



SANCO INDUSTRIES LIMITED

Our Company was incorporated on March 17, 1989 as a private Limited company under the provisions of Companies Act, 1956 in the name and style of "Sanco Plastics Private Limited" vide Certificate of Incorporation issued by Registrar of Companies, Delhi & Haryana. The Company took over the business of a partnership firm "Sanco Plastic Industries" by way of an Agreement dated April 1, 1989. The name of our Company was changed to "Sanco Industries Private Limited", pursuant to which a fresh certificate of incorporation dated April 09, 2008 consequent upon change of name was issued by Registrar of Companies, Delhi & Haryana. Our Company was subsequently converted into a public company and the name was changed to 'Sanco Industries Limited' pursuant to a shareholders resolution dated May 15, 2008 and received a Fresh Certificate of Incorporation dated June 03, 2008 consequent upon Change of Name on conversion to Public Limited Company.

The Corporate Identification Number is U74899DL1989PLC035549.

Registered Office: 9/51 Bazar Gali, Vishwas Nagar, Delhi-110032, India. **Tel:** +91 11 2238 2737; **Fax:** +91 11 2238 2737

Corporate Office: D- 161, Surajmal Vihar, near Karkadooma Court, New Delhi- 110092, India **Tel:** +91 11 4731 5500; **Fax:** +91 11 4731 5555

Contact Person: Ms. Preeti Gupta, Company Secretary and Compliance Officer; **E-mail:** ipo@sancopipes.com; **Website:** www.sancopipes.com

For further details, please see section "History and Other Corporate Matters" on page 65 of the Red Herring Prospectus.

PUBLIC ISSUE OF [●] EQUITY SHARES OF ₹ 10 EACH FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) AGGREGATING UPTO ₹ 1400 LAKHS (THE "ISSUE") BY OUR COMPANY, OF WHICH [●] EQUITY SHARES AGGREGATING TO ₹ 70 LACS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER(S) TO THE ISSUE ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF ₹ 10 EACH AGGREGATING TO ₹ 1330 LACS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] % AND [●]%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.

FOR FURTHER DETAILS, PLEASE SEE "TERMS OF THE ISSUE" ON PAGE 143 OF THE RED HERRING PROSPECTUS.

PRICE BAND: ₹ [●] TO ₹ [●] PER EQUITY SHARE

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

OUR PROMOTERS: MR. SANJAY GUPTA, MRS. SHAKUNTLA GUPTA AND M/S SANJAY GUPTA (HUF)

In case of revision in the Price Band, the Bidding/Issue Period shall be extended for three additional working days after such revision of the Price Band, subject to the Bidding/ Issue Period not exceeding 10 working days. Any revision in the Price Band, and the revised Bidding/Issue Period, if applicable, shall be widely disseminated by notification to the National Stock Exchange of India Limited ("NSE") and 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 Syndicate Member.

The Issue is being made through a Book Building Process & in accordance with Chapter XB (applicable to issue of specified Securities by Small & Medium Enterprises (SME)) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10/- and the Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value. The Issue Price (as determined and justified by our Company, the BRLM as stated under the section titled "Basis for Issue Price" on page 32 of Red Herring Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this 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 Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" on page xii of the Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company having made all reasonable inquiries, accepts responsibility for and confirms that the Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of this Issue; that the information contained in the Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect; that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes the Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the SME Platform of the NSE i.e., "EMERGE" and traded in the SME Normal market. In-principle approval from NSE for listing the Equity Shares has been received pursuant to its letter no. [●] dated [●]. The NSE shall be the Designated Stock Exchange.

GRADING

The Issue has been graded by CRISIL and has been assigned the CRISIL SME fundamental grade of 'SME [●]' (pronounced 'SME [●] on five') vide its report dated [●]. This SME fundamental grade indicates that fundamentals of the company are [●]. For further details and rationale and grading report please refer page no. 13.

BOOK RUNNING LEAD MANAGER

REGISTRAR TO THE ISSUE

KEYNOTE

Keynote Corporate Services Limited

The Ruby, 9th Floor, Senapati Bapat Marg,
Dadar (West), Mumbai – 400028

Tel: +91-22- 30266000-3; **Fax:** +91-22- 3026 6088

E-mail: mbd@keynoteindia.net; **Website:** www.keynoteindia.net

Contact Person: Mr. Janardhan Wagle/ Ms. Girija Sangole

SEBI Registration No.: INM 000003606

AMBI No.: AMBI/ 040

BEETAL

BEETAL Financial & Computer Services (P) Limited

Beetal House, 3rd Floor, 99 Madangir,
Behind Local Shopping Centre,

Near Dada Harsukhdas Mandir, New Delhi-110 062

Tel: +91-11-2996 1281; **Fax:** +91-11-2996 1284

Email: beetal@beetalfinancial.com; **Website:** www.beetalfinancial.com

Contact Person: Mr. Punit Mittal

SEBI Registration No.: INR 000000262

BID/ ISSUE PROGRAMME

ISSUE OPENS ON

[●]

ISSUE CLOSES ON

[●]

SECTION	TABLE OF CONTENTS	Page No.
I	DEFINITIONS AND ABBREVIATIONS	ii
II	GENERAL	
	Certain conventions; use of financial & market data and currency of presentation	x
	Forward Looking Statements	xi
III	RISK FACTORS	xii
IV	INTRODUCTION	
	Summary of the Industry & Business of the Company	1
	Summary of Financial Information	4
	The Issue	8
	General Information	9
	Capital Structure	17
V	OBJECTS OF THE ISSUE	26
	Basis of Issue Price	32
	Statement of Tax Benefits	34
VI	ABOUT OUR COMPANY	
	Industry Overview	42
	Business Overview	48
	Key Industry Regulations and Policies	60
	Our History and certain Corporate Matters	65
	Our Management	68
	Our Promoters and their Background	79
	Promoter Group	81
	Dividend Policy	83
	Currency of Presentation	84
VII	FINANCIAL INFORMATION	
	Report of the Statutory Auditors, M/s Vijay Mukesh & Co, Chartered Accountants	85
	Management Discussion and Analysis	115
VIII	LEGAL AND REGULATORY INFORMATION	
	Outstanding Litigations, Material Developments and Other Disclosures	121
	Government and other approvals	128
	Other Regulatory and Statutory Declarations	133
IX	OFFERING INFORMATION	
	Terms of the Issue	143
	Issue Structure	147
	Issue Procedure	152
X	MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF THE COMPANY	
	Main Provisions of the Articles of Association of the Company.	188
XI	OTHER INFORMATION	
	Material Contracts and Documents for Inspections	199
	Declaration	201

SECTION I – DEFINITIONS AND ABBREVIATIONS

DEFINITIONS

In the Red Herring Prospectus, unless the context otherwise requires, the terms defined and abbreviations expanded herein below shall have the same meaning as stated in this section.

In the Red Herring Prospectus, unless otherwise indicated or the context otherwise requires, all references to “Sanco Industries Limited”, “Sanco”, the/our “Company”, “we”, “our”, “us” or similar terms are to Sanco Industries Limited or, as the context requires, and references to “you” are to the equity shareholders and/ or prospective investors in the Equity Shares.

Conventional/ General Terms

Term	Description
Act/ Companies Act	The Companies Act, 1956 and amendments thereto
Depositories Act	The Depositories Act, 1996 and amendments thereto
EPS	Earnings Per Share
IT Act	The Income Tax Act, 1961 and amendments thereto
Indian GAAP	Generally Accepted Accounting Principles In India
NAV	Net Asset Value per share
PAT	Profit After Tax
RONW	Return on Net Worth
SEBI Act, 1992	Securities and Exchange Board of India Act, 1992 and amendments thereto
SEBI Regulations/ SEBI ICDR Regulations	The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments thereto
Securities Act	United States Securities Act of 1933, as amended
Takeover Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto
Wealth Tax Act	The Wealth Tax Act, 1957 and amendments thereto.

Company Related Terms

Term	Description
AoA/Articles/Articles of Association	Articles of Association of our Company, as amended from time to time, unless the context otherwise specifies
Audit Committee	The audit committee of the Board. For details, please see “Our Management” on page 68 of the Red Herring Prospectus
Auditor or Statutory Auditor	The statutory auditor of our Company, Vijay Mukesh & Co., Chartered Accountants
Board/Board of Directors	The board of directors of our Company or a committee constituted thereof, unless the context otherwise specifies
Director(s)	Unless the context requires otherwise, the director(s) on our Board.
Equity Shares	Equity shares of our Company of face value of ₹10 each, fully paid up, unless otherwise specified in the context thereof
Group Companies	Companies, firms and ventures promoted by our Promoters, irrespective of whether such entities are covered under section 370(1)(B) of the Companies Act, for details on group companies please see the chapter titled “Promoter Group” beginning on page 81 of the Red Herring Prospectus
Key Management Personnel/KMP	Key management personnel of the Company as per the SEBI ICDR Regulations
Memorandum of Association /MoA	The memorandum of association of our Company, unless the context otherwise specified
Promoters	The promoters of our Company, i.e. Mr. Sanjay Gupta, Mrs. Shakuntla Gupta And M/s

	Sanjay Gupta HUF. For details, please see “Our Promoters and their background” beginning on page 79 of the Red Herring Prospectus
Promoter Group	Unless the context otherwise requires, refers to such persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations and disclosed in the section “Promoter Group” on page 81 of the Red Herring Prospectus
Registered Office	9/51 Bazar Gali, Vishwas Nagar, Delhi-110032

