased by 7.28% from ₹ 6958.37 lacs in fiscal 2009 to ₹ 7464.86 lacs in fiscal 2010 and our export sales decreased by 31.26% from ₹ 172.34 lacs in fiscal 2009 to ₹ 118.47 lacs in fiscal 2010.

Other Income. Our other income decreased by 42.05% from ₹ 189.79 lacs in fiscal 2009 to ₹ 109.98 lacs in fiscal 2010. This decrease was primarily due to a significant decrease of 24.89% in the job work income from ₹ 104.68 lacs in fiscal 2009 to ₹ 78.62 lacs in fiscal 2010.

Expenditure

Our expenditure including depreciation and interest / financial charges increased by 2.94% from ₹ 6492.71 lacs in fiscal 2009 to ₹ 6683.85 lacs in fiscal 2010. This increase was primarily due to an increase in employees cost, administrative, distribution & selling expenses, other manufacturing expenses, all of which were attributable to the growth of our operations.

Raw Material Consumed. Our expenditure on materials consumed increased by 1.02% from ₹ 4415.56 lacs in fiscal 2009 to ₹ 4460.57 lacs in fiscal 2010. This increase was primarily attributable to increase in the sales of our products. However, as a percentage of our income, expenditure on materials consumed decreased from 59.59% in fiscal 2009 to 57.96% in fiscal 2010.

Other Manufacturing Expenses. Our other manufacturing expenses increased by 11.05% from ₹ 817.46 lacs in fiscal 2009 to ₹ 907.82 lacs in fiscal 2010. This increase was primarily due to an increase in power & fuel expenses, freight inward, job work expenses, expenses on mould fabrication, clearing & forwarding expenses and packing charges. As a percentage of our income, our other manufacturing expenses increased from 11.03% in fiscal 2009 to 11.80% in fiscal 2010.

Employees Cost. Employees costs increased by 82.09% from ₹ 85.56 lacs in fiscal 2009 to ₹ 155.80 lacs in fiscal 2010. This increase was primarily due to recruitment of new employees, increase in salary, increase in directors remuneration, leave encashment, etc. of our Company. As a percentage of our income, employee costs increased from 1.15% in fiscal 2009 to 2.02% in fiscal 2010.

Administrative, Selling & Distribution Expenses. Administrative, selling & distribution expenses increased by 47.39% from ₹ 252.02 lacs in fiscal 2009 to ₹ 371.45 lacs in fiscal 2010. The increase in administrative expenses was primarily due to increases in charity & donation, legal & professional charges, computer expenses, conveyance expenses, membership & subscription charges and miscellaneous charges. The increase in selling and distribution expenses was primarily due to increase in advertisement & publicity expenses. These increases are attributable to the marketing strategies of our Company. As a percentage of our income, administrative, selling & distribution expenses decreased from 3.40% in fiscal 2009 to 4.83% in fiscal 2010.

Depreciation. Depreciation on our fixed assets remained almost stagnant at ₹ 382.91 lacs in fiscal 2009 and ₹ 378.77 lacs in fiscal 2010. As a percentage of our income, depreciation remained almost stable at 5.17% in fiscal 2009 to 4.92% in fiscal 2010.

Interest / Financial charges. Finance costs decreased by 24.06% from ₹ 533.94 lacs in fiscal 2009 to ₹ 405.48 lacs in fiscal 2010. This decrease was primarily due to decrease in bank charges and decrease in the interest paid on corporate loan by our Company. Our total secured loans increased from ₹ 2414.95 lacs in fiscal 2009 to ₹ 3531.21 lacs in fiscal 2010. As a percentage of our income, interest / financial charges decreased from 7.21% in fiscal 2009 to 5.27% in fiscal 2010.

Profit before Tax & Extraordinary Items.

For the reasons stated above, our profit before tax & extraordinary items increased by 10.37% from ₹ 917.26 lacs in fiscal 2009 to ₹ 1012.38 lacs in fiscal 2010. As a percentage of our total income, profit before tax & extraordinary items increased from 12.38% in fiscal 2009 to 13.15% in fiscal 2010.

Net Profit as restated

However, our net profit as restated decreased by 27.71% from ₹ 1060.32 lacs in fiscal 2009 to ₹ 766.50 lacs in fiscal 2010. This decrease was primarily attributable to the adjustment of deferred tax made in fiscal 2009. As a percentage of our income, our net profit as restated decreased from 14.30% in fiscal 2009 to 9.96% in fiscal 2010.

Fiscal Year Ended March 31, 2009 compared to Fiscal Year Ended March 31, 2008

Income

Our income increased by 20.10% from ₹ 6169.81 lacs in fiscal 2008 to ₹ 7409.97 lacs in fiscal 2009.

Gross Sales. Our gross sales increased by 15.72% from ₹ 6452.79 lacs in fiscal 2008 to ₹ 7466.96 lacs in fiscal 2009. This increase was primarily due to increase in additional capacities. Our domestic sales increased by 16.36% from ₹ 6268.75 lacs in fiscal 2008 to ₹ 7294.62 lacs in fiscal 2009 and our export sales decreased by 5.27 % from ₹ 184.04 lacs in fiscal 2008 to ₹ 172.34 lacs in fiscal 2009.

Other Income. Our other income increased by 134.16% from ₹ 81.05 lacs in fiscal 2008 to ₹ 189.79 lacs in fiscal 2009. This increase was primarily due to increase in Job work income, Foreign exchange fluctuations and rebate and discounts received from suppliers.

Expenditure

Our expenditure including depreciation and interest / financial charges increased by 23.33% from ₹ 5264.55 lacs in fiscal 2008 to ₹ 6492.71 lacs in fiscal 2009. This increase was primarily due to an increase in employees cost, administrative, distribution & selling expenses, other manufacturing expenses, all of which were attributable to the growth of our operations.

Raw Material Consumed. Our expenditure on materials consumed increased by 22.24% from ₹ 3612.26 lacs in fiscal 2008 to ₹ 4415.56 lacs in fiscal 2009. This increase was primarily attributable to increase in the sales of our products. As a percentage of our income, expenditure on materials consumed increased from 58.55% in fiscal 2008 to 59.59% in fiscal 2009.

Other Manufacturing Expenses. Our other manufacturing expenses increased by 31.03% from ₹ 623.89 lacs in fiscal 2008 to ₹ 817.46 lacs in fiscal 2009. This increase was primarily due to increase in manufacturing activities. As a percentage of our income, our other manufacturing expenses increased from 10.11% in fiscal 2008 to 11.03% in fiscal 2009.

Employees Cost. Employees costs increased by 20.07 % from ₹ 71.26 lacs in fiscal 2008 to ₹ 85.56 lacs in fiscal 2009. This increase was primarily due to recruitment of new employees, increase in salary etc. As a percentage of our income, employee costs has remained same as 1.15% in fiscal 2008 and as 1.15% in fiscal 2009.

Administrative, Selling & Distribution Expenses. Administrative, selling & distribution expenses decreased by 3.83% from ₹ 262.05 lacs in fiscal 2008 to ₹ 252.02 lacs in fiscal 2009. The decrease in administrative and

selling expenses was primarily due to decrease in repairs and maintenance expenses, rebates and discounts and other selling cost. As a percentage of our income, administrative, selling & distribution expenses decreased from 4.25% in fiscal 2008 to 3.4% in fiscal 2009.

Depreciation. Depreciation on our fixed assets has increased from ₹ 321.14 lacs in fiscal 2008 and ₹ 382.91 lacs in fiscal 2009. As a percentage of our income, depreciation remained almost stable at 5.21% in fiscal 2008 to 5.17% in fiscal 2009.

Interest / Financial charges. Finance costs increased by 43.42% from ₹ 372.29 lacs in fiscal 2008 to ₹ 533.94 lacs in fiscal 2009. This increase was primarily due to addition of Fixed Assets to the block of assets during the financial year financed through Term Loan from bank. Our total secured loans increased from ₹ 2394.01 lacs in fiscal 2008 to ₹ 2414.95 lacs in fiscal 2009. As a percentage of our income, interest / financial charges increased from 6.03% in fiscal 2008 to 7.21% in fiscal 2008.

Profit before Tax & Extraordinary Items.

For the reasons stated above, our profit before tax & extraordinary items increased by 1.33% from ₹ 905.26 lacs in fiscal 2008 to ₹ 917.26 lacs in fiscal 2009. As a percentage of our total income, profit before tax & extraordinary items decreased from 14.67% in fiscal 2008 to 12.38% in fiscal 2009.

Net Profit as restated

However, our net profit as restated increased by 84.32% from ₹ 571.67 lacs in fiscal 2008 to ₹ 1053.72 lacs in fiscal 2009.

Result of Operation for the three months ended on June 30, 2011

		₹ Lacs
Particulars	Three month period ended June 30, 2011	% of Total Income
Income		
Gross Sales	3,439.30	101.91
Less: Excise Duty	(82.08)	(2.43)
Net Sales	3,357.22	99.48
Commission Income	11.41	0.34
Other income	17.48	0.52
Increase / (Decrease) in Stock	(11.20)	(0.33)
Total Income	3,374.91	100.00
Expenditure		
Raw Material Consumed	1,724.90	51.11
Other Manufacturing Expenses	510.74	15.13
Employees Cost	50.75	1.50
Administrative, Selling and Distribution Expenses	242.86	7.20
Preliminary Expenses Written off	2.64	0.08
Total Expenditure	2,531.89	75.02
Net Profit before Interest, Depreciation & Tax	843.03	24.98
Depreciation	161.19	4.78
Net Profit before Interest & Tax	681.83	20.20
Interest/Financial Charges	234.68	6.95
Net Profit before Tax & Extraordinary Item	447.15	13.25
Provision for Taxation		
Current	89.13	2.64
Deferred	32.89	0.97
Previous Year Tax & FBT	-	-
Fringe Benefit Tax	-	-
Net Profit After Tax but before Extraordinary Item	325.13	9.63
Extraordinary Item (Prior period items) transfer from next year	-	-

Particulars	Three month period ended June 30, 2011	% of Total Income
Net Profit after Tax as restated	325.13	9.63

Financial Condition

Assets

The following table sets forth the principal components of our assets as of March 31, 2011 and June 30, 2011:

	As of March 31, 2011	As of June 30, 2011
	₹ Lacs	
Fixed Assets	7928.98	8284.94
Investments	0.27	0.27
Inventories	2559.56	2555.09
Sundry Debtors	1715.54	2091.32
Cash & Bank balances	34.95	58.15
Loans & Advances	961.89	908.95
Total Assets	13201.19	13898.72

Our total assets increased by 5.28% from ₹ 13,201.19 lacs of March 31, 2011 to ₹ 13,898.72 lacs as of June 30, 2011. The significant elements of this increase were the increase in cash & bank balances by 66.38%, sundry debtors by 21.90% and fixed assets by 4.49%. The increase in sundry debtors was primarily due to increase in sales and also an increase in the credit given to the customers of our consignment stockist business. The increase in fixed assets was primarily due to the acquisition of new machineries in one of the unit of our Company. The decrease in loans & advances was primarily due to the reduction in advances to suppliers and reduction in balances with various tax authorities.

Liabilities

The following tables set forth the principal components of our liabilities as of March 31, 2011 and June 30, 2011:

	As of March 31, 2011	As of June 30, 2011
	₹ Lacs	
Secured Loans	6094.10	6185.12
Unsecured Loans	189.35	379.83
Deferred Tax Liability	455.59	488.49
Current Liabilities & Provisions	995.81	1051.18
Total Liabilities	7734.85	8104.62

Our total liabilities increased by 4.78% from ₹ 7,734.85 lacs as of March 31, 2011 to ₹ 8,104.62 lacs as of June 30, 2011. The significant element of this increase was an increase in unsecured loans by 100.60%, deferred tax liability by 7.22%, current liabilities & provisions by 5.56% and secured loans by 1.49%. This increase was primarily due to the growth of our operations and strategic decisions of our management.

Liquidity and Capital Resources

We finance our working capital requirements primarily through funds generated from operations and bank financing. Our principal sources of liquidity are cash, cash equivalents and the cash flow that we generate from operations. We had cash and cash equivalents of ₹ 34.95 lacs and ₹ 58.15 lacs as of March 31, 2011 and June 30, 2011, respectively.

Cash Flows

Set forth below is a summary of our standalone cash flow data for the periods indicated.

	Year ended March 31			Three month period ended June 30, 2011
	2009	2010	2011	

	Year ended March 31			Three month period ended June 30, 2011
	2009	2010	2011	
Cash & cash equivalents at the start of the period	30.40	29.79	16.79	34.95
Net Cash from Operating Activities	1204.56	1392.39	220.15	484.61
Net Cash (Used in) / from Investing Activities	(1039.95)	(2189.86)	(2345.46)	(517.15)
Net Cash (Used in) / from Financing Activities	(165.22)	784.47	2143.47	55.74
Cash & cash equivalents at the close of the period	29.79	16.79	34.95	58.15

Operating Activities

Net cash from our operating activities was ₹ 484.61 lacs for the three-month period ended June 30, 2011, which consisted of net profit before tax & extraordinary items of ₹ 447.15 lacs, as adjusted primarily for depreciation of ₹ 161.19 lacs and interest & financial expenses of ₹ 225.75 lacs. Working capital movements included an increase in debtors of ₹ 375.78 lacs, decrease in inventories of ₹ 4.46 lacs, decrease in loans and advances by ₹ 52.94 lacs and increase in current liabilities and provisions of ₹ 55.39 lacs. The increase in debtors was primarily due to the increase in sales of our products.

Net cash from our operating activities was ₹ 220.15 lacs for fiscal 2011, which consisted of net profit before tax & extraordinary items of ₹ 1457.52 lacs, as adjusted primarily for depreciation of ₹ 521.57 lacs and interest & financial expenses of ₹ 530.79 lacs. Working capital movements included an increase in debtors of ₹ 693.22 lacs, increase in inventories of ₹ 840.48 lacs, increase in loans and advances by ₹ 103.49 lacs and decrease in current liabilities and provisions of ₹ 358.98 lacs.

Net cash from our operating activities was ₹ 1392.39 lacs for fiscal 2010, which consisted of net profit before tax & extraordinary items of ₹ 1012.38 lacs, as adjusted primarily for depreciation of ₹ 378.77 lacs and interest & financial expenses of ₹ 335.23 lacs. Working capital movements included an increase in debtors of ₹ 392.29 lacs, increase in inventories of ₹ 415.71 lacs, increase in loans and advances by ₹ 332.23 lacs and increase in current liabilities and provisions of ₹ 945.97 lacs.

Net cash from our operating activities was ₹ 1204.56 lacs for fiscal 2009, which consisted of net profit before tax & extraordinary items of ₹ 917.26 lacs, as adjusted primarily for depreciation of ₹ 382.91 lacs and interest & financial expenses of ₹ 276.26 lacs. Working capital movements included an decrease in debtors of ₹ 192.92 lacs, increase in inventories of ₹ 223.22 lacs, decrease in loans and advances by ₹ 12.60 lacs and decrease in current liabilities and provisions of ₹ 225.90 lacs.

Investing Activities

Net cash used in investing activities was ₹ 517.15 lacs for the three-month period ended June 30, 2011, which primarily consisted of purchase of fixed assets of ₹ 1215.03 lacs, which was partially set off by the proceeds from sale of fixed assets.

Net cash used in investing activities was ₹ 2345.46 lacs for fiscal 2011, which primarily consisted of purchase of fixed assets of ₹ 2312.79 lacs and increase in preliminary expenditure of ₹ 58.92 lacs, which was partially set off by the proceeds from sale of fixed assets.

Net cash used in investing activities was ₹ 2189.86 lacs for fiscal 2010, which primarily consisted of purchase of fixed assets of ₹ 2970.89 lacs, which was partially set off by the proceeds from sale of fixed assets.

Net cash used in investing activities was ₹ 1039.95 lacs for fiscal 2009, which primarily consisted of purchase of fixed assets of ₹ 1143.68 lacs, which was partially set off by the proceeds from sale of fixed assets.

Financing Activities

Net cash generated from our financing activities was ₹ 55.74 lacs for the three-month period ended June 30, 2011, which primarily consisted of proceeds from long term borrowings of ₹ 91.02 lacs and proceeds from

unsecured loans of ₹ 190.47 lacs. Cash used in financing activities consisted of interest & finance charges of ₹ 225.75 lacs.

Net cash generated from our financing activities was ₹ 2143.47 lacs for fiscal 2011, which primarily consisted of proceeds from long term borrowings of ₹ 2562.88 lacs and proceeds from unsecured loans of ₹ 111.38 lacs. Cash used in financing activities consisted of interest & finance charges of ₹ 530.79 lacs.

Net cash generated from our financing activities was ₹ 784.47 lacs for fiscal 2010, which primarily consisted of proceeds from long term borrowings of ₹ 1116.27 lacs. Cash used in financing activities consisted of interest & finance charges of ₹ 335.23 lacs.

Net cash used in our financing activities was ₹ 165.23 lacs for fiscal 2009, which primarily was used in payment of interest & financial charges of ₹ 276.26 lacs. Cash generated from financing activities consisted of proceeds from long term borrowings of ₹ 20.94 lacs, proceeds from unsecured loans of ₹ 48.92 lacs and proceeds from issue of shares of ₹ 41.18 lacs.

Our Significant Accounting Policies

For details on Significant Accounting Policies, please refer to the chapter titled “*Financial Information*” beginning on page 148 of the Draft Red Herring Prospectus.

Factors that may affect the results of the operations:

Interest Rate Risk

We are exposed to market risk with respect to changes in interest rates related to our borrowings. Interest rate risk exists with respect to our borrowings where the interest rate is reset based on changes in interest rates set by RBI. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase.

Our indebtedness to banks was exposed to risk in the form of policy changes by the RBI with respect to interest rates. The interest rates on these borrowings follow the RBI’s policies, which are generally announced through credit policy measures issued twice a year. Moreover, our interest rate risk is affected primarily by the short-term interest rates set by Indian banks.

Our Company intends to prepay around ₹ 2,500 Lacs out of the issue proceeds of the Issue resulting in substantial reduction in the interest burden.

Credit Risk

We are exposed to credit risk on monies owed to us by our customers. If our customers do not pay us promptly or at all, we may have to make provisions for or write-off such amounts. As of March 31, 2011 and June 30, 2011, our sundry debtors owed us ₹ 1715.54 lacs and ₹ 2091.32 lacs, respectively.

Commodities Risk

The prices of crude oil as the fluctuations in crude oil prices affects the prices of the raw material required for manufacturing our products. Raw material expense forms the largest portion of our operating expenses and the raw material required for our products are subject to price volatility. The cost of raw material consumed represented 55.37% and 51.11% of our total income in fiscal 2011 and the three month period ended June 30, 2011, respectively.

However, all such fluctuations in the prices of raw materials are passed entirely to our customers. **Hence, we do not face any commodities related risk.**

Significant dependence on a single or few suppliers or customers

Our Company is dependent on single and few customers, as the top one and top ten customers constitutes around 58.07% and 96.68% of the net sales for fiscal 2011. In addition, our company is also dependent on few suppliers as top one and top ten suppliers constitutes around 38.51% and 94.33% of the total raw material purchase for fiscal 2011. Losing a single customer can affect the operations and profitability of our Company.

Competitive conditions

With the growing market, competition is bound to increase. Our Company faces competition from companies engaged in manufacturing other plastic packaging products. Our competitors include domestic companies like Essel Propack Limited, Manjushree Technopack Limited, Gaurav Containers Limited, Innovative Tech Pack Limited, Pearl Polymers Limited, Hitech Plast Limited and other organised as well as unorganised players in the market. Our Company is focusing on maintaining the quality of its final products and innovate the new designs to sustain the competition. Our Company believes that it enjoys certain key competitive strengths which will help to grow in future and will enable to perform still better, once the proposed projects are implemented.

- (i) unusual or infrequent events or transaction: There are no unusual or infrequent transactions in during the previous years in our company;
- (ii) significant economic changes that materially affected or are likely to effect income from continuing operations: We are in the packaging industry which caters to the FMCG sector. There is a steady growth of FMCG sector in India and hence no economic changes that is likely to affect our operations and our income;
- (iii) known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations : We are catering to the FMCG sector and from our past business data there are no known trends or uncertainties which has/ will have an adverse impact on our operations and our income;
- (iv) future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known: In our business operations any increase in material costs, which have a major bearing, are passed on to the customers and hence adverse impact is expected on our revenues. However, changes in labour costs will have some impact;
- (v) the extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices: We custom mould our products as per our customers' designs, patterns and requirements. Most of our products form a small amount in the pricing of the end products by our FMCG clients and hence our revenues are most of the time due to increased volumes. Hence the growth in the FMCG sector will result an increase in our revenue also;
- (vi) total turnover of each major industry segment in which the issuing company Operated: For further details, please refer to the Industry report from CRISIL beginning on page 82 of the Draft Red Herring Prospectus.;
- (vii) status of any publicly announced new products or business segment: None;
- (viii) the extent to which business is seasonal: Negligible;
- (ix) any significant dependence on a single or few suppliers or customers: Refer to para under Significant dependence on few customers" herein above;
- (x) competitive conditions. Refer to para under "Competitive conditions" herein above

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigations, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, Directors, Promoters and Group Entities and there are no defaults, non-payment of statutory dues, over-dues to banks / financial institutions / small scale undertaking(s), defaults against banks / financial institutions / small scale undertaking(s), defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issued by our Company, defaults in creation of full security as per terms of issue / other liabilities, proceedings initiated for / 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) other than unclaimed liabilities of our Company and disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Directors, our Promoters or our Group Entities that would result in a material adverse effect on our business taken as a whole.

Further, except as disclosed hereunder our Company, our Directors, our Promoters or our Group Entities have not been declared as wilful defaulters by the RBI or any government authority and there have been no violations of securities laws in the past or pending against them.

For details of the contingent liabilities of our Company please refer to the section titled ‘Financial Information’ beginning on page 148 of the Draft Red Herring Prospectus.

I. Outstanding cases involving our Company

A. Outstanding cases against our Company

Civil Cases

1. Mr. Rishi Kumar Singh (“Petitioner”) has filed a writ petition bearing Writ Petition [Civil] number 8266 of 2009 in the High Court of Delhi, New Delhi against our Company (“Respondent”).

The Petitioner who had once been in the employment of the Respondent as an office assistant and whose employment was terminated by the Respondent on December 3, 1999 has accused the Respondent of illegally terminating his employment. The Petitioner’s union, Delhi Dalit Mazdoor Vikas Sangathan had preferred a complaint about the Petitioner’s illegal termination before the Labour Commissioner and a legal demand notice was issued to the Respondent on December 31, 1999. The Respondent replied to the notice contending that the Petitioner had entered into employment on May 25, 1994 and that he had tendered his resignation on March 23, 1999 after receiving a payment of ₹13,473 vide a payment voucher dated March 23, 1999 and had discontinued employment with the Respondent. Thereafter, an industrial dispute by preferring a statement of claims was raised by the Petitioner’s union before the Assistant Labour Commissioner wherein it has been alleged by the Petitioner that the Respondent had taken signatures of the Petitioner on a blank paper and later turned it into a resignation letter to escape the liability of paying gratuity as the Petitioner was on the verge of completing five years of employment. A demand for reinstatement was made by the Petitioner. A written statement was filed by the Respondent on February 08, 2001 to the statement of claims filed by the Petitioner. On April 24, 2008, the learned adjudicator delivered the impugned award holding that the letter of appointment and the payment voucher has been manipulated by the Petitioner and that the Petitioner may have worked intermittently from March 23, 1999 to December 3, 1999. The award was passed in favour of the Respondent against the Petitioner stating that the Petitioner had failed to prove his case as per law. A writ petition has been filed by the Petitioner in the Delhi High Court against the award of the Labour Court on April 18, 2009 requesting that the order of the Labour Court be set aside and the Petitioner be reinstated in service with all consequential benefits.

2. Neetu Sharma (“**Claimant**”) has filed a claim (“**Claim**”) on April 16, 2011 against our Company, Mr. Jeevan Kumar (“**Respondent no. 2**”) and United India Insurance Company Limited (“**Respondent no. 3**”) in the Court of Motor Accident Claims Tribunal, Chandigarh (“**Tribunal**”).

The Claim has been made praying for, *inter alia*:

- i. An award for a sum of ₹ 20 Lacs.

The Claim has been made on the following grounds, *inter alia*, that:

- i. The accident took place due to rash and negligent driving of Respondent no. 2;
- ii. The Claimant suffered multiple fractures on the left femur and tibia;
- iii. The Claimant had taken extra diet on account of the accident, had engaged an attendant as well as a physiotherapist and paid huge amounts to them and is still under treatment and has already spent more than ₹ 7 Lacs on the treatment;
- iv. Due to the accident, the Claimant remained on bed for almost 9 months as she suffered multiple fractures on her left leg;
- v. The Claimant could not attend the school and remained on leave without pay;
- vi. The Claimant, her husband and elder daughter suffered multiple injuries on their body; and
- vii. The car belonging to the Claimant's husband was totally damaged;

The case is currently pending for hearing before the Tribunal.

3. Ambica Sharma ("**Claimant**") has filed a claim ("**Claim**") on April 16, 2011 against our Company, Mr. Jeevan Kumar ("**Respondent no. 2**") and United India Insurance Company Limited ("**Respondent no. 3**") in the Court of Motor Accident Claims Tribunal, Chandigarh ("**Tribunal**") under Section 166 of the Motor Vehicle Act 1988.

The Claim has been made praying for, *inter alia*:

- i. An award for a sum of ₹ 15 Lacs.

The Claim has been made on the following grounds, *inter alia*, that:

- i. The accident took place due to rash and negligent driving of Respondent no. 2;
- ii. The Claimant suffered multiple fractures on the both legs;
- iii. The Claimant is still under treatment and has already spent more than ₹ 5 Lacs on her treatment;
- iv. The Claimant's study (education) suffered badly and her marriage prospects was also diminished on account of the accident;
- v. The Claimant, her father, mother and sister suffered multiple injuries on their body; and
- vi. The car belonging to the Claimant's father was totally damaged.

The case is currently pending for hearing before the Tribunal.

4. Akhil Sharma ("**Claimant**") has filed a claim ("**Claim**") on April 16, 2011 against our Company, Mr. Jeevan Kumar ("**Respondent no. 2**") and United India Insurance Company Limited ("**Respondent no. 3**") in the Court of Motor Accident Claims Tribunal, Chandigarh ("**Tribunal**") under Section 166 of the Motor Vehicle Act 1988.

The Claim has been made praying for, *inter alia*:

- i. An award for a sum of ₹ 25 Lacs.

The Claim has been made on the following grounds, *inter alia*, that:

- i. The accident took place due to rash and negligent driving of Respondent no. 2;
- ii. The Claimant suffered multiple fractures on his entire body;
- iii. The Claimant is still under treatment and has already spent more than ₹ 10 Lacs on the treatment;
- iv. Due to the accident the Claimant suffered permanent 50% disability with regard to whole body;
- v. The Claimant was admitted for almost 2 years and during that time he was not able to do his business for two and half years due to which his family had been ruined;
- vi. The Claimant, his wife and two daughters suffered multiple injuries on their body; and
- vii. The car belonging to the Claimant was totally damaged.

The case is currently pending for hearing before the Tribunal.

Tax Cases

1. In the matter of Commissioner of Central Excise, Chandigarh ("**Appellant**") Vs. Varahi Plastics Private Limited (individually, the "**Company**"), Mr. Dewang Sanghavi and Mr. Pramit Sanghavi (jointly, the "**Respondents**")– Excise Stay Application Nos. 647, 648 and 650 of 2007 in Appeal Nos. 732-734 of 2007.

During the period July 2004 and March 2005 ("**Assessment Period**"), the Company at its unit at Baddi, had been clearing the manufactured goods, both as exempted goods without payment of central excise duty in terms of the exemption No. 50/2003 dated June 10, 2003 and also on payment of central

excise duty by duly complying with the condition and requirements laid down in Rule 6 of CENVAT Rules, 2002. As such, the Company had cleared goods worth ₹ 1,95,27,033 in the said Assessment Period without paying any duty as aforesaid. Accordingly, a show cause notice dated August 08, 2005 by the Additional Commissioner (Office of the Commissioner of Central Excise, Chandigarh) was issued upon the Company as to why the central excise duty of ₹ 31,24,325 and education cess of ₹ 62,488 under Section 11A of Central Excise Act, 1944 alongwith interest chargeable under 11AB of the Central Excise Act, 1944 may not be demanded and a penal action under Section 11AC of the Central Excise Act, 1944 and Rule 25 of the Central Excise Rules, 2002. After due process, a demand of ₹ 27,39,695 under Section 11A of Central Excise Act, 1944 alongwith interest under Section 11AB of the Central Excise Act, 1944 was made and a personal liability of ₹ 27,39,695 each on Mr. Dewang Sanghavi and Mr. Pramit Sanghavi was imposed *vide* order in original dated September 20, 2006 passed by the Additional Commissioner (Personal & Vigilance). Aggrieved by the said order, the Respondents filed its appeal before the Commissioner (Appeals) Customs & Central Excise, Chandigarh *vide* Order-In-Appeal No. 951 to 953/CE/CHD/06 dated October 05, 2006. The Respondent's appeal was allowed and the order dated September 20, 2006 was set aside with consequential relief to the Respondents. Thereafter, a review petition under Section 35B(2) (of the Central Excise Act 1944) of Order-In-Appeal No. 951 to 953/CE/CHD/06 dated October 05, 2006 was filed by Appellant. A Committee comprising of the Appellant and Commissioner of Central Excise, Panchkula, constituted under Section 35B(2) of the Central Excise Act, 1944 considered the Order-In-Appeal No. 951 to 953/CE/CHD/06 dated October 05, 2006 to be a fit case for review and authorised the Assistant Commissioner, Central Excise Division, Shimla to file an appeal before the CESTAT, New Delhi. Accordingly, a stay petition on the Order-In-Appeal No. 951 to 953/CE/CHD/06 dated October 05, 2006 was filed by the Appellant before the CESTAT. By a stay order dated April 27, 2007 passed by the CESTAT, it was held that there was no merit in the application filed by the Appellant. However, in the last line of the order, which is the operative part of the order, the CESTAT erroneously allowed the stay petition of the Appellant instead of dismissing the stay petition. The Respondents have therefore filed an appeal dated May 22, 2007 before the CESTAT for the rectification of the said error made by the CESTAT. The matter is pending with the CESTAT.

B. Outstanding cases by our Company

Nil

II. Outstanding cases involving our Directors

A. Outstanding cases against our Directors

Our Promoter Directors, Mr. Pramit Sanghavi and Mr. Dewang Sanghavi are respondents in an appeal Excise Stay Application Nos. 647, 648 and 650 of 2007 in Appeal Nos. 732-734 of 2007. For details, please refer to the heading "Outstanding cases against our Company".

B. Outstanding cases by our Directors

Our Promoter Director, Mr. Pramit Sanghavi has filed a consumer compliant bearing consumer complaint number 615 of 2007 before the District Consumer Disputes Redressal Forum, Delhi. For details, please refer to the heading "Outstanding cases by our Promoters".

III. Outstanding cases involving our Promoters

A. Outstanding cases against our Promoters

Our Promoter Directors, Mr. Pramit Sanghavi and Mr. Dewang Sanghavi are respondents in an appeal Excise Stay Application Nos. 647, 648 and 650 of 2007 in Appeal Nos. 732-734 of 2007. For details, please refer to the heading "Outstanding cases against our Company".

B. Outstanding cases by our Promoters

1. Mr. Pramit Sanghavi ("**Complainant**") has filed a consumer complaint bearing consumer complaint number 615 of 2007 ("**Complainant**") before the District Consumer Disputes Redressal Forum, Delhi against Auto Vikas Sales & Service Private Limited and General Motors India Private Limited ("**Respondents**") under Section 11 and 12 of the Consumer Protection Act, 1986.

The Complainant has been made praying for, *inter alia*, that:

- i. The Respondent pay to the Complainant, the total cost of the car along with damages to the tune of ₹ 5,00,000 as compensation;
- i. The Respondent pay to the Complainant, an interest @ ₹ 18% per annum;
- ii. The Respondents pay to the Complainant, the cost of the Complaint at ₹ 20,000;
- iii. To direct the Respondents to make payments towards the installments for repayment of the bank loan, forthwith.

The Complainant has been prayed on the following grounds, *inter alia*, that:

- i. The Complainant has suffered loss and inconvenience, has been deprived of his right to enjoy and use the car, resulting in mental pain, loss of time, money and energy because of gross negligence, deficiency in service and misconduct on part of the Respondents;
- ii. The Respondents have acted in fraudulent or deceitful manner, which amounts to gross negligence, misconduct and misfeasance on the part of the Respondents.

The Complainant is pending for hearing before the District Consumer Redressal Forum, Delhi.

IV. Outstanding cases involving our Group Entities

A. Outstanding cases against our Group Entities

Nil

B. Outstanding cases by our Group Entities

Nil

Potential Litigation involving our Company

1. Assistant Commissioner of Wealth Tax, New Delhi, has issued a notice dated August 08, 2011 (“**Notice**”) to our Company (“**Noticee**”) under Section 16(2) of the Wealth Tax Act, 1957.

The Notice requires the Noticee to produce evidence in support of the return filed for the assessment year 2009-2010.

Further, no demand has been raised pursuant to the Notice in the pendency of this assessment.

2. Additional Commissioner of Income Tax, New Delhi, has issued a notice bearing number Addl.CIT/R-17/Qust./2011-12/ dated August 24, 2011 (“**Notice**”) to our Company (“**Noticee**”) in respect of assessment year 2009-2010.

The Notice requires the Noticee to furnish details, *inter alia*, on the following:

- i. Places of business of the Noticee and related details;
- ii. Business activities;
- iii. Accounting policies;
- iv. Bank accounts;
- v. Directors’ details;
- vi. Shareholding;
- vii. List of KMPs;
- viii. GP/NP ratio for three preceding years;
- ix. Deductions claimed;
- x. Subscribed and paid-up share capital;
- xi. Exemptions claimed;
- xii. Unsecured loans;
- xiii. Loans and advances made;
- xiv. PF/ESIC;
- xv. Sales tax return;
- xvi. Statutory penalty/fine, if any;
- xvii. Sales/purchases;
- xviii. Maintenance bills;
- xix. Fixed assets;
- xx. Stock inventory;

- xxi. Secured loans;
- xxii. Book profits;
- xxiii. Cash payments;
- xxiv. Bad debts;
- xxv. Sundry creditors;
- xxvi. Sundry debtors;
- xxvii. Employee/director-wise salary and travel expenses;
- xxviii. Investments made;
- xxix. Capital gains;
- xxx. Gains from immoveable properties;
- xxxi. Capital loss;
- xxxii. TDS deductions; and
- xxxiii. Complete books of accounts.

Further, no demand has been raised pursuant to the Notice in the pendency of this assessment.

3. Assessing Officer, Assistant Income Tax Commissioner, New Delhi has issued a notice dated August 25, 2011 ("Notice") to Varahi Limited ("Noticee") under Section 143 (2) of the Income Tax Act, 1961.

The Notice requires the Noticee to produce evidence in support of the return filed for the assessment year 2010-2011.

Further, no demand has been raised pursuant to the Notice in the pendency of this assessment.

Potential Litigation involving our Promoters

4. Assessing Officer/Income Tax Officer, New Delhi has issued a notice dated March 14, 2011 ("**Notice**") to Mr. Pramit Sanghavi ("**Noticee**") under Section 143(2) of the Income Tax Act, 1961.

The Notice requires the Noticee to produce evidence in support of the return filed for the assessment year 2009-2010.

Further, no demand has been raised pursuant to the Notice in the pendency of this assessment.

5. Assessing Officer/Income Tax Officer, New Delhi has issued a notice dated March 14, 2011 ("**Notice**") to Mr. Pramit Sanghavi ("**Noticee**") under Section 142(1) of the Income Tax Act, 1961.

The Notice requires the Noticee to furnish information pertaining to, *inter alia*, on the following:

- i. Bank accounts;
- ii. Sales/purchases;
- iii. Labour charges and salary paid;
- iv. Vehicles and telephones owned and maintained;
- v. Capital account;
- vi. Fixed assets acquired;
- vii. Size and structure of family;
- viii. Complete books of accounts;
- ix. List of sundry creditors;
- x. List of debtors;
- xi. Bad debts;
- xii. Loans taken and given;
- xiii. Balance sheet; and
- xiv. Statement of affairs.

Further, no demand has been raised pursuant to the Notice in the pendency of this assessment.

Potential Litigation involving our Group Entities

6. Assessing Officer/Income Tax Officer, New Delhi has issued a notice dated June 28, 2011 ("**Notice**") to M/s. Adhya Himalayan Waters ("**Noticee**") under Section 143(2) of the Income Tax Act, 1961.

The Notice requires the Noticee to produce evidence in support of the return filed for the assessment year 2009-2010.

Further, no demand has been raised pursuant to the Notice in the pendency of this assessment.

7. Assessing Officer/Income Tax Officer, New Delhi has issued a notice dated June 28, 2011 (“**Notice**”) to M/s. Adhya Himalayan Waters (“**Noticee**”) under Section 142(1) of the Income Tax Act, 1961.

The Notice requires the Noticee to prepare a return of the Noticee’s income for the assessment year 2009-2010 in the appropriate form as prescribed in Rule 12 of the Income Tax Rules, 1962, duly verified and signed.

Further, no demand has been raised pursuant to the Notice in the pendency of this assessment.

8. Sataksi Polymers Private Limited (“**Noticee**”) had received notice for certain additional demands in the assessment order for the year assessment year 1998-1999 on account of non-furnishing of certain statutory forms and the disallowance by the Assessing Authority of the registered dealer sales. The amounts claimed under the Delhi Sales Tax Act, 1975 was ₹ 54,110 and the amount claimed under the Central Sales Tax Act, 1944 was ₹ 34,151. The Noticee then filed two appeals in the Court of the Deputy Commissioner Sales Tax-V, one under section 43(1) of the Delhi Sales Tax Act, 1975 read with rule 36(6) of the Delhi Sales Tax Rules, 1975 and the other under section 9(2) of the Central Sales Tax Act read with 43(1) of the Delhi Sales Tax Act, 1975 against the assessment order for the assessment year 1998-1999. The two appeals came up for hearing on February 11, 2005 and it was contended by the Noticee that disallowance of the registered dealer sales by the Assessing Authority/ was not justified and that the Noticee was prevented from furnishing the statutory forms at the time of assessment as the same were not received from the corresponding purchasing dealers. The Noticee requested that since an amount of ₹ 237,850 under the Delhi Sales Tax Act, 1975 and ₹ 26,437 under the Central Sales Tax Act, 1944 had been received from the purchasing dealers at the time of appeal; the Noticee may be allowed another opportunity to present the same. It was held by the Deputy Commissioner that the Noticee deserved to be allowed another opportunity to present the case before the Assessing Authority. The earlier orders were therefore set aside and remanded with the directions to the Assessing Authority to pass fresh orders and Noticee was directed to appear before the Assessing Authority.
9. Sataksi Polymers Private Limited (“**Noticee**”) had received notice of certain additional demands in the assessment order for the year assessment year 1999-2000 on account of non-furnishing of certain statutory forms and the disallowance by the Assessing Authority of the registered dealer sales. The amounts claimed under the Delhi Sales Tax Act, 1975 was ₹ 37,464 and the amount claimed under the Central Sales Tax Act, 1944 was ₹ 82,249. The Noticee then filed two appeals in the Court of the Deputy Commissioner Sales Tax-V, one under section 43(1) of the Delhi Sales Tax Act, 1975 read with rule 36(6) of the Delhi Sales Tax Rules, 1975 and the other under section 9(2) of the Central Sales Tax Act read with 43(1) of the Delhi Sales Tax Act, 1975 against the assessment order for the assessment year 1998-1999. The two appeals came up for hearing on August 03, 2005 and it was contended by the Noticee that disallowance of the registered dealer sales by the Assessing Authority was not justified and that the Noticee was prevented from furnishing the statutory forms at the time of assessment as the same were not received from the corresponding purchasing dealers. The Noticee requested that since an amount of ₹ 257,485 under the Delhi Sales Tax Act, 1975 and ₹ 107,146 under the Central Sales Tax Act, 1944 had been received from the purchasing dealers at the time of appeal; the Noticee may be allowed another opportunity to present the same. It was held by the Deputy Commissioner that the Noticee deserved to be allowed another opportunity to present the case before the Assessing Authority. The earlier orders were therefore set aside and remanded with the directions to the Assessing Authority to pass fresh orders and the Noticee was directed to appear before the Assessing Authority.

DETAILS OF PENALTY IMPOSED ON OUR COMPANY/ PROMOTERS/ DIRECTORS/ GROUP ENTITIES

There are no penalties imposed on our Company/ our Promoters/ our Directors/ Group Entities in the preceding five years by SEBI, RBI or any of the stock exchanges.

AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS

Other than in accordance with the mutually accepted terms in our agreements with our suppliers, wherein the credit period has been determined, we believe there are no creditors or small scale undertakings to which a sum exceeding ₹ 1 Lacs is due for a period of more than 30 days to be paid by us except as under:

MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET

To our knowledge, no circumstance, other than those disclosed in the chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 177 of the Draft Red Herring Prospectus, have arisen since the date of the last financial statements contained in this Draft Red Herring Prospectus which materially affect or are likely to affect the trading and profitability of our Company, or the value of its assets or the ability to pay its material liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Except for pending approvals mentioned under this Chapter, our Company has received the necessary material consents, licenses, permissions and approvals from the Government of India and various Governmental agencies/private certification bodies as required for our present business and carrying on our business activities and to undertake the Issue. No further material approvals are required for carrying on our present business activities and to undertake the Issue except as disclosed in the Draft Red Herring Prospectus. Further, except as mentioned herein below our Company has not yet received/applied for any licenses, consents, permissions or approvals for carrying out any proposed activities as contained in the Chapter titled 'Objects of the Issue' beginning on page 58 of the Draft Red Herring Prospectus. Unless otherwise stated the approvals mentioned herein below are valid as of the date of the Draft Red Herring Prospectus.

It must be distinctly understood that, in granting these consents, licenses, permissions and approvals, the Government of India and the various respective governmental agencies/private certification bodies do not take any responsibility for our Company's financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. For further details in connection with the regulatory and legal framework within which our Company operates, please see the chapter titled "Key Industrial Regulations and Policies" beginning on page 110 of the Draft Red Herring Prospectus.

I. Approvals related to the Issue

1. In-principle approval from the National Stock Exchange Limited dated [●].
2. In-principle approval from the Bombay Stock Exchange Limited dated [●].
3. The Issue has been authorised by a resolution of the Board passed at its meeting held on July 29, 2011, subject to the approval of shareholders through a special resolution to be passed under to Section 81 (1A) of the Companies Act and such other regulatory authority as may be necessary.
4. The Issue of Equity Shares has been authorised by a special resolution passed by the shareholders of our Company, adopted pursuant to Section 81(1A) of the Companies Act, 1956 at the Annual General Meeting held on August 24, 2011.
5. Our Board has, pursuant to its resolution passed at its meeting held on October 29, 2011 approved the Draft Red Herring Prospectus to be filed with SEBI.

II. Corporate approvals

1. Certificate of incorporation bearing number 55-56515 of 1993-94 dated December 17, 1993, has been issued to our Company by the Additional Registrar of Companies, Delhi and Haryana, in the name of Varahi Plastics Private Limited.
2. Fresh certificate of incorporation consequent upon change of name dated September 08, 2006, has been issued to our Company by the Registrar of Companies, National Capital Territory of Delhi and Haryana pursuant to change of name of our Company to Varahi Private Limited.
3. Fresh certificate of incorporation consequent upon change of name on conversion to public limited company dated May 12, 2011 has been issued to our Company by the Registrar of Companies, National Capital Territory of Delhi and Haryana pursuant to conversion of our Company to public limited company bearing the name Varahi Limited.

III. Business related Approvals

1. Permanent Account Number ("PAN"), AAACV0127G has been allotted to our Company by the Income Tax Department, Government of India, as per the provisions of the Income Tax Act, 1961. The same is valid until cancellation.
2. Our Company's Tax deduction Account Number ("TAN") allotted by the Income Tax Department, Government of India under the provisions of the Income Tax Act, 1961 is DELV01677E. The same is valid until cancelled.

3. EPCG Licenses:

Sr. No.	Licence number	Export obligation items	Import obligation items	Issue date	Duty Saved (₹)	Export Obligation (in Euros/Dollars)	Validity for fulfilling obligation (in years)
1	EPCG Concessional Duty GCA Scheme Licence number 0530154308/3711/00	i. Plastic caps(for bottles) ii. Plastic bottles iii. Mineral water iv. Performs	i. Complete Manufacturing line for one-piece plastic closures.	December 21, 2010	6,02,07,000	9,75,012	8
2	EPCG Concessional Duty GCA Scheme Licence number 0510283121/3/03/00	i. Articles made of Polypropylene	i. Polypropylene Granules	February 04, 2011	71,09,760	1,54,560	3
3	EPCG Concessional Duty GCA Scheme Licence number 0510283124/3/03/00	i. Articles made of Polyester (PET/PB)	i. Relevant Polyester (PET/PBT Resin)	February 04, 2011	31,63,880	68,780	3
4	EPCG Concessional Duty GCA Scheme Licence number 0510283129/3/03/00	i. Articles made of HDPE	i. HDPE Granules	February 04, 2011	28,43,950	61,825	3

- Certificate of Importer-Exporter Code bearing Importer- Exporter Code No. 0595030025 dated July 26, 2011 issued by Foreign Trade Development Officer for our Company's unit at WZ-8/1 and WZ 8/2, Industrial Area, Kirti Nagar, New Delhi – 110 015, E-100-103, Sector-6, Gautam Budh Nagar, Noida, U.P.201 301, 217-218,H.P.S.D.I.C Baddi, Industrial Area, Solan, Himachal Pradesh 173 001, 70-71B, EPIP, Phase-I, Jharmajri, Baddi, Solan, Himachal Pradesh 173 205, Plot No 23, Sector-2 II E, Pant Nagar Udham Singh Nagar, Uttarakhand 247 001, 29/48, EPIP, Phase-I, Jharmajri, Solan, Himachal Pradesh 173 205.
- Registration- Cum-Membership certificate bearing Registration No: FIEO/NR/9599/2007-2008/336 dated January 06, 2011 issued by the Assistant Director of Federation of Indian Export Organisations set up by Ministry of Commerce, Government of India, New Delhi-110 057 for our Company's unit at WZ-8/1 & WZ-8/2, Kirti Nagar, Industrial Area, New Delhi- 110 015, E-100-103, Sector-6, Gautam Budh Nagar, Noida, U.P.201 301, 217-218,H.P.S.D.I.C Baddi, Industrial Area, Solan, Himachal Pradesh 173 001, 70-71B, EPIP, Phase-I, Jharmajri, Baddi, Solan, Himachal Pradesh 173 205, Plot No 23, Sector-2 II E, Pant Nagar Udham Singh Nagar, Uttarakhand 247 001, 29/48, EPIP, Phase-I, Jharmajri, Solan, Himachal Pradesh 173 205 valid upto March 31, 2012.
- Registration- Cum-Membership certificate bearing Registration No: PLEPC/V/289/2010-2011 dated January 03, 2011 issued by the Deputy Director of the Plastics Export Promotion Council sponsored by the Ministry of Commerce & Industry, Government of India, Mumbai- 400 069 for our Company valid upto March 31, 2015.

Approvals Applied For But Not Yet Received

- Application made for taking on record the change of status of the Company from private limited to public limited company to the Deputy Director, Federation of Indian Export Organisations, Niryat Bhawan, Rao Tula Ram Marg, Opp. Army Hospital Research and Referral New Delhi dated September 19, 2011 for our Company.
- Application made for taking on record the change of status of the Company from private limited to public limited company to the Deputy Director, The Public Export Promotion Council, Crystal Tower, Mumbai dated September 19, 2011 for our Company.

NEW DELHI UNIT

Factory

9. Licence to Work A Factory under the Factories Act, 1948, bearing Licence Number DFL-8930 and Registration Number FD-9189 dated May 06, 1998, issued to our Company by the Chief Inspector of Factories, Government of NCT of Delhi for our Company's unit at WZ-8/1, Industrial Area, Kirti Nagar, New Delhi – 110 015 valid upto December 31, 2013.

Tax

10. Central Excise Registration Certificate under Rule 9 of the Central Excise Rules, 2002 for operating as a manufacturer of excisable goods, bearing Registration Number AAACV0127GXM001 dated June 29, 2011 issued to our Company by the Assistant Commissioner, Central Excise, MOD-III, Delhi-I, New Delhi for our Company's unit at WZ-8/1 & WZ-8/2, Industrial Area, Kirti Nagar, West Delhi, Delhi - 110 015 valid until cancellation.
11. Certificate of Registration under Rule 14 of the Value Added Tax Rules, 2005 under the Delhi Value Added Tax Act, 2004, for allotment of VAT Registration Number 07700171600 dated June 22, 2011, issued by the Department of Value Added Tax, Government of N.C.T. of Delhi for our Company's unit at WZ-8/1, Industrial Area, Kirti Nagar, New Delhi – 110 015 valid until cancellation.
12. Certificate of Registration under Finance Act, 1994, read with the Service Tax Rules, 1994 for registration with the Central Excise Department (Service Tax Rules, 1994) and for allotment of Service Tax Code AAACV0127GST004 dated November 08, 2007 and amended on August 03, 2011, issued by the Superintendent, Range-IX, Service Tax Division-I, New Delhi, for our Company's unit at WZ-8/1 and WZ 8/2, Industrial Area, Kirti Nagar, New Delhi – 110 015 valid until cancellation

Employee

13. Letter from the Regional Director, New Delhi (Regional Office, Employees State Insurance Corporation), for registration of employees' and factories/establishments under Section 2(12)/1(5) of the Employee State Insurance Act, 1948 and allotment of Code number 11-24923-24 dated June 02, 1995 for our Company's unit at WZ-8/1, Industrial Area, Kirti Nagar, New Delhi – 110 015 valid from May 05, 1995.
14. Letter from the Office of the Regional Provident Fund Commissioner, New Delhi under the applicability of the Employee's Provident Funds and Miscellaneous Provisions Act, 1952 bearing Registration Number E/DL/18456/Coverage/7267 dated March 31, 1997 by the Regional Provident Fund Commissioner for our Company's unit at WZ-8/1, Industrial Area, Kirti Nagar, New Delhi – 110 015 valid until cancellation.
15. Certificate of Registration granted under Section 7(2) of the Contract Labour (Regulation and Abolition) Act, 1970 bearing number CLA/PE/2005/DLC(W)/17/ dated February 28, 2005 issued by the Office of the Registering Officer F-Block, Karam Pura, New Delhi -110 015 for our Company's unit at Plot No. WZ-8/1, Kirti Nagar, Industrial Area, New Delhi-110 015 valid upto December 23, 2011.

Approvals Applied For But Not Yet Received

16. Application made for renewal of consent to operate under the Air Act and Water Act to Delhi Pollution Control Committee dated March 09, 2007 for our Company's unit at WZ-8/1 and WZ 8/2, Industrial Area, Kirti Nagar, New Delhi – 110 015.
17. Application made for taking on record the change of status of the Company from private limited to public limited company to the Chief Inspector of Factories, Shamnath Marg, New Delhi dated September 16, 2011 for our Company's unit at WZ-8/1 and WZ-8/2, Industrial Area, Kirti Nagar, New Delhi-110 015.
18. Application made for taking on record the change of name of the Company on conversion from private limited to public limited to the Regional E.S.I.C. Commissioner, Rajendra Place, New Delhi dated June

09, 2011 for our Company's unit at WZ-8/1 and WZ-8/2, Industrial Area, Kirti Nagar, New Delhi-110 015.

19. Application made for taking on record the change of name of our Company on conversion to from private limited to public limited to the Regional EPF Commissioner, Wazipur Industrial Area, DEPFO (North) New Delhi dated June 09, 2011 for our Company's unit at WZ-8/1 and WZ-8/2, Industrial Area, Kirti Nagar New Delhi-110 015.
20. Application made by Shiv Enterprises for amendment of name and status of our Company from private limited company to a public limited company in the Contract License to the Registering Officer, F-Block, Karampura dated September 14, 2011 for our Company's unit at WZ-8/1 and WZ-8/2, Industrial Area, Kirti Nagar, New Delhi-110 015.

NOIDA UNIT

Environment

1. Consent under Section 25/26 of the Water Act bearing Registration Number 2609/C/V/5Y/Water Pollution/2010 dated December 28, 2010, issued by the Regional Officer for our Company's unit at E-76, 77 and E-100 to 103, Sector -6, Gautam Budh Nagar, Noida valid from January 01, 2011 upto December 31, 2011.
2. Consent under Section 21 of the Air Act bearing Registration Number 2610/C/V/5Y/Air Pollution/2010 dated December 28, 2010, issued by the Regional Officer for our Company's unit at E-76, 77 and E-100 to 103, Sector -6, Gautam Budh Nagar, Noida valid from January 01, 2011 upto December 31, 2011.

Factory

3. Licence to Work A Factory under the Factories Act, 1948, bearing Licence Number 017262 and Registration Number GZB-703 dated November 19, 2009, issued to our Company by the Director of Factories, for our Company's unit at E-76, 77 and E-100 to 103, Sector -6, Gautam Budh Nagar, Noida valid from January 01, 2011 upto December 31, 2011.
4. Sanction Order to use industrial load of 471 KW bearing Order No. 3498, issued to our Company by the Executive Engineer of Electricity Urban Distribution Division II, Sector 18, Noida for our Company's unit at E-100 -103 and E-77, Sector 6, Gautam Budh Nagar, Noida valid until cancellation.

Tax

5. Central Excise Registration Certificate under Rule 9 of the Central Excise Rules, 2002 for operating as a manufacturer of excisable goods, bearing Registration Number AAACV0127GXM002 dated July 20, 2011 issued to our Company by the Assistant Commissioner, Customs and Central Excise Division-III, Noida for our Company's unit at E-76, 77 and E-100 to 103, Sector -6, Gautam Budh Nagar, Noida valid until cancellation.
6. Certificate of Registration under Sub Rule (8) and (10) of Rule-32 of the U.P. VAT Rules, 2007 of the Uttar Pradesh Value Added Tax Act, 2007, bearing Registration Number 09265701839 allotted as a Tax Identification Number dated June 17, 2011, issued by the Registering Authority, Commercial Taxes, Noida, Government of Uttar Pradesh for our Company's unit at E-76, 77 and E-100 to 103, Sector -6, Gautam Budh Nagar, Noida, w.e.f. April 30, 2003 until cancellation.
7. Certificate of Registration under Finance Act, 1994, read with the Service Tax Rules, 1994 for registration with the Central Excise Department (Service Tax Rules, 1994) and for allotment of Service Tax Code AAACV0127GST008 dated June 18, 2011 issued by the Superintendent, Range-II, Division-III, Noida for our Company's unit at E-76, 77 and E-100 to 103, Sector -6, Gautam Budh Nagar, Noida valid until cancellation.

Employee

8. Letter for registration of employees' and factories under Section 2(12) of the Employee State Insurance Act, 1948 and allotment of Code Number 21-34080-24 dated September 08, 2003 from the Deputy

Director, Kanpur (Regional Office, Employees State Insurance Corporation), for our Company's unit at E-100-3, Sector-6, Noida, Uttar Pradesh valid from August 01, 2003.

9. Letter under the Employees Provident Funds and Miscellaneous Provision Act, 1952, bearing Number 7189/SRD/EN8/UP/34632 dated March 22, 2004 from the Regional Provident Fund Commissioner, Noida (Sub - Account Office, Employees' Provident Fund Organisation), for allotment of Code Number DL/18456, for our Company's unit at E-100 & E-101, Sector-6, Noida, Uttar Pradesh w.e.f. June 02, 2003.

Miscellaneous

10. Entrepreneur's Memorandum under MSME Act on acknowledgement for filing memorandum for manufacturing plastic bottles/Jar and plastic caps bearing Entrepreneur Memorandum Number 090101205146 dated June 04, 2011 by the General Manager, District Industries Centre, Gautam Budh Nagar for our Company's unit at Plot No. E-100 to 103, Sector -6, Gautam Budh Nagar, Noida.

Approvals Applied For But Not Yet Received

11. Application made for taking on record the change of name of our Company from 'Varahi Private Limited' to 'Varahi Limited' to the Manager, U.P. Pollution Control Board, Block -E, 12/1, Sector-1, Noida dated August 01, 2008 for our Company's unit at E-76, 77, 100-103, Sector-6, Noida, District- Gautam Budh Nagar, Uttar Pradesh.
12. Application made for taking on record the change of name of our Company from 'Varahi Private Limited' to 'Varahi Limited' to the Manager, E.S.I.C. Local Office, Sector-9, Noida dated June 09, 2011 for our Company's unit at E- 76, 77, 100-103, Sector-6, Noida, District- Gautam Budh Nagar, Uttar Pradesh.
13. Application made for taking on record the change of name from 'Varahi Private Limited' to 'Varahi Limited' to the Regional Provident Fund Commissioner A-21, Sector-24, Noida dated June 09, 2011 for our Company's unit at E-76, 77, 100-103, Sector-6, Noida, District- Gautam Budh Nagar, Uttar Pradesh.

HPSIDC – BADDI/SOLAN UNIT

Environment

1. Renewal of consent under the Water Act and Air Act bearing Number PCB/EE(Baddi)/Varahi/2007-2402-04 dated October 31, 2007, issued by the Environmental Engineer, H.P. State Pollution Control Board for our Company's unit at Plot No. 217-18, HPSIDC, Industrial Area, Baddi, Tehsil Nalagarh, District Solan, Himachal Pradesh valid for the period 2006-07 to 2010-11 upto March 31, 2011.
2. Authorisation under Rule 5 of the Hazardous Waste (Management and Handling) Amendment Rules, 2003 of Environment Protection Act bearing No. PCB/HWMR/1597/Varahi Private Limited/07-21480-82 dated December 31, 2007 to operate a facility for collection and storage of hazardous waste issued by Member Secretary H.P. State Pollution Control Board, Shimla at our Company's unit at Plot No. 217-18, HPSIDC, Industrial Area, Baddi, Tehsil Nalagarh, District Solan, Himachal Pradesh valid upto March 31, 2012.

Factory

3. Licence to Work A Factory under the Factories Act, 1948, bearing Registration Number L&E (FAC) 9-97/04 dated December 2007, issued to our Company by the Chief Inspector of Factories, Himachal Pradesh for our Company's unit at Plot No. 217-18, HPSIDC, Industrial Area, Baddi, Tehsil Nalagarh, District Solan, Himachal Pradesh valid upto December 31, 2011.
4. Sanction Order to use industrial load of 1,325 KW bearing Order No. 8659 dated November 19, 2008, issued to our Company by the Superintending Engineer, Himachal Pradesh state Electricity Board for our Company's unit at Plot No. Plot No. 217-218, HPSIDC, Industrial Area, Baddi, Tehsil Nalagarh, District Solan, Himachal Pradesh valid until cancellation.

Tax

5. Central Sales Tax Registration Certificate under Central Sales-Tax (Registration and Turnover) Rules, 1957 registering our Company as a dealer under Section 7(1) /7(2) of the Central Sales Tax Act, 1956 bearing Registration Number 02030200434 dated June 13, 2011 issued to our Company by the Assessing Authority, Baddi for our Company's unit at Plot No. 217-18, HPSIDC, Industrial Area, Baddi, Tehsil Nalagarh, District Solan, Himachal Pradesh valid from April 09, 2003 until cancellation.
6. Certificate of Registration under H.P. Value Added Tax Act, 2005 registering our Company as a dealer under Clause 1(2) of Section 14 of the Himachal Pradesh Value Added Tax Act, 2005 bearing Tax Payer's Identification Number 02030200434 dated June 13, 2011, issued by the Assessing Authority, Baddi for our Company's unit at Plot No. 217-18, HPSIDC, Industrial Area, Baddi, Tehsil Nalagarh, District Solan, Himachal Pradesh valid from April 09, 2003 until cancellation.
7. Certificate of Registration under Finance Act, 1994, read with the Service Tax Rules, 1994 for registration with the Central Excise Department (Service Tax Rules, 1994) and for allotment of Service Tax Code AAACV0127GST002 dated June 27, 2011 issued by the Superintendent of Central Excise Division, Range-I Baddi for our Company's unit at Plot No. 217-218, HPSIDC, Industrial Area, Baddi, District Solan, Himachal Pradesh valid until cancellation.

Employee

8. Letter under Section 2(12)/1(5) of the Employee State Insurance Act, 1948 for registration of factories and establishments and allotment of Code Number PB/HP37430/66 dated August 22, 2003 from the Regional Director, Solan (Regional Office, Employees State Insurance Corporation, Chandigarh), for our Company's unit at Plot No. 218, HPSIDC, Industrial Area, Baddi, Tehsil Nalagarh, District Solan, Himachal Pradesh valid from June 20, 2003 until cancellation.
9. Letter under the Employees Provident Funds and Miscellaneous Provision Act, 1952, for allotment of Code bearing No. H.P.-3026/Gov/Comp/16175 issued by the Assistant P.F. Commissioner, Shimla (Regional Office, Employees' Provident Fund Organisation), for our Company's unit at Plot No. 218, HPSIDC, Industrial Area, Baddi, Tehsil Nalagarh, District Solan, Himachal Pradesh valid from June 16, 2003.

Approvals Applied For But Not Yet Received

10. Application made for the renewal of consent to operate under the Water Act and the Air Act for the period 2011-2012 to 2015-2016 to the Environmental Engineer, HP State Environment Protection and Pollution Control Board, Baddi, District- Solan dated May 30, 2011 for our Company's unit at 217-218, H.P.S.I.D.C., Industrial Area, Baddi, District- Solan, Himachal Pradesh.
11. Application made for taking on record the change of name of our Company 'Varahi Private Limited' to 'Varahi Limited' to the Environmental Engineer, Pollution Control Board, Baddi, District- Solan dated August 17, 2011 for our Company's unit at 217-218, H.P.S.I.D.C , Industrial Area, Baddi, District- Solan, Himachal Pradesh.
12. Application made for taking on record change of name of our Company from 'Varahi Private Limited' to Varahi Limited to the Regional Director, Regional Office, ESIC, Parwanoo- HP dated June 13, 2011 for our Company's unit at 217-218, H.P.S.I.D.C , Industrial Area, Baddi, District Solan, Himachal Pradesh.
13. Application made for taking on record the change of name of our Company from 'Varahi Private Limited' to 'Varahi Limited' to the Assistant P.F. Commissioner, SDA Complex, Shimla dated August 25, 2011 for our Company's unit at 217-218, H.P.S.I.D.C, Baddi, District-Solan, Himachal Pradesh.

JHARMAJRI – BADDI/SOLAN UNIT

Environment

14. Consent under the Water Act and Air Act bearing Registration Number PCB/EE (Baddi)/(1032)/Varahi Private Limited/ 2010-273-96 dated May 19, 2011, issued by the Senior Environmental Engineer for our Company's unit at Plot No. 70 and 71B, EPIP, Phase-I, Jharmajri, Tehsil Baddi, District Solan, Himachal Pradesh valid upto March 31, 2015.

Factory

1. Licence to Work A Factory under the Factories Act, 1948, bearing Registration Number L&E (FAC) 9-113/11 dated August 2011, issued to our Company by the Chief Inspector of Factories, Himachal Pradesh for our Company's unit at Plot No. 70 and 71B, EPIP, Phase-I, Jharmajri, Tehsil Baddi, District Solan, Himachal Pradesh valid upto December 31, 2014.
2. Sanction Order to use industrial load of 999 KW bearing Order No. 422315 dated November 25, 2010, issued to our Company by the Assistant Executive Engineer, Himachal Pradesh state Electricity Board for our Company's unit at Plot No. 70 and 71B, EPIP, Phase-I, Jharmajri, Baddi, District Solan, Himachal Pradesh valid until cancellation.

Tax

3. Central Sales Tax Registration Certificate under Central Sales-Tax (Registration and Turnover) Rules, 1957 registering our Company as a dealer under Section 7(1) /7(2) of the Central Sales Tax Act, 1956 bearing Registration Number 02030100109 dated June 13, 2011 issued to our Company by the Assessing Authority, Baddi for our Company's unit at Plot No. 70 and 71B, EPIP, Phase-I, Jharmajri, Baddi, District Solan, Himachal Pradesh valid from September 02, 2005 until cancellation.
4. Certificate of Registration under H.P. Value Added Tax Act, 2005 registering our Company as a dealer under Clause 1(2) of Section 14 of the Himachal Pradesh Value Added Tax Act, 2005 bearing Tax Payer's Identification Number 02030100109 dated June 13, 2011, issued by the Assessing Authority, Baddi for our Company's unit at Plot No. 70 and 71B, EPIP, Phase-I, Jharmajri, Baddi, District Solan, Himachal Pradesh valid from September 02, 2005 until cancellation.
5. Certificate of Registration under Finance Act, 1994, read with the Service Tax Rules, 1994 for registration with the Central Excise Department (Service Tax Rules, 1994) and for allotment of Service Tax Code AAACV0127GSD005 dated April 12, 2010 issued by the Superintendent of Central Excise Division, Baddi, Himachal Pradesh for our Company's unit at Plot No. 70 and 71B, EPIP, Phase-I, Jharmajri, Baddi, District Solan, Himachal Pradesh valid until cancellation.

Employee

6. Letter under Section 2/1(5) of the Employee State Insurance Act, 1948 for registration of factories and establishments and allotment of Code Number HP.14-00-043900/000/0205/1960 dated August 16,, 2011 from the Assistant Director, Regional Office, Employees State Insurance Corporation, for our Company's unit at Plot No. 70 and 71B, EPIP, Phase-I, Jharmajri, Baddi, District Solan, Himachal Pradesh valid from March 01, 2010 until cancellation.
7. Letter under the Employees Provident Funds and Miscellaneous Provision Act, 1952, for allotment of Code bearing No. RO/SML/Comp./Cov/HP-6759/3831 dated June 09, 2010 issued by the Assistant P.F. Commissioner, Ministry of Labour and Employment, Government of India for our Company's unit at Plot No. 70 and 71B, EPIP, Phase-I, Jharmajri, Baddi, District Solan, Himachal Pradesh valid from March 01, 2010 until cancellation.

Miscellaneous

8. Letter bearing Number Ind Dev F (34) Regn (L&M) – 819/ 2005 taking on record the change of name of our Company from Varahi Private Limited (Container Division) (Unit-II) to Varahi Limited (Container Division) (Unit-II) dated June 02, 2011 by Commissioner of Industries, Himachal Pradesh, Shimla.
9. Permission to install DG set of capacity 1.500 KVA against the sanctioned connected load of 750 KW under Section 47(A) of Indian Electricity Rules, 1956 bearing Number HPSEB Ltd./CE(Comm.)/PC-DGS(SLNCIR)-Vol(V)/2010-11-9068-74 dated September 06, 2010 by the Chief Engineer (Comm.), HPSEB, Vidyut Bhwan, Shimla for our Company's unit at Plot No. 70 and 71B, EPIP, Phase-I, Jharmajri, Himachal Pradesh.
10. Entrepreneur's Memorandum under MSME Act on acknowledgement for filing memorandum for manufacturing petbottles, plastic caps, closures, containers, lids, jars and performs dated March 31,

2010, by the Deputy Director of Industries, Department of Industries, SWCA, Baddi, Solan for our Company's unit at Plot No. 70 and 71B, EPIP, Phase-I, Jharmajri, Himachal Pradesh.

Approvals Applied For But Not Yet Received

11. Application for taking on record of the name change of our Company from Varahi Private Limited to Varahi Limited dated August 17, 2011 to the SDO Electricals, HPSEB, Barotiwala, District Solan, Himachal Pradesh.
12. Application for taking on record of the name change of our Company from Varahi Private Limited to Varahi Limited dated August 17, 2011 to the Environmental Engineer, Pollution Control Board, Baddi, District Solan, Himachal Pradesh.
13. Application for taking on record of the name change of our Company from Varahi Private Limited Unit-II to Varahi Limited Unit-II dated August 17, 2011 to the Environmental Engineer, Pollution Control Board, Baddi, District Solan, Himachal Pradesh.

PANTNAGAR UNIT

Factory

1. Licence to Work A Factory under the Factories Act, 1948, bearing Licence Number U.S.N- 1006 dated January 12, 2007 issued to our Company by the Director of Factories, for our Company's unit at Plot No.23, Sector- 2, Integrated Industrial Estate, Pant Nagar valid from January 01, 2011 upto December 31, 2011.
2. Sanction Order to use industrial load of 990 KW bearing Order No.141/EDC(U) dated January 09, 2009, issued to our Company by the Assistant General Manager, Uttarakhand Power Corporation Limited for our Company's unit at Plot No.23 Integrated Industrial Estate, Sector -2, Sidcul, Pant Nagar, Udham Singh Nagar valid until cancellation.

Tax

3. Central Excise Registration Certificate under Rule 9 of the Central Excise Rules, 2002 for operating as a dealer of excisable goods, bearing Registration Number AAACV0127GED004 dated September 13, 2011 issued to our Company by the Assistant Commissioner, Central Excise & Customs, Rampur, for our Company's unit at Plot No. 23-A, Integrated Industrial Estate, Sector -2, Sidcul, Pant Nagar, Udham Singh Nagar, Uttarakhand valid until cancellation.
4. Certificate of Registration under Value Added Tax Act, 2005, and Central Sales Tax Act, 1956 registering our Company as a dealer bearing Registration Number 05004593557 dated December 25, 2004 issued by Assist Commissioner Department of Commercial Tax, Government of Uttarakhand, for our Company's unit at Plot No.23 and 23-A, Sector- 2, Integrated Industrial Estate, Pant Nagar valid from December 25, 2004 until cancellation.
5. Certificate of Registration under Section 69 of Finance Act, 1994, read with the Service Tax Rules, 1994 for registration with the Central Excise Department (Service Tax Rules, 1994) and for allotment of Service Tax Registration Number AAACV0127GST003 dated December 27, 2006 issued by the Superintendent of Central Excise Range 1, Rudrapur for our Company's unit at Plot No.23, Sector- 2, Integrated Industrial Estate, Pant Nagar valid until cancellation.
6. Certificate of Registration under Chapter V of Finance Act, 1994, read with the Service Tax Rules, 1994 for registration with the Central Excise Department (Service Tax Rules, 1994) and for allotment of Service Tax Registration Number AAACV0127GSD006 dated June 08, 2010 issued by the Central Excise Officer of Central Board of Excise and Customs for our Company's unit at Plot No.23-A, Sector- 2, Integrated Industrial Estate, Pant Nagar valid until cancellation.
7. Certificate of Registration under Chapter V of Finance Act, 1994, read with the Service Tax Rules, 1994 for registration with the Central Excise Department (Service Tax Rules, 1994) and for allotment of Service Tax Registration Number AAACV0127GSD007 dated June 16, 2011 issued by the Central

Excise Officer of Central Board of Excise and Customs for our Company's unit at House No-37, Khasra Number 03, Kaliyar Road, Bahadrapur, Haridwar, Uttarakhand valid until cancellation.