Issue related terms

Term	Description
Allotment/ Allot/ Allotted	Unless the context otherwise requires, means the allotment of Equity Shares pursuant to this Issue to successful Bidders
Allottee	A successful Bidder to whom the Equity Shares are allotted
Applications Supported by Blocked Amount/ ASBA	The application (whether physical or electronic) used compulsorily by QIB and those investors who have applied for Equity Shares for a cumulative amount of more than ₹ 2 lacs and optionally by Retail Individual Investors to make an application authorizing the SCSB to block the amount payable on application in their specified bank account
ASBA Account	Account maintained with 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 Bidder(s)/ Investor(s)	Prospective investors in this Issue who Bid/ apply through the ASBA process. Pursuant to SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, non- retail Investors i.e. QIBs and Non-Institutional Investors participating in the Issue are required to mandatorily use the ASBA facility to submit their Bids. The ASBA facility is optional in case of Retail individual investor(s).
ASBA Bid cum Application Form / ASBA Form/ ASBA Bid cum Application Form	The form, whether physical or electronic, used by an ASBA Bidder to submit a Bid, which contains an authorization to block the Bid Amount in an ASBA Account and would be considered as an application for Allotment to ASBA 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 are available for download from the respective website of the Stock Exchange
ASBA Revision Form	The form used by the ASBA Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their ASBA Bid cum Application Forms or any previous ASBA Revision Form(s) Pursuant to SEBI circular number CIR/CFD/DIL/7/2010 dated July 13, 2010, ASBA Revision Forms are available for download from the website of the Stock Exchange
Banker(s) to the Issue / Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Escrow Account will be opened and in this case being [●].
Banker(s) to the Company	Such banks which are disclosed as bankers to our Company in the chapter titled “General Information” on page 9.
Basis of Allotment	The basis on which Equity Shares will be Allotted to successful Bidders under the Issue and which is described under section titled “Issue Procedure” on page 152.
Bid(s)	An indication to make an offer during the Bid/ Issue Period by a Bidder pursuant to submission of the Bid cum Application Form to subscribe to the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto
Bid Amount	The highest value of the optional Bids indicated in the Bid-cum-Application Form and payable by the Bidder on submission of the Bid in this Issue and in the 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

Term	Description
	purposes of the Red Herring Prospectus and the Prospectus
Bid/ Issue Closing Date	The date after which the members of the Syndicate, the designated branches of the SCSBs and Broker Centre shall not accept any Bids for the Issue, which shall be the date notified in an English national newspaper, a Hindi national newspaper and a regional newspaper, where the Registered Office of our Company is situated, each with wide circulation.
Bid/ Issue Opening Date	The date on which the Syndicate, the SCSBs and Broker Centre shall start accepting Bids for the Issue, which shall be the date notified in two national daily newspapers (one each in English and Hindi) and one regional language daily newspaper, where the Registered Office of our Company is situated, each with wide circulation
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form
Bid/ Issue Period	The period between the Bid/Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof.
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
Broker Centre	Locations where Bid cum Application Form can be submitted and which are part of the nationwide broker network of the Stock Exchange and where there is a presence of the brokers' terminals, an updated list of which is available on the website of the Stock Exchange.
BSE	Bombay Stock Exchange Limited
BRLM/ Book Running Lead Manager	Book Running Lead Manager to the Issue, in this case being Keynote Corporate Services Limited
Business Day	Any day on which commercial banks in Mumbai are open for business
Brokers to this Issue	Brokers registered with any recognized Stock Exchange, appointed by the Members of the Syndicate.
Cap Price	The higher end of the Price Band above which the Issue Price will not be finalized and above which no Bids will be accepted
Compliance Officer	The Company Secretary of our Company, Ms. Preeti Gupta
Controlling Branches	Such branches of the SCSBs which coordinate Bids under this Issue by the ASBA Bidders with the BRLM, the Registrar to the Issue and the Stock Exchange, a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf
Cut-off Price	Any price within the Price Band finalised by our Company in consultation with the BRLM. 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	NSDL and CDSL; Depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time
Designated Branch(s)	Such branches of the SCSBs which shall collect the ASBA Bid cum Application Form used by ASBA Bidders and a list of which is available on, http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries .
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 bank 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 Exchange	Stock The National Stock Exchange of India Limited
Draft Red Herring Prospectus/ DRHP	The Draft Red Herring Prospectus issued in accordance with Section 60B of the Companies Act and SEBI ICDR Regulations, filed with NSE and which does not

Term	Description
	contain complete particulars of the price at which the Equity Shares would be issued and the number of Equity Shares which may be allotted pursuant to the Issue
Eligible NRIs	NRIs from such jurisdiction outside India where it is not unlawful for our Company to make this Issue or an invitation under this Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and who have opened demat accounts with SEBI registered qualified depository participants
Equity Share(s)	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 Member(s) and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected to 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.
Floor Price	The lower end of the Price Band, at or above which the Issue Price will be finalized and below which no Bids will be accepted
Issue / The Issue / This Issue/ Issue Size	Public Issue of [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating upto ₹ 1400 lacs. Of which [●] equity shares will be reserved for subscription by Market Maker(s) to the Issue (“Market Maker Reservation Portion”). The Issue less the Market Maker Reservation Portion i.e. Issue of [●] Equity Shares of ₹ 10 each is hereinafter referred to as the “Net Issue”. The Issue and the Net Issue will constitute [●] % and [●] %, respectively of the post issue paid up Equity Share capital of the Company.
Issue Price	The final price at which the Equity Shares will be issued and allotted in terms of the Red Herring Prospectus (subject to Retail Discount, if any). 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 upto ₹ 1400 lacs.
Keynote	Keynote Corporate Services Limited
Listing Agreement	The model Listing Agreement for SME Exchange to be entered into with the NSE by our Company
Market Maker	[●] will act as the Market maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations.
Market Reservation Portion	The Reserved portion of [●] Equity shares of ₹ 10/- each at an Issue Price of ₹ [●] (including share premium of ₹[●]) per Equity Share aggregating to ₹ 70.00 lacs for Designated Market Maker in the Public Issue of our Company
Key Management Personnel	The personnel listed as key management personnel in “Our Management” on page 68.
Mutual Funds	A Mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Mutual Fund Portion	5% of the Net QIB Portion or [●] Equity Shares available for allocation to Mutual Funds, out of the Net QIB Portion
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
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of [●] Equity Shares of

Term	Description
	face value of ₹ 10/- each at ₹ [●] (including share premium of ₹ [●]) per Equity Share aggregating to ₹ 1330.00 lacs (Rupees Thirteen Crores Thirty Lacs Only) by our Company
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further information about use of the Issue Proceeds and the Issue expenses, see “Objects of the Issue” on page 26.
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 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 Net Issue, consisting of [●] Equity Shares aggregating to ₹ 210 Lacs, 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
Payment through electronic transfer of funds	Payment through NECS, Direct Credit or NEFT, as applicable
Pay-in-Period/ Period	Pay-in The period commencing on the Bid/ Issue Opening Date and continuing till the Bid/ Issue Closing Date
Price Band	Price band of a minimum price (Floor Price) of ₹ [●] and the maximum price (Cap Price) of ₹ [●] and includes revisions thereof.
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 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
Qualified Institutional Buyers/ QIBs	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI Regulations
QIB Portion	The portion of the Issue being not more than 50% of the Net Issue, consisting of not more than [●] Equity Shares aggregating to ₹ 700 Lacs, available for Allocation to QIBs, subject to valid Bids being received at or above the Issue Price
Qualified Foreign Investors/ QFIs	Non-resident investors, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet ‘know your client’ requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organisation of Securities Commission’s Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI. Provided that such non-resident investor shall not be resident in country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/combating the

Term	Description
	financing of terrorism deficiencies to which counter measures apply; (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies.
Qualified Foreign Investors Depository Participant/ QFIs DP	Depository Participant for Qualified Foreign Investors
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 Issued and the number of Equity Shares Issued. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/ Issue Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	The 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 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 section titled "Issue Procedure" on page 152.
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through NECS, Direct Credit, NEFT, RTGS, as applicable
Registrar to the Issue	BEETAL Financial & Computer Services (P) Limited
Resident Retail Individual Investor / Resident Retail Individual Bidder	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 (including 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 Net Issue, consisting of [●] Equity Shares aggregating to ₹ 490 Lacs, 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)
Self Certified Syndicate Bank/ SCSB	Self Certified Syndicate Bank is a Banker to an Issue registered with SEBI which offers the facility of making an Application Supported by Blocked Amount and recognised as such by SEBI, a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
SME Equity Listing Agreement	The equity listing agreement entered into by our Company with the Designated Stock Exchange, including all amendments made thereto from time to time
SME Normal market	SME securities being traded in the normal market segment
SME Platform of NSE	The SME Platform of NSE which was approved by SEBI as an SME Exchange on October 14, 2011 for listing of equity shares offered under Chapter XB of the SEBI ICDR Regulations
Stock Exchange	The NSE
Sub-Syndicate Member(s)	A SEBI registered member of NSE appointed by the BRLM and/ or the Syndicate Member to act as a Sub-Syndicate Member in the Issue
Syndicate	The BRLM, the Syndicate Member(s) and our Company in relation to the collection of Bids in this Issue
Syndicate Agreement	The agreement to be entered into among the BRLM the Syndicate Members and our Company in relation to the collection of Bids in this Issue
Syndicate Member(s)	[●]
TRS or Transaction	The slip or document issued by the Syndicate Member(s) to the Bidder as proof of

Term	Description
Registration Slip	registration of the Bid
Underwriters	[•]
Underwriting Agreement	The agreement among the Underwriters and our Company to be entered into on or after the Pricing Date.
Working Day	All days other than a Sunday or a public holiday (except during the Bid/ Issue Period where a working day means all days other than a Saturday, Sunday or a public holiday), on which commercial banks in Mumbai are open for business

Technical/Industry Related Terms /Abbreviations

Term	Description
AA Conductor	All Aluminum Conductor
ACSR	Aluminum conductor steel-reinforced cable
LT	Low Tension
XLPE	Cross Linked Poly Ethylene
PPR	Poly Propylene Random
PVC	Polyvinyl chloride
UPVC	Unplasticized polyvinyl chloride