Employee

8. Letter under Section 2(12)/1(5) of the Employee State Insurance Act, 1948 for registration of factories and establishments and allotment of Code Number 61-4532-34/RU dated February 07, 2007 from the Deputy Director, Regional Office, Employees State Insurance Corporation, for our Company's unit at Pantnagar, valid from November 16, 2006 until cancellation.
9. Letter under Section 2 A of the Employees Provident Funds and Miscellaneous Provision Act, 1952, bearing number 425/EPF/SRO/HLD/Enf/Coverage/UA/34502 for allotment of Code bearing No. UA/34502 dated May 03, 2007 issued by the Regional Provident Fund Commissioner, Ministry of Labour, Government of India for our Company's unit at Plot No.23 Sector- 2, Integrated Industrial Estate, Pant Nagar valid from November 01, 2006 until cancellation.

Miscellaneous

10. Entrepreneur's Memorandum under MSME Act on acknowledgement for filing memorandum for manufacturing PET Bottles Caps Closures bearing Entrepreneur Memorandum Number 0512000003 dated December 19, 2006 by the General Manager, District Industries Centre, (Uddham Singh Nagar) for our Company's unit at Plot No. Plot No.23 Sector- 2, Integrated Industrial Estate, Pant Nagar
11. Filing Entrepreneur's Memorandum under provisions of Press Note No. 6 dated July 29, 1993 and Press Note No. 17 dated November 28, 1997 on acknowledgement for filing memorandum for manufacturing PET Bottles, PET Jars, Plastic Caps and Closures, PET preforms and other Plastic articles bearing Entrepreneur Memorandum Number 1716/SIA/IMO/2010 dated May 05, 2010 by the General Manager, District Industries Centre, (Uddham Singh Nagar) for our Company's unit at Plot No.23/ 23-A Sector- 2, Integrated Industrial Estate, Sidcul, Pant Nagar, Kiccha, Uttam Singh Nagar, Uttarakhand- 263 153.

Approvals Applied For But Not Yet Received

12. Application for consent under Section 21 of the Air Act by our Company dated January 19, 2011 to The Member Secretary, Uttarakhand Environment Protection and Pollution Control Board for our Company's Plot No.23 Sector- 2, Integrated Industrial Estate, Sidcul, Pant Nagar- 263 153.
13. Application for consent under Section 25 of the Water Act by our Company dated January 19, 2011 to The Member Secretary, Uttarakhand Environment Protection and Pollution Control Board for our Company's Plot No.23 Sector- 2, Integrated Industrial Estate, Sidcul, Pant Nagar- 263 153.
14. Application for taking on record change in name of our Company from 'Varahi Private Limited' to 'Varahi Limited' to the Regional Officer, Uttarakhand Environment Protection and Pollution Control Board, Haldwani, Uttarakhand dated June 28, 2011 for our Plot No. 23, Integrated Industrial Estate, Sidcul Pant Nagar 263 153.
15. Application bearing Ref. No. VL/2011-12/CE for taking on record of the name change of our Company from Varahi Private Limited (Container Division-I) to Varahi Limited (Container Division-I) dated June 10, 2011 to the Deputy Director of Factories, Uttarakhand for our Company's Unit at Plot No.23 and 23-A, Sector- 2, Integrated Industrial Estate, Sidcul, Pant Nagar- 263 153.
16. Application bearing Ref. No. VL/2011-12/FA for taking on record of the name change of our Company from Varahi Private Limited (Container Division-I) to Varahi Limited (Container Division-I) dated June 10, 2011 to the Superintendent Central Excise and Customs, Range- I, Rudrapur, U.S. Nagar, Uttarakhand for our Company's Unit at Plot No.23 and 23-A, Sector- 2, Integrated Industrial Estate, Sidcul, Pant Nagar- 263 153.
17. Application made for taking on record the change of name of our Company from 'Varahi Private Limited' to 'Varahi Limited' to the Assistant/Deputy Director of Factories, Shram Bhawan, Uttarakhand dated June 10, 2011 for our Company's unit at Plot No. 23 and 23-A, Integrated Industrial Estate, District- Pantnagar.

18. Application made for taking on record the change of name of our Company from 'Varahi Private Limited' to 'Varahi Limited' to the Superintendent Central Excise and Customs, Range-I, Rudrapur, U.S Nagar, Uttarakhand dated June 10, 2011 for our Company's unit at Plot No. 23 and 23-A, Integrated Industrial Estate, Pant Nagar, District Udham Singh Nagar.
19. Application made for taking on record the change of name of our Company from 'Varahi Private Limited' to 'Varahi Limited' to the Assistant Commissioner EPF, Khurana Complex, Haldwani, Uttarakhand dated June 10, 2011 for our Company's unit at Plot No. 23 and 23-A, Integrated Industrial Estate, Pant Nagar, District- Udham Singh Nagar.
20. Application made for taking on record the change of name of our Company from 'Varahi Private Limited' to 'Varahi Limited' to the Ministry of Commerce and Industry, Department of Industrial Policy and Promotion, Udyog Bhawan, New Delhi dated September 19, 2011 for our Company's unit at Plot No. 23 and 23-A, Integrated Industrial Estate, Pant Nagar, District- Udham Singh Nagar.

OTHER UNITS

1. Certificate of Registration under the Central Sales Tax (Registration and Turnover) Rules, 1957, registering our Company as a dealer under Sections 7(1) / 7(2) of the Central Sales Tax Act, 1956, bearing number 02030100771, issued by the Commercial Tax Officer. The same is valid for our Company's units at Plot No. 29/48, EPIP, Phase-I, Jharmajri, Baddi, District Solan, Himachal Pradesh.
2. Certificate of Registration under H.P. Value Added Tax Act, 2005 registering our Company as a dealer/ person under Clause (1) (2) Section 14 of the Himachal Pradesh Value Added Tax Act, 2005, bearing number 02030100771 dated June 29, 2010. The same is valid for our Company's units at Plot No. 29/48, EPIP, Phase-I, Jharmajri, Baddi, District Solan, Himachal Pradesh.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue of Equity Shares has been authorised by the resolution of the Board of Directors at their meeting held on July 29, 2011. The shareholders of our Company have, by a special resolution passed pursuant to Section 81(1A) of the Companies Act, at the Annual General Meeting of our Company held on August 24, 2011, approved the Issue.

The Bombay Stock Exchange Limited and the National Stock Exchange of India Limited have given in-principle approval for the Issue pursuant to letters dated [●] and [●] respectively.

Prohibition by SEBI, RBI or Governmental authority

Our Company, our Directors, our Promoters, the Promoter Group, Group Entities or the person (s) in control of our Company have not been debarred from accessing the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or the RBI or any other regulatory or governmental authority. The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

The companies, with which any of the Promoters, Directors or persons in control of our Company are or were associated as promoters, directors or persons in control, have not been debarred from accessing the capital markets under any order or direction passed by SEBI or the RBI or any other regulatory or governmental authority.

None of the Directors are associated in any manner with any entities, which are engaged in securities market related business and are registered with the SEBI for the same.

Our Company, our Directors, our Promoters and the relatives of the Promoters (as defined under the Companies Act) and our Group Entities have not been identified as wilful defaulters by RBI or any other government authorities. Our Promoters and the Group Entities of our Promoters have further confirmed that there are no violations of securities laws committed by them in the past or currently pending against them.

Eligibility for this Issue

Our Company is an “unlisted issuer” in terms of the SEBI ICDR Regulations; and this Issue is an “Initial Public Offer” in terms of the SEBI ICDR Regulations. Our Company is eligible to make the Issue in accordance with Regulation 26(1) of the SEBI ICDR Regulations.

Regulation 26(1) of the SEBI (ICDR) Regulations states as follows:

“26.(1) An unlisted company may make an initial public offering (IPO) of equity shares only if it meets all the following conditions:

- (a) The company has net tangible assets of at least ₹ 300 lacs in each of the preceding 3 full years (of 12 months each), of which not more than 50% is held in monetary assets:*

Provided that if more than 50% of the net tangible assets are held in monetary assets, the company has made firm commitments to deploy such excess monetary assets in its business/project;

Provided further that the limit of fifty per cent. on monetary assets shall not be applicable in case the public offer is made entirely through an offer for sale.

- (b) The company has a track record of distributable profits in terms of section 205 of the Companies Act, 1956, on both stand-alone as well as consolidated basis for at least three (3) out of immediately preceding five (5) years;*

Provided further that extraordinary items shall not be considered for calculating distributable profits in terms of section 205 of Companies Act, 1956;

Provided further that an issuer who had subsidiary/ subsidiaries for a period lesser than five years, shall have net profits on a consolidated basis in atleast one year for which consolidated accounts are prepared.

- (c) *The company has a net worth of at least ₹ 100 lacs in each of the preceding 3 full years (of 12 months each);*
- (d) *In case the company has changed its name within the last one year, atleast 50% of the revenue for the preceding 1 full year is earned by the company from the activity indicated by the new name; and*
- (e) *The aggregate of the proposed issue and all previous issues made in the same financial year in terms of size (i.e., offer through offer document + firm allotment + promoters' contribution through the offer document), does not exceed five (5) times its pre-issue networth as per the audited balance sheet of the last financial year.)"*

Our Company's net tangible assets, monetary assets, net profit and net worth derived from the Auditor's Report included in the Draft Red Herring Prospectus as at, and for the last five years ended Fiscal 2011 are set forth below:

	(₹ in Lacs)				
Particulars	Fiscal 2011	Fiscal 2010	Fiscal 2009	Fiscal 2008	Fiscal 2007
Net Tangible Assets ¹	12,205.38	8,414.20	6,460.60	5,563.92	4,975.03
Monetary Assets ²	34.95	16.79	29.79	30.40	13.69
Monetary Assets as a % of Net Tangible Assets	0.29	0.20	0.45	0.53	0.27
Net Worth ³	5,466.34	4,455.56	3,690.42	2,584.87	1,978.98
Distributable Profits	1,057.67	773.30	1,070.43	613.87	554.81

¹"Net Tangible Assets" are defined as the sum of fixed assets (including capital work in-progress and excluding revaluation reserve) investments, current assets (excluding deferred tax assets) less current liabilities (excluding deferred tax liabilities and secured as well as unsecured long term liabilities) excluding intangible assets as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India.

²Monetary Assets are defined as the sum of cash & bank balances.

³Net Worth has been computed as the aggregate of equity shares capital and reserves (excluding revaluation reserves) and after deducting miscellaneous expenditure not written off, if any.

For a complete explanation of the above figures please refer to the section entitled "Financial Information" beginning on page 148 of the Draft Red Herring Prospectus.

Our Company shall ensure that the aggregate of the proposed issue and all previous issues made in the same financial year in terms of size (i.e. public issue by way of offer document + firm allotment + Promoters' contribution through the offer document) does not exceed five (5) times our pre- issue net worth as per the audited balance sheet of the last financial year.

There has been a change in the name of our Company in the preceding one year. However, the change in the name of our Company does not indicate any change in its business activities.

This Issue is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI ICDR Regulations. Our Company shall ensure that the number of Allottees shall be not less than 1,000 otherwise the entire application money shall be refunded forthwith. In case of delay, if any, in refund, our Company shall pay interest on the application money at the rate of 15% p.a. for the period of delay.

This being an Issue for Equity Shares representing more than 25% of the post-Issue Equity Share Capital of our Company, Equity Shares will be offered to the public for subscription in accordance with the terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended. In accordance with the SEBI ICDR Regulations, not more than 50% of the Issue shall be available for allocation to QIBs.

If the minimum public shareholding requirements of Rule 19(2)(b) of the SCRR are not met, the entire application money will be refunded forthwith.

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 QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available

for allocation in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIBs, subject to valid Bids received from them at or above the Issue Price.

Further not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price.

Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories, at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange and in accordance with applicable laws, rules, regulations and guidelines, subject to valid Bids being received at or above the Issue Price. For further details, please refer to the chapter titled '*Issue Procedure*' beginning on page 222 of the Draft Red Herring Prospectus.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI.

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS 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 DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, SAFFRON CAPITAL ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, SAFFRON CAPITAL ADVISORS PRIVATE LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED OCTOBER 29, 2011 WHICH READS AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, IT'S DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM that:**
 - a. THE DRAFT RED HERRING PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THIS ISSUE;**
 - b. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - c. THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED**

ISSUE (AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

- 3. WE CONFIRM THAT BESIDES OURSELF, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4. WE HAVE SATISFIED OURSELF ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. – NOTED FOR COMPLIANCE.**
- 5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**
- 6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE CLAUSE HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.**
- 7. WE CERTIFY THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 ARE SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SECURITIES AND EXCHANGE BOARD OF INDIA. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. NOT APPLICABLE.**
- 8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**
- 9. WE CONFIRM THAT NECESSARY ARRANGEMENTS SHALL BE MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT RED HERRING PROSPECTUS. WE SHALL ENSURE THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE.**
- 10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE ALLOTTED SHARES IN THE DEMAT OR PHYSICAL MODE ONLY. - NOT APPLICABLE**

11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:
 - a. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY AND
 - b. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLM ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

Note:

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, National Capital Territory of Delhi & Haryana, in terms of section 60B of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, National Capital Territory of Delhi & Haryana, in terms of sections 56, 60 and 60B of the Companies Act.

Disclaimer Statement of our Company and the BRLM

Our Company and the BRLM accept no responsibility for statements made, otherwise than in the Draft Red Herring Prospectus or in the advertisement or any other material issued by or at the instance of our Company and anyone placing reliance on any other source of information, including our Company's website www.varahi.in would be doing so at his or her own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the Issue Agreement entered into between the BRLM with our Company and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by our Company and the BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

The BRLM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in future engage, in investment banking transactions with our Company, affiliates or associates or third parties, for which they have received, and may in future receive, compensation.

Neither our Company, nor its Directors and officers, nor any member of the Syndicate are liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Caution

Bidders will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares in the Issue.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with competent courts/ authorities at New Delhi.

Disclaimer in respect of jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in Equity Shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), trusts (registered under Societies Registration Act, 1860, or any other trust law and are authorised under their constitution to hold and invest in Equity Shares) public financial institutions as specified in Section 4A of the Companies Act, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, Provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500 Lacs, Pension Funds with a minimum corpus of ₹ 2,500 Lacs, the National Investment Fund, Insurance Funds set up and managed by the army, navy and/or air force of the Union of India, Insurance Funds set up and managed by the Department of Posts, India, and to permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, and other eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold the Equity Shares. The Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to equity shares issued hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Draft Red Herring Prospectus comes is required to inform himself or herself about, and to, observe any such restrictions.

Any disputes arising out of this Issue will be subject to the jurisdiction of courts in New Delhi, India only. No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus has been submitted to the SEBI for its observations. Accordingly, the Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and the Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the 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 from the date hereof or that the information contained herein is correct as of any time subsequent to the date of the Draft Red Herring Prospectus.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption form, or in a transaction not subject to, the registration requirements of the Securities Act.

Disclaimer Clause of the BSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of the Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of the NSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of the Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of the IPO Grading Agency

[●]

Filing

A copy of the Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, SEBI Bhavan, Plot No. C4-A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra, India.

A copy of the Red Herring Prospectus, along with documents to be filed under Section 60B of the Act, and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration to the Registrar of Companies at Registrar of Companies, Delhi & Haryana, 4th floor, IFCI Tower, 61, Nehru Place, New Delhi – 110 019, India.

Listing

The Equity Shares Allotted pursuant to this Issue are proposed to be listed on the BSE and the NSE. Initial listing applications have been made to the BSE and the NSE for permission to list the Equity Shares and for an official quotation of the Equity Shares of our Company. [●] shall be the Designated Stock Exchange with which the basis of allotment shall be finalised.

In case the permission to deal in, and for an official quotation of, the Equity Shares are not granted by any of the above mentioned Stock Exchanges, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within eight (8) days after the day from which the Issuer becomes liable to repay it then our Company, then our Company and every Director of our Company who is an officer in default shall, on and from expiry of eight (8) days, be jointly and severally liable to repay that money with interest, at 15% per annum on the application monies as prescribed under Section 73 of the Companies Act and the rules formulated thereunder.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges mentioned above are taken within twelve (12) Working Days of Bid/ Issue Closing Date.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of Sub-Section (1) of Section 68A of the Companies Act which is reproduced below:

“Any person who-

- (a) makes in a fictitious name an application to a company for acquiring, or subscribing for, any shares therein, or***

(b) otherwise induces a company to allot or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.”

Consents

Consents in writing of our Directors, our Company Secretary, the Compliance Officer, the Statutory Auditor, the Legal Advisor to the Issue, the Bankers to our Company, the BRLM, the Registrar to the Issue, the Syndicate Members*, the Escrow Collection Banks*, Refunds Bank(s)* and the IPO Grading Agency to act in their respective capacities, will be obtained and will be filed along with a copy of the Red Herring Prospectus with the RoC and such consents will not be withdrawn upto the time of delivery of the Prospectus for registration, is as required under Section 60 and 60B of the Companies Act.

**these will be appointed prior to filing of the Red Herring Prospectus with the RoC and their consents as above would also be obtained prior to the filing of the Red Herring Prospectus with the RoC*

M/s. Mohit Parekh & Co., Chartered Accountants, our Statutory Auditor have given their written consent to the inclusion of their report in the form and context in which it appears in the Draft Red Herring Prospectus and such consent and report will not be withdrawn upto the time of delivery of the Prospectus with the RoC for registration.

Crisil Limited, the IPO Grading Agency engaged by us for the purpose of IPO Grading have given their consent as experts, pursuant to their letter dated [●] for inclusion of their report in the form and content in which it will appear in the Red Herring Prospectus, and such consent will not be withdrawn until the time of delivery of the Prospectus with the RoC for registration.

Expert Opinion

Except for the report of Crisil Limited in respect of Industry chapter and the IPO Grading of this Issue furnishing the rationale for its grading which will be provided to the Designated Stock Exchange (a copy of which will be annexed to the Red Herring Prospectus as Annexure I) and the reports of the Statutory Auditor, M/s. Mohit Parekh & Co., Chartered Accountants, in respect information contained in the chapters titled “Financial Information” and “Statement of Tax Benefits” beginning on page 148 and 74, respectively, of the Draft Red Herring Prospectus, our Company has not obtained any expert opinions.

Expenses of the Issue

The total expenses of the Issue are estimated to be approximately ₹ [●] Lacs. The expenses of the Issue payable by our Company includes, among others, brokerage, fees payable to the BRLM and Registrar to the Issue, legal fees, stamp duty, printing and distribution expenses and listing fees and other miscellaneous expenses estimated as follows:

Activity	Amount* (₹ Lacs)	(In ₹Lacs)	
		% of Issue Size*	% of Issue expenses *
Lead management, Syndicate fees, underwriting and selling commission	[●]	[●]	[●]
Advertisement and marketing expenses	[●]	[●]	[●]
Printing and stationery (including expenses on transportation of the material)	[●]	[●]	[●]
Others (Filing Fees with SEBI, BSE and NSE, Registrar’s fees, legal fees, IPO Grading, listing fees, travelling and other miscellaneous expenses etc.)	[●]	[●]	[●]
Total	[●]	[●]	[●]

** To be completed upon determination of Issue Price*

Details of Fees Payable

Fees payable to the Book Running Lead Manager

The total fees payable to the Book Running Lead Manager will be as stated in the Issue Agreement signed and executed between our Company and the Book Running Lead Manager, a copy of which is available for inspection at our Registered Office from 10:00 am to 4:00 pm on all Working Days during the Bid/Issue Period.

Fees payable to the Registrar to the Issue

The total fees payable to the Registrar to the Issue for processing of application, data entry, refund order, if required, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Memorandum of Understanding dated October 03, 2011, signed and executed between our Company and the Registrar to the Issue, a copy of which will be available for inspection at our Registered Office from 10:00 am to 4:00 pm during the Bid/Issue Period.

The Registrar to the Issue will also be reimbursed with all relevant out-of-pocket expenses such as cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to make refunds in any of the modes described in the Red Herring Prospectus and the Prospectus or send allotment advice by registered post / speed post.

Previous public or rights issues

Our Company has not made any public or rights issue since its incorporation.

Previous issue of Equity Shares otherwise than for cash

Save and except the issue of bonus shares, our Company has not issued any Equity Shares for consideration other than cash.

For more details, please refer to the chapter titled '*Capital Structure*' beginning on page 46 of the Draft Red Herring Prospectus.

Commission or brokerage on previous issues

Since this is an initial public offering of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's incorporation.

Particulars in regard to our Company and other listed companies under the same management within the meaning of Section 370 (1B) of the Companies Act which made any public or rights issue during the last three years.

Our Company nor any other company under the same management within the meaning of Section 370(1B) of the Companies Act is listed on any of the stock exchanges and has not made any public/ rights issue during the past three years.

Performance *vis-a-vis* Objects – Previous issues of our Company and our Group Entities

Our Company has not made any public issue of Equity Shares since its incorporation. None of our Group Entities has made any public issues in the past ten years.

Outstanding debentures or bond issues

As on the date of the Draft Red Herring Prospectus, our Company does not have any outstanding debentures or bonds.

Outstanding preference shares

As on the date of the Draft Red Herring Prospectus, our Company does not have any outstanding preference shares.

Stock Market Data

Our Company is an “unlisted issuer” in terms of the SEBI ICDR Regulations, and this being the “Initial Public Offering” in terms of the SEBI ICDR Regulations no stock market data is available for the Equity Shares of our Company.

Disclosure on Investor Grievances and Redressal System

The Memorandum of Understanding signed between the Registrar to the Issue and our Company entered into on October 03, 2011 provides for retention of records with the Registrar to this Issue for a period of at least three years from the last date of dispatch of the letters of allotment or refund orders, demat credit and making refunds as per the modes disclosed to enable the investors to approach the Registrar to this Issue for redressal of their grievances.

All grievances relating to this Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs or the Syndicate / Sub – Syndicate Members to whom the Bid was submitted (at ASBA Bidding Locations), giving full details such as name and address of the applicant, number of Equity Shares applied for, Bid Amount blocked, ASBA Account number and the Designated Branch of the SCSBs or details of the Syndicate / Sub – Syndicate Members to whom the Bid was submitted (at ASBA Bidding Locations) where the ASBA Form was submitted by the ASBA Bidders.

The Registrar to the Issue shall act as a nodal agency for redressing complaints of ASBA and non-ASBA investors including providing guidance to ASBA investors regarding approaching the SCSBs concerned.

Disposal of Investor Grievances by our Company

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be ten days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible. We have also constituted Shareholders/Investors Grievance Committee of the Board of Directors *vide* resolution passed as the Board Meeting held on July 29, 2011, to review and redress the shareholders and investors grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. For further details, please refer to the chapter titled ‘*Our Management*’ beginning on page 124 of the Draft Red Herring Prospectus.

Our Company has appointed Mr. Antony Varghese as the Compliance Officer for this Issue and he may be contacted for redressal of any complaints at:

Mr. Antony Varghese

Varahi Limited

WZ - 8/1, Kirti Nagar,

Industrial Area,

New Delhi – 110 015

India

Tel: +91 –11 – 2510 7300

Fax: +91 – 11 – 2545 1504

Email: ipo@varahi.in

Website: www.varahi.in

Investors can also contact the Registrar to the Issue for redressal of any complaints relating to the Issue at the following address:

Bigshare Services Private Limited

E-2/3, Ansa Industrial Estate,

Saki Vihar Road, Saki Naka,

Andheri (East),

Mumbai – 400 072,

Maharashtra,

India

Tel: +91 – 22 – 4043 0200
Fax: +91 – 22 – 2847 5207
Email: ipo@bigshareonline.com
Website: www.bigshareonline.com
Investor grievance: investor@bigshareonline.com
Contact Person: Mr. Ashok Shetty
SEBI Registration Number: INR 000001385

Disposal of Investor Grievances by our listed Group Entities

None of our Group Entities are listed companies/entities. For more information on our Group Entities, please refer to the chapter titled '*Our Group Entities*' beginning on page 141 of the Draft Red Herring Prospectus.

Changes in the auditors during last three years and reasons thereof

There have been no changes in our auditors in the last three years.

Capitalisation of reserves or profits during the last five years

During the last five years, our Company has, issued bonus shares out of capitalisation of general reserves, as under:

1. 1,05,88,235 fully paid-up Equity Shares of ₹ 10 each as bonus shares to the existing shareholders, as on March 27, 2009 in the ratio of 10 Equity Shares for every 7 Equity Shares held by them by utilising ₹ 10,58,82,350 out of the reserves & surplus of our Company.
2. 19,99,997 fully paid-up Equity Shares of ₹ 10 each as bonus shares to the existing shareholders, as on September 30, 2009 in the ratio of 1 Equity Share for every 9 Equity Shares held by them by utilising ₹ 1,99,99,970 out of the reserves & surplus of our Company.

For more details, please refer to the chapter titled '*Capital Structure*' beginning on page 46 of the Draft Red Herring Prospectus.

Revaluation of assets during the last five years

Our Company has not revalued its assets for a period of five years prior to the date of the Draft Red Herring Prospectus.

SECTION VII - ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, the SCRR, the SCRA, our Memorandum and Articles of Association, conditions of RBI approval, if any, the terms of the Red Herring Prospectus, the Prospectus, the Bid cum Application Form, the ASBA Form, the Revision Form, the Allotment Advice, Listing Agreements with the Stock Exchanges and other terms and conditions as may be incorporated in the Allotment Advice, and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to applicable laws, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, Stock Exchanges, RBI, FIPB, 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 offered shall be subject to the provisions of the Companies Act and our Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares of our Company including in respect of the rights to receive dividends. The Allottees of the Equity Shares in this Issue shall be entitled to dividends and/or any other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see the section titled '*Main Provisions of the Articles of Association*' beginning on page 258 of the Draft Red Herring Prospectus.

Mode of payment of dividend

We shall pay dividend, if declared, to our shareholders as per the provisions of the Companies Act, the Articles of Association of our Company and the Listing Agreements entered into with the Stock Exchanges.

Face Value and Price Band

The face value of each Equity Share is ₹ 10. The Issue Price is [●]. The Floor Price of Equity Shares is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share. At any given point of time there shall be only one denomination of Equity Shares, subject to applicable law. The Price Band and Minimum Bid Lot for the Issue will be decided by our Company in consultation with the BRLM. These will be published by our Company at least two Working Days prior to the Issue/Bid opening date, in two national daily newspapers (one each in English and in Hindi) of wide circulation.

Compliance with SEBI Rules and Regulations

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

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 subject to any statutory and other preferential claims being satisfied;
- Right of free transferability subject to applicable foreign direct investment policy, foreign exchange regulations and other applicable laws; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreements executed with the Stock Exchanges, and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of our Articles of Association such as those dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and / or consolidation / splitting, please refer to the section titled '*Main Provisions of the Articles of Association*' beginning on page 258 of the Draft Red Herring Prospectus.

Market Lot and Trading Lot

Under section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. In terms of existing SEBI ICDR Regulations, the trading in the Equity Shares shall only be in dematerialised form for all investors. Since trading of the Equity Shares is in dematerialised mode, the tradable lot is one Equity Share. Allotment of Equity Shares through this Issue will be done only in electronic form, in multiple of one Equity Share, subject to a minimum allotment of [●] Equity Shares.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities at New Delhi.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint – tenants with benefits of survivorship.

Nomination Facility to the Investor

In accordance with Section 109A of the Companies Act, the sole or first bidder, along with other joint bidders, may nominate any one person in whom, in the event of the death of sole bidder or in case of joint bidders, death of all the Bidders, as the case may be, the Equity Shares that are 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 such person would be entitled if such person 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 our Company's Registered Office or with the Registrar 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:

1. to register himself or herself as the holder of the Equity Shares; or
2. 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 (90) 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 us. Nominations registered with respective depository participant of the applicant will prevail. If the investors require changing 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 Issue including devolvement of the Underwriters, if any, 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 8 days after our Company becomes liable to pay the amount, our Company shall pay interest as prescribed under Section 73 of the Companies Act.

Further, in terms of sub-regulation (4) of Regulation 26 of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will not be less than 1,000. If the number of allottees in the proposed Issue is less than 1,000 allottees, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 15 days after our Company becomes liable to pay the amount, our Company shall pay interest at the rate 15% per annum for the delayed period.

BID/ISSUE Program

BID/ISSUE OPENS ON	[●]
BID/ISSUE CLOSES ON	[●]

Arrangement for Disposal of Odd Lots

The Equity Shares of our Company will be traded in dematerialised form only and therefore the marketable lot is one (1) Equity Share. Hence, there is no possibility of any odd lots.

Application by Eligible NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI

As per the extant policy of the Government of India, OCBs cannot participate in this Issue.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, there exists a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/ or SEBI regulations as may be applicable to such investors. It is to be distinctly understood that there is no reservation for NRIs, FIIs or FCVIs registered with SEBI, applicants will be treated on the same basis with other categories for the purpose of allocation.

The allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

Restriction on transfer of Equity Shares

Except for lock-in as detailed in chapter titled '*Capital Structure*' beginning on page 46 of the Draft Red Herring Prospectus, and except as provided in our Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of Equity Shares and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer to section titled '*Main Provisions of the Articles of Association*' beginning on page 258 of the Draft Red Herring Prospectus.

Option to receive Equity Shares in Dematerialised Form

Investors should note that Allotment of Equity Shares to all successful Bidders will only be in the dematerialised form. Bidders will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

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 to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the 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.

ISSUE STRUCTURE

Public Issue of [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share (including share premium of ₹ [●] per Equity Share) aggregating to ₹ 11,000 Lacs, (hereinafter referred to as the “Issue”).

The Issue will constitute [●] % of the fully diluted total post issue paid-up equity share capital of our Company. The Issue is being made through the Book Building Process:

Particulars	Qualified Bidders	Institutional Bidders	Non-Institutional Bidders	Retail Bidders	Individual Bidders
Number of Equity Shares*	Not more than [●] Equity Shares		Not less than [●] Equity Shares or Issue less allocation to Qualified Institutional Bidders and Retail Individual Bidders	Not less than [●] Equity Shares or Issue less allocation to Qualified Institutional Bidders and Non Institutional Bidders	
Percentage of the Issue Size available for allocation	Not more than 50% of the Issue shall be available for allocation to QIBs. However, up to 5% of the QIB Portion shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the QIB Portion will also be eligible for allocation in the remaining QIB Portion		Not less than 15% of the Issue shall be available for allocation or Issue less allocation to QIB Bidders and Retail Individual Bidders	Not less than 35% of the Issue shall be available for allocation or Issue less allocation to Qualified Institutional Bidders and Non Institutional Bidders	
Basis of Allotment, if respective category is oversubscribed	(a) [●] Equity Shares, constituting 5% of the QIB portion, shall be available for allocation on a proportionate basis to Mutual Funds only; (b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above		Proportionate	Proportionate	
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds ₹ 2,00,000 in value		Such number of Equity Shares that the Bid Amount exceeds ₹ 2,00,000 in value	[●] Equity Shares and in multiples of [●] Equity Shares thereafter such that the Bid Amount does not exceed ₹ 2,00,000 in value	
Maximum Bid	Such number of Equity Shares in multiples of [●] not exceeding the size of the Issue subject to regulations as applicable to the Bidder		Such number of Equity Shares in multiples of [●] not exceeding the size of the Issue, subject to applicable investment limits	Such number of Equity Shares so as to ensure that the Bid Amount does not exceed ₹ 2,00,000 in value	
Mode of Allotment	Compulsorily in dematerialised form		Compulsorily in dematerialised form	Compulsorily in dematerialised form	
Bid Lot	[●] Equity Shares and in multiples of [●] Equity		[●] Equity Shares and in multiples of [●] Equity	[●] Equity Shares and in multiples of [●] Equity	

Particulars	Qualified Bidders	Institutional	Non-Institutional Bidders	Retail Bidders	Individual
	Shares		Shares	Shares	
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share		[●] Equity Shares and in multiples of one Equity Share		[●] Equity Shares and in multiples of one Equity Share
Trading Lot	One Equity Share		One Equity Share		One Equity Share
Who can Apply **	Qualified Buyers	Institutional	Resident individuals, NRIs, HUF (applying through the Karta), companies, corporate bodies, scientific institutions, societies trusts, sub accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals	Indian Eligible (applying through the Karta), applying for such number of Equity Shares so as to ensure that the Bid Amount does not exceed ₹ 2,00,000 in value	Resident individuals, NRIs, HUF (applying through the Karta), applying for such number of Equity Shares so as to ensure that the Bid Amount does not exceed ₹ 2,00,000 in value
Terms of Payment***	Full Bid Amount on bidding, to be blocked by the SCSBs pursuant to Bid being submitted by ASBA		Full Bid Amount on bidding, to be blocked by the SCSBs pursuant to Bid being submitted by ASBA		Full Bid Amount on bidding; in case of ASBA Bidders, full Bid Amount shall be blocked by the SCSBs pursuant to Bid being submitted by ASBA

**Subject to valid Bids being received at or above the Issue Price. The Issue is being made under sub-regulation (1) of Regulation 26 of the SEBI ICDR Regulations and through a Book Building Process wherein not more than 50% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs" and such portion the "QIB Portion"). Such number of Equity Shares representing 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. Further not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price. Under-subscription, if any, in any category would be allowed to be met with spill over from any of the category or combination of categories at the discretion of our Company, the BRLM and the Designated Stock Exchange and in accordance with applicable laws, rules, regulations and guidelines, subject to valid Bids being received at or above the Issue Price.*

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

****In case of ASBA Bidders, SCSBs shall be authorised to block such funds in the bank account of the ASBA Bidder that are specified in the ASBA Bid cum Application Form.*

ISSUE PROCEDURE

This section applies to all Bidders. All Bidders can participate in the Issue through the ASBA process. Furthermore, pursuant to SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011 non- retail Investors are mandatorily required to utilise the ASBA facility to participate in the Issue. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to Bidders other than the ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Bidders are required to make payment of the full Bid Amount with the Bid cum Application Form. In case of ASBA Bidders, an amount equivalent to the full Bid Amount will be blocked by the SCSB at the time of Bidding.