Abbreviations

Term	Description
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
BRLM	Book Running Lead Manager
CAGR	Compound Annual Growth Rate
CAN	Confirmation of Allocation Note
CB	Controlling Branch
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CIN	Corporate Identification Number
DB	Designated Branch
DIN	Director's Identification Number
DP	Depository Participant
DP ID	Depository Participant's Identification Number
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting of the shareholders
EPS	Earnings per Equity Share
FCNR Account	Foreign Currency Non Resident Account
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and the rules and regulations issued there under
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FII	Foreign Institutional Investor [as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time] registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
FIs	Financial Institutions
FMCG	Fast Moving Consumer Goods
FVCI	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign

Term	Description
	Venture Capital Investor) Regulations, 2000
FY	Financial Year
GAAP	Generally Accepted Accounting Principles
GBS	Gross Budgetary Support
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GoI / Government	Government of India
HNI	High Net Worth Individual
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
INR	Indian National Rupee
IPO	Initial Public Offering
JNNUM	Jawaharlal Nehru National Urban Mission
IT Act	Income Tax Act, 1961, as amended
Ltd.	Limited
MAPIN	Market Participant and Investor Database
NEFT	National Electronic Fund Transfer
NR	Non-Resident
NRE Account	Non Resident (External) Account
NRI	Non-Resident Indian
NRO Account	Non Resident (Ordinary) Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB	Overseas Corporate Body
P/E Ratio	Price / Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
RBI	The Reserve Bank of India
RGDWM	Rajiv Gandhi Drinking Water Mission
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SCSB	Self Certified Syndicate Bank
SEB	State Electricity Board
SIDBI	Small Industries Development Bank of India
STT	Securities Transaction Tax
SME	Small and Medium Enterprises
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
TRS	Transaction Registration Slip
w.e.f.	With effect from

The words and expression used but not defined in the Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, SEBI Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “Main Provisions of Articles of Association of our Company”, “Statement of Tax Benefits”, “Key Industrial Regulations and Policies” and “Financial Statements” on pages 188, 34, 60 and 85, respectively, shall have the meanings given to such terms in these respective sections.

SECTION II - GENERAL

CERTAIN CONVENTIONS; USE OF FINANCIAL & MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references to “India” in the Red Herring Prospectus are to the Republic of India, together with its territories and possessions.

Financial Data

Unless stated otherwise, the financial information used in the Red Herring Prospectus is derived from the Company’s financial statements as of and for the year ended March 31, 2012, 2011, 2010, 2009 and 2008 and for the Nine months period ended December 31, 2012, prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with SEBI Regulations, as stated in the report of the statutory Auditors.

Our fiscal year commences on April 1 and ends on March 31 of a particular year. Unless stated otherwise, references herein to a fiscal year (e.g., fiscal 2012), are to the fiscal year ended March 31 of a particular year. In the Red Herring Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding-off.

Currency of Presentation

All references to ‘Rupees’ or ‘₹’ or ‘Rs.’ or INR are to Indian Rupees, the official currency of the Republic of India.

One crore is the unit in the Indian numbering system representing 10 million or 100 lac and one lac is the unit in the Indian numbering system representing 100,000; thus, for example, ₹ 10 crore equals ₹ 100 million. All references to ‘\$’, ‘US\$’ or ‘U.S. Dollars’ are to United States Dollars, the official currency of the United States of America.

Industry and Market Data

Market data used in the Red Herring Prospectus has been obtained from industry publications and internal Company reports. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Company believes the market data used in the Red Herring Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed to be reliable, have not been verified by any independent source.

FORWARD LOOKING STATEMENTS

We have included statements in the Red Herring Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”.

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

- i. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- ii. Changes in laws and regulations relating to the industries in which we operate;
- iii. Increased competition in these industries;
- iv. Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various projects and business plans for which funds are being raised through this Issue;
- v. Our ability to meet our capital expenditure requirements;
- vi. Fluctuations in operating costs;
- vii. Our ability to attract and retain qualified personnel;
- viii. Changes in technology;
- ix. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- x. The performance of the financial markets in India and globally; and
- xi. Any adverse outcome in the legal proceedings in which we are involved.

For a further discussion of factors that could cause our actual results to differ, please refer to the sections titled “Risk Factors” “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of the Operations as Reflected in the Financial Statements” beginning on pages xii, 48 and 115 of the Red Herring Prospectus respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Neither our Company nor the members of the Syndicate, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange.

SECTION III – RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all of the information in the Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Company's Equity Shares. If any of the following risks occur, the business of the Company, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment. The financial and other related implications of risks concerned, wherever quantifiable have been disclosed in the risk factors mentioned below. There are certain risk factors mentioned where the effect is not quantifiable and hence not disclosed.

RISK FACTORS INTERNAL TO THE COMPANY

1. *Litigations involving Promoters/ group company*

The Commissioner of Central Excise Department- Delhi-II passed an order dated 26/02/2010 imposing a penalty of ₹ 25 Lakhs on Mr. Sanjay Gupta (as a director in Superlink Polyfeb Limited, one of our group company) under Rule 26 of the Central Excise Rule, 2002. The said order was later set aside by the Customs Excise and Service Tax Appellate Tribunal, New Delhi, Principal Bench vide its order dated 17/02/2012. During the inter-magnum period the Inspector, Central Excise Delhi-II filed a criminal complaint No.15/1 of 2012 against Mr. Sanjay Gupta before the Additional Chief Metropolitan Magistrate, Patiala House, New Delhi under section 9 and 9A of the Central Excise Act, 1944. On 26/11/2012 Mr. Sanjay Gupta has been granted an exemption under section 436 of the Criminal Procedure Code, 1903. After perusing the details of the order dated 17/02/2012 the Ld. Metropolitan Magistrate directed Mr. Sanjay Gupta to file a discharge application for the criminal proceedings. On 22/03/2013 Mr. Sanjay Gupta has filed discharge application. The next date of hearing in the above matter is 10/05/2013. For further details please refer page no 124 of the Red Herring Prospectus.

There are no other litigations pending against us, our promoters, our directors or our group Companies. However, there are some complaints filed/notices sent by us to certain parties for details of the same and details of past penalties against us please refer page no. 122 of the Red Herring Prospectus.

2. *We were not able to comply with provisions of section 6 of EPF Act 1952 in respect of few of our employees located in New Delhi.*

Our company is registered under provisions of EPF Act 1952 in Himachal Pradesh as our principal place of business i.e. factory is located in Paonta Sahib Himachal Pradesh. We have been complying with provisions of EPF Act in respect of eligible employees in Himachal Pradesh regarding deduction of Provident Fund & depositing the same with relevant authorities. However, in respect of few of our employees located in New Delhi we were unable to deduct the Provident Fund amount on account of non-availability of required sub-code from PF authorities since 2008-09. Same is in contravention of section 6 of EPF Act. We will comply with the same immediately on obtaining requisite code from the authorities. Based on our estimates the maximum liability of our company as on 31/03/2013 towards the payment of past contribution of these employees would be ₹ 2,64,329/-. Further we may be liable to penalty u/s 14(1A)(b) & 14 (1B) of EPF Act for contravention of section 6 of EPF Act which will amount to ₹ 10,000/-. We have made a fixed deposit of ₹ 2,75,000/- in the name of the company being funds earmarked for deposit with the authorities as and when relevant formalities in this regard are complete.

3. *We have experienced a negative Operating Cash Flow from activities in the Financial Year 2011-12, 2008-09 and 2007-08.*

We have reported a negative operating cash flow from activities for the Financial year 2011-12, 2008-09 and 2007-08 to the tune of ₹ 376.18 lacs, ₹ 190.99 Lacs and ₹ 140.20 Lacs respectively, as per the audited financial statements for the respective years.

If we are not able to generate sufficient cash flow, it may adversely affect our business and financial condition. For further details please refer Annexure – III of Auditors Report appearing on page. 91 of the Red Herring Prospectus.

4. One of our group company M/s Superlink Polyfeb Ltd has incurred loss during one out of past three Financial Year

One of our group company M/s Superlink Polyfeb Ltd has not been doing any business since past two financial Years and hence has incurred a loss of ₹ 21.94 Lacs for the Financial Year 2010-11. For further details on Group Companies please refer page no 81 of the Red Herring Prospectus.

5. Our Project has not been appraised by any Bank or Financial Institution. Any significant deviation in the project cost could adversely impact our operations and sustainability in absence of any independent monitoring agency.

We have estimated funds raising to the extent of ₹ 1400.00 Lacs to finance the ‘Objects of the Issue’ (including expenses to the issue). The proposed project for which the funds are being raised has not been appraised by any Bank or Financial Institution and the fund requirements are based primarily on Management estimates. There is no guarantee that our estimates will prove to be accurate and any significant deviation in the project cost could adversely impact our operations and sustainability in the absence of any independent monitoring agency.

6. We have not yet placed orders for plant & machinery and equipment requirements for our proposed project; as specified in the Objects of the Issue. Any delay in procurement of plant & machinery, equipment, etc. may delay the implementation schedule which may also lead to increase in prices of these equipments, in future affecting our costs, revenue and profitability. Further, we have not tied-up the working capital requirements, based on the proposed expansion.

We propose to purchase plant & machinery worth ₹ 345.32 lacs from the proceeds of this Issue. We have not yet placed orders for plant & machinery required for our proposed expansion project; as specified in the section ‘Objects of the Issue’. Any delay in procurement of plant & machinery, equipment, etc may delay the implementation schedule. We may also be subject to risks on account of inflation in the price of plant & machinery and other equipments that we require. Hence our project could face time and cost over-run which could have an adverse effect on the operations of our Company. Further, our working capital requirements based on proposed expansion are not tied-up.