Book Building Procedure

In terms of Rule 19(2)(b)(i) of the SCRR, this is an Issue for at least 25% of the post-Issue capital of our Company. Our Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI ICDR Regulations. Further, this Issue is being made through the Book Building Process wherein not more than 50% of the Issue shall be available for allocation to QIBs on a proportionate basis out of which 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 allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% and 35% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and Retail Individual Bidders, respectively, subject to valid Bids being received at or above the Issue Price.

In the event of under-subscription, if any, in any category, the unsubscribed portion would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

Any Bidder may participate in this Issue through the ASBA process by providing the details of their respective bank accounts / bank account held by a third party (subject to conditions as set forth hereinbelow) in which the corresponding Bid amounts will be blocked by SCSBs. Non- retail investors are mandatorily required to make use of the ASBA facility. All Bidders including ASBA Bidders can submit their Bids through the Syndicate (at ASBA bidding locations). Pursuant to SEBI circular number CIR/CFD/DIL/1/2011 dated April 29, 2011, the Syndicate / sub-syndicate members may procure the ASBA Bid cum Application Form from investors in Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda, and Surat and submit the same to the SCSB. Syndicate/ sub-syndicate members are required to upload the bid and other relevant details of the ASBA Bid cum Application Form in the electronic bidding system provided by the Stock Exchanges and forward the same to the SCSBs.

Investors should note that Allotment of Equity Shares to all successful Bidders will be only in the dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository accounts including DP ID, PAN and beneficiary account number shall be treated as incomplete and rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only on the dematerialised segment of the Stock Exchanges.

Bidders are required to ensure that the PAN (of the sole/ first Bidder) provided in the Bid cum Application Form or the ASBA Bid cum Application Form is exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held. If the Bid cum Application Form or the ASBA Bid cum Application Form was submitted in joint names, Bidders are required to ensure that the beneficiary accounts are held in the same joint names in the same sequence in which they appeared in the Bid cum Application Form or the ASBA Bid cum Application Form.

Bid cum Application Form and ASBA Bid cum Application Form

Retail Individual Bidders shall use only the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the Red Herring Prospectus. Non- retail Bidders shall use the specified ASBA Bid cum Application Form, indicating the mode of payment option as being "ASBA" obtained from any member of the Syndicate, for the purpose of making a Bid in terms of the Red Herring Prospectus. Before being issued to Bidders, the Bid cum Application Form (except in relation to ASBA Bidders) shall be serially numbered. Bidders (other than ASBA Bidders) are required to submit their Bids

through the Syndicate or their affiliates (at ASBA bidding locations). Such 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 the Red Herring Prospectus.

ASBA Bidders including QIBs and Non Institutional Bidders, shall submit the ASBA Bid cum Application Form either in physical or electronic form to the SCSB with whom the ASBA Account is maintained or to a member of the Syndicate (Syndicate / Sub - syndicate members at the ASBA Bidding Locations may procure the ASBA Bid cum Application Form from investors and submit the same to SCSBs) authorising blocking funds that are available in the bank account specified in the ASBA Bid cum Application Form used by ASBA Bidders (through the internet banking facility available with the SCSBs or such other electronically enabled mechanism for Bidding). The ASBA Bid cum Application Form will also be available on the websites of the Stock Exchanges at least 1 day prior to the Bid/Issue Opening Date and shall bear a unique application number. The BRLM and the SCSBs will provide the hyperlink to BSE or NSE on their websites.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder, the acknowledgment slip. This acknowledgment slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder and the Bidder shall preserve this and should provide the same for any queries relating to non-Allotment of Equity Shares in the Issue.

The Bid cum Application Form shall contain information about the Bidder and the price and number of Equity Shares that the Bidder wishes to Bid for. Bidders shall have the option to make a maximum of 3 Bids in the Bid cum Application Form and such options shall not be considered multiple Bids.

On filing of the Prospectus with the RoC, the Bid cum Application Form or the ASBA Bid cum Application Form, as the case may be, shall be treated as a valid application form. On completion and submission of the Bid cum Application Form or the ASBA Bid cum Application Form, as the case may be, to a member of the Syndicate or the SCSB, the Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form/ ASBA Bid cum Application Form as would be required under the SEBI ICDR Regulations and other applicable laws, for filing the Prospectus with the RoC and as would be required by SEBI and/or the RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form	Colour of ASBA Bid cum Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis where the Bid Amount does not exceed ₹ 2 Lacs	[●]	[●]
Resident Indians and Eligible NRIs applying on a non-repatriation basis where the Bid Amount exceeds ₹ 2 Lacs	Not applicable	[●]
Non-Residents and Eligible NRIs applying on a repatriation basis where the Bid Amount does not exceed ₹ 2 Lacs	[●]	[●]
Non-Residents, Eligible NRIs, FVCIs Multilateral and bilateral development financial institutions and FIIs applying on a repatriation basis where the Bid Amount exceeds ₹ 2 Lacs	Not applicable	[●]

Who can Bid?

- Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors as natural/legal guardian;
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form / ASBA Bid cum Application Form as follows: "Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares under their respective constitutional and charter documents;
- Mutual Funds registered with SEBI;

- Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws.
- Indian financial institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual bidding in QIB portion;
- Limited Liability Partnerships (LLPs) registered in India and authorised to invest in equity shares;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Bidders category;
- Venture capital funds registered with SEBI;
- Foreign Venture Capital Investors registered with SEBI;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Scientific and/or industrial research organisations authorised to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority;
- Provident Funds with a minimum corpus of ₹ 2,500 Lacs and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with a minimum corpus of ₹ 2,500 Lacs and who are authorised under their constitution to hold and invest in equity shares;
- National Investment Fund set up by a resolution no. F. No. 2/3/2005- DD II dated November 23, 2005 of the Government of India, published in the Gazette of India;
- Insurance Funds set up and managed by army, navy or air force of the Union of India;
- Insurance Funds set up and managed by the Department of Posts, India;
- Multilateral and Bilateral Development Financial Institutions; and
- All other persons eligible to invest under all applicable laws, rules, regulations and guidelines.

As per the current RBI regulations, OCBs cannot participate in this Issue.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

Participation by Associates and Affiliates of BRLM and Syndicate Members

The BRLM and the Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLM and the Syndicate Members are entitled to Bid for Equity Shares in the Issue, including in the QIB Portion and Non-Institutional Portion where the allocation is on a proportionate basis. Such Bidding and subscription may be on their own account or on behalf of their clients.

Bids by Mutual Funds

As per the SEBI ICDR Regulations, 5% of the QIB Portion, has been specifically reserved for Allocation to Mutual Funds on a proportionate basis. An eligible Bid by a Mutual Fund in the Mutual Fund Portion shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event demand in the Mutual Fund Portion is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by Mutual Funds shall be available for allocation proportionately, after excluding the allocation in the Mutual Fund Portion, in the QIB Portion.

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 single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own over 10% of any single company's paid-up share capital carrying voting rights.

The Bids made by asset management companies or custodians of Mutual Funds shall clearly indicate the name of the concerned scheme for which Bids is being made.

Multiple Bids

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

Bids by Non Residents including Eligible NRIs or FIIs or FVCIs on a repatriation basis

There is no reservation in the Issue for Eligible NRIs or FIIs or FVCIs registered with SEBI. Such Eligible NRIs, FIIs and FVCIs registered with SEBI will be treated on the same basis as other categories for the purpose of allocation. In accordance with FEMA and the regulations framed thereunder, OCB's cannot BID in this Issue.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bids by Eligible NRIs

1. Bid cum Application Forms for Eligible NRIs applying on a repatriation basis ([●] in colour if under the retail portion, [●] ASBA Bid cum Application Forms to be used if the Bid amount exceeds ₹ 2 Lacs) will be made available at our Registered Office and with the Syndicate (at ASBA bidding locations) or SCSBs and the Registrar to the Issue, as the case may be.
2. Only such applications as are accompanied by payment in freely convertible foreign exchange shall be considered for Allotment. Eligible NRIs who intend to make payment through Non Resident Ordinary ("NRO") accounts or by debits to their Non-Resident External ("NRE") or Foreign Currency Non-Resident ("FCNR") accounts should use the application form meant for Resident Indians ([●] in color if under the retail portion, [●] ASBA Bid cum Application Forms to be used if the Bid amount exceeds ₹ 2 Lacs) and shall not use the form meant for any reserved category.

Bids by Eligible NRIs for a Bid Amount of up to ₹ 2 Lacs would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than ₹ 2 Lacs would be considered under Non-Institutional Portion for the purposes of allocation. Eligible NRIs Bidding under the Non- Institutional Portion are required to utilise the ASBA facility to submit their Bids.

Bids by FIIs

As per current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue Paid-up capital (*i.e.* 10% of 1,30,09,222 Equity Shares). In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or a foreign individual. In accordance with the foreign investment limits applicable to our Company, such investment must be made out of funds raised or collected or brought from outside India through normal banking channels and the investment must not exceed the overall ceiling specified for FIIs. Under the portfolio investment scheme, the aggregate issue of equity shares to FIIs and their sub-accounts should not exceed 24% of post-issue Paid-up equity capital of a company. However, this limit can be increased to the permitted sectoral cap/statutory limit, as applicable to our Company after obtaining approval of its Board of Directors followed by a special resolution to that effect by its shareholders in their general meeting. As of the date of the Draft Red Herring Prospectus, our Company has not passed such resolution and the total foreign investment including FII investment cannot exceed 24% of our total issued capital unless approved by the shareholders of our Company.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of regulation 15A(1) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended (the "**SEBI FII Regulations**"), an FII, as defined in the SEBI FII Regulations, may issue, or otherwise deal in offshore derivative instruments (defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by an FII against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII is also required to ensure that no further issue or transfer of any offshore derivative instrument issued by it is made to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the Underwriters, including the

BRLM and the Syndicate Members that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue. Any such offshore derivative instrument does not constitute any obligation of, claim on or an interest in, our Company.

Bids by SEBI-registered Venture Capital Funds and Foreign Venture Capital Investors

The SEBI (Venture Capital Funds) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, each, as amended, prescribe investment restrictions on Venture Capital Funds and FVCIs respectively registered with the SEBI. Accordingly, the holding in any company by any individual venture capital fund or FVCI registered with the SEBI should not exceed 25% of the corpus of such venture capital fund or FVCI respectively. However, Venture Capital Funds or FVCIs may invest only upto 33.33% of their respective investible funds in various prescribed instruments, including in initial public offers.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only, at the rate of exchange prevailing at the time of remittance and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into USD 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 will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the ASBA Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (the “**IRDA Investment Regulations**”), are broadly set forth below:

- (a) equity shares of a company: the least of 10% of the investee company’s subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) the entire group of the investee company: the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPS); and
- (c) The industry sector in which the investee company operates: 10% of the insurer’s total investment exposure to the industry sector (25% in case of ULIPS).

In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in the infrastructure and housing sectors, *i.e.* December 26, 2008, providing, among other things, that the exposure of an insurer to an infrastructure company may be increased to not more than 20%, provided that in case of equity investment, a dividend of not less than 4% including bonus should have been declared for at least five preceding years. This limit of 20% would be combined for debt and equity taken together, without sub-ceilings. Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50% of the exposure norms specified under the IRDA Investment Regulations.

Bids by provident funds/ pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 2,500 lac, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof.

The above information is given for the benefit of the Bidders. Our Company, the Directors, the officers of our Company and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the 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.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies, Insurance Funds set up by the army, navy or air force of the Union of India, Insurance Funds set up by the Department of Posts, India or the National Investment Fund and Provident Funds with minimum corpus of ₹ 2,500 Lacs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 Lacs (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Bid cum Application Form / ASBA 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 addition to the above, certain additional documents are required to be submitted by the following entities:

- (a). With respect to Bids by VCFs, FVCIs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the ASBA Bid cum Application Form, as applicable. Failing this, our Company reserves the right to accept or reject any Bid, in whole or in part, in either case, without assigning any reasons thereof.
- (b). With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Bid cum Application Form / ASBA 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 reasons thereof.
- (c). With respect to Bids made by Provident Funds with minimum corpus of ₹ 2,500 Lacs (subject to applicable law) and Pension Funds with a minimum corpus of ₹ 2,500 Lacs, a certified copy of a certificate from a chartered accountant certifying the corpus of the Provident Fund/Pension Fund must be lodged along with the Bid cum Application Form / ASBA Bid cum Application Form. Failing this, our Company reserves the right to accept or reject such bid, in whole or in part, in either case, without assigning any reasons thereof.

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 / ASBA Bid cum Application Form, subject to such terms and conditions that our Company, 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 Allotment Advice / refund orders / letters notifying the unblocking of the bank accounts of ASBA Bidders, the Demographic Details given on the Bid cum Application Form / ASBA 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 / ASBA Bid cum Application Form instead of those obtained from the Depositories.

The above information is given for the benefit of the Bidders. Our Company, its Directors, officers, the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus. Our Company, the BRLM do not accept any responsibility for the completeness and accuracy of the information stated above.

Maximum and Minimum Bid Size

- (a) **For Retail Individual Bidders:** The Bid must be for a minimum of [●] Equity Shares and in multiples of

[●] Equity Share thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed ₹ 2 Lacs. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed ₹ 2 Lacs. If the Bid Amount is over ₹ 2 Lacs due to revision of the Bid or revision of the Price Band or on exercise of the option to be Bid at the Cut-off Price, the Bid would be considered for allocation under the Non-Institutional Portion only if the Bidding was done through ASBA. The option to Bid at the Cut-Off Price is given only to the Retail Individual Bidders, indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

- (b) **For Other Bidders (Non-Institutional Bidders and QIBs):** The Bid must be for a minimum of such number of Equity Shares in multiples of [●] such that the Bid Amount exceeds ₹ 2 Lacs. 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. A QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay the entire Bid amount upon submission of the Bid. The identity of QIB Bidding in the Issue under the QIB Portion shall not be made public during the Issue Period.

In case of revision in Bids, Non-Institutional Bidders who are individuals have to ensure that the Bid Amount is greater than ₹ 2 Lacs for being considered for allocation in the Non-Institutional Portion. If the Bid Amount reduces to ₹ 2 Lacs or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at the Cut-Off Price. **A QIB Bidder cannot withdraw its Bid after the Bid/ Issue Closing Date.**

Non-retail Investors i.e. QIBs and Non Institutional Investors who intend to participate in the Issue are mandatorily required to submit their Bids through the ASBA facility.

Payments made upon any revision of Bids shall be adjusted against the payment made at the time of the original Bid or the previously revised Bid. The maximum and minimum Bid size applicable to a QIB, Retail Individual Bidder or a Non-Institutional Bidder shall be applicable to an ASBA Bidder in accordance with the category that such ASBA Bidder falls under.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus.

Information for the Bidders:

- (a) The Red Herring Prospectus will be filed by our Company with the RoC at least 3 days before the Bid / Issue Opening Date.
- (b) Copies of the Bid cum Application Form and the ASBA Bid cum Application Form, as also the Red Herring Prospectus will be available with the members of the Syndicate and at our Registered Office. For ASBA Bidders, Bid cum Application Forms in physical form will be available with the Designated Branches and with the members of the Syndicate; and electronic ASBA Bid cum Application Forms will be available on the websites of the Stock Exchanges and the Designated Branches of the SCSBs.

Pursuant to SEBI circular number CIR/CFD/DIL/7/2010 dated July 13, 2010, ASBA Bid cum Application Forms shall be made available for download from the respective websites of the Stock Exchanges.

- (c) Any Investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/or the Bid cum Application Form or the ASBA Bid cum Application Form can obtain the same from our Registered Office or from any of the members of the Syndicate. In addition, electronic ASBA Bid cum Application Forms shall be available on the websites of SCSBs. Furthermore, the SCSBs shall ensure that the abridged prospectus is made available on their websites.
- (d) Our Company, the BRLM shall declare the Bid / Issue Opening Date and the Bid / Issue Closing Date at the time of filing of the Red Herring Prospectus with the RoC and the same shall also be published in two national daily newspapers (one each in English and in Hindi) of wide circulation.
- (e) Eligible Bidders who are interested in Bidding for the Equity Shares should approach the BRLM or the Syndicate Members or their authorised agent(s) to register their Bids. Eligible Bidders can approach the members of the Syndicate or their authorised agent(s) to submit their Bids under the ASBA process. It may

be noted that QIBs and Non Institutional Investors are mandatorily required to submit their Bids through the ASBA facility, in order to participate in the Issue.

- (f) The Bids should be submitted on the prescribed Bid cum Application Form or the prescribed ASBA Bid cum Application Form only, as the case may be. Bids by ASBA Bidders shall be accepted by the members of the Syndicate (and, in the ASBA Bidding Locations, by members of the Sub - syndicate) and Designated Branches of SCSBs in accordance with the SEBI ICDR Regulations and any other circulars issued by SEBI in this regard. Bid cum Application Forms or ASBA Bid cum Application Forms should bear the stamp of the members of the Syndicate or Designated Branch. Bid cum Application Forms or ASBA Bid cum Application Forms (except electronic ASBA Bid cum Application Forms), which do not bear the stamp of a member of the Syndicate or the Designated Branch, are liable to be rejected.
- (g) With effect from August 16, 2010, the demat accounts of Bidders for whom PAN details have not been verified excluding (i) persons resident in the state of Sikkim; (ii) the Central or State Governments and the (iii) officials appointed by the courts, who, may be exempted from specifying their PAN for transacting in the securities market, shall be “suspended for credit” and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.

Bidders are advised not to submit the Bid cum Application Form to Escrow Collection Banks and the same will be rejected in such cases and the Bidders will not be entitled to any compensation whatsoever.

ASBA Bidders

ASBA Bid cum Application Forms should bear the stamp of a member of the Syndicate and/or Designated Branch of the SCSB. ASBA Bid cum Application Forms which do not bear the stamp of a member of the Syndicate or SCSB will be rejected.

- (a) Copies of ASBA Bid cum Application Forms in physical form will be available with the Designated Branches and with the members of the Syndicate; and electronic ASBA Bid cum Application Forms will be available for downloading and printing, from the websites of the Stock Exchanges (which provide electronic interface for ASBA facility) at least 1 day prior to the Bid / Issue Opening Date. A unique application number will be generated for every ASBA Bid cum Application Form downloaded and printed from the websites of the Stock Exchanges. The BRLM and the SCSBs will provide the hyperlink to the BSE or the NSE on their websites.
- (b) The BRLM shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and ASBA Bid cum Application Forms to the members of the Syndicate and the SCSBs. The members of the Syndicate and the SCSBs will then make available such copies to non- retail Investors who are required to apply in this Issue through the ASBA process and retail Investors intending to apply in this Issue through the ASBA process. Additionally, the BRLM shall ensure that the members of the Syndicate and the SCSBs are provided with soft copies of the abridged prospectus as well as the ASBA Bid cum Application Forms and that the same are made available on the websites of the SCSBs.
- (c) ASBA Bidders, under the ASBA process, who wish to obtain the Red Herring Prospectus and/or the ASBA Bid cum Application Form can obtain such documents from the Designated Branches of the SCSBs, BRLM or members of the Syndicate/ sub-syndicate members located in the ASBA Bidding Locations. ASBA Bidders can also obtain a copy of the abridged prospectus and/or the ASBA Bid cum Application Form in electronic form from the websites of the SCSBs and the Stock Exchanges.
- (d) The Bids should be submitted on the prescribed ASBA Bid cum Application Form either in physical mode or in electronic mode through the internet banking facility offered by an SCSB for bidding and blocking funds in the bank account maintained with the SCSB specified in the ASBA Bid cum Application Form. ASBA Bidders in ASBA Bidding Locations may also submit the ASBA Bid cum Application Form to the Syndicate/ sub-syndicate members. The Syndicate/ sub-syndicate members are required to upload the bid and other relevant details of the ASBA Bid cum Application Form in the electronic bidding system provided by the stock exchanges and forward the same to the SCSBs.
- (e) ASBA Bidders shall correctly mention the bank account number in the ASBA Bid cum Application Form and ensure that funds equal to the Bid Amount are available in the bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the applicable Designated Branch or members of the Syndicate/ sub-syndicate members in Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda, and Surat. In case the amount available in the bank account specified

in the ASBA Bid cum Application Form is insufficient for blocking the amount equivalent to the Bid Amount, the SCSB shall reject the Bid.

- (f) If the ASBA Account holder is different from the ASBA Bidder, the ASBA Bid cum Application Form should be signed by the account holder as provided in the ASBA Bid cum Application Form.

Bidders may note that in case the details of DP ID, Client ID and PAN mentioned in the ASBA Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Members do not match with the details of DP ID, Client ID and PAN available in the Depository database, the ASBA Bid cum Application Form, is liable to be rejected.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bidders other than ASBA Bidders can obtain Bid cum Application Forms and Revision Forms from the members of the Syndicate. ASBA Bidders can obtain ASBA Bid cum Application Forms and/or ASBA Revision Forms from the Designated Branches of the SCSBs and the members of the Syndicate (at ASBA Bidding Locations). ASBA Bidders can also obtain a copy of the ASBA Bid cum Application Forms and/or ASBA Revision Form in electronic form from the websites of the SCSBs and the Stock Exchanges.

Bids and revisions of Bids must be:

- i) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable.
- ii) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained here, in the Bid cum Application Form or in the Revision Form. Bidders must provide details of valid and active DP-ID, client ID and PAN clearly and without error. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment. Incomplete Bid cum Application Forms, Revision Forms or ASBA Bid cum Application Form, or Revision Forms or in the ASBA Revision Form are liable to be rejected. Bidders should note that the members of the Syndicate and/or the SCSBs (as appropriate) will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms or Revision Forms.
- iii) Information provided by the Bidders will be uploaded in the online IPO system by the members of the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make allocation/Allotment. Bidders are advised to ensure that the details are correct and legible.
- iv) For Retail Individual Bidders (including Eligible NRIs), the Bid must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid Amount of ₹ 2 Lacs. In case the Bid Amount is over ₹ 2 Lacs due to revision of the Bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allocation under the Non-Institutional Bidders portion. The option to Bid at cut-off price is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.
- v) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares in multiples of [●] thereafter such that the Bid Amount exceeds ₹ 2 Lacs. Bids cannot be made for over the Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of equity shares that can be held by them under the applicable laws or regulations.
- vi) In a single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- vii) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
- viii) Bids through ASBA must be made only in the prescribed ASBA Bid cum Application Form (if submitted in physical mode) or electronic mode. ASBA Bidders should correctly mention the ASBA Account number in the ASBA Bid cum Application Form and ensure that funds equal to the Bid Amount are available in the ASBA Account before submitting the ASBA Form to the respective Designated Branch.

- ix) If the ASBA Account holder is different from the ASBA Bidder, the ASBA Bid cum Application Form should be signed by the account holder as provided in the ASBA Bid cum Application Form.

Submission of Bid cum Application Form

All Bid cum Application Forms or Revision Forms (other than Bid cum Application Forms or Revision Forms used by ASBA Bidders) duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid.

In case of physical ASBA Bids, the ASBA Bidder shall submit the Bid cum Application Form bearing the stamp of the Designated Branch or the member of the Syndicate at the relevant Designated Branch or the relevant member of the Syndicate at Syndicate ASBA Bidding Locations, respectively. In case the ASBA Bidder submits its Bid through a member of the Syndicate at a Syndicate ASBA Bidding Location, the Bid will be uploaded by that member of the Syndicate in the electronic bidding system of the Stock Exchanges and the Bid cum Application Form will then be forwarded to the concerned SCSB for further action including signature verification and blocking of funds. In case of application in electronic form, the ASBA Bidder shall submit the Bid cum Application Form either through the internet banking facility available with the SCSBs, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA Account held with the SCSB, and accordingly register such Bids. The SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the Bid cum Application Form.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the members of the Syndicate or the SCSB, as the case may be, 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 and should be preserved for future reference including for investor grievances.

GENERAL INSTRUCTIONS

Dos:

- (a) Check if you are eligible to apply as per the terms of the Red Herring Prospectus under applicable laws, rules and regulations, guidelines and approvals;
- (b) Ensure that you have Bid within the Price Band;
- (c) Read all the instructions carefully and complete the Resident Bid cum Application Form ([●] in colour), the Non-Resident Bid cum Application Form ([●] in colour), Resident ASBA Bid cum Application Form ([●] in colour), the Non-Resident ASBA Bid cum Application Form ([●] in colour), as applicable;
- (d) Ensure that the details about PAN, Depository Participant and Beneficiary Account are correct, and the Beneficiary Account is activated, as Allotment of Equity Shares will be in the dematerialised form only;
- (e) Ensure that the Bids are submitted at the Bidding centres only on forms bearing the stamp of a member of the Syndicate or the SCSB in case of ASBA Bidders (except in case of electronic ASBA Bid cum Application Forms); In case you are a Bidder other than an ASBA Bidder, ensure that your Bid is submitted at the bidding center only on a form bearing the stamp of a member of the Syndicate. In case you are an ASBA Bidder, the Bid should be submitted to a Designated Branch of an SCSB / Syndicate member, with which the ASBA Bidder or a person whose bank account will be utilised by the ASBA Bidder for bidding has a bank account and not to the Bankers to the Issue or collecting banks (assuming that such collecting banks are not SCSBs), our Company or the Registrar. With respect to ASBA Bids, ensure that you use the ASBA Bid-cum-Application Form specified for this purpose, and that such form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the ASBA Bid-cum-Application Form;
- (f) Ensure that the full Bid Amount is paid for Bids submitted to the members of the Syndicate and funds equivalent to the Bid Amount are blocked by the SCSBs in case of Bids submitted through the ASBA process;

- (g) Ensure that you have funds equal to the Bid Amount in your ASBA bank account of the respective Designated Branch of the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch of SCSB / Syndicate member;
- (h) Ensure that the DP ID, the Client ID and PAN mentioned in the Bid cum Application Form match with the DP ID, the Client ID and PAN available in the depository database;
- (i) Instruct your respective banks to not release the funds blocked in the bank account under the ASBA process;
- (j) Ensure that you request for and have received a TRS for all your Bid options;
- (k) Submit revised Bids to the same member of the Syndicate or Designated Branch of the SCSB through whom the original Bid was placed and obtain a revised TRS/acknowledgement;
- (l) Except for Bids (i) on behalf of the Central or State Government and the officials appointed by the courts, and (ii) (subject to SEBI circular dated April 03, 2008) from the residents of the state of Sikkim, each of the Bidders should mention their PAN allotted under the I.T. Act. Applications in which the PAN is not matching with one entered by the Syndicate or the SCSB in the Bidding terminal and PAN as available with depositories for a given DP ID and client ID is liable to be rejected;
- (m) Ensure that the Demographic Details (as defined below) are updated, true and correct in all respects;
- (n) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. If the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.
- (o) Ensure that the Depository Participant identification number (DP ID), the client identification number (Client ID) and PAN mentioned in the Bid-cum-Application Form/ASBA Bid-cum-Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Members or Designated Branches of the SCSBs, as the case may be, matches with the DP ID, Client ID and PAN available in the Depository database. The Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid-cum-Application Form/ASBA Bid-cum-Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Members or the Designated Branches of the SCSBs, as the case may be, do not match with the DP ID, Client ID and PAN available in the database of the depository, then such Bids are liable to be rejected.
- (p) Where the Bid cum Application Form / ASBA Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form / ASBA Bid cum Application Form. If the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
- (q) In addition, ASBA Bidders should ensure that:
 - a. the ASBA Bid-cum-Application Form is signed by the account holder in case the applicant is not the account holder;
 - b. the correct bank account numbers have been mentioned in the ASBA Bid-cum-Application Form;
 - c. the authorisation box in the ASBA Bid cum Application Form has been correctly checked, or an authorisation to the SCSB through the electronic mode has been otherwise provided, for the Designated Branch to block funds equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form in the ASBA Account maintained with a branch of the concerned SCSB; and
 - d. an acknowledgement from the Designated Branch of the concerned SCSB or the Syndicate/ sub-syndicate member in designated cities for the submission of the ASBA Bid cum Application Form has been obtained.

Dont's:

- (a) Do not Bid for lower than the minimum Bid size.
- (b) For Bidders other than ASBA Bidders, do not submit a Bid without payment of the entire Bid Amount. In case you are an ASBA Bidder, do not Bid on another ASBA Bid cum Application Form or Bid cum Application Form after you have submitted a Bid to a Designated Branch of an SCSB or a Syndicate Member;
- (c) Do not Bid/revise the Bid to less than the Floor Price or higher than the Cap Price;
- (d) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate or the Designated Branch. In case you are an ASBA Bidder, do not Bid on another ASBA Bid cum Application Form or Bid cum Application Form after you have submitted a Bid to a Designated Branch of an SCSB or a Syndicate Member;
- (e) Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest and in relation to ASBA Bidders in any other mode other than blocked amounts in the bank accounts maintained by SCSBs;
- (f) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate or Designated Branch, as applicable;
- (g) Do not Bid *via* any mode other than ASBA (for QIBs and Non-Institutional Bidders);
- (h) Do not Bid at the Cut-off Price (for QIB Bidders, Non-Institutional Bidders, for a bid amount exceeding ` 2 Lacs);
- (i) Do not fill up the Bid cum Application Form or ASBA Bid cum Application Form such that the Equity Shares Bid for exceed the Issue size and/or investment limit or maximum number of Equity Shares that can be held under applicable laws or regulations or the maximum amount permissible under applicable regulations or under the terms of the Red Herring Prospectus;
- (j) Do not submit more than five ASBA Bid cum Application Forms per bank account;
- (k) Do not Bid for amount exceeding ` 2 Lacs in case of a Bid by Retail Individual Bidders;
- (l) Do not submit the GIR number instead of the PAN as the Bid will be rejected on this ground;
- (m) Do not submit incorrect details of DP ID, Client ID and PAN or give details for which demat account is suspended or for which such details cannot be verified by the Registrar; and
- (n) Do not Bid for allotment of Equity Shares in physical form.
- (o) Do not submit the Bid cum Application Forms to Escrow Collection Bank(s);
- (p) Do not submit a Bid if not competent to enter into a contract under the Indian Contract Act, 1872, as amended;
- (q) Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or their relevant constitutional documents or otherwise;
- (r) Do not submit a Bid that does not comply with the securities laws of your respective jurisdictions;
- (s) Do not submit the Bids without the full Bid Amount.

Method and Process of Bidding

- (a) Our Company, the BRLM shall declare the Bid/Issue Opening Date and Bid/Issue Closing Date at the time of filing the Red Herring Prospectus with the RoC and also publish the same in two national daily newspapers (one each in English and in Hindi) of wide circulation. This advertisement, subject to the provisions of Section 66 of the Companies Act shall be in the format prescribed in Schedule XIII of the SEBI ICDR Regulations.

- (b) The Price Band and the minimum Bid lot size for the Issue will be decided by our Company in consultation with the BRLM, and advertised in two national daily newspapers (one each in English and in Hindi) of wide circulation, at least two Working Days prior to the Bid/Issue Opening Date.
- (c) Bidders, who are interested in subscribing to the Equity Shares should approach any of the members of the Syndicate, their authorised agents or SCSBs to register their Bids, during the Bid / Issue Period. The members of the Syndicate shall accept Bids from the all Bidders and shall have the right to vet the Bids, during the Bid / Issue Period in accordance with the terms of the Syndicate Agreement and the Red Herring Prospectus. QIB and Non Institutional Bidders must necessarily use the ASBA process and Bidders using the ASBA facility to submit their Bids should approach the Syndicate members or Designated Branches of the SCSBs (at ASBA Bidding Locations) to register their Bids.
- (d) ASBA Bidders are required to submit their Bids either in physical or electronic mode to SCSBs or to the Syndicate/ sub-syndicate members (at ASBA Bidding Locations) in designated cities. ASBA Bidders submitting their Bids in physical mode should approach the Designated Branches of the SCSBs. ASBA Bidders submitting their Bids in electronic form should submit their Bids using the internet enabled bidding and banking facility of the SCSBs for bidding and blocking funds in the accounts of the bank account maintained with the SCSB specified in the ASBA Bid cum Application Form, and accordingly registering such Bids. Every Designated Branch of the SCSBs shall accept Bids from all such investors who wish to place Bids through them and the account in which funds are to be blocked is maintained with them. Such SCSBs shall have the right to vet the Bids, subject to the terms of the SEBI ICDR Regulations and the Red Herring Prospectus.
- (e) The Designated Branches of the SCSBs shall provide to the ASBA Bidders an acknowledgment specifying the application number as proof of acceptance of the ASBA Bid cum Application Form. Such acknowledgment does not in any manner guarantee that the Equity Shares Bid for shall be allocated to the ASBA Bidders. Upon receipt of the ASBA Bid cum Application Form, submitted in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as specified in the ASBA Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges. If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges
- (f) ASBA Bidders in ASBA Bidding Locations may also submit the ASBA Bid cum Application Form to the Syndicate/ sub-syndicate members. Each such Syndicate/ sub-syndicate member shall provide to the ASBA Bidders an acknowledgement as proof of acceptance of the ASBA Bid cum Application Form. The Syndicate/ sub-syndicate members are required to upload the bid and other relevant details of the ASBA Bid cum Application Form in the electronic bidding system provided by the stock exchanges and forward the same to the SCSBs.
- (g) The Bid / Issue Period shall be for a minimum of three Working Days and not exceeding ten Working Days (including the days for which the Issue is open in case of revision in Price Band). If the Price Band is revised, the revised Price Band and the Bid/Issue Period will be published in two national daily newspapers (one each in English and in Hindi) of wide circulation, together with an indication of such change on the websites of the BRLM and SCSBs and at the terminals of the Syndicate Members and the Bidding Period shall be extended by a minimum period of an additional three Working Days, subject to the total Bidding Period not exceeding ten days
- (h) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details see *“Bids at Different Price Levels and Revision of Bids”* below, within the Price Band and specify the demand (*i.e.*, the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form and / or ASBA Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- (i) The Bidder cannot Bid on another Bid cum Application Form after Bid(s) 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 in time

before the Allotment of Equity Shares in the Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “*Build up of the Book and Revision of Bids*”.

- (j) An ASBA Bidder cannot Bid, either in physical or electronic mode, on another ASBA Bid cum Application Form or a non-ASBA Bid cum Application Form after a Bid on one ASBA Bid cum Application Form, (i) either in physical or electronic mode, has been submitted to the Designated Branches of SCSBs and uploaded by the ASBA Bidder, (ii) has been submitted to Syndicate / sub-syndicate members in the designated cities. Submission of a second ASBA Bid cum Application Form or a non-ASBA Bid cum Application Form to either the same or to another Designated Branch of the SCSB or to the Syndicate/ sub-syndicate members in designated cities will be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in the Issue. However, the ASBA Bidder can revise the Bid through the ASBA Revision Form, the procedure for which is detailed under the paragraph “*Build up of the Book and Revision of Bids*”.
- (k) The members of the Syndicate or the SCSBs will enter each Bid option into the electronic Bidding system as a separate Bid and generate a Transaction Registration Slip (“**TRS**”), for each price and demand option and shall, on demand, give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form or ASBA Bid Cum Application Form.
- (l) With respect to ASBA Bidders who have submitted their physical ASBA Bid cum Application Form to the members of the Syndicate at the ASBA Bidding Locations, on receipt of the ASBA Bid cum Application Form from the relevant member of the Syndicate, the relevant Designated Branch of the SCSB will verify if sufficient funds equal to the Bid Amount are available in the ASBA Account. If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB will reject the Bid and shall not upload such bids with the Stock Exchanges. If sufficient funds are available in the ASBA Account, the SCSB will block an amount equal to the Bid Amount and will carry out other procedures including signature verification.
- (m) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalised, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.
- (n) The identity of the QIBs, who have been allocated Equity Shares, bidding in the Issue shall not be made public.
- (o) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph titled ‘*Payment Instructions*’ under the chapter titled ‘*Issue Procedure*’ beginning on page 222 of the Draft Red Herring Prospectus.

INVESTORS ARE ADVISED NOT TO SUBMIT THE BID CUM APPLICATION FORMS TO THE ESCROW COLLECTION BANKS. BIDS SUBMITTED TO THE ESCROW COLLECTION BANKS SHALL BE REJECTED AND SUCH BIDDERS SHALL NOT BE ENTITLED TO ANY COMPENSATION ON ACCOUNT OF SUCH REJECTION.

Bids at Different Price Levels and Revision of Bids

- (a) The Price Band and the minimum Bid lot size shall be decided by our Company in consultation with the BRLM and advertised at least 2 Working Days prior to the Bid / Issue Opening Date, in two national daily newspapers (one each in English and in Hindi) of wide circulation.
- (b) Our Company in consultation with the BRLM reserves the right to revise the Price Band during the Bid / Issue Period in accordance with the SEBI ICDR Regulations provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on either side *i.e.* the floor price can

move upward or downward to the extent of 20% of the floor price disclosed at least two Working Days prior to the Bid / Issue Opening Date and the Cap Price will be revised accordingly.

- (c) In case of revision in the Price Band, the Bid / Issue Period will be extended for at least three additional Working Days after revision of Price Band subject to a maximum of ten Working Days. Any revision in the Price Band and the revised Bid / Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice in two national daily newspapers (one each in English and in Hindi) of wide circulation and also by indicating the change on the websites of the BRLM, SCSBs and at the terminals of the Syndicate Members.
- (d) Our Company in consultation with the BRLM can finalise the Issue Price within the Price Band in accordance with this section, without the prior approval of or intimation to, the Bidders.
- (e) The Bidder can Bid at any price within the Price Band in multiples of ₹ 1. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-Off Price. However, Bidding at Cut-off Price is prohibited for QIB or Non-Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected.
- (f) Retail Individual Bidders who Bid at the Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-off Price shall deposit the Bid Amount based on the Cap Price with the members of the Syndicate. In case of ASBA Bidders bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs (directly or through ASBA Bid cum Application Forms submitted to the Syndicate members) to block an amount based on the Cap Price. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders who Bid at Cut-off Price, the Retail Individual Bidders and who Bid at Cut-off Price shall receive the refund of the excess amounts from the Escrow Account(s) in the manner described under the paragraph "*Payment of Refund*".
- (g) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the revised Cap Price (such that the total amount *i.e.*, original Bid Amount plus additional payment does not exceed ₹ 2 Lacs for Retail Individual Bidders, if the Bidder wants to continue to Bid at Cut-off Price), with the Syndicate member to whom the original Bid was submitted, or, in the case of ASBA Bidders, instruct the SCSB or the Syndicate/ sub-syndicate member (such Syndicate/ sub-syndicate member to further instruct the relevant SCSB) to whom the original Bid was submitted to block additional amounts based on the cap of the revised Price Band. In case the total amount (*i.e.*, original Bid Amount plus additional payment) exceeds ₹ 2 Lacs for Retail Individual Bidders bidding at the Cut-off Price the Bid will be considered for allocation under the Non-Institutional Portion in terms of the Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the Cap Price prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.
- (h) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have Bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding would be refunded from the Escrow Account(s) or unblocked by the SCSBs.
- (i) Our Company in consultation with the BRLM shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 5,000 to ₹ 7,000. In the event of any revision in the Price Band, whether upward or downward, the minimum application size shall remain [●] Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of ₹ 5,000 to ₹ 7,000.
- (j) When a Bidder has revised 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 Bidder's responsibility to request for and obtain the revised TRS, which will act as proof of revision of the previous Bid.
- (k) 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. With respect to the Bids by ASBA Bidders, if revision of the Bids results in an incremental amount, the relevant SCSB or the Syndicate/ sub-syndicate member (such Syndicate/ sub-syndicate member to further instruct the relevant SCSB) to whom the original Bid was submitted shall block the additional Bid Amount. In case

of Bids, other than ASBA Bids, the Syndicate shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid. In such cases, the Syndicate will revise the earlier Bids details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Red Herring Prospectus.

Bidder's Depository Account and Bank Account Details and PAN

Bidders should note that on the basis of the Sole/First Bidder's Permanent Account Number, Depository Participant's name, DP ID number and beneficiary account number provided by them in the Bid cum Application Form / ASBA Bid cum Application Form and as entered into the electronic bidding system of the Stock Exchanges by the members of the Syndicate and the SCSBs as the case may be, the Registrar to the Issue will obtain from the Depository the demographic details including the Bidder's address, occupation, category, age and bank account details including the nine-digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf ('**Demographic Details**'). These Demographic Details would be used for giving refunds and allotment advice (including through physical refund warrants, direct credit, NECS, NEFT and RTGS) to the Bidders. It is mandatory to provide the bank account details in the space provided in the Bid cum Application Form / ASBA Bid cum Application Form and Bid cum Application Forms / ASBA Bid cum Application Forms that do not contain such details are liable to be rejected. Hence, Bidders are advised to immediately update their bank account details, PAN and Demographic Details as appearing on the records of the Depository Participant and ensure that they are true and correct. Failure to do so could result in delays in dispatch/credit of refunds to Bidders at the Bidders sole risk and neither the BRLM nor the Registrar to the Issue or the Escrow Collection Banks or the SCSBs nor our Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their depository account details in the Bid cum Application Form. Please note that in case the DP ID, Client ID and PAN mentioned in the Bid cum Application Form / ASBA Bid cum Application Form and entered into the electronic Bidding system of the Stock Exchanges by the members of the Syndicate, do not match with the DP ID, Client ID and PAN available in the depositories' database, such Bid cum Application Form / ASBA Bid cum Application Form is liable to be rejected.

IT IS MANDATORY FOR ALL THE BIDDERS TO RECEIVE THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR PAN, DP NAME, DP ID NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM / ASBA BID CUM APPLICATION FORM AS THE CASE MAY BE. INVESTORS MUST ENSURE THAT THE PAN, DP ID NUMBER AND BENEFICIARY ACCOUNT NUMBER GIVEN IN THE BID CUM APPLICATION FORM / ASBA BID CUM APPLICATION FORM AS THE CASE MAY BE IS EXACTLY THE SAME AS PROVIDED IN THE DEPOSITORY ACCOUNT. IF THE BID CUM APPLICATION FORM / ASBA 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 / ASBA BID CUM APPLICATION FORM.

Since these Demographic Details will be used for all correspondence with the Bidders, they are advised to update the Demographic Details as provided to their Depository Participants. The Demographic Details given by Bidders in the Bid cum Application Form / ASBA Bid cum Application Form will not be used for any other purposes by the Registrar to the Issue.

By signing the Bid cum Application Form / ASBA Bid cum Application Form, the 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 (where refunds are not being made electronically) / Allotment Advice would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/ Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form / ASBA Bid cum Application Form would be used only to ensure dispatch of refund orders. Any such delay shall be at the Bidders sole risk none of neither our Company, nor Escrow Collection Banks, the Designated Branch of the SCSBs, the Syndicate Members, the BRLM nor the Registrar to the Issue shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay. In case of refunds

through electronic modes as detailed in the Red Herring Prospectus, Bidders may note that refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, Bidder's PAN (in case of joint Bids, PAN of first applicant), the DP ID and the beneficiary's identity, such Bids are liable to be rejected.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Retail Individual Bidders other than ASBA Bidders

Pursuant to SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011 non- retail Investors are mandatorily required to utilise the ASBA facility to participate in the Issue.

Our Company and the Syndicate shall open Escrow Accounts with one or more Escrow Collection Bank(s) in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Retail Individual Bidders would be deposited in the relevant Escrow Account.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus, the Prospectus and the Escrow Agreement. The Escrow Collection Banks for and on behalf of the Bidders shall maintain the monies in the Escrow Account(s) until the Designated Date. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Banks and the Registrar to the Issue to facilitate collections from the Bidders.

Terms of Payment for Retail Individual Bidders other than ASBA Bidders and Payment into the Escrow Account

Pursuant to SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011 non- retail Investors are mandatorily required to utilise the ASBA facility to participate in the Issue.

Each Retail Individual Bidder who does not utilise the ASBA facility shall pay the full Bid Amount at the time of the submission of the Bid-cum-Application Form, and shall, along with the submission of the Bid-cum-Application Form, draw a cheque or demand draft in favor of the relevant Escrow Account of the Escrow Collection Bank(s) (see 'Payment in Escrow Account' below), and submit such cheque or demand draft to the member of the Syndicate to whom the Bid is being submitted. Retail Individual Bidders may also provide the entire Bid Amount by way of an electronic transfer of funds through the RTGS mechanism. Bid-cum-Application Forms accompanied by cash/stockinvest/money order/postal order shall not be accepted.

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 Retail Individual Bidders until the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account. The balance amount after transfer to the Public Issue Account of our Company shall be transferred to the Refund Account on the Designated Date. No later than 12 Working Days from the Bid / Issue Closing Date, the Escrow Collection Bank(s) shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for Allotment, to the Bidders.

Where the Retail Individual Bidder has been allotted a lesser number of Equity Shares than he or she had Bid for, the excess amount paid on Bidding, if any, after adjustment for Allotment, will be refunded to such Bidder within 12 Working Days from the Bid / Issue Closing Date, failing which our Company shall pay interest according to the provisions of the Companies Act for any delay of more than 7 days after the Basis of Allotment or 15 days from the Bid / Issue Closing Date, whichever is earlier.

Payment into Escrow Accounts

- (a) All Retail Individual Bidders who are not Bidding through ASBA facility would be required to pay the entire Bid Amount at the time of the submission of the Bid-cum-Application Form.
 - (b) The Retail Individual Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for the entire Bid Amount in favour of the Escrow Account(s) and submit the same to the member of the Syndicate. If the payment is not made favouring the Escrow Account along with the Bid cum Application Form, the Bid shall be rejected. Bid cum Application Forms accompanied by cash, stockinvest, money order or postal order shall not be accepted.
 - (c) The payment instruments for payment into the Escrow Account(s) should be drawn in favour of:
 - In case of Resident Retail Bidders: “Escrow Account - Varahi Public Issue - R”
 - In case of Non-Resident Retail Bidders: “Escrow Account - Varahi Public Issue - NR”
 - (d) In case of Bids by Eligible Retail Individual NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of NRO Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting an NRE Account or FCNR Account.
 - (e) In case of Bids by Eligible Retail Individual NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a NRO Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.
- In case of Bids by FIIs, 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.
- (f) The monies deposited in the Escrow Account(s) will be held for the benefit of the Bidders until the Designated Date.
 - (g) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account(s) as per the terms of the Escrow Agreement and the Red Herring Prospectus into the Public Issue Account and the surplus amount shall be transferred to the Refund Account.
 - (h) Within twelve Days from the Bid/Issue Closing Date, the Registrar to the Issue shall dispatch all refund amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation/Allotment to the Bidders.
 - (i) Payments should be made by cheque, or demand draft drawn on any bank (including a cooperative Bank), which is situated at, and is a member of or sub-member of the bankers’ clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash, stockinvest, money orders or postal orders will not be accepted.
 - (j) In case clear funds are not available in the Escrow Accounts as per final certificates from the Escrow Collection Banks, such Bids are liable to be rejected.

- (k) Bidders are advised to mention the number of the Bid cum Application Form on the reverse of the cheque/demand draft to avoid misuse of instruments submitted along with the Bid cum Application Form.
- (l) **Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the center where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/stockinvest/money orders/postal orders will not be accepted.**

Payment mechanism for ASBA Bidders

Pursuant to SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011 non- retail Investors are mandatorily required to utilise the ASBA facility to participate in the Issue

ASBA Bidders shall specify the bank account number in the ASBA Bid cum Application Form which is to be submitted to the Syndicate member. The Syndicate member shall in turn forward the ASBA Bid cum Application Form to the SCSB for processing and the SCSB shall block an amount equivalent to the Bid Amount in the bank account specified in the ASBA Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal / rejection of the ASBA Bid or receipt of instructions from the Registrar to unblock the Bid Amount. In the event of withdrawal or rejection of the ASBA Bid cum Application Form, failure of the Issue or for unsuccessful ASBA Bid cum Application Forms, the Registrar shall give instructions to the SCSB to unblock the Bid Amount in the relevant bank account and the SCSBs shall unblock the Bid Amount on receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal / failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Upon completing and submitting the ASBA Form to the Designated Branch or the Syndicate / Sub - syndicate Member, (at the ASBA Bidding Location) whether in physical or electronic mode, the ASBA Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing without prior or subsequent notice of such changes to the ASBA Bidders.

Upon submission of an ASBA Bid cum Application Form with the SCSB or the Syndicate / Sub - syndicate Member, (at the ASBA Bidding Location) whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Bid Amount and authorised the Designated Branch to block such Bid Amount in the ASBA Account. An ASBA Bid cum Application Form should not be accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form until the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Bidders from the respective ASBA Accounts, in accordance with the SEBI ICDR Regulations, into the Public Issue Account. The balance amount, if any, against any Bid in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

Pursuant to SEBI circular number CIR/CFD/DIL/1/2011 dated April 29, 2011 (i) Non-Institutional Bidders and QIB Bidders are required to mandatorily apply through ASBA, and (ii) the syndicate/ sub-syndicate members may procure the ASBA Bid cum Application Form from the investors in Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda, and Surat and submit it to the SCSB. Syndicate/ sub-syndicate members are required to upload the bid and other relevant details of the ASBA Bid cum Application Form in the electronic bidding system provided by the stock exchanges and forward the same to the SCSBs.

Payment by Stockinvest

Under the terms of the RBI Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 05, 2003, the option to use stockinvest instruments in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Accordingly, payment through stockinvest will not be accepted in the Issue.

Other Instructions

Joint Bids in case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form / ASBA Bid cum Application Form or Revision Form, as the case may be. 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 (common PAN as per Depository records) and the same.

In this regard, the procedures to be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications with the same name, age, status and first line address will be accumulated and taken into a separate process file which would serve as a multiple master document.
2. In such master, a check will be carried out for the same PAN numbers. In cases where the PAN numbers are different, the same will be deleted from this master.
3. The Registrar to the Issue will obtain from the Depositories the details of the applicant's address based on the DP ID and Client ID provided in the Bid cum Application Form/ASBA Bid cum Application Form and create an address master.
4. The addresses of all these applications from the multiple master will be strung from the address master. This involves including the addresses in a single line after deleting non-alpha and non-numeric characters, i.e., commas, full stops, hashes etc. Sometimes, the name, the first line of the address and pin code will be converted into a string for each application received and a photo match will be carried out among all the applications processed. A print-out of the addresses will be made to check for common names. Applications with the same name and same address will be treated as multiple applications.
5. The applications will be scanned for similar DP ID and Client ID. In cases where applications bear the same numbers, these will be treated as multiple applications.

After the aforesaid procedures, a print-out of the multiple master will be taken and the applications physically verified to tally signatures and also the 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 by QIBs will not be considered as multiple Bids.

After Bidding on an ASBA Bid cum Application Form either in physical or electronic mode, where such ASBA Bid has been submitted to the Designated Branches of SCSBs and uploaded with the Stock Exchanges, an ASBA Bidder cannot Bid, either in physical or electronic mode, on another ASBA Bid cum Application Form or a non-ASBA Bid cum Application Form. Submission of a second Bid cum Application Form, whether an ASBA Bid cum Application Form, to either the same or to another Designated Branch of the SCSB, or a Non-ASBA Bid cum Application Form, will be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the ASBA Bidder can revise the Bid through the Revision Form, the procedure for which is detailed in "*Build up of the Book and Revision of Bids*".

More than one ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided that the SCSBs shall not accept a total of more than five ASBA Bid cum Application Forms from such ASBA Bidders with respect to any single ASBA Account.

Our Company, in consultation with the BRLM, reserves the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories. A check will be carried out for the same PAN. In cases where the PAN is

same, such Bids will be treated as multiple applications.

For Bids from Mutual Funds and FII sub-accounts which are submitted under the same PAN, as well as Bids on behalf of the central or state government, an official or receiver appointed by a court and residents of Sikkim for whom submission of PAN is not mandatory, the Bids will be scrutinised for DP ID and beneficiary account numbers. In case these Bids have the same DP ID and beneficiary account numbers, these will be treated as multiple Bids and will be rejected.

‘PAN’ or ‘GIR’ Number

Except for Bids on behalf of the Central or State Government, exempted persons, residents in Sikkim and the officials appointed by the courts, the Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/her PAN allotted under the I.T. Act. In accordance with the SEBI ICDR Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction.

Bidders residing in the State of Sikkim are exempted from the mandatory requirement of PAN. The exemption is subject to the Depository Participants verifying the veracity of the claim of the investors that they are residents of Sikkim, by collecting sufficient documentary evidence in support of their address.

Any Bid cum Application Form / ASBA Bid cum Application Form without the PAN is liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

With effect from August 16, 2010, the beneficiary accounts of Bidders for whom PAN details have not been verified have been labelled “suspended for credit” by the Depositories and no credit of Equity Shares pursuant to the Issue will be made in the accounts of such Bidders.

Withdrawal of ASBA Bids

QIBs cannot withdraw their ASBA Bids after the applicable Issue Closing Date.

ASBA Bidders can withdraw their Bids during the Bidding Period by submitting a request for the same to the concerned SCSBs / the concerned Syndicate members who shall do the requisite, including deletion of details of the withdrawn ASBA Form from the electronic bidding system of the Stock Exchanges. Further the SCSBs shall unblock the funds in the ASBA Account either directly or at the instruction of the member of the Syndicate which had forwarded to it the ASBA Bid Cum Application Form.

In case an ASBA Bidder (other than a QIB bidding through an ASBA Form) wishes to withdraw the Bid after the Bid Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file and give instruction to the SCSB for unblocking the ASBA Account after finalisation of the Basis of Allocation.

Right to Reject Bids

Our Company has a right to reject Bids based on technical grounds. In case of QIB Bidders Bidding in the QIB Portion, the Syndicate may reject Bids provided that such rejection shall be made at the time of acceptance of the Bid and the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company has the right to reject Bids based only on technical grounds and/or as specified in the Red Herring Prospectus. Consequent refunds shall be made through any of the modes described in the Red Herring Prospectus and will be sent to the Bidder’s address at the Bidder’s risk.

With respect to ASBA Bids, the Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder’s bank account, the respective Designated Branch of the SCSB ascertains that sufficient funds are not available in the Bidder’s bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds and/or as specified in the Red Herring Prospectus. Bids submitted by QIBs or Non Institutional Bidders who do not utilise the ASBA facility shall be rejected.

The Bidders may note that in case the DP ID, Beneficiary Account Number and PAN mentioned in the Bid cum Application Form and as entered into the electronic Bidding system of the Stock Exchanges by the members of

the Syndicate and the SCSBs, as the case may be, do not match with the DP ID, Beneficiary Account Number and PAN available in the depository database, the Bid is liable to be rejected.

Bids by persons prohibited from buying, selling or dealing in securities directly or indirectly by SEBI or any other regulatory authority shall be rejected by the BRLM.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected on technical grounds including:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to ASBA Bids, the amounts mentioned in the ASBA Bid cum Application Form does not tally with the amount payable for the value of the Equity Shares Bid for;
2. Application on plain paper;
3. Applications by QIBs and Non Institutional Bidders which are not made through the ASBA facility;
4. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply. However a limited liability partnerships can apply in its name;
5. Bid by persons not competent to contract under the Indian Contract Act, 1872, as amended, including minors;
6. Age of first bidder not mentioned;
7. PAN not stated in the Bid cum Application Form (except for Bids on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts);
8. GIR number furnished instead of PAN
9. Bids for lower number of Equity Shares than specified for that category of investors;
10. Bids at a price less than the Floor Price;
11. Bids at a price over the Cap Price;
12. Bids at Cut off Price by Non-Institutional Bidders and QIB Bidders;
13. Submission of more than five ASBA Bid cum Application Forms per ASBA Account;
14. Bids for number of Equity Shares which are not in multiples of [●];
15. Category not ticked;
16. Multiple Bids as described in the Red Herring Prospectus;
17. In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted;
18. Bids accompanied by cash, stockinvest, money order or postal order;
19. Signature of sole and/or joint Bidders missing. In addition, with respect to ASBA Bids, the ASBA Bid cum Application form not being signed by the account holders, if the account holder is different from the Bidder;
20. Bid cum Application Form does not have the stamp of the BRLM, the Syndicate Members or Designated Branches of the SCSBs (except for electronic ASBA Bids);
21. Bid cum Application Form does not have Bidder's depository account details or the details given are incomplete or incorrect;

22. Bid cum Application Forms / ASBA Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Form / ASBA Bid cum Application Forms, Bid/Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms / ASBA Bid cum Application Forms;
23. In case no corresponding record is available with the Depositories that matches three parameters namely, PAN (in case of joint Bids, PAN of the first applicant), the DP ID and the beneficiary's account number;
24. Authorisation for blocking funds in ASBA not ticked or provided;
25. With respect to ASBA Bids, inadequate funds in the bank account to block the Bid Amount specified in the ASBA Bid cum Application Form at the time of blocking such Bid Amount in the bank account;
26. Bids not uploaded in the electronic bidding system;
27. Bids for amounts greater than the maximum permissible amounts prescribed by applicable law;
28. Bids by OCBs;
29. Bids from within the United States or by U.S. persons (as defined in Regulation S);
30. Bids where clear funds are not available in the Escrow Accounts as per the final certificate from the Escrow Collection Banks;
31. Bids by QIBs uploaded after 4.00 p.m. on the Issue Closing Date applicable to QIBs, Bids by Non-Institutional Bidders uploaded after 5.00 p.m. on the Issue Closing Date, and Bids by Retail Individual Bidders uploaded after 5.00 p.m. on the Issue Closing Date.
32. Bank account details for the refund not given;
33. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
34. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals; and
35. Bids that do not comply with the securities laws of their respective jurisdictions;
36. In case of ASBA Bid cum Application Forms submitted to the members of the Syndicate, if the SCSB whose name has been included in the ASBA Bid cum Application Form does not have a branch at the relevant ASBA Bidding Locations, as displayed on the websites of SEBI, to accept the ASBA Bid cum Application Forms; and

Electronic Registration of Bids

- (a) The members of the Syndicate and the SCSBs will register the Bids received, using the online facilities of the Stock Exchanges. There will be at least one online connectivity in each city, where the Stock Exchanges are located in India and where such Bids are being accepted. A SCSB shall not upload bids received through any ASBA in the electronic bidding system of the Stock Exchanges unless:
 - (i) it has received the ASBA Bid cum Application Form in a physical or electronic form; and
 - (ii) it has blocked the application money in the ASBA Account specified in the ASBA Bid cum Application Form or has systems to ensure that electronic ASBA Bid cum Application Form are accepted in the system only after blocking of application money in the relevant bank account opened with it. A member of the Syndicate/ sub-syndicate member shall not upload any Bid received through ASBA in the electronic bidding system of the Stock Exchanges unless it has received the ASBA Bid cum Application Form in a physical or electronic form.
- (b) The Stock Exchanges will offer a screen-based facility for registering such Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorised agents and the SCSBs during the Bid / Issue Period. The members of Syndicate and the Designated Branches of the SCSBs

can also set up facilities for off-line electronic registration of Bids subject to the condition that it will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis.

- (c) On the Bid / Issue Closing Date, the members of the Syndicate and the Designated Branches of the SCSBs shall upload the Bids until such time as may be permitted by the Stock Exchanges. This information will be available with the BRLM on a regular basis. In order to ensure that the data uploaded is accurate, the Syndicate may be permitted one Working Day after the Bid/Issue Closing Date to amend some of the data fields (currently DP ID, Client ID) entered by them in the electronic bidding system. Bidders are cautioned that a high inflow of Bids typically experienced on the last Working Day of the Bidding may lead to some Bids received on the last Working Day not being uploaded due to lack of sufficient uploading time, and such Bids that could not be uploaded will not be considered for allocation. Bids will only be accepted on Working Days, *i.e.*, Monday to Friday (excluding any public holiday).
- (d) The bidding terminals of the Stock Exchanges shall contain an online graphical display of demand and Bid prices updated at periodic intervals not exceeding 30 minutes. Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges a graphical representation of consolidated demand and price would be made available at the bidding centres and at the websites of each of the Stock Exchanges during the Bid/Issue Period along with category wise details.
- (e) At the time of registering each Bid, the members of the Syndicate or the Designated Branches of the SCSBs in case of ASBA Bids shall enter the following details of the Bidder in the electronic system:
- Name of the Bidder
 - ASBA Bid cum Application Form number
 - Investor Category – Individual, Corporate, non-institutional, qualified institutional buyer, Eligible NRI, FII, or Mutual Fund, financial institutions, insurance companies, etc.
 - PAN (of first Bidder, if more than one Bidder)
 - Depository Participant Identity (“**DP ID**”)
 - Client ID
 - Beneficiary account number of the Bidder
 - Numbers of Equity Shares Bid for.
 - Price option.
 - Amount.
 - Cheque number and cheque amount, in case of Bidder other than ASBA Bidders.
 - Bank Account Details in case of ASBA Bidders

In case of submission of the Bid by an ASBA Bidder through the electronic mode, the ASBA Bidder shall complete the above-mentioned details, except the ASBA Bid cum Application Form number which shall be system generated.

- (f) Upon request, a system generated TRS, on demand, 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 or Designated Branches.** The registration of the Bid by the member of the Syndicate or the Designated Branches does not guarantee that the Equity Shares shall be allocated / Allotted by our Company.
- (g) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (h) In case of QIB Bidders the BRLM has a right to accept the Bid or reject it. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids will not be rejected except on technical grounds. The SCSB may reject the Bids made through the ASBA process if the ASBA Account maintained with the SCSB as specified in the ASBA Bid cum Application Form does not have sufficient funds equivalent to the Bid Amount. Furthermore, the SCSBs shall have no right to reject Bids except on technical grounds. Syndicate members may also reject Bids if all information required is not provided and Bid cum Application Form / ASBA Bid cum Application Forms is incomplete in any respect. Subsequent to the acceptance of the Bid by the Designated Branch, our Company will have a right to reject the Bids only on technical grounds listed in the Red Herring Prospectus and the Prospectus.
- (i) The permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other

requirements by our Company and / or the BRLM are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

- (j) Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. The Member of the Syndicate shall capture all data relevant for the purposes of finalising the Basis of Allotment while uploading Bid data in the electronic Bidding systems of the Stock Exchanges. The members of the Syndicate shall be given one Working Day after the Bid / Issue Closing Date to verify the information uploaded on the online IPO system during the Bidding Period after which the Registrar to the Issue shall proceed with the Allotment of Equity Shares.
- (k) It is to be noted that Syndicate Members or the SCSB, as the case may be, shall be responsible for any error in the Bid details uploaded by them. In case of apparent data entry error by either Syndicate Member or collecting bank in entering the application number in their respective schedules other things remaining unchanged, the Bid may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange(s). In the event of mistake in capturing the application number by either the Syndicate Member or collecting bank leading to rejection of Bid, the Registrar may identify based on the Bid form, the entity responsible for the error. Valid records in electronic file will be those for which money is received.

The BRLM, our Company, and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commission in relation to Bids accepted by SCSBs or Syndicate members, Bids uploaded by SCSBs or Syndicate members, Bids accepted but not uploaded by SCSBs or Syndicate members, or Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.

Build up of the book and revision of Bids

- (a) The Bidding process shall be only through an electronically linked transparent bidding facility provided by the Stock Exchanges. Bids received from various Bidders through the members of the Syndicate and the SCSBs shall be electronically uploaded to the Stock Exchanges' mainframe on a regular basis.
- (b) The book gets built up at various price levels. At the end of each day of the Bidding Period, the demand shall be shown graphically on the bidding terminals of the Syndicate and the websites of the Stock Exchanges. This information will be available with the BRLM at the end of the Bidding Period.
- (c) During the Bid / 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 using the printed Revision Form or ASBA Revision Form, which is a part of the Bid cum Application Form / ASBA Bid cum Application Form. Retail Individual Bidders may revise their Bids within the Price Band at any time until finalisation of the Basis of Allotment.
- (d) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form or ASBA Revision Form, as the case may be. Apart from mentioning the revised options in the Revision Form / ASBA Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form / ASBA Bid cum Application Forms or earlier Revision Form / ASBA Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form / ASBA Bid cum Application Forms and such Bidder is changing only one of the options in the Revision Form / ASBA Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form / ASBA Revision Form. The members of the Syndicate and the Designated Branches of the SCSBs will not accept incomplete or inaccurate Revision Forms/ ASBA Revision Form.
- (e) The Bidder can make this revision any number of times during the Bid / Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate or the Designated Branch of the SCSB through whom such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form / ASBA Revision Form and the revised Bid must be made only in such Revision Form / ASBA Revision Form or copies thereof.

- (f) Any upward 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. Retail Individual Bidders Bidding in such categories should note that the revised amount should not exceed ₹ 2 Lacs. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Red Herring Prospectus. With respect to ASBA Bids, if revision of the Bids results in an incremental amount, the relevant SCSB shall block the additional Bid amount or the relevant Syndicate/ sub-syndicate member shall instruct the SCSB to block any incremental amount, on account of the upward revision of the Bid in case of Bids submitted through ASBA to the Syndicate/ sub-syndicate members. 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. With respect to the ASBA Bids, if revision of the Bids results in an incremental amount, the SCSBs shall block the additional Payment Amount. In case of Bids other than ASBA Bids, the members of the Syndicate shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions. In such cases the members of the Syndicate will revise the earlier Bid details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the basis of Allotment. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Red Herring Prospectus.
- (g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and will, on demand, receive a revised TRS from the members of the Syndicate or Designated Branches, as applicable. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.
- (h) In the case of ASBA Bids, after the Bid/Issue Closing Date, the SCSBs shall provide to the Registrar to the Issue aggregate information relating to the total number of ASBA Bid cum Application Forms uploaded and the total number of Equity Shares and total amount blocked against the uploaded ASBA Bid cum Application Forms. The Registrar to the Issue shall reconcile the electronic data received from the Stock Exchanges and the information received from the SCSBs.

Price Discovery and Allocation

- (a) After the Bid / Issue Closing Date, the Registrar to the Issue shall aggregate the demand generated under the ASBA process with the Bids received under the non-ASBA process to determine the demand generated at different price levels. Thereafter, the BRLM shall analyze the demand generated at various price levels and discuss pricing strategy with our Company. Based on the demand generated at various price levels, our Company in consultation with the BRLM shall finalise the Issue Price.
- (b) In case of over-subscription in all categories, not more than 50% of the Issue shall be available for allocation on a proportionate basis to QIBs. 5% of the QIB Portion shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% share in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. However, if the aggregate demand by Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares from the portion specifically available for allocation to Mutual Funds in the QIB Portion will first be added to the QIB Portion and be allocated proportionately to the QIBs in proportion to their Bids. In the event that the aggregate demand in the QIB Portion has been met, under-subscription, if any, will be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange
- (c) Under-subscription, if any, in any category may be met with spill over from any other category or combination of categories at the sole discretion of our Company in consultation with the BRLM. However, if the aggregate demand by Mutual Funds in the Mutual Fund Portion is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders. In the event the aggregate demand in the QIB Portion has been met, under subscription, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.
- (d) Allocation to Non-Residents, including Eligible NRIs, FIIs and foreign venture capital funds registered with SEBI, applying on repatriation basis will be subject to applicable law.

- (e) Our Company reserves the right to cancel or withdraw the Issue at any time after the Bid/Issue Opening Date but before the Board meeting for Allotment. If our Company withdraws from the Issue, it shall issue a public notice that shall include reasons for such withdrawal within two days of the closure of the Issue. The notice of withdrawal shall be issued in the same newspapers where the pre-Issue advertisements have appeared and our Company shall also promptly inform the Stock Exchanges. If our Company withdraws the Issue after the Bid / Issue Closing Date and thereafter determines that it will proceed with an initial public offering of Equity Shares, it shall file a fresh draft red herring prospectus with the SEBI.
- (f) If an ASBA Bidder wants to withdraw the ASBA Bid cum Application Form during the Bidding Period, the ASBA Bidder shall submit the withdrawal request to a Syndicate member the SCSB, through whom the applicant had placed the original bid, which shall perform the necessary actions, including deletion of details of the withdrawn ASBA Bid cum Application Form from the electronic bidding system of the Stock Exchanges and unblocking of funds in the relevant bank account.
- (g) If an ASBA Bidder, excluding QIB Bidder wants to withdraw the ASBA Bid cum Application Form after the Bid / Issue Closing Date, the ASBA Bidder shall submit the withdrawal request to the Registrar to the Issue before finalisation of basis of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file. The instruction for and unblocking of funds in the relevant bank account, in such withdrawals, shall be forwarded by the Registrar to the Issue to the SCSB once the basis of Allotment has been approved by the Designated Stock Exchange.
- (h) QIB Bidders shall not be allowed to withdraw their Bid after the QIB Bid / Issue Closing Date.
- (i) Allotment status details shall be available on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

- (a) Our Company, the BRLM and the Syndicate Members intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Issue Price.
- (b) After signing the Underwriting Agreement, our Company will update and file the updated Red Herring Prospectus with the RoC in terms of Section 56, 60 and 60B of the Companies Act, and other provisions of applicable laws which then would be termed the 'Prospectus'. The Prospectus will contain details of the Issue Price, Issue size, underwriting arrangements and will be complete in all material respects.

Filing of the Red Herring Prospectus and the Prospectus with the RoC

Our Company will file a copy of the Red Herring Prospectus and the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in two national daily newspapers (one each in English and in Hindi) of wide circulation. In the pre-Issue advertisement, we shall state the Issue Opening Date, the Issue Closing Date and the Issue Closing Date applicable to QIBs.

Advertisement regarding Issue Price and Prospectus

Our Company will issue a statutory advertisement in two national daily newspapers (one each in English and in Hindi) of wide circulation, after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Allotment Advice

- (a) On approval of the basis of Allotment by the Designated Stock Exchange and on Allotment by the Board of Directors or any committee constituted thereof, the Registrar to the Issue shall send to the members of the Syndicate and SCSBs a list of their Bidders who have been Allotted 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 before the approval of the basis of allocation for the Retail Individual Bidders and

Non-Institutional Bidders. However, investors should note that our Company shall ensure that the instructions by our Company for demat credit of the Equity Shares to all investors in the Issue shall be given on the same date as the date of Allotment.

- (b) The Registrar to the Issue will then dispatch an Allotment Advice to the Bidders who have been Allotted Equity Shares in this Issue. The dispatch of Allotment Advice shall be a valid, binding and irrevocable contract for the Bidders.