Management’s Proposal

Sanco has obtained quotations from vendors of machineries and orders for the same shall be placed at appropriate time. We are confident that we will be able to procure plant & machinery etc of required specifications as per the schedule of implementation drawn by us based on our experience. Further, we have also provided for contingencies which is expected to take care of any price/cost fluctuations. Presently, we are enjoying working capital limits to the extent of ₹ 2000.00 lacs (from Central Bank of India: ₹ 1900.00 Lacs and ₹ 100.00 Lacs from National Small Industries Company Limited under raw material assistance scheme) and we do not foresee any difficulty in obtaining sanction for additional working capital.

7. In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the objects of this Issue which would in turn affect our revenues and results of operations.

The funds that we receive would be utilized for the objects of the Issue as has been stated in the section “Objects of the Issue” on page 26. The proposed schedule of implementation of the objects of the Issue is based on our management’s estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, we may face time and cost overruns and this may affect our revenues and results of operations.

8. We have high working capital requirements. In case there is insufficient cash flow to meet our requirement of working capital or pay our debts, there may be adverse effect on the results of our operations.

Our business requires a substantial amount of working capital. We require working capital to finance the purchase of materials and execution of projects / orders before payment is received from our customers. Our working capital requirements may increase if, payment terms include reduced or no advance payments or payment schedules that

specify payment less favourable to us. Moreover, if a client defaults in making its payment to which we have devoted resources, it could also affect our profitability and liquidity and decrease the capital resources that are otherwise available for other uses. There can be no assurance that the payments will be remitted by our customers to us on a timely basis. Nature of our business forces us to accord higher credits to our dealers/ customers resulting in high level of outstanding receivables. Continued increases in working capital requirements and insufficient cash flows from our operations to meet any of the above requirements may have an adverse effect on our financial condition and results of operations. Moreover, we may need to incur additional indebtedness in the future to satisfy our working capital needs.

9. ***We do not own the premises in which our registered office, corporate office and warehouse are located and the same is on lease arrangement. As a result we may face problem of relocation in case of termination of lease and may incur higher costs. Further, the premises where the corporate office of the Company is situated has been taken on lease from Ms. Shakuntala Gupta, Promoter of Sanco. Hence, Ms. Shakuntala Gupta may be interested to the extent of rent payable by us to the extent of ₹ 25,000 per month, which is other than reimbursement of expenses incurred or normal remuneration or benefits***

The premises at which our registered office, corporate office and warehouse are located are not owned by us. We have entered into lease arrangement with Mr. O. P. Gupta *father of* Mr. Sanjay Gupta (our Promoter) for the registered office premises. No rent has been paid by us for occupying the same. Further, we have lease arrangements with Ms. Shakuntla Gupta (promoter) and Ms. Rita Gupta w/o Mr. Sanjay Gupta for occupying the premises where our corporate office is situated. We pay a rent of ₹ 25,000 per month each for second and the third floor of the building, leased by us. Ms. Shakuntala Gupta may be interested to the extent of Rent payable by us to the extent of ₹ 25,000 per month, which is other than reimbursement of expenses incurred or normal remuneration or benefits.

Further, we have also acquired on lease three more premises used as warehouse/godown from various other parties. Any non-renewal of the existing leases may force us to incur substantial expenditure in relocating our offices and godowns. This may lead to loss of business for the period during which we relocate our offices and godowns. For further details please refer 'Properties' appearing on page no. 59 of the Red Herring prospectus.

10. ***Our application for registration for one of our trade mark 'SANCO' under 'Class 17' is still pending for registration. In case the trademarks currently used by the Company is not registered in the name of the Company it may be susceptible to be used by any third parties which may affect the business. Further, if the application for registration of trade mark is opposed by any third party, we may have to incur significant cost and spend time in litigations in relation to these oppositions.***

One of our application dated March 17, 2011 for registration of our trade mark no. 2117326 for Trade Mark name 'SANCO' under 'Class 17' is still pending for registration. In case the trademark is not registered in the name of the Company it may be susceptible to be used by any third parties which may affect the business. Further, if the application for registration of trade mark is opposed by any third party, we may have to incur significant cost and spend time in litigations in relation to the opposition.

For further details please refer to the section "Government/Statutory and Business Approvals" appearing on page. 128 of the Red Herring Prospectus.

Management's Proposal

We have registered our other Trademarks 'SATYAM' (under Class 17), 'MARSHALL' (under Class 9), 'SUPERPLAST' (under Class 9), 'VIKRANT' (under Class 9), and 'MARSHALL' (under Class 9). Further, we have also registered our trademark 'SANCO' under Class 9 and applied for registration of the same under Class 17, which is pending. We are confident that we shall receive our registration of the said trademark under Class 17 also. Since our trademark 'SANCO' is already registered under Class 9 we do not foresee any third party using the same.

11. Our Company has taken unsecured loans, 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 December 31, 2012, our Company has taken unsecured loans from various financial institutions/ banks aggregating ₹ 256.82 Lacs (includes Long term borrowings, short term borrowings and Installments of Loans falling due within 12 months) which are repayable on demand. In the event of any demand for repayment of such unsecured loans, the resultant cash outgo may adversely affect the business operations and financial position of our Company. For further details of these unsecured loans, please refer to chapter titled “Financial Information” on page no. 85 of the Red Herring Prospectus.

12. There are other Group Companies in which our Promoters have substantial interest which are or were in the past engaged in similar lines of business.

Our Promoters have interest in Superlink Polyfeb Limited (SPL) which is engaged in the business of manufacturing of ACSR/AA Conductor, LT XLPE Aerial Bunch Cable, LT XLPE Power Cables. The said lines of businesses may be similar to the business our Company is engaged into. It cannot be assured that our promoters will not favour the interests of the said company over our interest or that the said company will not expand its operations and become a competitor of ours.

Managements’ Proposal

SPL has not been doing any business for more than last 3 years. Previously SPL was engaged in the manufacturing of High Tension power cables and aluminum conductors for power distribution at grid level whereas our company is engaged in manufacturing of cables & wires and PVC Pipes. Neither we propose to start manufacturing of High Tension power cables nor is SPL proposing to enter into manufacturing of domestic cables & wires. Thus there is no conflict of interest.

13. We are dependent on our management team for success whose loss could seriously impair our ability to continue to manage and expand business efficiently. The loss of service of the senior management could seriously impair the ability to continue to manage and expand the business efficiently.

Our success largely depends on the continued services and performance of our management and other key employees. The loss of service of the senior management could seriously impair the ability to continue to manage and expand the business efficiently.

Management Proposal

We are in the business for over two decades and hence have complete control and full experience to retain the management team and have not encountered any such problem in the past.

14. There are several restrictive covenants in the loan agreements, which could influence our operations and proposed expansion.

We have entered into agreements for term loans and financial facilities with our banker and the covenants in borrowings from bank, among other things require us to obtain bank’s permission in writing in respect of effecting any change in the Company’s Capital Structure; change in trading cycle, permit any transfer of the controlling interest or make any drastic change in the management set-up, implementation of any scheme of expansion/ modification/ diversification/ renovation/ amalgamation/reconstruction, undertake any new project, entering into any borrowing arrangement with other banks, undertake guarantee, undertake obligations on behalf of any other Company, invest by way of share capital in or lend or advance funds to or place deposits with any other concern, declare dividends, pay guarantee commission to the guarantors whose guarantees have been stipulated, create any further charge/ lien/ encumbrance over assets & properties charged to the bank and sell/ assign or otherwise dispose off the fixed assets charged to the bank. These covenants may have an adverse effect on the functioning of our Company.

Managements’ Proposal

We have already obtained a No Objection Certificate for our IPO from Central Bank of India & SIDBI.

15. We are not able to trace some of our old documents asked by our BRLM during the course of Due Diligence

Though we have been complying with provisions regarding filing of various forms with Registrar of companies for increase in authorized capital as well as return of allotment in respect of allotments made, we were not able to produce copies of relevant forms and ROC receipts in respect of increase in authorized capital of our company effected in the year 1995, 1997 and 2004 as well as relevant forms and ROC receipts in respect of returns of allotment effected between the year 1989 to 2005.

Management's Proposal

During the course of due diligence, we were not able to produce copies of documents mentioned above though we have filed the same. We have produced certified true copies of resolutions passed by the Board of Directors in respect of allotments made on respective dates and also special resolution passed in the General meetings in respect of increase in authorized capital mentioned above. We have submitted the affidavits on oath in this regard confirming the compliance of relevant requirements. We are in the process of obtaining certified true copies / search reports from Registrar of Companies, Delhi & Haryana.

16. We currently enjoy certain tax benefits and subsidies, which may not be available to us in the future.

Our current revenues and profits are attributable to various tax benefits and subsidies available to us, which help us in reducing our cost of production and give us a competitive edge. Our Company is, under Notification No. 1 (10)/2001-NER dated January 7, 2003 issued by the Department of Industrial Policy & Promotion, Ministry of Commerce and Industry, Government of India, entitled to 100% outright excise duty exemption for a period of 10 years from the date of commencement of commercial production; 100% income tax exemption for initial period of five years and thereafter 30% for a further period of five years from the date of commencement of commercial production; capital investment subsidy @ 15% of our investment in plant & machinery, subject to a ceiling of ₹ 30 Lac. Further, as per the industrial policy applicable in the state of Himachal Pradesh, our Company has a concession of charging 1% Central Sales Tax against the rate of 2%, which was available till March 31, 2013. Discontinuance of the said package of incentives can affect our financial performance. As per the copy of the Entrepreneurs Memorandum Part II dated September 5, 2007, by the Office of the Member Secretary, Department of Industries, Paonta Sahib, the date of commencement of commercial production is August 30, 2006. Said benefits are available to us upto August 2016. Non continuation of above tax benefits may impact the future financials of our Company.

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

Our major raw material for manufacture of PVC Conduit Pipes constitutes PVC resin, which we generally import from suppliers. These raw materials constituted more than 50% of the total raw material cost incurred for the nine months period ended December 31, 2012. These raw materials are generally purchased from various manufacturers or agents of petrochemical products. We do not have any agreement with the suppliers of raw materials. Further, for our proposed expansion for increase in capacity of manufacturing PVC Conduit Pipes and PVC Insulated Wires & Cables, we require PVC Resin and Polypropylene. All these raw materials are by-products of petroleum; any fluctuation in the international price of crude oil affects the price and supply of these raw materials. Therefore, any significant increase in the prices of these raw materials due to any reasons, and our inability to pass on increased costs of raw material to our customers or reduction in demand from our customers, may adversely affect our sales and profitability. In the event of any disruption in the supply of raw materials supply in terms of requisite quantities and qualities, our production schedule may also be adversely affected.

18. Any inability on our part to maintain quality standards could adversely impact our business, results of operations and financial condition.

Quality control is vital element for our sector. We are supplying our products to entities in the railways, telecom, agriculture, construction and irrigation sector. Each sector has different product specifications. Any rapid change in our customers' expectation on account of changes in technology or introduction of new product or any other reason and failure on our part to meet their expectation could adversely affect our business, results of operations and

financial condition. We cannot assure you that our new products will be successfully accepted by our customers. Any failure on our part to successfully meet customer demand or preference may negatively affect our business, results of operation and financial condition.

19. *Our operations are heavily dependent on power which is supplied by HPSEB*

Interruptions of electricity supply can result in productions shutdowns and loss of production. Our Company mainly relies on third party suppliers for its power. Although Himachal Pradesh is a state with surplus power and there are seldom any power failures, still to counter such an eventuality we have a DG set of 600KVA for standby purposes. However, if there is any prolonged interruption of power for many days together, it shall become financially unviable for our Company to sustain on the DG set and we may need to shut down our unit until adequate supply of electricity is restored.

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

We presently have three trucks which are used for delivery of our products to our customers. However, we rely partially on third party transporters. Timely delivery of our products is critical for our performance. Any hindrance in the logistics network could cause an adverse effect on our receipt of supplies and our ability to deliver our finished products in time, which could impact our business operations, our reputation in the market and may affect our sales and results of operations.

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

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

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

While we believe that we maintain insurance coverage in amounts consistent with industry norms. If any or all of our facilities are damaged in whole or in part and our operations are interrupted for a sustained period, there can be no assurance that our insurance policies will be adequate to cover the losses that may be incurred as a result of such interruption or the cost of repairing or replacing the damaged facilities. If we suffer a large uninsured loss or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and result of operations may be materially and adversely affected.

23. *Our ability to pay dividends will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure.*

Our Company has not declared or paid any cash dividends on the Equity Shares in the past. The future payment of dividends, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditure. There can be no assurance that we will be able to pay dividends. Additionally, we may be restricted in our ability to make dividend payments by the terms of any debt financing we may obtain in the future.

24. *We face competition in our business from organized and unorganized players, which may affect our business operation and financial condition.*

The market for our products is competitive on account of both the organized and unorganized players. Players in this industry generally compete with each other on key attributes such as technical competence, quality of products, distribution network, pricing and timely delivery. Some of our competitors may have longer industry experience and greater financial, technical and other resources, which may enable them to react faster in changing market scenario and remain competitive. Moreover, the unorganized sector offers their products at highly competitive prices which may not be matched by us and consequently affect our volume of sales and growth prospects. Growing competition may result in a decline in our market share and may affect our margins which may affect our business operations and our financial condition.

25. *Our success largely depends on the experience of our individual promoters.*

We depend significantly on the expertise, experience and continued efforts of our individual promoters, Mr. Sanjay Gupta and Mrs. Shakuntla Gupta who have experience in the Industry in which we operate. If either of our individual promoters are unable or unwilling to continue in his/her present position our business could thereby be affected.

26. *We are dependent upon the growth prospects of the industries, which consume our products. Any slowdown in the rate of growth of these industries would seriously impact our own growth prospects and may result in decline in profits.*

The products manufactured by us have application in various industries such as civil construction, concealed wiring in buses railway coaches, ships and air crafts, etc. Further, we are supplying pipes to coach making factories of Indian Railways. The major demand for our products arises primarily due to requirements of these user industries. While recently all the user industries are witnessing growth, any downward trend in any of these industries can affect our turnover and profitability.

27. *One of our godown is not registered under the Shops and Establishment Act of the state in which it is located.*

Our Company's godown in Uttar Pradesh is not registered under the Shops and Establishment Act of the state and the Company may be liable to payment of such penalty as may be leviable under the provisions of the said acts.

28. *Environmental regulation imposes additional costs and may affect the results of our operations.*

We, like other producers, are subject to various central, state and local environmental, health and safety laws and regulations concerning issues such as damage caused by air emissions, wastewater discharges, solid and hazardous waste handling and disposal, and the investigation and remediation of contamination. These laws and regulations are increasingly becoming stringent and may in the future create substantial environmental compliance or remediation liabilities and costs. These laws can impose liability for non-compliance with health and safety regulations or clean up liability on generators of hazardous waste and other substances that are disposed of either on or off-site, regardless of fault or the legality of the disposal activities.

Management Proposal

While we believe that our facilities are in compliance in all material respects with applicable environmental laws and regulations, additional costs and liabilities related to compliance with these laws and regulations are an inherent part of our business.

RISKS ASSOCIATED WITH INDIA AND INVESTMENTS IN INDIAN COMPANIES

29. *Our business is substantially affected by prevailing economic conditions in India.*

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. 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, resulting in an adverse impact on economic conditions 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 Exchange(s);
- 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 neighboring 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 or the industries in which we operate.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely impact our business and financial performance and the price of the Equity Shares.

30. *The proposed adoption of IFRS could result in our financial condition and results of operations appearing materially different than under Indian GAAP.*

We may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with, IFRS announced by the Ministry of Corporate Affairs, GoI in January 2010. The convergence of certain Indian Accounting Standards with IFRS was notified by the Ministry of Corporate Affairs on February 25, 2011. The date of implementing such converged Indian accounting standards has not yet been determined, and will be notified by the Ministry of Corporate Affairs in due course after various tax-related and other issues are resolved.

Our financial condition, results of operations, cash flows or changes in shareholders' equity may appear materially different under IFRS than under Indian GAAP. This may have a material effect on the amount of income recognised during that period and in the corresponding period in the comparative 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.

31. *A significant change in the Government of India's economic liberalization and deregulation policies could disrupt our business and cause the price of the Equity Shares to decline.*

Our assets and customers are located in India. The government of India has traditionally exercised and continues to exercise a dominant influence over many aspects of the economy. Its economic policies have had and could continue to have a significant effect on private sector entities, including us, and on market conditions and prices of Indian securities, including the Equity Shares. The present Indian government is headed by the Indian National Congress and is a coalition of several political parties. Any significant change in the government's policies or any political instability in India could adversely affect business and economic conditions in India and could also adversely affect our business, our financial performance and the price of the Equity Shares.

RISKS ASSOCIATED WITH THE EQUITY SHARES AND THIS ISSUE

32. *There has been no public market for our Equity Shares prior to this Offer. The Offer Price therefore may not be indicative of the value of our Equity Shares.*

Prior to this Offer, there has been no public market for our Equity Shares in India or elsewhere. The Offer Price as determined by our Company in consultation with the BRLM could differ significantly from the price at which our Equity Shares will trade subsequent to completion of this Offer. There can be no assurance that even after our Equity Shares have been approved for listing on the Stock Exchange, any active trading market for our Equity Shares will develop or be sustained after this Offer, or that the offering price will correspond to the price at which our Equity Shares will trade in the Indian public market subsequent to this Offer.

33. After this Issue, the price of the Equity Shares may be highly volatile.

The prices of the Equity Shares on the Indian Stock Exchange may fluctuate after this Issue as a result of several factors, including:

1. volatility in the Indian and global securities market or in the Rupee's value relative to the U.S. dollar, the Euro and other foreign currencies;
2. our profitability and performance;
3. perceptions about our future performance or the performance of Indian auto component manufacturers in forging in general;
4. performance of our competitors in the Indian forging industry and the perception in the market about investments in the forging industry;
5. adverse media reports on us or the our Indian;
6. changes in the estimates of our performance or recommendations by financial analysts;
7. significant developments in India's economic liberalisation and deregulation policies; and
8. significant developments in India's fiscal, environmental and other regulations.

There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the prices at which our Equity Shares have historically traded will correspond to the price at which the Equity Shares are offered in this Issue or the prices at which the Equity Shares will trade in the market subsequent to this Issue. The Indian stock markets have witnessed significant volatility in the past and the Equity Share price may be volatile and may decline post listing.

Prominent Notes:

1. The Net worth of our Company as per our financial statements as on March 31, 2012 and December 31, 2012 is ₹ 1,305.92 lacs and ₹ 1,566.73 lacs respectively.

Public Issue of [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating upto ₹ 1400 Lacs by our Company, of which [●] Equity Shares will be reserved for subscription by Market Makers to the Issue ("Market Maker Reservation Portion") aggregating to ₹ 70.00 Lacs The Issue less the Market Maker Reservation Portion i.e. Issue of [●] Equity Shares aggregating to ₹ 1330.00 Lacs is hereinafter referred to as the "Net Issue". The Issue and the Net Issue will constitute [●] % and [●]%, respectively of the post issue paid up Equity Share Capital of the Company.