Unblocking of ASBA Account

Once the basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue shall provide the following details to the Controlling Branches of each SCSB, along with instructions to unblock the relevant bank accounts and transfer the requisite money to the Public Issue Account designated for this purpose within the timelines specified in the ASBA facility: (i) the number of Equity Shares to be Allotted against each valid ASBA Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each valid ASBA Bid, (iii) the date by which funds referred to in (ii) above shall be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn and/or unsuccessful ASBA Bids, if any, to enable SCSBs to unblock the respective bank accounts. On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and shall unblock the excess amount, if any, in the ASBA Account. However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of notification from the Registrar to the Issue by the Controlling Branch of the SCSB in relation to the approval of the basis of Allotment in the Issue by the Designated Stock Exchange in the event of withdrawal or failure of the Issue or rejection of the ASBA Bid, as the case may be.

Designated Date and Allotment of Equity Shares

- Our Company will ensure that (i) Allotment of Equity Shares; (ii) credit to successful Bidder's depository account will be completed within 12 Working Days of the Bid/Issue Closing Date.
- In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the successful bidders. Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to this Issue.

Basis of Allotment

A. For Retail Individual Bidders

- Bids received from Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. Allotment to all successful Retail Individual Bidders will be made at the Issue Price.
- The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.
- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares. For the method of proportionate basis of Allotment, see 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. Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue size less Allotment to QIBs and Retail Portion shall be available for Allotment to Non-

Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate basis of Allotment see below.

C. For QIBs in the QIB Portion

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. Allotment to all successful QIB Bidders will be made at the Issue Price. The QIB Portion shall be available for Allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- Allotment shall be undertaken in the following manner:
 - (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion shall be determined as follows:
 - (i) In the event Mutual Fund Bids exceed 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.
 - (ii) In the event the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
 - (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;
 - (b) In the second instance Allotment to all QIBs shall be determined as follows:
 - (i) In the event of oversubscription 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 up to 95% of the QIB Portion.
 - (ii) Mutual Funds, which have received allocation as per (a) above for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.
 - (iii) 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.

The BRLM, the Registrar to the Issue and the Designated Stock Exchange shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the SEBI ICDR Regulations. The drawing of lots (where required) to finalise the Basis of Allotment shall be done in the presence of a public representative on the Governing Board of the Designated Stock Exchange.

Bids received from ASBA Bidders will be considered at par with Bids received from non-ASBA Bidders. The basis of allocation to such valid ASBA Bidders will be that applicable to non-ASBA Retail Individual Bidders, Non-Institutional Bidders and QIB Bidders, as applicable. ASBA Bidders who are Retail Individual Bidders (including HUFs) and who have Bid for Equity Shares for an amount less than or equal to ₹ 2 Lacs in any of the Bidding options in the Issue, will be categorised as Retail Individual Bidders. ASBA Bidders that are not Retail Individual Bidders and who have Bid for Equity Shares for an amount over ₹ 2 Lacs will be categorised as Non-Institutional Bidders or QIBs, as the case may be. No preference shall be given to ASBA Bidders vis-à-vis non-ASBA Bidders and vice versa.

Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, our Company shall finalise the basis of Allotment in consultation with the Designated Stock Exchange. The executive director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM and the Registrar to the Issue shall be responsible for ensuring that the basis of Allotment is finalised in a fair and proper manner.

The Allotment shall be made in marketable lots, on a proportionate basis as explained below:

- a) Bidders will be categorised according to the number of Equity Shares applied for.
- b) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
- c) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.
- d) In all Bids where the proportionate Allotment is less than [●] Equity Shares per Bidder, the Allotment shall be made as follows:
 - i) 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 as far as possible, equal to the number of Equity Shares calculated in accordance with (b) above; and
 - ii) Each successful Bidder shall be allotted a minimum of [●] Equity Shares.
- e) If the proportionate Allotment to a Bidder is a number that is more than [●] but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that 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 in such categories would be arrived at after such rounding off.
- f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the allotted shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

Equity Shares in Dematerialised Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment of Equity Shares in this Issue shall be only in a dematerialised form, (*i.e.*, not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated [●], between NSDL, our Company and the Registrar to the Issue;
- Agreement dated [●], between CDSL, our Company and the Registrar to the Issue.

Bidders will be Allotted Equity Shares in dematerialised mode only. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

- (a) A Bidder applying for Equity Shares must have at least one valid beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.
- (b) The Bidder must necessarily fill in the details (including the PAN, Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid cum Application Form / ASBA Bid cum Application Forms or Revision Form.
- (c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
- (d) Names in the Bid cum Application Form / ASBA Bid cum Application Forms or Revision Form should

be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

- (e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form / ASBA Bid cum Application Forms or Revision Form, it is liable to be rejected.
- (f) With effect from August 16, 2010, the demat accounts of Bidders for whom PAN details have not been verified shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.
- (g) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form / ASBA Bid cum Application Forms vis-à-vis those with his or her Depository Participant.
- (h) Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- (i) Trading in the Equity Shares would be in dematerialised form only, on the demat segment of the respective Stock Exchanges.
- (j) 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 / ASBA Bid cum Application Form number, PAN, Bidders depository account details, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate or the Designated Branch or the Collection Centre of the SCSBs where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, the bank account number in which an amount equivalent to the Bid Amount was blocked.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted with the members of the Syndicate / Designated Branches, Bidders can contact the relevant Designated Branch of the SCSBs. The SCSB or the Syndicate/ Sub-syndicate Member, as applicable, shall be responsible for any damage or liability resulting from any errors, fraud or willful negligence on the part of any employee of the concerned SCSB or the Syndicate/ sub-syndicate member, as applicable, including its Designated Branches and the branches where the ASBA Accounts are held. Our Company, the BRLM, the Syndicate Members and the Registrar accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, reproduced below:

"Any person who:

- (a) *makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or*
- (b) *otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,*

shall be punishable with imprisonment for a term which may extend to five years."

Payment of Refund

Within twelve Working Days of the Issue Closing Date, the Registrar to the Issue will dispatch the refund orders for all amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also any excess amount paid on Bidding, after adjusting for allocation/ Allotment to Bidders. Bidders other than ASBA Bidders must note that on the basis of the Bidders PAN, DP ID, Client ID and beneficiary account number provided by them in the Bid cum Application Form / ASBA Bid cum Application Forms, the Registrar to the Issue will obtain, from the Depositories, the Bidders' bank account details, including the MICR code. Hence Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither our Company, the Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Issue nor the BRLM shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In the case of Bids from Eligible NRIs and FIIs, refunds, dividends and other distributions, if any, will normally be payable in Indian Rupees only and net of bank charges and/or commission. Where so desired, 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. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Mode of Refunds

For Bidders other than ASBA Bidders

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through any of the following modes:

1. **NECS** – Payment of refund would be done through NECS for Bidders having an account at any of the centres where such facility has been made available specified by the RBI. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code from the Depositories.
2. **Direct Credit** – Bidders having bank accounts with the Refund Bank, as per the Demographic Details received from the Depositories shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank for the same would be borne by our Company.
3. **NEFT** (National Electronic Fund Transfer) – Payment of refund shall be undertaken through NEFT wherever the Bidders' bank branch is NEFT enabled and has been assigned the IFSC, which can be linked to an MICR code of that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date prior to the date of payment of refund, duly mapped with an MICR code. Wherever the Bidders have registered their MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Bidders through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency and the past experience of the Registrars to the Issue. In the event NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in this section.
4. For all other Bidders, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched under certificate of posting for value up to ₹ 1,500 and through ordinary post for refund orders exceeding ₹ 1,500. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Refunds for ASBA Bidders

In case of ASBA Bidders, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within twelve Working Days of the Bid/Issue Closing Date.

Interest on refund of excess Bid Amount

Our Company shall pay interest at the rate of 15% p.a. on the excess Bid Amount received if refunds are not made within a period of seven days after the Basis of Allotment or fifteen days from the Bid / Issue Closing Date, whichever is earlier.

Disposal of Applications and Application Moneys and Interest in Case of Delay

With respect to Bidders other than ASBA Bidders, our Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within twelve Working Days of the Bid / Issue Closing Date. Our Company shall dispatch refunds above ₹ 1,500, if any, by registered post or speed post at the sale or First Bidder's sale risk, except for refunds through the NECs facility or Direct Credit.

In case of Bidders who receive refunds through NECS, NEFT or direct credit, the refund instructions will be given to the clearing system within twelve Working Days from the Bid / Issue Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within twelve Working Days of the Bid / Issue Closing Date, giving the details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall use its best efforts to ensure that all steps for completion of the necessary formalities for listing is completed and trading commences within twelve Working Days of the Bid / Issue Closing Date at all the Stock Exchanges where the Equity Shares are proposed to be listed.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI ICDR Regulations, our Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialised form, including the credit of Allotted Equity Shares to the beneficiary accounts of the Depository Participants, within twelve Working Days of the Bid / Issue Closing Date;
- With respect to Bidders other than ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within twelve Working Days from the Bid / Issue Closing Date would be ensured. With respect to the ASBA Bidders' instructions for unblocking of the ASBA Bidder's bank account shall be made within twelve Working Days from the Bid / Issue Closing Date; and
- Our Company shall pay interest at 15% per annum for any delay beyond the time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within eight days from the day our Company becomes liable to repay. If such money is not repaid within seven days from the day our Company becomes liable to repay, our Company and every Director of our Company who is an officer in default shall, on and from expiry of eight days or after fifteen days from the Bid / Issue Closing Date whichever is earlier, be jointly and severally liable to repay the money with interest as prescribed under sub-section (2) and (2A) of section 73 of the Companies Act.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue.

Save and except for refunds effected through the electronic mode, i.e., NECS, NEFT or direct credit, refunds will be made by cheques, pay orders or demand drafts drawn on a bank appointed by us, as a Refund Banker which shall be payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Letters of Allotment or Refund Orders or instructions to the SCSBs

Our Company shall ensure dispatch of refund orders, if any, of value up to ₹ 1,500, under certificate of posting, and shall dispatch refund orders above ₹ 1,500, if any, by registered or speed post at the sole or first Bidder's sole risk within twelve Working Days from the Bid / Issue Closing Date. Applicants residing at any of the centers where clearing houses are managed by the RBI will get refunds through NECS only (subject to

availability of all information for crediting the refund through NECS) except where the applicant is otherwise disclosed as eligible to receive refunds through Direct Credit, NEFT. In the case of other applicants, our Company shall ensure the dispatch of refund orders, if any, of value less than ₹ 1,500 by ordinary post, and shall dispatch refund orders, if any, of ₹ 1,500 and above by registered post or speed post at the sole or First Bidder's sole risk within twelve Working Days of the Bid / Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within twelve Working Days from Bid / Issue Closing Date.

In case of ASBA Bidders, the Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within twelve Working Days of the Bid / Issue Closing Date, which shall be duly completed after the receipt of such instruction from the Registrar.

Interest in case of delay in dispatch of Allotment Letters or Refund Orders/instruction to SCSB by the Registrar to the Issue

Allotment of Equity Shares in the Issue, including the credit of Allotted Equity Shares to the beneficiary accounts of the Depository Participants, shall be made not later than twelve Working Days of the Bid / Issue Closing Date. Our Company further agrees that it shall pay interest at the rate of 15% per annum if the allotment letters or refund orders have not been dispatched to the Bidders or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given in the disclosed manner within eight days from the day our Company becomes liable to repay. If such money is not repaid within eight days from the day our Company becomes liable to repay, our Company and every Director of our Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under sub-section (2) and (2A) of section 73 of the Companies Act.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Undertakings by our Company

Our Company undertakes the following:

- That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily. Our Company has authorised the Compliance Officer, Mr. Antony Varghese, to redress all complaints, if any, of the investors participating in the Issue;
- That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within twelve Working Days of the Bid/Issue Closing Date;
- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within twelve Working Days from the Bid/Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- That the refund orders or Allotment Advise to Eligible NRIs shall be dispatched within specified time;
- That no further issue of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.; and
- That adequate arrangements shall be made to collect all ASBA and to consider them similar to non-ASBA applications while finalising the basis of allotment.

Our Company shall not have recourse to the Issue Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Withdrawal of the Issue

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

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

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

Utilisation of Issue Proceeds

The Board of Directors certifies that:

- All monies received in 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;
- Details of all monies utilised out of Issue shall be disclosed, and continue to be disclosed until the time any part of the Issue proceeds remains unutilised, under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised; and
- Details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

Our Company shall not have recourse to the proceeds of the Issue until the final listing and trading approvals from all the Stock Exchanges have been obtained.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated primarily by the FEMA and the policy prescribed by the Department of Industrial Policy and Promotion, Government of India through circular 1 of 2011 with effect from April 01, 2011 (“FDI Policy”). While the FDI Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the FDI Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment.

FII's are permitted to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the Takeover Code (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/ RBI. As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the 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.

SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

The Authorised capital of our Company is ₹ 50,00,00,000 divided into 5,00,00,000 Equity shares of ₹ 10 each.

Article Number	Title of the Article	Contents
2.		INTERPRETATION
	Interpretation.	In the interpretation of these Articles the following expressions shall have the following meanings, unless repugnant to the subject or context:
	"The Act"	"The Act" - means the Companies Act, 1956 (Act I of 1956) or any statutory modification or re-enactment thereof for the time being in force.
	"Auditors"	"Auditors" - means and includes those persons appointed as such for the time being of the Company.
	"Beneficial Owner"	"Beneficial Owner" shall mean beneficial owner as defined in clause (a) of the sub-section (1) of Section 2 of the Depositories Act, 1996.
	"Board of Directors"	"Board" or "Board of Directors" - means a meeting of the Directors or a Committee thereof duly called and constituted, or as the case may be, the Directors assembled at a Board or the requisite number of Directors entitled to pass a Circular Resolution in accordance with these Articles, or acting by Circular Resolution under the Articles.
	"Capital"	"Capital" - means the capital for the time being raised for the purposes of the Company
	"Chairman"	"Chairman" - means the Chairman of the Board of Directors for the time being of the Company.
	"The Company" or "This Company"	"The Company" or "This Company" - means VARAHI LIMITED.
	"Debenture"	"Debenture" - means and includes the Debenture Stock.
	"Depository"	"Depository" means a company formed and registered under the Companies Act, 1956 and/or which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992.
	"Directors"	"Directors" - means the Directors for the time being of the Company or, as the case may be, the Directors assembled at a Board, or acting under a Circular Resolution under the Articles.
	"Dividend"	"Dividend" means and includes bonus unless otherwise specified.
	"Documents"	"Documents" - means and includes summons, notice, requisition, other legal process and registers, whether issued, sent, delivered or kept in pursuance of the Act or any other Act or otherwise.
	"Executor or Administrator"	"Executor" or "Administrator" - means a person who has obtained probate or letters of administration, as the case may be from a competent Court.
	"Gender"	"Gender" - Words importing the masculine gender also include the feminine gender.

Article Number	Title of the Article	Contents
	“In writing” and “Written”	“In writing” and “Written” shall mean and include the lithography and other modes of representing or reproducing words in a visible form, including telex and telegram.
	“Marginal Notes”	The Marginal Notes hereto shall not affect the construction hereof.
	“General Meeting”	“General Meeting” means a General Meeting of the Members.
	“Annual General Meeting”	“Annual General Meeting” means a General Meeting of the members held in accordance with the provisions of Section 166 of the Act.
	“Extraordinary General Meeting”	“Extraordinary General Meeting” means an Extraordinary General Meeting of the members duly called and constituted and any adjourned holding thereof.
	“Month”	“Month” - means a Calendar month
	“Office”	“Office” - means the Registered Office for the time being of the Company.
	“Ordinary Resolution”	“Ordinary Resolution” - shall have the meaning assigned to it by Section 189 of the Act.
	“Paid-up”	“Paid-up” includes credited as paid.
	“Persons”	“Persons” - includes individuals, any company or association or body of individuals whether incorporated or not.
	“Proxy”	“Proxy” - means an instrument whereby any person is authorised to vote for a Member at the General Meeting or Poll.
	“The Register of Members”	“The Register of Members” - means the Register of Members to be kept pursuant to Section 150 of the Act.
	“The Registrar”	“The Registrar” - means The Registrar of Companies, Maharashtra.
	“The Company’s Regulations”	“The Company’s Regulations” - means the regulations for the time being for the management of the Company.
	“Seal”	“Seal” - means the Common Seal for the time being of the Company.
	“SEBI”	“SEBI” means The Securities and Exchange Board of India.
	“Secretary”	“Secretary” - means and includes a temporary or Assistant Secretary and any person or persons appointed by the Board to perform any of the duties of the Secretary.
	“Securities”	“Security” means such security as may be specified by SEBI from time to time.
	“Shares”	“Shares” - means the shares or stocks into which the capital of Company is divided and the interest corresponding with such shares or stocks except where a distinction between stocks and shares is expressed or implied.
	“Singular Number”	Words importing the singular number include where the context admits or requires, the plural number and vice versa.

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	“Special Resolution”	“Special Resolution” - shall have the meaning assigned thereto by Section 189 of the Act.
	“The Statutes”	“The Statutes” - means the Companies Act, 1956, and every other Act for the time being in force affecting the Company.
	“Year”	“Year” - means the calendar year and “Financial Year” - shall have the meaning assigned thereto by Section 2 (17) of the Act.
	Expressions in the Act to bear the same meaning in Articles.	Unless the context otherwise requires, words and expressions contained in these Articles shall bear the same meaning as in the Act or any Statutory modifications thereof for the time being in force.
		CAPITAL
3.	Authorised Capital	The Authorised Share Capital of the Company is as mentioned in Clause V of Memorandum of Association of the Company.
4.	Increase of capital by the company and how carried into effect	The Company in General Meeting may, from time to time, by an ordinary resolution increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting, resolving upon the creation thereof, shall direct, and if no direction be given, as the Directors shall determine and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of the assets of the Company and with a right of voting at General Meetings of the Company in conformity with Section 87 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 Sections 81 and 97 of the Act.
5.	New Capital same as existing capital	Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
6.	Redeemable preference shares	Subject to the provisions of these Articles, the Company shall have the power to issue Preference Share carrying a right to redemption out of profits which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of such redemption or liable to be redeemed at the option of the Company and the Board may, subject to the provisions of the Act, exercise such power in such manner as may be provided in these Articles.
8.	Purchase of Own Shares	(a) Pursuant to Section 77A of the Act, the Company may purchase its own shares or other specified securities from out of its free reserves or out of its securities premium account or out of the proceeds of an earlier issue other than fresh issue of shares made specifically for buy-back purposes by passing a special resolution in the general meeting of the Company.

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		(b) Notwithstanding anything contained in these Articles, the Board of Directors may, when and if thought fit, buyback such of the Company's own shares or securities, subject to such limits, upon such terms and conditions and subject to such approvals, as may be permitted under Section 77A of the Companies Act, 1956 and the applicable guidelines and regulations that may be issued in this regard.
9.	Reduction of Capital	The Company may from time to time by Special Resolution reduce its share capital in the manner authorised by law and in particular may pay off any paid-up share capital upon the footing that it may be called up again or otherwise and may if and so far as is necessary alter its Memorandum by reducing the amount of its share capital and of its shares accordingly.
		FURTHER ISSUE OF SHARES
10.	Shares to be offered to the existing Shareholders	<p>Where at the time after the expiry of two years from the formation of the Company or at any time after expiry of one year from the allotment of the 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 the further shares either out of the un-issued capital or out of the increased share capital then:</p> <p>i Such new shares, whether equity or preference, 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 paid-up capital on those shares at that date;</p> <p>ii The aforesaid offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen (15) days from the date of offer within which the offer if not accepted will be deemed to have been declined;</p> <p>iii The aforesaid offer shall be deemed to include a right exercised by the persons concerned to renounce the shares offered to him or any of them in favour of any other person, and the notice referred to in clause (ii) 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>iv After the expiry of the time specified in the notice aforesaid, or earlier notification from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose them of in such manner as it thinks most beneficial to the Company.</p>
11.	Offering of Shares to persons other than existing Shareholders	<p>Notwithstanding anything contained in sub-clause (1) thereof, the further shares aforesaid may be offered to any person (whether or not those person include the person referred to in clause (a) of sub-clause (1) thereof) in any manner whatsoever.</p> <p>a) If a special resolution to that effect is passed by the company in general meeting, or</p> <p>b) Where no special resolution is passed, if the vote cast (whether on show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting including the casting vote, if any, of the chairman) by</p>

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		the 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 the most beneficial to the company.
12.	Time limit for acceptance or renunciation of the offer of shares	<p>Nothing in sub-clause (iii) of Article (10) hereof shall be deemed:</p> <ul style="list-style-type: none"> a) To extend the time within which the offer should be accepted; or b) To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation as first made has declined to take shares comprised in the renunciation. <p>Nothing in this clause shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to debentures issued or loans raised by the Company:</p> <ul style="list-style-type: none"> a) To convert such debentures or loans into shares in the Company, or b) To subscribe for shares in the Company. <p>Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and that such term</p> <ul style="list-style-type: none"> a) either has been approved by the Government before the issue of the debentures or the raising of the loans or is in conformity with the rules, if any, made by the Government in this behalf; and b) in the case of debentures or loans other than debentures issued to or loans obtained from the Government or any institution specified by the Government in this behalf, has also been approved by the Special Resolution passed by the Company in General Meeting before the issue of debentures or the raising of the loans.
		MODIFICATION OF CLASS RIGHTS
14.	Modification of rights	(a) at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 106 and 107 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting
15	Shares under control of Directors	Subject to the provisions of these Articles and of the Act, the shares, (including any shares forming part of the increased capital of the Company) shall be under the control of the Directors who may allot or otherwise dispose of the same to such persons in such proportion

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		and on such terms and conditions and at such times as the Directors think fit and subject to the sanction of the Company in General Meeting with full power, to give any person the option to call for or be allotted shares of any class of the Company either (subject to the provisions of sections 78 and 79 of the Act) at a premium or at par or a discount and such option being exercisable at such times and for such consideration as the Directors think fit provided that the option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the general meeting.
16.	Power to issue shares	In addition to and without derogating from the powers for that purpose conferred on the Board under Article 12 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 Section 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 persons (whether members or not) the option to call for or be allotted shares of any class of the Company either (subject to compliance with the provisions of Section 78 and 79 of the Act) at a premium or at par or at a discount as power to give meeting shall determine and with full power to give any person (whether a member or not) the option of any class of the Company either (subject to compliance with the provisions of Section 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.
18.	Acceptance of Shares	An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.
20.	Deposit and call etc. to be a debt payable Immediately	The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.
21.	Liability of Members	Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.
		CERTIFICATES
23.	Share Certificates	(a) Every member or allottee of shares shall be entitled without payment, to receive one certificate specifying the name of the person in whose favour it is issued the shares to which it relates and the amount paid-up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of

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		<p>requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or a whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating the date of issue.</p> <p>(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupee One. The Company shall comply with the provisions of Section 113 of the Act.</p> <p>(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.</p>
	Time limit within which certificates may be issued	<p>.</p> <p>(b) The Company shall, within three (3) months after the allotment, unless the conditions of issue thereof otherwise provide or within one month of the receipt of the application for registration of transfer, transmission, sub-division, consolidation or renewal of any of the shares, as the case may be deliver the certificate of all the shares and debenture so allotted and transferred.</p>
25.	Issue of new certificates in place of those defaced, lost or destroyed	<p>(a) No certificate/s of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement or those which are defaced, to torn or old, decrepit, worn out, or where the cages on the reverse for recording transfer have been duly utilised, unless the certificates in lieu of which they are issued are produced and surrendered to the Company.</p> <p>(b) Provided that no fee shall be charged for issue of new certificates in replacement of those which are defaced, torn or old, decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilised.</p> <p>(c) Provided further that no fee shall be charged for split, or consolidation of Share Certificates into denomination corresponding with the market unit or trading on the Stock Exchange.</p> <p>(d) Provided further that in case any share certificate being lost or</p>

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		<p>destroyed the Company may issue a duplicate certificate in place of the certificate so lost or destroyed on such terms, as to evidence, out of pocket expenses regard to investigation of such evidence and indemnity as the Board may determine.</p> <p>(e) Any renewed certificate shall be marked as such.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in the behalf.</p> <p>(f) The provisions of this Article shall mutatis mutandis apply to debentures of the Company</p>
26.	Joint holder deemed sole holder	<p>(a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.</p>
27.	Company not bound to recognize any Interest in share other than that of registered holders	<p>Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.</p>
		DEMATERIALIZATION OF SHARES
29.	Dematerialisation of Shares	<p>(i) Dematerialisation of Securities</p> <p>Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.</p> <p>(ii) Option for investors</p> <p>Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with the depository. Such a person who is beneficial owner of the securities can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of the securities. If a person opts to hold his security with a depository the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the</p>

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		<p>beneficial owner of the security.</p> <p>(iii) Securities in depositories to be in fungible form</p> <p>All the securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C, and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.</p> <p>(iv) Rights of depositories and beneficial owners</p> <p>a) Notwithstanding anything contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.</p> <p>b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.</p> <p>c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a depository.</p> <p>(v) Service of documents</p> <p>Notwithstanding anything contrary contained in the Act or these Articles, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.</p> <p>(vi) Transfer of Securities</p> <p>Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.</p> <p>(vii) Allotment of securities dealt with by a depository</p> <p>Notwithstanding anything in the Act or these Articles, where the securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.</p> <p>(viii) Distinctive numbers of securities held in a depository</p> <p>Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held in a depository.</p> <p>(ix) Register and Index of the beneficial owners</p> <p>The Register and Index of the beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be</p>

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		the Register and Index of the Members and Security holders for the purpose of these Articles.
30.	Application of premium received on shares	<p>(1) Where the Company issues shares at a premium whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those shares shall be transferred to an account, to be called "THE SHARE PREMIUM ACCOUNT" and the provisions of the Act relating to the reduction of the share capital of the Company shall except as provided in this clause, apply as if the share premium account were paid up share capital of the Company.</p> <p>(2) The Share Premium Account may, notwithstanding clause (1) hereof be applied by the Company :</p> <p>(a) in paying up unissued shares of the Company to be issued to the members of the Company as fully paid bonus shares;</p> <p>(b) in writing off the preliminary expenses of the Company;</p> <p>(c) in writing off the expenses of, or the commission paid or discount allowed, on any issue of shares or debentures of the Company; or</p> <p>(d) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.</p> <p>(e) buy back of its securities</p>
31.	Shares at a discount	<p>The Company may issue at a discount shares in the Company of a class already issued, if the following conditions are fulfilled, namely:-</p> <p>(i) the issue of the shares at a discount is authorised by a resolution passed by the Company in General Meeting and sanctioned by the Company Law Board;</p> <p>(ii) the resolution specifying the maximum rate of discount (not exceeding ten per cent or such higher percentage as the Central Government may permit in any special case) at which the shares are to be issued; and</p> <p>(iii) the shares to be issued at a discount are issued within two months after the date on which the issue is sanctioned by the Company Law Board or within such extended time as the Company Law Board may allow.</p>
		UNDERWRITING AND BROKERAGE
33.	Commission may be paid	<p>Subject to the provisions of Section 76 of the Act the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures or securities in the Company, or procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any shares or debentures or other securities of the Company but so that the commission shall not exceed in the case of shares five per cent of the price at which the shares are issued and in the case of debentures two and a half per cent of the price at which the debentures 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</p>

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		in one way and partly in the other.
34.	Brokerage	The Company may on any issue of shares or debentures pay such brokerage as may be reasonable and lawful.
		INTEREST OUT OF CAPITAL
35.	Interest out of capital	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
		CALLS
36.	Directors may make calls	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 the Board (and not by a Circular Resolution) make such call or calls as it thinks fit upon the members in respect of all moneys unpaid on the shares whether on account of the nominal value of 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 the 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 pay be postponed or revoked as the Board may determine.
37.	Notice of calls	Fourteen days' notice at least in writing of any call shall be given by the Company, specifying the time and place of payment, and the person or persons to whom such call shall be paid.
38.	Calls to date from Resolution	A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board of Directors and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Board of Directors.
40.	Directors may extend time	The Board of Directors may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the Members, who on account of residence at a distance or other cause, in opinion of Board of Directors are fairly entitled to such extension; but no member shall be entitled to such extension as of right except as a matter of grace and favour.
41.	Amount payable at fixed time or by installments to be treated as calls	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.
42.	When Interest on call or installments	If the sum payable in respect of any call or installment be not paid on or before the day appointed for the payment thereof the holder for the

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	payable	time being or allottee of the share in respect of which the calls shall have been made or the installment shall be due, shall pay interest on the same at such rate not exceeding twenty two per cent per annum as directors shall fix from the day appointed for the payment thereof to the time of actual payment, but the directors may waive payment of such interest wholly or in part.
43.	Evidence in actions by Company Against share holders	On the trial or hearing of any action or suit brought by the Company against any member or his legal representatives for the recovery of any moneys claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered and entered on the Register of Members as the holder, at or subsequent to the date at which the money sought to be recovered is alleged to have become due, of the shares in respect of such money is sought to be recovered and entered on the Register of Members as the holder or as one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares in respect of which such money is sought to be recovered, that the resolution making the call is duly recorded in the Minute Book; and that notice of such call was duly given to the member or his legal representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.
44.	Partial payment not to preclude forfeiture	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 share, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.
45.	Payment in Anticipation of calls may carry interest	<p>The Board may, if it thinks fit and subject to the provisions of Section 92 of the Act, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The rate of interest on such amount shall not exceed twelve per cent p.a. (12%), without sanction of the members of the company at the General Meeting. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing; provided that moneys paid in advance of calls on not shares may carry interest but shall not confer a right to dividend or to participate in profits.</p> <p>(b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.</p> <p>(c) The provision of these Articles shall apply mutatis mutandis apply to calls on the debenture of the Company.</p>

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		LIEN
46.	Company to have lien on shares	<p>The Company shall have a first and paramount lien upon all shares other than fully paid-up shares registered in the name of any Members, either alone or jointly with any other person, and upon the proceeds of sale thereof, for all debts, liabilities, engagements and obligations whether solely or jointly with any other person, to or with the Company/the Exchange/the Designated Clearing House (Whether presently payable or not) called or payable at a fixed time in respect of such shares / debentures</p> <p>and no equitable interest in any shares shall be created except upon the footing and condition that this Article shall have full effect, and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/ debentures. Unless otherwise agreed, the registration of transfer of shares/ debentures shall operate as a waiver of the company's lien if any, on such shares or debentures. and such lien shall extend to all dividends from time to time declared in respect of such shares. But the Board may at any time declare any share to be exempt, wholly or partially, from the provisions of this Article.</p>
47.	As to enforcing lien by sale	<p>The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien for the purpose of enforcing the same. Provided that no sale shall be made :-</p> <p>a) unless a sum in respect of which the lien exists is presently payable; or</p> <p>(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency. For the purpose of such sale the Board may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their members to execute a transfer thereon on behalf of and in the name of such members.</p>
49.	Application of proceeds of sale	<p>(1) The net proceeds of any such sale shall be received by the Company and applied in or towards such part of the amount in respect of which the lien exists as is presently payable; and</p> <p>(2) The residue, if any, shall be paid to the person entitled to the shares at the date of the sale (Subject to a like lien for sums not presently payable as existed on the share before the sale).</p>
		FORFEITURE OF SHARES
50.	If money payable on share not paid notice to be given to member	<p>If any member fails to pay any call or any installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, 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.</p>
51.	Sum payable on allotment to be deemed to be a call	<p>For the purposes of the provisions of these presents relating to forfeiture of shares, the sum payable upon allotment in respect of a share shall be deemed to be a call, payable upon such share on the day of allotment.</p>

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52.	Form of notice	The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or installment and such interest thereon at such rate and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place appointed the shares in respect of which the call was made or installment is payable will be liable to be forfeited.
53.	In default of payment shares to be forfeited	If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time there after before payment of all calls or installments interest and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other money; payable in respect of the forfeited shares and not actually paid before the forfeiture.
54.	Notice of forfeiture to a members	When any share shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and any entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
55.	Forfeited share to be the property of the Company and may be sold etc.	Any share so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the original holder or to any other person, upon such terms and in such manner as the Board of Directors shall think fit.
56.	Member still liable to pay money owing at the time of forfeiture and interest	Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding twelve per cent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such monies or any part thereof, if it thinks fit, but shall not be under any obligation so to do.
57.	Effect of forfeiture	The forfeiture of a share shall involve extinction at the time of the forfeiture, of all interest in and all claims and demands against the Company in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.
58.	Power to annul forfeiture	The Board of Directors may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.
59.	Validity of forfeiture	<p>(1) A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;</p> <p>(2) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the</p>

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		<p>share is sold or disposed of;</p> <p>(3) The person to whom such share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the shares;</p> <p>(4) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay any calls, amounts, installments, interest and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment;</p> <p>(5) Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share.</p>
60.	Provision of These Articles as to forfeiture to apply in case of non-payment of any sum	The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
61.	Cancellation of share certificates in respect of forfeited shares	Upon any sale, re-allotment or other disposal under the provisions of the preceding articles, the Certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the persons entitled thereto.
62.	Surrender of shares	The Directors may, subject to the provisions of the Act, accept a surrender of any share from or for any member desirous of surrendering on such terms as they think fit.
		TRANSFER AND TRANSMISSION OF SHARES
64.	Form of Transfer	The instrument of transfer of any share shall be in the prescribed form and in accordance with the requirements of Section 108 of the Act.
65.	Application for transfer	<p>(1) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee;</p> <p>(2) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice;</p> <p>(3) For the purpose of sub-clause (2) above, notice to the transferee shall be deemed to have been duly given if it is dispatched by pre-paid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.</p>

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66.	To be executed by Transferor and Transferee	Every such instrument of transfer duly stamped shall be executed by or on behalf of both the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof.
67.	Transfer by legal representative	A transfer of a share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of the instrument of transfer.
68.	Transfer Books when closed	The Board of Directors shall have power on giving not less than seven days previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situate, to close the Transfer Books, the Register of Members or Register of Debenture Holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty-five days in each year as it may seem expedient to the Board.
69.	Directors may refuse to register transfer	<p>(a) Subject to the provisions of Section 111 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on the shares. Transfer of shares/ debentures in whatever lot shall not be refused.</p> <p>(b) No share shall in any circumstances be transferred to any insolvent or person of unsound mind.</p> <p>(c) No partly paid share shall be transferred to a minor. PROVIDED THAT registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on shares.</p>
70.	Notice of refund to be given to Transferor and transferee	If the Company refuses to register the transfer of any shares or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and thereupon the provisions of Section 111 of the Act or any statutory modification thereof for the time being in force shall apply.
71.	Death of one or more joint holders of shares	In case of the death of any one or more persons named in the Register of Members as the joint-holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint

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		holder from any liability on shares held by him jointly with any other person.
72.	Title to shares of deceased member	The executors or administrators of a deceased member or the holder of a succession certificate or the legal representatives in respect of the shares of a deceased member (not being one of two or more joint-holders) shall be the only persons recognised by the Company as having any title to the shares registered in the names of such member and the Company shall not be bound to recognise such executors or administrators or holders of a succession certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be, from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register under Article 70 the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member as a member.
		NOMINATION
73.	Nomination	<p>(i) Notwithstanding anything contained in the articles, every holder of shares or debentures of the Company may, at any time, nominate a person in whom his shares or debentures shall vest in the event of his death and the provisions of Section 109A and 109B of the Companies Act, 1956 shall apply in respect of such nomination.</p> <p>(ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the shares or debentures of the Company in the manner specified under Section 109A of the Companies Act, 1956.</p> <p>(iii) The Company shall not be in any way responsible for transferring the shares and/ or debentures consequent upon such nomination.</p> <p>(iv) If the holder(s) of the shares or debentures survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.</p>
74.	Registration of persons entitled to shares otherwise than by transfer (Transmission clause)	Subject to the provisions of Articles 68 and 69 any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any Member, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board of Directors (which it shall not be under obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under these Articles, or of his title, as the Board of Directors shall require and upon giving such indemnity as the Directors shall require either be registered as a member in respect of such shares or elect to have some person nominated by him and approved by the Board of Directors registered as a member in respect of such shares provided, nevertheless, that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained, and, until he does so, he shall not be freed from any liability in respect of such shares. This clause is herein referred to as "The Transmission

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		Clause”.
75.	Refusal to register nominee	Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any share or his nominee as if he were the transferee named in an ordinary transfer presented for registration.
76.	Directors entitled to refuse to register more than four joint holders	The Company shall be entitled to decline to register more than four persons as the holders of any share.
77.	Persons entitled may receive dividend without being registered as Members	A person entitled to a share by transmission shall subject to the right of the Directors to retain such dividends or money as hereinafter provided, be entitled to receive and may give a discharge for any dividends or other money payable in respect of the share.
78.	Conditions of registration of transfer	Prior to the registration of a transfer, the certificates or certificate of the share or shares to be transferred, and if no such certificate is in existence, the Letters of Allotment of the shares, must be delivered to the Company along with (save as provided in Section 108 of the Act) a properly stamped and executed instrument of transfer, with the date of presentation of the instrument to the proper authorities duly engrossed thereon.
79.	No fee on transfer or transmission	No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and Letter of Administration, Certificates of Death or Marriage, Power-of-Attorney or similar other documents.
80.	The Company not liable for disregard of a notice prohibiting registration of a transfer	The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof as shown or appearing in the Register of Members to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company and, the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless, be at liberty to regard and attend to any such notice, and give effect thereto if the Board of Directors shall so think fit.
81.	When transfer instruments are to be retained	All instruments of transfer which have been registered shall be retained by the Company but any instrument of transfer which the Directors may decline to register shall on demand, be returned to the person depositing the same. The Directors may, however, cause to be destroyed all transfer deeds lying with the Company after such period not being less than 5 years as they may determine.
		CONVERSION OF SHARES INTO STOCK
82.	Conversion of shares into stock or reconversion	The Company may, by ordinary resolution in General Meeting: a) convert any fully paid-up shares into stock; and b) re-convert any stock into fully paid-up shares of any

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		denomination.
83.	Transfer of stock	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that, the Board may, from time to time, fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
84.	Rights of stock holders	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they held the shares for which the stock arose; but no such privileges or advantages (except dividends, participation in profits by an amount of stock) which would not, if existing in shares, have conferred that privilege or advantage.
85.	Regulations	Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words “share” and “shareholders” in those regulations shall include “stock” and “stockholders” respectively.
		BORROWING POWERS
86.	Power to borrow	Subject to the provisions of Sections 58A, 292 and 293 of the Act and of these Articles, the Board of Directors, may, from time to time at its discretion, by a resolution passed at a meeting of the Board, accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company from any source. Provided, however, 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 debt 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.
87.	The payment or re-payment of moneys borrowed	The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a resolution passed at a meeting of the Board (and not by Circular Resolution) by the issue of debentures or debenture stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its uncalled capital for the time being; and the debentures and the debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
88.	Terms of issue of debentures	Any debentures, 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 redemption, surrender, drawing, allotment of shares, attending (but not voting) at the general meeting, appointment of directors, and otherwise debentures with the right to conversion into or allotment of shares shall be issued only

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		with the consent of the company in the general meeting by way of special resolution.
89.	Mortgage of uncalled capital	If any uncalled capital of the Company is included in or charged by any 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 is executed.
90.	Bonds, Debentures etc. to be under the control of the Directors	Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.
		MEETINGS OF MEMBERS
95.	Annual General Meeting	<p>(1) The Company shall, in each year hold, in addition to any other meetings, a general meeting as its Annual General Meeting in accordance with the provisions of Sections 166 and 210 of the Act and shall specify the meeting as such in the notice calling it. Except in the case where the Registrar has given an extension of time for holding any Annual General Meeting and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. Provided that if the Registrar shall have extended the time within which any Annual General Meeting shall be held, such Annual General Meeting may be held within the additional time;</p> <p>(2) Every Annual General Meeting shall be called for any time during business hours, on a day that is not a public holiday and shall be held either at the Registered Office of the Company or at some other place within the city, town or village in which the Registered Office of the Company is situate for the time being;</p> <p>(3) Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as auditor.</p>
96.	Report, Statement and Registers to be laid before the Annual General Meeting	At every Annual General Meeting of the Company there shall be laid on the table the Directors' Report and Audited Statement of Accounts, Auditors' Report (if not already incorporated in the Audited Statement of Accounts), the Proxy Register with proxies, and the Register of Directors' shareholdings.
97.	Extraordinary General Meeting	All General Meetings other than Annual General Meeting shall be called Extraordinary General Meeting.
99.	Circulation of Members' Resolution	<p>(1) Subject to the provisions of Section 188 of the Act, the Directors shall on the requisition in writing of such number of members as is hereinafter specified and (unless the Annual General Meeting otherwise resolves) at the expense of the Requisitionists.</p> <p>a) give to the members of the Company entitled to receive a notice of any resolution which may properly be moved and is intended to be moved at that meeting; and</p> <p>b) circulate to members entitled to have notice of any General Meeting sent to them, any statement of not more than one</p>

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		<p>thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.</p> <p>(2) The number of members necessary for requisition under clause (1) hereof shall be –</p> <p>(a) such member or members as represent not less than one-twentieth of the total voting power of all the members having at the date of the requisition a right to vote on the resolution or business to which the requisition relates; or</p> <p>(b) not less than one hundred members having the right aforesaid and holding shares in the Company on which there has been paid up an aggregate sum of not less than rupees one lac in all.</p> <p>(3) Notice of any such resolution shall be given and any such statement shall be circulated to members of the Company entitled to have notice of the meeting sent to them by serving a copy of the resolution or statement on each member in any manner permitted by the Act for service of notice of the meeting and notice of any such resolution shall be given to any other member of the Company by giving notice of the general effect of the resolution in any manner permitted by the Act for giving him notice of meeting of the Company. The copy of the resolution shall be served or notice of the effect of the resolution shall be given, as the case may be, in the same manner, and so far as practicable, at the same time as notice of the meeting, and where it is not practicable for it to be served or given at that time, it shall be served or given as soon as practicable thereafter.</p> <p>(4) The Company shall not be bound under this article to give notice of any resolution or to circulate any statement unless :-</p> <p>(a) a copy of the requisition signed by the requisitionists (or two or more copies which between them contain the signature of all the requisitionists) is deposited at the Registered Office of the Company.</p> <p>(i) in the case of a requisition requiring notice of resolution, not less than six weeks before the meeting, and</p> <p>(ii) in the case of any other requisition, not less than two weeks before the meeting, and</p> <p>(b) there is deposited or tendered with the requisition a sum reasonably sufficient to meet the Company's expenses in giving effect thereto. PROVIDED that if after a copy of the requisition requiring notice of a resolution has been deposited at the Registered Office of the Company, and an Annual General Meeting is called for a date six weeks or less after such copy has been deposited the copy although not deposited within the time required by this clause, shall, be deemed to have been properly deposited for the purpose thereof.</p> <p>(5) The Company shall not also be bound under this article to circulate any statement, if, on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this clause are being either to secure needless publicity for defamatory matter.</p> <p>(6) Notwithstanding anything in these Articles contained, the business which may be dealt with at an Annual General Meeting</p>

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		shall include a resolution of which notice is given in accordance with this Article and for the purpose of this Clause notice shall be deemed to have been so given notwithstanding the accidental omission in giving it, to one or more members.
100.	Extraordinary General Meeting by Board and by requisition	The Directors may, whenever they think fit convene an Extraordinary General Meeting and they shall on requisition of the members as hereinafter provided, forthwith proceed to convene Extraordinary General Meeting of the Company.
101.	Contents of requisition and numbers of requisitionists required and the conduct of meeting	<p>In case of requisition the following provision shall have effect.</p> <p>(1) The requisition shall set out the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company.</p> <p>(2) The requisition may consist of several documents in like form, each signed by one or more requisitionists.</p> <p>(3) The number of members entitled to requisition a meeting in regard to any matter shall be such number as hold at the date of the deposit of the requisition, not less than one-tenth of such of the paid up capital of the Company as at that date carries the right of voting in regard to that matter.</p> <p>(4) Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (3) shall apply separately in regard to such matter, and the requisition, shall accordingly be valid only in respect of those matters in regard to which the conditions specified in that clause are fulfilled.</p> <p>(5) If the Board does not, within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters on a day not later than forty-five days from the date of the deposit of the requisition, the meeting may be called—</p> <p>(a) by the requisitionists themselves, or</p> <p>(b) by such of the requisitionists as represent either a majority in value of the paid up share capital held by all of them or not less than one-tenth of the paid-up share capital of the Company as is referred to in sub-clause (3) whichever is less.</p> <p>PROVIDED that for the purpose of this sub-clause the Board shall, in the case of a meeting at which a resolution is to be proposed as a special resolution be deemed not to have duly convened the meeting if they do not give such notice thereof as is required by sub-section (2) of Section 189 of the Act.</p> <p>(6) A meeting called under Clause (5) by the requisitionists or any of them</p> <p>(a) shall be called in the same manner, as nearly possible, as that in which meeting is to be called by the Board, but</p> <p>(b) shall not be held after the expiration of three months from the date of deposit of the requisition. PROVIDED that nothing in sub clause (b) shall be deemed to prevent a meeting duly commenced before the expiry of the period of three months aforesaid, from adjourning to some day after the expiry of that period.</p>

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		<p>(7) Where two or more persons hold any shares in the Company jointly, a requisition, or a notice calling a meeting signed by one or some only of them shall for the purposes of this Article have the same force and effect as if it had been signed by all of them.</p> <p>(8) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company, and any sums so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.</p>
102.	Length of notice of meeting	<p>(1) A General Meeting of the Company may be called by giving not less than twenty-one days' notice in writing.</p> <p>(2) A General Meeting may be called after giving shorter notice than that specified in Clause (1) hereof if consent is accorded thereto -:</p> <p>(i) in the case of an Annual General Meeting, by all the members entitled to vote thereat; and</p> <p>(ii) in the case of any other meeting, by members of the Company holding not less than ninety-five per cent of such part of the paid-up share capital of the Company as gives a right to vote at the meeting; PROVIDED that where any members of the Company are entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members shall be taken into account for the purposes of this clause in respect of the former resolutions and not in respect of the latter.</p>
103.	Contents and manner of service of notice	<p>(1) Every notice of a meeting of the Company shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat.</p> <p>(2) Subject to the provisions of the Act, notice of every General Meeting shall be given —</p> <p>(a) to every member of the Company in the manner authorised by sub-sections (1) to (4) of Section 53 of the Act;</p> <p>(b) to the persons entitled to a share in consequence of the death, or insolvency of a member, by sending it through the post in a pre-paid letter addressed to them by name, or by title of representatives of the deceased or assignee of the insolvent, or by like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied by giving the notice in any manner in which it might have been if the death or insolvency had not occurred; and</p> <p>(c) to the Auditors or Auditor for the time being of the Company, in any manner authorised by Section 53 of the Act in the case of any member of the Company. PROVIDED that where the notice of meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the Registered Office of the Company under sub-section (3) of Section 53 of the Act, the statement of material facts referred to in Section 173 of the Act need not be annexed to the notice as required by that Section, but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.</p>

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		(3) Every notice convening a meeting of the Company shall state that a member entitled to attend and vote at the meeting is entitled to appoint a proxy to vote and attend instead of himself and that a proxy need not be a member of the Company.
104.	Special and Ordinary business and explanatory statement	<p>(1) (a) in case of an Annual General Meeting, all business to be transacted at the meeting shall be deemed special, with the exception of business relating to-</p> <p>(i) The consideration of the accounts, balance sheet and reports of the Board of Directors and Auditors;</p> <p>(ii) The declaration of dividend;</p> <p>(iii) The appointment of Directors in the place of those retiring; and</p> <p>(iv) The appointment of and the fixing of the remuneration of the Auditors.</p> <p>(b) In the case of any other meeting, all business shall be deemed special.</p> <p>(2) Where any item of business to be transacted at the meeting of the Company are deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business including in particular the nature of the concern or interest, if any, therein of every Director. PROVIDED THAT where any item of special business at the meeting of the Company relates to or affects, any other company the extent of shareholding interest in that other company of every Director shall be set out in the statement, if the extent of such shareholding interest is not less than 20% of the paid up share capital of that other company.</p> <p>(3) Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement as aforesaid.</p>
105.	Omission to given notice not to invalidate a resolution passed	The accidental omission to give any such notice as aforesaid to or the non-receipt thereof by any member or other person to whom it should be given, shall not invalidate the proceedings of any such meeting.
106.	Notice of business to be given	No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices convening the meeting.
107.	Quorum	Five members entitled to vote and present in person shall be quorum for general meeting and no business shall be transacted at the general meeting unless the quorum requisite be present at the commencement of the meeting. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with section 187 of the Act.
108.	Presence of Quorum	If within half an hour from the time appointed for holding a meeting of the Company a quorum is not present the meeting if called by or upon the requisition of members shall stand dissolved and in any other case the meeting shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding

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		day which is not a public holiday at the same time and place, or to such other day and at such other time and place as the Board may determine. If at the adjourned meeting also a quorum is not present within half an hour from the time appointed for holding the meeting the member present shall be a quorum, and may transact the business for which the meeting was called.
109.	Resolution passed at adjourned meeting	Where a resolution is passed at an adjourned meeting of the Company, the resolution shall, for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.
110.	Chairman of General Meeting	The Chairman of the Board of Directors shall be entitled to take the Chair at every General Meeting, or if there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting, or shall decline to take the Chair, the Directors present shall elect one of them as Chairman and if no Director be present or if the Directors present decline to take the Chair, then the members present shall elect one of their numbers to be the chairman. If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and the Chairman elected on show of hands shall exercise all the powers of the Chairman under the said provisions. If some other person is elected as a result of the poll he shall be the Chairman for the rest of the meeting.
112.	Chairman may adjourn meeting	<p>(1) The Chairman may, with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn the meeting, from time to time and from place to place.</p> <p>(2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>(3) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</p> <p>(4) Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at any adjourned meeting.</p>
114.	Chairman's Declaration of result of voting on show of hands	A declaration by the Chairman that in pursuance of Article 115 on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number of proportion of votes in favour or against such resolution.
115.	Demand for poll	<p>(1) Before, or on the declaration of the result of the voting on any resolution on show of hands a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on demand made in that behalf by the person or persons specified below, that is to say by any member or members present in person or by proxy and holding shares in the company</p> <p>i) which confer power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution; or</p> <p>ii) on which an aggregate sum of not less than fifty thousand rupees has been paid up.</p>

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		(2) The demand for a poll may be withdrawn at any time by the person or persons, who made the demand.
116.	Time of taking poll	A poll demanded on a question of adjournment shall be taken forthwith. A poll demanded on any other question (not being relating to the election of a chairman which is provided for in Article 109 shall be taken at such time not being later than forty-eight hours from the time when the demand was made in such manner and place as the Chairman of the meeting may direct.
117.	Chairman's casting Vote	In the case of an equality of votes the Chairman shall both on a show of hands and at a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled to as a member.
118.	Scrutineers at poll	Where a poll is to be taken, the Chairman of the meeting shall appoint two Scrutineers to scrutinise the votes given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove a scrutineer from office and fill vacancy in the office of the scrutineer arising from such removal or from any other cause.
120.	Special notice	Where by any provision contained in the Act or in these articles special notice is required for any resolution, notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the meeting at which it is to be moved exclusive of the day on which the notice is served or deemed to be served and the day of the meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its members notice of the resolution in the same manner as it gives notice of the meeting, or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the meeting.
121.	Resolutions requiring special notice	The following resolutions shall require special notice to (1) Resolution under Section 225 of the Act at an Annual General Meeting appointing as Auditor a person other than a retiring Auditor or providing expressly that a retiring Auditor shall not be reappointed; (2) Resolution under Section 284 of the Act removing a Director before the expiry of his period of office; and (3) Resolution under Section 284 of the Act appointing a Director in place of the Director so removed.
122.	Registration of documents with the Registrar	A copy of each of the following resolutions (together with a copy of the statement of material facts annexed under Section 173 of the Act to the notice of the meeting in which such resolution has been passed) or agreement shall, within thirty days after the passing or making thereof be printed or typewritten and duly certified under the signature of Officer of the Company and filed with the Registrar :- (a) Every Special Resolution;

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		<p>(b) Every resolution which has been agreed to by all the members of the Company, but which, if not so agreed to would not have been effective for the purpose unless it has been passed as a Special Resolution;</p> <p>(c) Every resolution of the Board of Directors or agreement executed by the Company relating to the appointment, re-appointment or renewal or appointment or variation in the terms of appointment of a Managing Director;</p> <p>(d) Every resolution or agreement which has been agreed to by all the members of any class of shareholders but which if not so agreed to, would not have been effective for the purpose unless it had been passed by some particular majority required by the Act or by these articles and every resolution or agreement which effectively binds all the members or any class of shareholders though not agreed to by all of them;</p> <p>(e) Every resolution passed by the Company :</p> <p>(i) According consent to the exercise by the Board of Directors of any of the powers under clause (a), (d) and (e) of sub-section (1) of Section 293 of the Act;</p> <p>(ii) Approving the appointment of sole selling agents under Sections 294, 294A of the Act.</p> <p>(f) A resolution for voluntary winding up of the Company; and</p> <p>(g) Copies of the terms and conditions of appointment of a sole selling agent appointed under Section 294 or of a sole selling agent or other person appointed under Section 294AA.</p> <p>A copy of every such resolution or agreement for the time being in force shall also be embodied in or annexed to, every copy of these Articles issued after the passing of the resolution or the making of the agreement.</p>
		VOTES OF MEMBERS
123.	Members paying money in advance not to be entitled to vote in respect thereof	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 upon, shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.
124.	Restriction on exercise of voting rights of members who have not paid calls	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 an right of lien.
125.	Number of Votes to which member entitled	Subject to the provisions of Articles 121 and 122 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 be

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		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.
126.	Vote of Member of unsound mind	A member of unsound mind or in respect of whom order has been made by any Court having jurisdiction in lunacy, may vote whether on a show of hands or on a poll, by his Committee or other legal guardian and any such Committee or Guardian may on a poll vote by proxy.
127.	Votes of Joint Members	If there be joint registered holders of any shares any one of such persons may vote at any meeting either personally or by an agent duly authorised under a Power of Attorney or by proxy in respect of such shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the meeting, and, if more than one of such joint holders be present at any meeting either personally or by agent or by proxy, that one of the said persons so present who stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting; provided always that a person present at any meeting personally shall be entitled to vote in preference to a person present by an agent duly authorised under a Power of Attorney or by proxy although the name of such person present by agent or proxy stands first or higher in the Register in respect of such shares. Several executors or administrators of a deceased member in whose name shares stand shall for the purpose of this article be deemed joint holders thereof.
128.	Representation of Body Corporate, President of India, Governor of State	<p>(1) A body corporate (whether a company within the meaning of the Act or not) may, if it is a member or creditor of the Company (including a holder of debentures), authorise such person as it thinks fit by a resolution of its Board of Directors or other Governing Body to act as its representative at any meeting of the creditors of the Company or debenture holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member, creditor or holder of debentures of the Company.</p> <p>(2) Where the President of India or the Governor of a State is a member of the Company, the President or, as the case may be, the Governor may appoint such person as he thinks fit to act as his representative at any meeting of the Company or at any meeting of any class of members of the Company and such a person shall be deemed to be a member of the Company and shall be entitled to exercise the same rights and powers, including the right to vote by proxy, as the President, or as the case may be, the Governor could exercise as a member of the Company.</p>
129.	Votes in respect of Shares of deceased or insolvent member	Any person entitled under the Transmission Clause to transfer any shares may vote at any General Meeting in respect thereof in the same manner as if he was the registered holder of such shares, provided that at least forty eight hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of his rights to transfer

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		such shares and give such indemnity (if any) as the Directors may require unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.
130.	Voting in person or by proxy	Subject to the provisions of these Articles vote may be given either personally or by proxy.
131.	Rights of Members to use his votes differently	On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy, or other person 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.
132.	Proxies	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 whatever to speak at the meetings. 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.
133.	Proxy either for specified meeting or for a period	An instrument of proxy may appoint a proxy either for the purposes of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purposes of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.
134.	No proxy to vote on a show of hands	No Member present only by proxy shall be entitled to vote on a show of hands
135.	Deposit of Instrument of appointment	The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy of that power of attorney or authority, shall be deposited at the office forty eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.
136.	Form of proxy	Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX to the Act, and signed by the appointer or his attorney duly authorised in writing, or, if the appointer is a body corporate be under its Seal or be signed by an officer or attorney duly authorised by it.
137.	Inspection of proxies	Every member entitled to vote at a meeting of the Company according to the provisions of these Article on any resolution to be moved there at shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect proxies lodge at any time during the business hours of the Company provided not less than three days notice in writing of the intention so to inspect is given to the Company.
138.	Validity of votes given by proxy	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the

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	notwithstanding revocation of authority	principal, or revocation of the proxy or of any power of attorney or authority under which such proxy was signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received at the office before the commencement of the meeting, or adjourned meeting at which the proxy is used.
139.	Time for objections to vote	No objection shall be made to the qualification of any voter or to the validity of a vote except at the meeting at which the vote objected to is given or tendered, and every vote, whether given personally or by proxy, not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the Meeting.
140.	Chairman of any meeting to be the judge of validity of any vote	The Chairman of any meeting shall be the sole judge of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
141.	Custody of instrument	If any such instrument of appointment be confined to the object appointing an attorney or proxy for voting at meetings of the Company it shall remain permanently or for such time as the Directors may determine, in the custody of the Company; it embracing other objects copy thereof examined with the original shall be delivered to the Company to remain in the custody of the Company.
		POSTAL BALLOT
142.	Postal Ballot	Notwithstanding anything contained in the provisions of the Companies Act, 1956, and the rules made thereunder, the Company may, and in case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company.
		DIRECTORS
143.	Number of Directors	Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act the number of Director (excluding Government Directors, Debenture Directors, Special Directors and Nominee Director/s if any) shall not be less than 3 and not more than 12.
144.	Current Directors	The following persons are currently the Directors of the Company (1) Shri Pramit Sanghavi (2) Shri Dewang Sanghavi (3) Shri Vijay Kumar Sharma (4) Shri Gulab Rai (5) Shri Suresh Kumar
145.	Debenture Directors	Any Trust Deed for securing debentures or debenture-stock, may, if so agreed, provide for the appointment, from time to time, by the Trustees thereof or by the holders of debentures or debenture-stocks, of some person to be a Director of the Company, and may empower such Trustees or holders of debentures or debenture stocks, from time to time, to remove and re-appoint any Director to appointed The Director appointed under this Article is hereinafter referred to as "Debenture Director" and the term "Debenture Director" means the

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		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 herein contained.
146.	Nominee Director	<p>(a) Subject to the provisions of the Companies Act, 1956 and notwithstanding anything to the contrary contained in these Articles, any Financing Company or Body Corporate or Bank or Insurance Corporation (hereinafter referred to as “the Financial Institution”) shall have a right to appoint, remove, reappoint, substitute from time to time, its nominee as a Director (hereinafter referred to as the “Nominee Director”) on the Board of the Company, so long as any moneys remain owing to them or any of them, by the Company, out of any Financial assistance granted by them or any of them to the Company by way of loan and/or by holding debentures and/or share in the Company and/or a result of underwriting or direct subscription and/or any liability of the Company arising out of the guarantee furnished by the Financial Institution on behalf of the Company remains outstanding.</p> <p>(b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. Subject to the aforesaid Article 144(a) the said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled.</p> <p>(c) If the Nominee Director/s is an officer of a financial institution the sitting fees in relation to such nominee Directors shall accrue to the said financial institution The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.</p> <p>(d) The Nominee Director/s shall, notwithstanding anything to the Contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.</p>
147.	Special Directors	In connection with any collaboration arrangement with any Company or corporation or any firm or person for supply of technical know-how and/or machinery or technical advice the Directors may authorise such company, corporation, firm or person hereinafter in this Article referred to as “Collaborator” to appoint from time to time any person as the Director of the Company (hereinafter referred to as “Special Director”) and may agree that such Special Director shall not be liable to retire by rotation, so however that such Special Director shall hold office, so long as such collaboration arrangement remains in force, unless otherwise agreed between the Company and such collaborator under the collaboration arrangements or at any time thereafter. The Collaborator may at any time and from time to time remove such Special Director appointed by it and may at any time of such removal and also in the case of death or resignation of the person so appointed, at any time, appoint any other person as a Special Director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or his authorised representative and shall be delivered to the

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		Company at its Registered Office. It is clarified that every Collaborator entitled to appoint a Director under this Article may appoint one such person as a Director and so that if more than one Collaborator is so entitled there may be at any time as many Special Directors as the number of Collaborators eligible to make the appointment.
148.	Limit of number of retiring Directors	The provisions of Articles 145, 146, 147 and 148 are subject to the provisions of Section 255 of the Act and the number of such Directors appointed under Articles 145, 146, 147 and 148, shall not exceed in the aggregate one-third of the total number of Directors for the time being in office The remaining Directors shall be appointed by the Company in General Meeting.
149.	Appointment of alternate Directors	The Board may appoint an Alternate Director (hereinafter called the “Alternate Director”) to act for a period of not less than three months during the absence of the original Director from the State of Maharashtra. Every such Alternate Director, shall subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meeting of Directors and to attend and vote as a Director and be counted for the purposes of a quorum and generally at such meeting to have an exercise of all the powers and duties and authorities of the original Director. The Alternate Director appointed under this article shall vacate office as and when original Director returns to the State of Maharashtra. If the term of office of the original Director is determined before he returns to the State of Maharashtra, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the original Director and not to the Alternate Director.
150.	Directors may Fill vacancies	The Directors shall have power at any time and from time to time to appoint any qualified 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 retain his office only upto the date upto which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid but he shall then be eligible for re-election.
151.	Additional Directors	The Directors shall also have power at any time and from time to time to appoint any other qualified person to be a Director as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum fixed. Any person so appointed as an addition to the Board shall retain his office only upto the date of the next Annual General Meeting but shall be eligible for re-election at such meeting.
152.	Qualification of Director	A Director shall not be required to hold any qualification share.
156.	Directors may not act notwithstanding vacancy	The continuing Directors may act notwithstanding any vacancy in their body, but if and as long as their number is reduced below the quorum fixed by these Articles, for a meeting of the Board of Directors, the continuing Directors may act for the purpose of increasing the number of Directors to that fixed for the quorum or for summoning a General Meeting of the Company, but for no other purpose.
157.	Disqualification of Directors	A person shall not be capable of being appointed Director of the Company, if —

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		<p>(a) he has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force;</p> <p>(b) he is an undischarged insolvent;</p> <p>(c) he has applied to be adjudged an insolvent and his application is pending;</p> <p>(d) he has been convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;</p> <p>(e) he has not paid any call in respect of shares of the Company held by him, whether alone or jointly with others and six months have elapsed from the last day fixed for the payment of the call; or</p> <p>(f) an order disqualifying him for appointment as Director has been passed by a Court in pursuance of Section 203 of the Act and is in force unless the leave of the Court has been obtained for his appointment in pursuance of that Section.</p> <p>(g) he is a director of a public company which —</p> <p>i. has not filed the annual accounts and annual return for any continuous three financial years commencing on and after the first day of April, 1999 or</p> <p>ii. has failed to repay its deposit or interest thereon on due date or redeem its debentures on due date or pay dividend and such failure continues for one year or more provided that such person shall not be eligible to be appointed as a director of any other public company for a period of five years from the date on which such public company, in which he is a director failed to file annual accounts and annual returns under sub-clause (i) or has failed to repay its deposit or interest or redeem its debentures on due date or pay dividend referred to in clause (ii).</p>
158.	Vacation of Office by Directors	<p>(1) The Office of a Director shall become vacant if –</p> <p>(a) he is found to be of unsound mind by a Court of competent jurisdiction; or</p> <p>(b) he applies to be adjudged an insolvent; or</p> <p>(c) he is adjudged an insolvent; or</p> <p>(d) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months; or</p> <p>(e) he fails to pay call in respect of shares of the Company held by him, whether-alone or jointly with others, within six months from the last date for the payment of the call, unless the Central Government has by a notification, removed the disqualification incurred by such failure; or</p> <p>(f) he absents himself from three consecutive meetings of the Board of Directors or from all meetings of the Board for a continuous</p>

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		<p>period of three months, whichever is longer, without obtaining leave of absence from the Board; or (g) he (whether by himself or by any person for his benefit or on his account) or any firm in which he is a partner or any private company of which he is a Director, accepts a loan, or any guarantee or security for a loan from the Company in contravention of Section 295 of the Act; or</p> <p>(h) he being in any way whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement, entered into or to be entered into by or on behalf of the Company fails to disclose the nature of his concern or interest at a meeting of the Board of Directors as required by Section 299 of the Act; or</p> <p>(i) he becomes disqualified by an Order of the Court under Section 203 of the Act; or</p> <p>(j) he is removed by an ordinary resolution of the Company before the expiry of his period of Office; or</p> <p>(k) it by notice in writing to the Company, he resigns his Officer; or</p> <p>(l) having been appointed a Director by virtue of his holding Office or other employment in the Company, he ceases to hold such Office or other employment in the Company.</p> <p>(2) Notwithstanding anything contained in sub-clauses (c), (d) and (i) of clause (1) hereof, the disqualification referred to in these clauses shall not take effect</p> <p>(a) for thirty days from the date of the adjudication, sentence or order;</p> <p>(b) where any appeal or petition is preferred, within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order, until the expiry of seven days from the date on which such appeal or petition is disposed of; or</p> <p>(c) where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition, if allowed would result in the removal of the disqualification, until such further appeal or petition is disposed of.</p>
159.	Removal of Directors	<p>(a) The Company may (subject to the provisions of Section 284 and other application provisions of the Act and these Articles) by ordinary resolution remove any Director before the expiry of his period of office.</p> <p>(b) Special notice as provided by Article 118 or Section 190 of the Act shall be required of any resolution to remove a Director under the Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.</p> <p>(c) On receipt of notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.</p>

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		<p>(d) Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding a reasonable length) and request their notification to members of the Company, the Company shall, unless the representations are received by it too late for it to do so (a) in the notice of the resolution given to members of the Company state the fact of the representations having been made and (b) send a copy of the representations to every member of the Company to whom notice of the meeting is sent (before or after the representations by the Company) and if a copy of the representations is not sent as aforesaid because they were received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representations shall be read out at the meeting; provided that copies of the representations need not be sent or read out at the meeting if on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter.</p> <p>(e) A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board in pursuance of Article 148 or Section 262 of the Act be filled by the appointment of another Director in his stead by the meeting at which he is removed; Provided special notice of the intended appointment has been given under sub-clause (3) hereof. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.</p> <p>(f) If the vacancy is not filled under sub-clause (c), it may be filled as a casual vacancy in accordance with the provisions, in so far as they are applicable, of Article 148 or Section 262 of the Act, and all the provisions of that Article and Section shall apply accordingly.</p> <p>(g) the Board of Directors may remove a director from office if the majority of the directors attending a meeting of the Board convened for the purpose assent to the resolution .</p>
161.	Disclosure of Director's interest	<p>(1) Every Director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement, or proposed contract or arrangement, entered into or to be entered into, by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board of Directors, in the manner provided in Section 299 (2) of the Act.</p> <p>(2) (a) In the case of a proposed contract or arrangement, the disclosure required to be made by a Director under clause (1) shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not, at the date of that meeting, concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he be so concerned or interested. (b) in case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.</p> <p>(3) (a) For the purposes of clauses (1) and (2) a general notice given to the Board by a Director to the effect that he is a Director or a member or a specified body corporate or is a member or a specified</p>

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		<p>firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notices, entered into with that body corporate or firm, shall be deemed to be sufficient disclosure of concern or interest in relation to any contract or arrangement so made.</p> <p>(b) Any such general notice, shall expire at the end of the financial year in which it is given, but may be renewed for further period of one financial year at a time by a fresh notice given in the last month of financial year in which it would otherwise expire.</p> <p>(c) No such general notice, and no renewal thereof, shall be of effect unless either it is given at a meeting of the Board, or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.</p> <p>(d) Nothing in this Article shall apply to any contract or arrangement entered into between the Company and any other company where any one or two or more of Directors together holds or hold not more than two per cent of the paid up share capital in the other company.</p>
162.	Board resolution necessary for certain contracts	<p>(1) Except with the Consent of the Board of Directors of the Company, a Director of the Company or his relative, a firm in which such a Director or relative if partner, any other partner in such a firm, or a private company of which the Director is a member or director, shall not enter into any contract with the Company —</p> <p>(a) for the sale, purchase or supply of any goods, materials or services; or</p> <p>(b) for underwriting the subscription of any share in or debentures of the Company.</p> <p>(2) Nothing contained in sub-clause (a) of clause (1) shall affect —</p> <p>(a) the purchase of goods and materials from the Company or the sale of goods and materials to the Company by any Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or</p> <p>(b) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private Company on the other for sale, purchase or supply of any goods, materials, and services in which either the Company or Director, relative, firm, partner or private company as the case may be, regularly trades or does business, PROVIDED that such contract or contracts do not relate to goods and materials the value of which or services the cost of which exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts; or</p> <p>(3) Notwithstanding anything contained in clauses (1) and (2) a Director, relative, firm, partner or private company as aforesaid may, in circumstances of urgent necessity enter, without obtaining the consent of the Board, into any contract with the Company for the sale purchase of any goods, materials or services even if the value of such goods or cost of such services exceeds rupees five thousand in the aggregate in any year comprised in the period of the contract; but in such a case the consent of the Board shall be obtained at a meeting three months of the date on which the contract was entered into.</p>