2. The average cost of acquisition of Equity Shares by our Promoters is given below:

Sr. No.	Name of the Promoter	Average Cost of Acquisition per equity shares (₹)
1.	Mr. Sanjay Gupta	5.70
2.	Mrs. Shakuntla Gupta	5.42
3.	M/s Sanjay Gupta HUF	5.38

3. Book value of the Equity Shares of our Company, as per our financial statements as at March 31, 2012 and at December 31, 2012 is ₹ 21.77 and ₹ 25.55 per Equity Share, respectively.
4. We have, in the course of our business, entered into transactions with related parties including our associate companies, key managerial personnel and their relatives. For details of related party transactions entered into by us please see "Financial Information- Annexure XXVI" on page 113 of the Red Herring Prospectus.
5. There has been no financing arrangement whereby the Directors and/ or 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 filing of this DRHP with Stock Exchange.
6. For interest of our Promoters/Directors/Key Managerial Personnel and other ventures promoted by Promoters,

please refer to sections titled “Risk Factors”, “Our Promoters and their background”, “Our Management”, “Related Party Transactions” and “Financial Information” beginning on page nos. xii, 79, 68, 113 and 85 of the Red Herring Prospectus.

7. Our Promoters/ Promoter Group/Directors have not purchased / sold / financed / acquired any shares of our Company during the past six months from the date of Draft Red Herring Prospectus.
8. Our Company and the BRLM will update the Offer Document in accordance with the Companies Act and the SEBI (ICDR) Regulations and our Company and the BRLM will keep the public informed of any material changes relating to our Company till the listing of our shares on the stock exchange.
9. Investors may contact the BRLM for any complaint, clarifications and information pertaining to the Issue. Any clarification or information relating to this Issue shall be made available by the BRLM to the public and investors at large and no selective or additional information would be made available only to a section of the investors in any manner. All grievances relating to ASBA process 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 applicants, application number, number of Equity Shares applied for, application amounts blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form has been submitted by the ASBA Investor. For contact details please see “General Information” on page 9.

SECTION IV - INTRODUCTION

SUMMARY OF INDUSTRY & BUSINESS OF THE COMPANY

SUMMARY OF INDUSTRY

You should read the following summary together with the risk factors and the more detailed information about us and our financial data included in the Red Herring Prospectus.

The information in this section is derived from a combination of various official and unofficial publicly available materials and sources of information. It has not been independently verified by the Company, the Book Running Lead Manager and no representation is made as to the accuracy of this information, which may be inconsistent with information available or compiled from other sources.

Overview:

- Polyvinyl Chloride (PVC) is the third most produced plastic component globally. PVC is composed of chlorine (57%) and carbon (43%) and is manufactured by the polymerization of Vinylchloride. Approximately 80% of PVC manufactured globally is manufactured through suspension polymerization process.
- PVC market in the country is estimated to be ~INR 135 Bn while annual production and consumption of PVC is estimated to be close to 1.1 and 2.1 million tons respectively. PVC is used in the manufacture of a wide variety of products including pipes & fittings, wires & cables, profiles, sheets and films.
- PVC market in the country is organized and is dominated by Reliance Industries Ltd which accounts for ~50% of total production. Chemplast Sanmar, Finolex Industries Ltd, DCM Shriram and DCW are the other notable players in the sector.
- Approximately 68% of total PVC production in the country is used for the manufacture of pipes. PVC pipes are widely used in building construction, irrigation, drinking water supply and sewage disposal. Usage of PVC pipes became widespread because of its durability, longevity and resistance to wear and tear.
- Annual consumption of PVC pipes in the country is estimated to be close to 358,000 tons. During the fiscal period FY 2012-15, demand for PVC pipes is expected to grow by a CAGR of ~9% to reach ~464,000 tons.
- PVC pipe sector is highly competitive and fragmented with unorganized segment accounting for ~50% of market share. Finolex Industries Ltd, Tulsi Extrusion and Texmo Pipes are few of the largest PVC pipe manufacturers in the country.
- With the construction sector expected to grow by a CAGR of ~8.3% during the fiscal period 2012-15, the demand for PVC pipes from this sector is expected to go up.
- Government sponsored programs focusing on drinking water supply and sanitation programs Rajiv Gandhi Drinking Water Mission (RGDWM) and Jawaharlal Nehru National Urban Mission (JNNUM) have created a demand for PVC pipes. With these social programs set to continue and expand in coverage the demand for PVC pipes from these programs is set to go up.
- PVC coated cable and wire are extensively used in all electrical linings and domestic lighting purposes. The individual insulated conductors are covered with PVC coatings providing additional electrical and mechanical protection. The cables are used in sub-station, distribution systems, industrial installation etc. The range of products covers power and control cables, thermocouples extension and many other applications in various industries.
- PVC wires and cables sector is fragmented and level of competition is high. Organized segment consists of close to 125 players of which Finolex Cables, Cables Corporation of India and Universal Cables are few of the largest.

For more details on Tax benefits please refer to Section “Industry Overview” on page 42 of the RHP.

SUMMARY OF BUSINESS

Our Company was originally incorporated on March 17, 1989 as a private limited company under the name and style of “Sanco Plastics Private Limited” under the Companies Act, 1956 and registered with the ROC, Delhi & Haryana. The Company was incorporated to takeover the business of a partnership firm named “Sanco Plastic Industries” in which Mr. Sanjay Gupta and Mr. Jai Pal Singh Shishodia were partners. The partnership firm was into manufacturing of PVC Compounds since 1986 and was taken over by way of an Agreement dated April 1, 1989 (“**Business Transfer Agreement**”) on a going concern basis. The partnership concern was thereafter dissolved by way of another agreement dated April 1, 1989.

Our Company manufactures wide range of products such as Rigid PVC conduit pipes, PVC casing & capping, PVC/PP-R Plumbing Pipes, PVC Insulated Domestic Wires & Cables and Copper Wire Rod. Our products are supplied to entities in the railways, telecom, agriculture, construction, and irrigation sector. The Company has diversified its manufacturing line from electrical products to sanitary products to reduce market risk by introducing PVC/PPR Plumbing Pipes in its products line in 2008. Since FY 2009-10 our company started the trading operations of PVC resin and other related chemicals also. The manufacturing facility of our Company is located in Paonta Sahib, Himachal Pradesh.

We have received vending approvals from various government, semi-government and public limited companies such as Railways, BSNL, MTNL, HCL, Wipro, Siemens etc. to make regular participation in tenders issued by them from time to time.

Our Company is an ISO 9001:2008 certified Company and sells its varied range of products under various brand names such as “SATYAM” “VIKRANT”, “MARSHALL”, “SUPERPLAST” and “SANCO”. We are among the first few companies in “North India” which has received “IS-14927” certification for PVC Profiles for quality assurance. In 1997 we have been awarded as Best Unit in the zone by the Government of NCT Delhi, for our outstanding performance in manufacturing.

Our Company is registered with various trade promotion councils such as EEPIC NSIC (since 1986), (since 2002) and FICCI (since 2009). We participate in various exhibitions and business meetings (domestic as well as overseas) to keep ourselves updated with latest trends and practices.

During the FY 2011-2012 our total income increased to ₹ 4019.23 lacs as compared to ₹ 3691.21 in the previous FY 2010-2011. Similarly our Profit After Tax increased to ₹ 227.98 lacs in the FY 2011-2012 from ₹ 207.98 lacs in the FY 2010-2011. For 9 months period ended, December 2012, our Company earned a total Income of ₹ 3289.54 lacs and Profit After Tax of ₹ 210.47 Lacs.

Competitive Strengths

We are into the business of manufacturing of PVC conduit pipes, PVC casing & capping, PVC/PP-R Plumbing Pipes, PVC Insulated Domestic Wires & Cables and Copper Wire Rod. We believe that we have the following competitive strengths to maintain and enhance our position as a reputed supplier of the said products. Our principal competitive strengths are hereunder:-

- 1. Multiple Product range:** We manufacture wide range of products in order to address the varied and expanding requirements of our customers. We believe that our broad range of products allow our customers to source most of their product categories from us and enable us to expand our business from existing customers, as well as address a larger base of potential new customers.
- 2. Strong Management Team:** We benefit from the leadership of our management team, which has extensive experience in the existing field. Our Promoters are having adequate experience in the PVC pipes and wire industry and we have successfully implemented expansion projects till date. Our Key Management Personnel are largely responsible for successful execution of day to day activities and expansion of our manufacturing facilities, developing new customer base and strengthening our customer relationships. In addition to our senior management team, we believe that our middle management team, skilled work force and marketing personnel provide us with the depth needed to manage our growth.

3. ***We produce quality products at competitive pricing:*** We believe in providing the best possible quality to the customers. Our automated designing and sampling facilities enable us to produce quality products at all times. This has benefited our manufacturing process significantly in terms of reducing wastage and enabling us to demand a premium for our products. There are quality checks in place that prevent any defective material from reaching the customer through our well-equipped in-house quality control department. We believe that our quality products have earned us a good will from our customers, which has resulted in repeat orders from many of them. Further, we expect that the recent up gradation in our plant and machineries, proposed to be completed during the first quarter of FY 2013-14 will enable us to manufacture our products at a comparatively lower cost.

Location of Manufacturing Facility

We established our first manufacturing unit in Vishwas Nagar, Shahdara, Delhi in 1989. However due to the directive of the Supreme Court to move industries from non confirming areas of Delhi, the company decided to set up a unit at Sahibabad (U.P.), in the year 1999 the added advantage being that the unit was eligible for sales tax exemption under Section 4A of UP Trade Tax Act, 1995. Subsequently, our promoters decided to shift the unit to its current location at Satiwala village, Tehsil Paonta Sahib in the state of Himachal Pradesh in order to avail the tax benefits announced by Central Government under Finance Act, 2003.

Some of the major tax benefits available to our unit is as under:

- a. 100% outright excise duty exemption for a period of 10 years from the date of commencement of commercial production.
- b. 100% income tax exemption for initial period of five years and thereafter 30% for companies for a further period of five years from the date of commencement of commercial production.
- c. Eligible for capital investment subsidy @ 15% of the investment in plant & machinery, subject to a ceiling of ₹ 30 Lac.
- d. Central sale Tax at 1% was applicable till March 2013 and 1.50% thereafter (for a period of five years or till the implementation of the Goods and Services Tax, whichever is earlier) as compared to 2% charged by other states.
- e. 75% transport subsidiary is available.