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		<p>(4) Every consent of the Board required under this Article shall be accorded by a resolution of the Board and the consent required under Clause (1) shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into.</p> <p>(5) If the consent is not accorded to any contract under this Article anything done in pursuance of the contract will be voidable at the option of the Board.</p>
165.	Loans to Director etc.	<p>The Company shall not without obtaining the previous approval of the Central Government in that behalf, directly or indirectly make any loan to or give any guarantee or provide any security in connection with loan made by my other person to, or any other person by —</p> <p>(a) any Director of the Company or any partner or relative of any such Director;</p> <p>(b) any firm in which any such Director or relative is a partner;</p> <p>(c) any private company of which any such Director is a Director or member;</p> <p>(d) any body corporate at a general meeting of which not less than twenty-five per cent of the total voting power may be exercised or controlled by any such Director, or by two or more such Directors together; or</p> <p>(e) any body corporate, the Board of Directors, Managing Director or Manager whereof, is accustomed to act in accordance with the directions or instructions of the Board, or of any Director or Directors of the Company.</p>
166.	Loans etc. to Companies	<p>The Company shall observe the restrictions imposed on the Company in regard to making any loans, giving any guarantee or providing any security to the Companies or bodies corporate under the same management as provided in Section 372A of the Act.</p>
167.	Interested Director not to participate or vote in Board's proceedings	<p>No Director of the Company shall as a Director take any part in the discussion of or vote on any contract or arrangement entered into, or to be entered into, by or on behalf of the Company, if he is in any way whether directly or indirectly concerned or interested in such contract or arrangement nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote it shall be void; PROVIDED THAT the Board of Directors or any of its number may vote on any contract of indemnity against any loss which it or any one or more of its number may suffer by reason of becoming or being sureties or surety for the Company. Nothing in this Article shall apply to any contract or arrangement entered into or to be entered into with a public company or a private company, which is a subsidiary of a public company in which the interest of the Director aforesaid consists solely —</p> <p>(1) in his being a Director of such company and the holder of not more than shares of such number or value therein as is requisite to qualify him for the appointment as a Director thereof, he having been nominated as such Directors by the Company.</p>

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		(2) in his being a member holding not more than two per cent of its paid up share capital. This Article is subject to the provisions of sub-section (2) of Section 300 of the Act.
		ROTATION AND APPOINTMENT OF DIRECTORS
170.	Rotation of Directors	Not less than two-thirds of the total number of Directors shall (a) be persons whose period of the office is liable to determination by retirement of Directors by rotation and (b) save as otherwise expressly provided in the Articles be appointed by the Company in General Meeting.
171.	Retirement of Directors	Subject to the provisions of Section 256 of the Act and Articles 143, 144 and 145, at every Annual General Meeting of the Company, one-third of such of the Directors for the time-being as are liable to retire by rotation or if their number is not three or in multiple of three, the number nearest to one-third shall retire from office. The Debenture Directors, Nominee Directors, Special Directors, and subject to Article 180 Managing Director or whole time Director if any, shall not be subject to retirement under this Article and shall not be taken into account in determining the number of Directors to retire by rotation. In these articles a "Retiring Director" means a Director retiring by rotation. PROVIDED HOWEVER and notwithstanding anything hereinafter contained in Article 180, in the event of the number of non-rotating directors other than a Government Director, Debenture Director, Nominee Directors, and a Special Director being reduced below two-third the Managing or whole-time Director shall retire by rotation so as to comply with the requirements of Section 255 of the Act.
172.	Ascertainment of Directors retiring by rotation and filling of vacancies	The Directors to retire by rotation under Article 169 at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between those who become directors on the same day, those who are to retire shall, in default of and subject to any agreement amongst themselves, be determined by lot.
173.	Eligibility for re-election	A retiring Director shall be eligible for re-election.
174.	Company to fill vacancies	Subject to Sections 258, 259, and 284 of the Act, the Company at the General Meeting at which a Director retires in manner aforesaid may fill up the vacancy by appointing the retiring Director or some other person thereto.
175.	Provisions in default of appointment	<p>(a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday till the next succeeding day which is not a public holiday, at the same time and place.</p> <p>(b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless —</p> <p>(i) at that meeting or the previous meeting a resolution for the re-appointment of such director has been put to the meeting and lost;</p> <p>(ii) the retiring Director has, by a notice in writing addressed to the</p>

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		<p>Company or its Board of Directors expressed his unwillingness to be so re-appointed;</p> <p>(iii) he is not qualified or is disqualified for appointment;</p> <p>(iv) a resolution, whether special or ordinary, is required for his appointment or re-appointment by virtue of any provisions of the Act; or</p> <p>(v) the proviso to sub-section (2) of Section 263 of the Act is applicable to the case.</p>
176.	Company may increase or reduce the number of Directors or remove any Director	Subject to the provisions of Sections 252, 255 and 259 of the Act, the Company may, by ordinary resolution, from time to time, increase or reduce the number of Directors, and may prescribe or alter qualifications.
177.	Appointment of Directors to be voted individually	<p>(1) No motion at any general meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution unless resolution that it shall be so made, has been first agreed to by the meeting without any vote being given against it.</p> <p>(2) A resolution moved in contravention of clause (1) hereof shall be void, whether or not objection was taken at the time of its being so moved, provided that where a resolution so moved is passed no provision for the automatic reappointment of retiring Director in default of mother appointment as hereinbefore provided shall apply.</p> <p>(3) For the purpose of this Article, a motion for approving a person's appointment, or for nominating a person for appointment, shall be treated as a motion for his appointment.</p>
179.	Register of Directors etc. and notification of change to Registrar Register of Directors' Share holding	<p>(1) The Company shall keep at its Registered Office a Register containing the particulars of its Directors and other persons mentioned in Section 303 of the Act and shall send to the Registrar a Return containing the particulars specified in such Register, and shall otherwise comply with the provisions of the said Section in all respects.</p> <p>(2) The Company shall keep at its Registered Office a Register showing as respects each Director of the Company the number, description, and amount of any shares in or debentures of the Company or any other body corporate being the Company's subsidiary or holding company or a subsidiary of the Company's holding company which are held by him or in trust for him or of which he has any right to become the holder whether on payment or not, as required by Section 307 of the Act. Such Register shall be kept open for inspection by any member or debenture-holder of the Company as required by Section 307(5) of the Act.</p>
180.	Disclosure by Director of appointment to any other body corporate	Every Director (including a person deemed to be a Director of the Company by virtue of the explanation to sub-section (1) of Section 303 of the Act), Managing Director, Manager or Secretary of the Company who is appointed to or relinquishes office of Director, Managing Director, Manager or Secretary of any other body corporate shall within thirty days of his appointment to, or as the case may be, relinquishment of such office, disclose to the Company the particulars relating to the office in the other body corporate which are required to be specified under sub-section (1) of Section 303 of the

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		Act.
181.	Disclosure by Directors of their holdings of shares and debentures of the Company	Every Director and every person deemed to be Director of the Company by virtue of sub-section (10) of Section 307 of the Act shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section. Any such notice shall be given in writing and if it is not given at a meeting of the Board the person giving the notice shall take all reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.
		MANAGING DIRECTOR - WHOLE TIME DIRECTOR
182.	Board may appoint Managing Directors or whole time Directors	Subject to the provisions of Section 269 and other applicable provisions of the Act and these Articles, the Directors shall have power to appoint and remove from time to time one or, more Managing Director or Managing Directors or Whole-Time Director or Whole-Time Directors of the Company for such terms not exceeding five years at a time as they may think fit, to manage the affairs and business of the Company 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.
183.	What provisions they will be subject to	Subject to the provisions of the Act and these Articles, the Managing Director or the Whole Time Director shall not, while he continues to hold that office, be subject to retirement by rotation under Article 169 but same as provided in Article 169 he shall be subject to the provisions of any contract between him and the Company, be subject to the same provisions as the resignation and removal as the other Directors of the Company and he shall ipso facto and immediately cease to be a Managing Director or Whole Time Director if he ceases to hold the office of Director from any cause provided that if at any time the number of Directors (including Managing Director or Whole-time Director) as are not subject to retirement by rotation shall exceed one-third of the total number of the Directors for the time being, then such of the Managing Director or Whole-Time Director or two or more of them as the Directors may from time to time determine shall be liable to retirement by rotation in accordance with the Article 169 to the intent that the number of Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being.
185.	Power and duties of Managing and/ or Wholetime Director/s	Subject to the superintendence, control and direction of the Board the day to day management of the Company shall be in the hands of the Managing Director/s and or Whole-Time Director/s, if any, with Power to the Board to distribute such day to day management functions among such Director/s, in any manner as deemed fit by the Board and subject to the provisions of the Act and these Articles the Board may by resolution vest any such Managing Director or Managing Directors or Whole-Time Director or Whole-Time Directors such of the power vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine and they may subject to the provisions of the Act and these Articles confer such powers either collaterally with or to the exclusion of or in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

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		POWERS OF THE BOARD
196.	Power of Directors	<p>The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as are not by the Act, or any other Acts or by the Memorandum or by the Articles of the Company required to be exercised by the Company in general meeting, subject nevertheless in these Articles, to the provisions of the Act, or any other Act and to such regulation (being not inconsistent with the aforesaid regulations or provisions), as may be prescribed by the Company in general meeting but no regulations made by the Company in general meeting shall invalidate any prior other act of the Board which would have been valid if that regulation had not been made, PROVIDED that the Board shall not, except with the consent of the Company in general meeting:</p> <p>(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,</p> <p>(b) remit, or give time for the payment of any debt due by a Director;</p> <p>(c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in clause (a) or of any premises of 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;</p> <p>(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; or</p> <p>(e) Contribute to charitable and other funds not directly relating to the business of the, Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed twenty-five thousand rupees or five per cent of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater:</p> <p>(i) Provided that in respect of the matter referred to in clauses (d) or (e) such consent shall be obtained by a resolution of the Company which shall specify the total amount upto which moneys may be borrowed by the Board under clause (d) or as the case may be, total amount which may be contributed to charitable or other fund in any financial year under clause (e);</p> <p>(ii) Provided further that the expression "temporary loans" in clause (d) above shall mean loans repayable on demand or within six months from the date of the loan such as short term, cash credit arrangements, the discounting of bills and the issue of other short term loans of a seasonal character, but does not include loans raised</p>

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		<p>for the purpose of financing expenditure of a capital nature;</p> <p>(iii) Provided that the Company in general meeting or the Board shall not contribute any amount to any political party or for any political purpose to any individual or body so long as it is prohibited by law.</p>
197.	Certain powers to be exercised by the Board only at Meetings	<p>(1) Without derogating from the powers vested in the Board of Directors under these Articles the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at the meetings of the Board :</p> <p>(a) The power to make calls on shareholders in respect of money unpaid on their shares;</p> <p>(b) The power to issue debentures;</p> <p>(c) The power to borrow moneys otherwise than on debentures;</p> <p>(d) The power to invest the funds of the Company;</p> <p>(e) The power to make loans; Provided that the Board may by resolution passed at a meeting delegate to any committee of Directors, Managing Director or any other principal officer of the Company or in the case of a Branch Office, a principal officer of the Branch Office the powers specified in (c), (d) and (e) of this clause to the extent specified in the following sub-articles.</p> <p>(2) Every resolution delegating the power referred to in sub-clause (1) (c) shall specify the total amount outstanding at any one time, upto which moneys may be borrowed by the delegate.</p> <p>(3) Every resolution delegating the power referred to in sub-clause (1) (d) shall specify the total amount upto which the funds of the Company may be invested, and the nature of the investments which may be made, by the delegate.</p> <p>(4) Every resolution delegating the power referred to in sub-clause (1) (e) shall specify the total amount upto which loans may be made by the delegates, the purpose for which the loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.</p> <p>(5) Nothing in these Article contained shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on exercise by the Board of any of the powers referred to in sub-clause (a), (b), (c), (d) and (e) of clause (1) above.</p>
198.	Certain powers of the Board	<p>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 last preceding article it is hereby declared that the Directors shall have the following powers, that is to say, power—</p> <p>(1) to pay the costs, charges and expenses preliminary and incidental to the formation, promotion, establishment and registration of the Company;</p> <p>(2) To pay and charge to the capital account of the Company any commission or interest, lawfully payable thereout under the provisions of Sections 76 and 208 of the Act;</p>

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		<p>(3) Subject to Sections 202 and 297 of the Act to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorized 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 accept such title as the Directors may believe or may be advised to be reasonably satisfactory;</p> <p>(4) at their discretion and subject to the provisions of the Act to pay for any property rights or privileges by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, mortgages or other 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;</p> <p>(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;</p> <p>(6) to accept from any member, so far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed;</p> <p>(7) to appoint any person to accept and hold in trust for the Company any property belonging to the Company, or in which it is interested or for any other purposes and to execute and do all such deeds and things as maybe required in relation to any such trust, and to provide for the remuneration of such trustee or trustees;</p> <p>(8) to institute, conduct, defend, compound, or abandon any legal proceeding by or against the Company or its officer, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment on satisfaction of any debts due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian Law or according to foreign law and either in India or abroad and observe and perform or challenge and award made therein;</p> <p>(9) to act on behalf of the Company in all matters relating to bankrupts and insolvents;</p> <p>(10) to make and give receipts, release and other discharge for moneys payable to the Company and for the claims and demands in the Company's own name;</p> <p>(11) subject to the provisions of Section 292, 293(1), 295, 372A and 373 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 the shares of this Company) or without security and in such manner as they may think fit, and from time to time to 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;</p> <p>(12) to execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur</p>

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		<p>any personal liability whether as principal or surety, for the benefit of the Company, such mortgage of the Company's property (present and future) as they think fit, and any such mortgage may Contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;</p> <p>(13) to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose;</p> <p>(14) to distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company, and to give to any offices or other person employed by the Company a commission on the profits of any particular business or transaction; and to charge such bonus or commission as a part of working expenses of the Company;</p> <p>(15) to provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and wives, widows, and families or the dependants or connections of such persons, by building or contributing to the building of houses, dwellings or chawls or by grants of money, pensions, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to provident fund and other associations, institutions, funds, or trusts and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit, and subject to the provisions of Section 293(1) (c) of the Act to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support of aid by the Company either by reason of locality of operation, or of public and general utility or otherwise;</p> <p>(16) before recommending any divided, subject to the provisions of Section 205 of the Act, to set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation fund, or to insurance fund, or as a reserve fund or sinking fund or any special fund to meet contingencies or to repay debentures or debenture stock or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purposes referred to in the preceding clause) as the Board may, in their absolute discretion think conducive to the interest of the Company, and subject to Section 292 of the Act, to invest the several sums so set aside or so much thereof as required to be invested, upon such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in their, absolute discretion think conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund into such special funds as the Board may think fit; with full power to transfer the whole or any portion of a Reserve Fund or division of a Reserve Fund to another Reserve Fund and/or division of a Reserve Fund and with full power to employ the assets constituting all or any of the above funds including the depreciation fund, in the business of the</p>

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		<p>Company or in purchase or repayment of debentures or debenture stock and that without being bound to keep the same separate from the other assets and without being bound to pay interest on the same, with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper, not exceeding nine per cent per annum;</p> <p>(17) to appoint and at their discretion remove or suspend such directors , general managers, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties, and to fix their salaries, emoluments or remuneration, and to require security in such instances and to such amounts as they may think fit, and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provision contained in the next following sub-clauses shall be without prejudice to the general powers conferred by this sub clause;</p> <p>(18) to comply with the requirement of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with;</p> <p>(19) from time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of such Local Boards, and to fix their remuneration;</p> <p>(20) subject to Section 292 of the Act, from time to time, and at anytime to delegate to any persons so appointed any of the powers, authorities, and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow moneys; and to authorise the member for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and such appointment or delegation may be made on such terms subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegation;</p> <p>(21) at any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and any such appointments may (if the Board thinks fit) be made in favour of the members or any of the members of any local board established as aforesaid or in favour of any company, or the shareholder, directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of Attorneys may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated attorneys as aforesaid to sub-delegate all</p>

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		<p>or any of the powers, authorities and discretion for the time being vested in them;</p> <p>(22) subject to Section 294, 297, 299 and 300 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company is they may consider expedient;</p> <p>(23) from time to time to make, vary and repeal bye-laws for the regulation of the business of the Company, its officers and servants.</p>
		THE SECRETARY
204.	Secretary	<p>a. Subject to the provisions of the Act in this behalf, the Board of Directors may from time to time appoint and/or remove any qualified individual, as the wholtime Secretary of the Company to perform duties which may be performed by a Secretary under the Act and any other purely ministerial and administrative duties as the Board of Directors may from time to time assign to the Secretary including the duty to keep the register required to be kept under the Act.</p> <p>b. The Board of Directors may at any time appoint and/or remove a temporary qualified substitute for whole time secretary who shall for the purpose of the Articles be deemed to be the Secretary.</p>
		DIVIDEND WARRANTS
206.	Division of profits	<p>(1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.</p> <p>(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>(3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p>
207.	The company in General Meeting may declare Dividends	The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests 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, but the Company may declare a smaller dividend in general meeting.
208.	Dividend out of profits only	(1) No Dividend shall be declared or paid by the Company for any financial year except out of the profits of the Company for that year

Article Number	Title of the Article	Contents
		<p>arrived at after providing for depreciation in accordance with the provisions of sub-clause (2) or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both or out of moneys provided by the Central Government or State Government for the payment of dividend in pursuance of a Guarantee given by the Government and except after the transfer to the reserves of the Company of such percentage out of the profits for that year not exceeding ten per cent as may be prescribed or voluntarily such higher percentage in accordance with the rules as may be made by the Central Government in that behalf. PROVIDED HOWEVER whether owing to inadequacy or absence of profits in any year, the Company proposes to declare out of the accumulated profits earned by the Company in previous years and transferred by it to the reserves, such declaration of dividend shall not be made except in accordance with such rules as may be made by the Central Government in this behalf, and whether any such declaration is not in accordance with such rules, such declaration shall not be made except with the previous approval of the Central Government.</p> <p>(2) The depreciation shall be provided either —</p> <p>(a) to the extent specified in Section 350 of the Act; or</p> <p>(b) in respect of each item of a depreciable asset, for such an amount as is arrived at by dividing 95 per cent of the original cost thereof to the Company by the specified period in respect of such asset; or</p> <p>(c) on any other basis approved by the Central Government which has the effect of writing off by way of depreciation 95 per cent of the original cost of the Company of its such depreciable asset on the expiry of the specified period; or</p> <p>(d) as regards any other depreciation assets for which no rate of depreciation has been laid down by the Indian Income-tax Act, 1961 or the rules made there-under on such basis as may be approved by the Central Government by any general order published in the Official Gazette or by any special order in the case of the Company; Provided that where depreciation is provided for in the manner laid down in Clause (b) or Clause (c), then in the event of the depreciated assets being sold, discarded, demolished or destroyed, the written down value thereof at the end of the financial year in which the asset is sold, discarded, demolished or destroyed shall be written off in accordance with the proviso to Section 350 of the Act.</p> <p>(3) No dividend 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.</p> <p>(4) Nothing in this Article shall be deemed to affect in any manner the operation-of Section 208 of the Act.</p> <p>(5) For the purposes of this Article ‘Specified period’ in respect of any depreciable asset shall mean the number of years at the end of which at least 95 per cent of the original cost of that asset to the Company will have been provided for by way of depreciation, if</p>

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		depreciation were to be calculated in accordance with the provisions of Section 350 of the Act.
209.	Interim Dividend	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.
210.	Debts may be Deducted	The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
211.	Capital paid up in advance at interest not to earn dividend	Where the capital is paid in advance of the calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.
212.	Dividends in proportion to amount paid-up	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.
214.	No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement	No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.
215.	Effect of transfer of shares	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.
216.	Dividend to joint holders	Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.
217.	Dividends how remitted	The dividend payable in cash may be paid by cheque or warrant sent through post direct to the registered address of the shareholder entitled to the payment of the dividend or in case of joint holders to the registered address of that one of the joint holders which is first named on the register of members or to such person and to such address as the holder or the joint holder may in writing direct. The Company shall not be liable or responsible for any cheque or warrant or pay-slip or receipt lost in transmission or for any dividend lost, to the member or person entitled thereto by forged endorsement of any cheque or warrant or the fraudulent recovery of the dividend by any other means.
218.	Notice of dividend	Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holder of share in the manner herein provided.
219.	Dividend to be paid within thirty days	<p>(1) The Company shall pay the dividend or send the warrant in respect thereof to the shareholder entitled to the payment of dividend, within thirty days from the date of the declaration of the dividend unless –</p> <p>(a) where the dividend could not be paid by reason of the operation</p>

Article Number	Title of the Article	Contents
		<p>of any law;</p> <p>(b) where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with;</p> <p>(c) where there is a dispute regarding the right to receive the dividend;</p> <p>(d) where the dividend has been lawfully adjusted by the Company against any sum due to it from the shareholder; or</p> <p>(e) where for any other reasons, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.</p> <p>2. The amount of dividend, including interim dividend, declared shall be deposited in a separate bank account within five days from the date of declaration of such dividend.</p>
220.	Unclaimed or unpaid dividend	<p>Where the company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days of the date of declaration to any shareholder entitled to the payment of the dividend, the company shall, within 7 days of the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called “Unpaid Dividend of Varahi Limited” and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.</p> <p>Any money transferred to the unpaid dividend account of the company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company to the Fund established under Section 205C of the Act.’</p> <p>No unclaimed dividend or unpaid dividend shall be forfeited by the Board.</p>
222.	Dividend and Call together	<p>Any General Meeting declaring a dividend may on the recommendations of the Directors make a call of the Members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend; and the dividend may, if so arranged between the Company and members be set off against the calls.</p>
		CAPITALIZATION
223.	Capitalization	<p>(1) The Company in General Meeting by an ordinary resolution may, upon the recommendation of the Board, resolve :</p> <p>(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and</p> <p>(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p>

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		<p>(2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards (i) paying up any amounts for the time being unpaid on any shares held by such members respectively; (ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up as bonus shares or otherwise, to and amongst such members in the proportions aforesaid; or (iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).</p> <p>(3) A Share Premium Account and a Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares.</p> <p>(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.</p>
224.	Fractional Certificates	<p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall—</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid shares, if any, and;</p> <p>(b) generally to do all acts and things required to give effect thereto.</p> <p>(2) The Board shall have full power –</p> <p>(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also</p> <p>(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such members.</p> <p>(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.</p>
		ACCOUNTS
230.	Directors' Report.	<p>(1) There shall be attached to every Balance Sheet laid before the Company in General Meeting, a report by its Directors with respect to —</p> <p>(i) the state of the Company's affairs;</p> <p>(ii) the amounts, if any, which they propose to carry to any reserves</p>

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		<p>in such Balance Sheet;</p> <p>(iii) the amount, if any, which they recommend should be paid by way of dividend; and</p> <p>(iv) the material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the Report;</p> <p>(v) The conservation of energy, technology absorption, foreign exchange earnings and outgo, in such manner as may be prescribed by Central Government.</p> <p>(2) The Directors' Report shall, so far as is material for the appreciation of the state of the Company's affairs by its members and will not in the Directors' opinion be harmful to the business of the Company or of any of its subsidiaries, if any, deal with any changes which have occurred during the financial year</p> <p>(a) in the nature of the Company's business;</p> <p>(b) in the Company's subsidiaries, if any, or in the nature of the business carried on by them; and</p> <p>(c) generally in the classes of business in which the Company has an interest</p> <p>(2A) (a) The Directors' Report shall also include a statement showing the name of every employee of the Company who:</p> <p>i) if employed throughout the financial year, was in receipt of remuneration for that year, which in the aggregate was not less than such sum as may be prescribed by Central Government;</p> <p>ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which in the aggregate was not less than such sum per month as may be prescribed by Central Government; or</p> <p>iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which in the aggregate or, as the case may be at a rate which in the aggregate is in excess of that drawn by the Managing Director or whole time Director or Manager and holds by himself or along with his spouse and dependent children not less than two per cent of the equity shares of the Company:</p> <p>(i) whether any such employee is a relative of any Director or Manager of the Company and if so, the name of such Director; and</p> <p>(ii) such other particulars as may be prescribed.</p> <p>Explanation : "Remuneration" has the meaning assigned to it in Section 198 of the Act.</p> <p>(3) The Directors shall give the fullest information and explanation in the report aforesaid, or in cases falling under the proviso to Section 222 of the Act in the addendum to the report on every reservation, qualification or adverse remark contained in the Auditors' Report.</p>

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		(4) The Directors' Report and any addendum thereto shall be signed by its Chairman if he is authorised in that behalf by the Directors and where he is not so authorised, shall be signed by such number of Directors as are required to sign the Balance Sheet and the Profit and Loss Account of the Company by virtue of clause (1) of the preceding Article.
		REGISTERS AND DOCUMENTS
242.	Registers Books and Documents to be kept by the Company	<p>The Company shall keep and maintain Registers, Books and Documents as required by the Act or these Articles, including the following:</p> <p>(1) Register of Investment made by the Company but not held in its own name, as required by Section 49(7) of the Act and shall keep it open for inspection by any member or debenture holder of the Company without charge.</p> <p>(2) Register of Mortgages and Charges as required by Section 143 of the Act and copies of instruments creating any charge requiring registration according to Section 134 of the Act and shall keep open for inspection of any creditor or member of the Company without fee and for inspection by any person on payment of a fee of such sum as may be prescribed by Central Government.</p> <p>(3) Register and Index of Members as required by Sections 150 and 151 of the Act and shall keep the same open for inspection of any member or debenture holder without fee and of any other person on payment of such sum as may be prescribed by Central Government</p> <p>(4) Register and Index of Debenture Holders under Section 152 of the Act and keep it open for inspection by any member or debenture holder without fee and by any other person on payment of such sum as may be prescribed by Central Government.</p> <p>(5) Foreign Register if thought fit as required by Section 157 of the Act and it shall be open for inspection and may be closed and extracts may be taken therefrom and copies thereof as may be required, in the manner mutatis mutandis, as is applicable to the Principal Register.</p> <p>(6) Register of Contracts, and Companies and firms in which Directors are interested, as required, by Section 301 of the Act and shall keep it open for inspection of any member free of charge.</p> <p>(7) Register of Directors, and Secretary etc., as required by Section 303 of the Act and shall keep it open for inspection by any member of the Company without charge and of any other person on payment of a fee of Rupee one for each inspection.</p> <p>(8) Register as to Holdings by Directors of shares and/or debentures in the Company as required by Section 307 of the Act and shall keep it open for inspection by any member or debenture holder of the Company on any working day during the period beginning fourteen days before the date of the Company's Annual General Meeting and ending three days after the date of its conclusion.</p> <p>(9) Register of Investments made by the Company in shares and debentures of the bodies corporate as required by Section 372A of</p>

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		<p>the Act.</p> <p>(10) Books recording minutes of all proceedings of General Meeting, and of all proceedings at meetings of its Board of Directors or of Committees of the Board in accordance with the provisions of Section 193 of the Act.</p> <p>(11) Copies of Annual Returns prepared under Section 159 of the Act together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act.</p> <p>(12) Register of loans as required by Section 372A of the Act.</p>
243.	Inspection of Registers	<p>The Registers mentioned in Clauses 9, and 12 of the foregoing Article and the minutes of all proceedings of General Meetings shall be open to inspection and extracts may be taken therefrom and copies thereof may be required by any member of the Company in the same manner to the same extent and on payment of the same fees as in the case of the Register of Members of the Company, as provided for in clause 3 of the said Article. Copies of entries in the Registers mentioned in the foregoing Article shall be furnished to the persons entitled to the same on payment of such sum as may be prescribed by Central Government. The Company shall give inspection of the above Registers to the persons entitled to the same on such days and during such business hours as may consistently with the provisions of the Act in that behalf be determined by the Company in General Meeting.</p>
		WINDING UP
244.	Distribution of Assets	<p>If the Company shall be wound up, and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in the proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up, on the shares held by them respectively, and if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up, paid up, or which ought to have been paid-up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.</p>
245.	Distribution in specie or kind	<p>(1) If the Company shall be wound up, whether voluntarily or otherwise, the liquidator may, with the sanction of a special resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in Trustees upon such trusts for the benefit of the contributories or any of them, as the Liquidator, with such sanction, shall think fit.</p> <p>(2) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be</p>

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		<p>given preferential or special rights or may be excluded altogether or in part but in case may division otherwise than in accordance with the legal rights of the contributories shall be determined upon, any contributory who would be prejudiced thereby shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to Section 494 of the Act.</p> <p>(3) In case any shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares may within ten days after the passing of the Special Resolution by notice in writing direct the liquidator to sell his proportion and pay him the net proceeds and the liquidator shall, if practicable, act accordingly.</p>
246.	Rights of Shareholders in case of sale	A Special Resolution sanctioning a sale to any other Company duly passed pursuant to Section 494 of the Act may subject to the provisions of the Act in like manner as aforesaid determine that any shares or other consideration receivable by the Liquidator be distributed amongst the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent and consequential rights conferred by the said Section.
		INDEMNITY
247.	Directors' and others right to indemnity	Subject to provisions of Section 201 of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgement is given in his favour, or in which he is acquitted or in connection with any application under Section 633 of the Act on which relief is granted to him by the Court.
248.	Director Officer not responsible for acts of others	Subject to the provisions of Section 201 of the Act, no Director, Auditor or other Officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damages arising from the insolvency or tortuous act of any person, firm or company to or with whom any moneys, securities or effects shall be entrusted or deposited or any loss occasioned by any error of judgment, omission, default or oversight on his part or for any other loss, damage or misfortune whatever which shall happen in relation to execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.

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		SECRECY CLAUSE
249.	Secrecy Clause	Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so require, by the Director, before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in –matter thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions, in these presents contained.
250.	No member to enter the premises of the Company without permission	No member or other person (not being a Director) shall be entitled to visit or inspect any property or premises of the Company without the permission of the Director or Managing Director to require discovery of or any information respecting any detail of the Company's trading, or any matter which is or may be in the nature of trade secret, mystery of trade, secret process, or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Director, it would be inexpedient in the interest of the Company to disclose.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of the Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which have been attached to the copy of the Draft Red Herring Prospectus have been delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company at WZ - 8/1, Kirti Nagar, Industrial Area, New Delhi - 110 015, from 10.00 a.m. to 4.00 p.m. on Working Days from the date of filing of the Draft Red Herring Prospectus until the Bid / Issue Closing Date of this Issue.

Material Contracts for Inspection

1. Issue Agreement dated October 03, 2011 between our Company and Saffron Capital Advisors Private Limited, as BRLM to the Issue.
2. Memorandum of Understanding dated October 03, 2011 between our Company and Bigshare Services Private Limited as the Registrar to the Issue.
3. Escrow agreement dated [●] between our Company, the BRLM, Escrow Collection Banks, and the Registrar to the Issue.
4. Syndicate agreement dated [●] between our Company, the BRLM and the Syndicate Members.
5. Underwriting agreement dated [●] between our Company, the BRLM and the Syndicate Members.
6. Tripartite agreement dated [●] between National Securities Depository Limited, our Company and the Registrar to the Issue.
7. Tripartite agreement dated [●] between Central Depository Services (India) Limited, our Company and the Registrar to the Issue.

Material Documents for Inspection

1. Certified true copy of the Memorandum and Articles of Association of our Company, as amended from time to time including certificates of incorporation.
2. Resolution of the Board of Directors dated July 29, 2011, authorising the Issue.
3. Special resolution of the shareholders passed at the Annual General Meeting dated August 24, 2011, authorising the Issue.
4. Copies of the annual reports of our Company for the FY 2007, 2008, 2009, 2010 and 2011 and the financial statements for the three month period ended June 30, 2011.
5. Copy of Restated Audit report by M/s. Mohit Parekh & Co., Chartered Accountants, dated September 20, 2011, included in the Draft Red Herring Prospectus and copies of the Balance Sheet referred in the said Restated Audit report.
6. Copy of Certificate from the Statutory Auditor, M/s. Mohit Parekh & Co., Chartered Accountants, dated September 20, 2011 regarding the source and deployment of funds as on September 15, 2011.
7. Copy of the Statement of Tax Benefits dated September 20, 2011 issued by the Statutory Auditor, M/s. Mohit Parekh & Co., Chartered Accountants.
8. Consents of our Directors, Company Secretary, the Compliance Officer, Statutory Auditor, Legal Advisor to the Issue, Banker to our Company, BRLM, Registrar to the Issue, Syndicate Members, Bankers to the Issue/Escrow Collection Banks, Refund Banker(s), IPO Grading Agency, to act in their respective capacities.

9. IPO Grading Report issued by Crisil Limited dated [●] and the IPO Grading perspective.
10. 'M/s. Mohit Parekh & Co., Chartered Accountants have further certified *vide* their certificate dated September 20, 2011, that the proceeds of the above term loan has been utilised for the purposes for which the loans were sanctioned.
11. Listing applications dated [●] and [●] and filed with the BSE and NSE, respectively.
12. In-principle listing approvals dated [●] and [●] from BSE and NSE respectively.
13. Copy of Due Diligence Certificate dated October 29, 2011 to SEBI from the BRLM.
14. Copy of SEBI observation letter no. [●] dated [●].
15. Reply by BRLM dated [●] for the above SEBI observation letter.

Any of the contracts or documents mentioned in the Draft Red Herring Prospectus may be amended or modified at any time if so required, in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

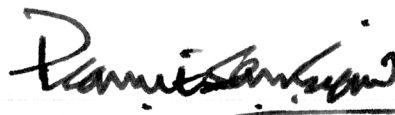
We, the Directors of Varahi Limited, hereby declare, that all the relevant provisions of the Companies Act, 1956, the regulations issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, including SEBI ICDR Regulations and guidelines issued by the Government of India, as the case may be, have been complied with and that no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992, each as amended or regulations or rules or guidelines issued thereunder, as the case may be. We further certify that all the disclosures and statements made in the Draft Red Herring Prospectus are true, fair, accurate and correct.

Signed by the Directors of Varahi Limited

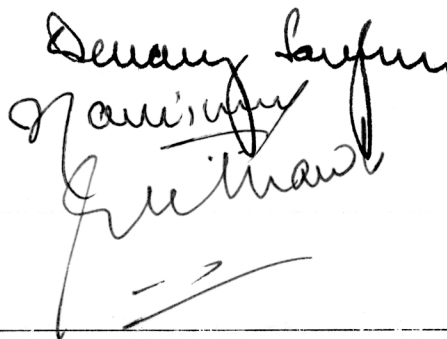
Name and designation

Signature

Mr. Pramit Sanghavi
Chairman and Managing Director



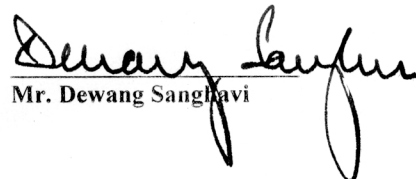
Mr. Dewang Sanghavi
Whole Time Director



Mr. Navin Shah
Independent Director

Mr. Rajender Kumar Chawla
Independent Director

SIGNED BY THE WHOLE TIME DIRECTOR HEADING THE FINANCE FUNCTION



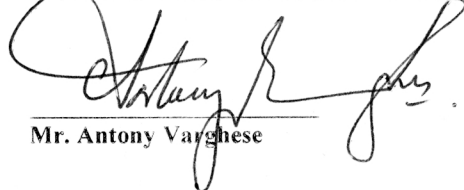
Mr. Dewang Sanghavi

SIGNED BY THE COMPANY SECRETARY



Ms. Monika Sinha

SIGNED BY THE COMPLIANCE OFFICER



Mr. Antony Varghese

Place: New Delhi

Date: October 29, 2011