For more details please refer to Section “Business Overview” on page 48 of the RHP.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary financial statements derived from our financial statements as of and for the nine months ended December 31, 2012 and the Financial years 2012, 2011, 2010, 2009 and 2008. These financial statements have been prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations and are presented in “Financial Statements” on page 85. The summary financial statements presented below should be read in conjunction with our financial statements, the notes and annexures thereto and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 115 of the Red Herring Prospectus.

SUMMARY STATEMENT OF PROFIT AND LOSS ACCOUNT

(₹ in lacs)

Particulars	31st December, 2012 (9 months)	For the Financial year				
		31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
INCOME						
Revenue from operations	3,283.71	4,010.69	3,680.59	3,629.89	3,989.50	3,092.11
Other income	5.83	8.55	10.62	9.65	2.38	18.72
Total Income	3289.54	4019.23	3691.21	3639.54	3991.89	3110.83
EXPENSES						
Cost of raw material and components consumed	1461.11	1853.74	2009.71	2289.96	3424.77	2625.54
Purchase of Stock in Trade	1,149.07	1,028.15	1,059.51	606.90	-	-
Changed in inventories of finished goods and traded goods	(110.75)	133.87	(212.23)	(205.41)	(33.68)	(11.80)
Employee Benefits Expenses	90.59	106.06	84.83	59.87	45.14	29.48
Other Expenses	180.43	350.26	305.83	495.64	268.48	224.84
Total Expenditure	2770.45	3472.08	3247.64	3246.96	3704.70	2868.07
Earnings before interest, tax, depreciation and amortization (EBITDA)	519.09	547.16	443.57	392.58	287.19	242.76
Depreciation and Amortization Expenses	29.77	41.53	40.76	37.24	39.46	34.95
Finance Costs	206.85	212.53	142.39	145.61	78.15	55.48
Profit Before Tax	282.47	293.09	260.41	209.73	169.58	152.33
Less: Tax Expense						
Current tax expense	66.02	65.56	51.90	35.64	19.85	17.61
Deferred tax (credit)/ charge	5.98	(0.45)	0.53	0.51	(0.54)	0.71
Total Tax Expense	72.00	65.11	52.43	36.15	19.31	18.32
Profit After Taxation	210.47	227.98	207.98	173.57	150.27	134.02

SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(₹ in lacs)

Particulars	As on					
	31st December, 2012	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
ASSETS						
Non-current assets						
Fixed assets						
Tangible assets	263.99	294.27	308.30	294.33	263.21	285.40
Intangible assets	0.05	0.08	-	-	-	-
Capital work-in-progress	30.32	30.31	24.23	-	-	-
Non-Current Investments						
Investments	350.00	350.00	-	-	-	-
Long term loans and advances	1.54	2.04	1.70	2.73	5.59	6.88
Other Non Current Assets	82.42	96.19	-	-	-	-
Total Non-Current Assets (A)	728.33	772.89	334.23	297.06	268.80	292.28
Current Assets						
Inventories	843.77	712.34	773.14	441.14	278.32	169.96
Trade Receivables	2,126.77	2,047.29	1,128.09	1,581.71	1,495.89	810.50
Cash and cash equivalents	108.19	51.52	50.40	31.83	93.72	47.68
Short-term loans and advances	247.73	600.32	48.58	24.65	44.80	39.04
Other current assets	3.12	1.00	1.66	13.72	2.14	-
Total Current Assets (B)	3329.58	3412.47	2001.87	2093.05	1914.87	1067.18
Total Assets (A)+(B)	4057.91	4185.36	2336.10	2390.11	2183.67	1359.46
LIABILITIES						
Non-Current Liabilities						
Long-term borrowings	243.18	45.93	91.26	162.24	100.45	68.61
Deferred tax liabilities (net)	11.85	5.86	6.31	5.80	5.28	5.82
Other long term liabilities	12.69	7.59	4.47	-	-	-
Total Non-Current Liabilities (C)	267.71	59.38	102.04	168.04	105.73	74.43
Current Liabilities						
Short term borrowings	1,193.99	1,699.14	707.80	707.05	648.66	361.07
Trade payables	829.55	976.83	330.93	269.49	663.88	341.91
Other current liabilities	147.67	87.08	142.70	381.82	91.24	60.21
Short-term provisions	52.26	57.02	51.90	35.64	19.66	17.61
Total Current Liabilities (D)	2,223.46	2,820.06	1,233.33	1,394.00	1,423.44	780.79
Total Liabilities (C)+(D)	2,491.18	2,879.44	1,335.37	1,562.04	1,529.17	855.23
Net Worth (A+B) - (C+D)	1,566.73	1,305.92	1,000.73	828.07	654.50	504.23
Net worth represented by:						
Shareholders Funds						
Share Capital						
Equity share capital	617.00	600.00	600.00	600.00	300.00	300.00
Reserves & Surplus						
Securities Premium	34.00	-	-	-	-	-
Reserves & Surplus	979.24	768.78	436.06	228.07	354.50	204.23
Miss. Expenditure	(63.52)	(62.86)	(35.33)	-	-	-
Net worth	1,566.73	1,305.92	1,000.73	828.07	654.50	504.23

SUMMARY STATEMENT OF CASH FLOW

(₹ in lacs)

Particulars	31st December, 2012 (9 months)	For the year ended				
		31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
A. Cash flow operating activities						
Net Profit before prior period item, tax and extraordinary items	282.47	287.90	260.41	209.73	169.58	152.33
Adjustment for:						
Depreciation/amortization	29.77	41.53	40.76	37.24	39.46	34.95
Finance charges & loss on variation on foreign exchange rates	164.76	165.73	130.26	122.37	66.70	48.22
MAT Credit Adjusted	(13.76)	(8.55)	-	-	-	-
Provision for Gratuity & Leave Encashment	5.10	3.30	4.47	-	-	-
Profit on sale of Fixed Assets	(1.19)	-	(0.06)	-	(0.29)	(17.87)
Operating Profit Before Working Capital Changes	467.15	489.91	435.84	369.34	275.46	217.63
Adjustment for:						
Decrease/(Increase) in Inventories	(131.43)	60.81	(332.00)	(162.82)	(108.36)	90.90
Decrease / (Increase) in Trade Receivables	(79.48)	(919.20)	453.62	(85.82)	(685.39)	(364.20)
Decrease / (Increase) in Short Term Loans and Advances	352.60	(551.74)	(23.93)	20.15	(5.76)	(35.16)
Decrease / (Increase) in Other Current Assets	(2.12)	0.66	12.06	(11.58)	(2.14)	0.71
Increase / (Decrease) in Trade Payables	(147.29)	645.90	61.44	(394.39)	321.97	41.48
Increase / (Decrease) in Other Current Liabilities	60.59	(55.62)	(239.12)	290.57	31.04	(85.43)
Income taxes paid (net of refund)	(57.02)	(46.89)	(35.65)	(19.65)	(17.80)	(6.12)
Net cash generated / (utilized) from operating activities	463.00	(376.18)	332.26	5.80	(190.99)	(140.20)
B. Cash flow from investing activities						
Purchase of fixed assets	(0.78)	(27.58)	(96.96)	(92.58)	(17.64)	(65.07)
Capital Work-in-Progress	(0.00)	(6.08)	-	-	-	-
Sale of fixed assets	2.50		18.07	24.23	0.65	52.00
Purchase of non-current investment	-	(350.00)	-	-	-	-
Long Term Loans & Advances	0.50	(0.34)	1.03	2.86	1.29	21.61
Other Non Current Assets	13.76	-	-	-	-	-
Net cash utilized investing activities	15.98	(384.00)	(77.87)	(65.50)	(15.70)	8.54
C. Cash from Financing activities						
Interest paid	(164.76)	(165.73)	(130.26)	(122.37)	(66.70)	(48.22)
Increase in share capital	17.00	-	-	-	-	-
Share premium received	34.00	-	-	-	-	-
(Repayments) / proceeds of long term borrowings	197.25	(45.33)	(70.98)	61.78	31.84	(29.46)
Dividend & dividend distribution tax	-	-	-	-	-	-
Miss Expenditure to the extent not written off	(0.66)	(18.98)	(35.33)	-	-	-
(Repayments) / proceeds of short term loans	(505.14)	991.34	0.75	58.39	287.59	210.10

Particulars	31st December, 2012 (9 months)	For the year ended				
		31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
Net cash generated from/ (utilised in) financing activities	(422.31)	761.30	(235.82)	(2.20)	252.72	132.43
Net Increase / (decrease) in cash and cash equivalents	56.67	1.12	18.57	(61.89)	46.04	0.77
Cash and cash equivalents at the beginning of the year	51.52	50.40	31.83	93.72	47.68	46.91
Cash and cash equivalents at the end of the year	108.19	51.52	50.40	31.83	93.72	47.68

Note:

The above statement should be read with Significant Accounting Policies and the Notes to the Summary Statements as appearing in Annexures IV of the Auditors report appearing on page no. 92 of the RHP.

THE ISSUE

Equity Shares offered: Fresh Issue by our Company	[●] Equity Shares of ₹10 each aggregating ₹ 1400 Lac
<i>Of which</i>	
Issue reserved for the Marker Makers	[●] Equity Shares of ₹10 each for cash at a price of ₹ [●] per share aggregating to ₹70.00 Lacs
Net Issue to the Public	[●] Equity Shares of ₹ 10 each aggregating ₹ 1330.00 Lacs
<i>Of which</i>	
A) QIB Portion	[●] Equity Shares of ₹ 10 each aggregating ₹ 700.00 Lacs constituting upto 50% of the Net Issue to the Public (Allocation on a proportionate basis)
<ul style="list-style-type: none"> • 5% available for allocation to Mutual Funds only [the unsubscribed portion, if any, in the Mutual Fund reservation will be available to QIBs] 	[●] Equity Shares of ₹10 each aggregating ₹ 35.00 Lacs (Allocation on a proportionate basis)
<ul style="list-style-type: none"> • Balance for all QIBs including Mutual Funds 	[●] Equity Shares of ₹ 10 each aggregating ₹ 665.00 Lacs (Allocation on a proportionate basis)
B) Non-Institutional Portion	Not less than [●] Equity Shares ⁽³⁾ Of ₹ 10 each aggregating ₹ 210 Lacs, constituting not less than 15% of the Net Issue to the Public (Allocation on a proportionate basis)
C) Retail Portion	Not less than [●] Equity Shares ⁽³⁾ Of ₹ 10 each aggregating ₹ 490.00 Lacs, constituting not less than 35% of the Net Issue to the Public (Allocation on a proportionate basis)
Equity Shares outstanding prior to the Issue	6,170,000 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of Issue Proceeds	See section titled “ <i>Objects of the Issue</i> ” on page no. 26 of the Red Herring Prospectus.

Note:

1. This Issue has been authorised by a resolution of our Board dated December 01, 2012 and by a special resolution passed pursuant to Section 81(1A) of the Act, at the EGM of the shareholders of our Company held on January 02, 2013;
2. In the event of over-subscription, Allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price;
3. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories;
4. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net 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. In the event that the demand from Mutual Funds is greater than [●] Equity Shares aggregating to ₹ 35.00 Lacs, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the Net QIB Portion and allocated to QIBs (including Mutual Funds) on a proportionate basis, subject to valid Bids at or above Issue Price.

GENERAL INFORMATION

Incorporation

Our Company was originally incorporated on March 17, 1989 as a private limited company under the name and style of 'Sanco Plastics Private Limited' with corporate number 55-35549 of 1988-89 under the provisions of Companies Act 1956 vide Certificate of Incorporation issued by Registrar of Companies, Delhi & Haryana. Our Company was formed to takeover the business of a partnership firm started on February 04, 1986 in the name and style of "Sanco Plastic Industries" in which Mr. Sanjay Gupta and Mr. Jai Pal Singh Shishodia were partners. The business of the Partnership was taken over by way of an Agreement dated April 1, 1989 ("**Business Transfer Agreement**") on a going concern basis and the partnership concern was thereafter dissolved by way of another agreement dated April 1, 1989.

The name of our Company was changed to the "Sanco Industries Private Limited", pursuant to which a fresh certificate of incorporation dated April 09, 2008 consequent upon change of name was issued by Registrar of Companies, Delhi & Haryana. Our Company was subsequently converted into a public company and the name was changed to 'Sanco Industries Limited' pursuant to a shareholders resolution dated May 15, 2008 and received a Fresh Certificate of Incorporation dated June 02, 2008 consequent upon Change of Name on conversion to Public Limited Company.

Corporate Identity Number: U74899DL1989PLC035549.

Registered Office	:	9/51 Bazar Gali, Vishwas Nagar, Delhi-110032 India. Tel: 011-22382737; Fax: 91-11-22382737
Corporate Office	:	D- 161, Surajmal Vihar (Near Karkardooma Court), New Delhi- 110092 (India). Tel: 011-47315500 (100Lines), Fax: 91 11 47315555; E-mail: ipo@sancopipes.com; Website: www.sancopipes.com

Changes in Registered office of our Company:

The registered office of our Company was shifted from R-51, Rita Block, Shakarpur, Delhi-110092 to 9/51, Bazar Gali, Vishwas Nagar, Shahdara, Delhi-110032 w.e.f 1st March 1995.

Plant: Village Satiwala, Tehsil Paonta Sahib-173025 (H.P.), **Tel:** +91-09736009197.

Address of the Registrar of Companies: Registrar of Companies, Delhi & Haryana situated at 4th Floor, IFCI Tower, 61 Nehru place, New Delhi-110019; **Tel:** 011 26235703, 011 26235704; **Fax:** 011 26235702

Our Board of Directors

Sr. No.	Name of Director	Designation	Nature of Directorship
1	Mr. Sanjay Gupta	Managing Director	Executive and non independent Director
2	Mrs. Shakuntla Gupta	Whole Time Director	Executive and non independent Director
3	Mr. Sidhant Gupta	Whole Time Director	Executive and non independent Director
4	Mr. Saurabh Gupta	Director	Non executive and independent Director
5	Mr. Sanjeev Kumar Jain	Director	Non executive and independent Director
6	Mr. Deepak Gupta	Director	Non executive and independent Director

For more details about our Directors please refer to Section "Our Management" on page 68 of the RHP.

COMPANY SECRETARY AND COMPLIANCE OFFICER

Ms. Preeti Gupta

Sanco Industries Limited

9/51 Bazar Gali, Vishwas Nagar, Delhi-110032 India.

Tel: 011-22382737; **Fax:** 91-11-22382737

Email: ipo@sancopipes.com

REGISTRAR TO THE ISSUE

BEETAL Financial & Computer Services (P) Ltd.

Beetal House, 3rd Floor,
99 Madangir, Behind Local Shopping Centre,
Near Dada Harsukhdas Mandir, New Delhi-110062.
Tel: 91-11-2996 1281; **Fax:** 91-11-2996 1284
Email: beetal@beetalfinancial.com
Website: www.beetalfinancial.com
Contact Person: Mr. Punit Mittal
SEBI Registration No.: INR 000000262

BOOK RUNNING LEAD MANAGER

Keynote Corporate Services Limited

The Ruby, 9th Floor, Senapati Bapat Marg,
Dadar (West), Mumbai – 400028
Tel: +91-22- 30266000-3; **Fax:** +91-22- 3026 6088
E-mail: mbd@keynoteindia.net
Website: www.keynoteindia.net
Contact Person: Mr. Janardhan Wagle/ Ms. Girija Sangole
SEBI Registration No.: INM 000003606
AMBI No.: AMBI/ 040

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

All grievances relating to the Issue may be addressed to the Registrar, giving full details such as name, address of the applicant, number of Equity Shares Bid for, Bid Amount paid on submission of the Bid cum Application Form and the bank branch or collection centre where the Bid cum Application Form was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar with a copy to the relevant SCSB and/ or the member of the Syndicate or the Sub-Syndicate Member (as applicable), giving full details such as name, address of applicant, application number, number of Equity Shares applied for, amount blocked on application and Designated Branch or the collection centre of the SCSBs and/or the Syndicate or the Sub-Syndicate Members (as applicable) where the Bid cum Application Form was submitted by the ASBA Bidder.

STATUTORY AUDITORS TO OUR COMPANY

M/s Vijay Mukesh & Co.

Chartered Accountants
D-4, Naveen Shahdara, Delhi - 110032
Tel: +91-11-2232 1672; **Fax:** +91-11-2232 7861
Email id: vmcompany@hotmail.com
Contact Person: Mr. Sunil Jain
ICAI Registration No.: 014554N
Membership No.: 094673

M/s. Vijay Mukesh & Co. holds a Peer Review Certificate dated June 19, 2012 issued by the Institute of Chartered Accountants of India. New Delhi.

Banker to Our Company

Central Bank of India

C-53, Anand Vihar,
Main Vikas Marg, Delhi - 110092
Tel: 011-22165908
Fax: 011-22165908
Website: www.centralbankofindia.co.in
Email: bmdelb3533@centralbank.co.in
Contact Person: Mr. V. K. Aggarwal

Legal Advisor to the Issue

Ink & Law

C-6, Lower Ground Floor,
Shivalik, Malviyanagar,
New Delhi- 110017
Tel.: +91 11 4051 8471
Email: inkandlaw@gmail.com
Contact Person: Mr. Subrahmanyam

MARKET MAKER

As per Regulation 106(P) of the SEBI ICDR Regulations, 2009, the BRLM, will ensure compulsory Market Making in the manner specified by SEBI for a minimum period of three years from the date of listing of the Equity Shares of our Company.

[●] will act as the Market Maker.

Syndicate Member(s)

[●]

Bankers to the Issue and Escrow Collection Banks

[●]

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on the website of SEBI. For details on the Designated Branches of the SCSBs which shall collect Bid cum Application Forms from the ASBA Bidders, please refer to the SEBI website i.e., www.sebi.gov.in.

Brokers to the Issue

All members of the recognized Stock Exchange would be eligible to act as Brokers to the Issue.

Statement of inter-se allocation of responsibilities:

Since **Keynote Corporate Services Limited** is the sole BRLM to this Issue, statement of inter-se allocation responsibilities among Book Running Lead Manager's is not applicable: However the responsibilities of BRLM include:

Sl. No.	Activities
1.	Capital structuring with the relative components and formalities such as type of instruments, etc.
2	Due diligence of the Company's operations/management/ business plans/legal, etc. Drafting and design of offer document and of statutory advertisement including memorandum containing salient features of the Prospectus. The BRLM shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock exchange(s), RoC and SEBI including finalization of the Prospectus and filing with the RoC.
3	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertisement, brochure, etc.
4	Appointment of registrar and grading agencies to the Issue.
5	Appointment of all other intermediaries including bankers to the Issue, printers, advertising agency etc
6	Preparation of road show presentation
7	Institutional Marketing of the Offer <ul style="list-style-type: none"> ▪ Finalise the list and division of investors for one to one meetings; and ▪ Finalising the international and domestic institutional road show schedule and investor meeting schedules
8	Retail / Non-Institutional marketing strategy which will cover, inter alia, <ul style="list-style-type: none"> ▪ Formulating marketing strategies, preparation of publicity budget; ▪ Finalising media, marketing and public relations strategy; ▪ Finalising centers for holding conferences for brokers, etc.; ▪ Finalising bidding and collection centers; and ▪ Follow-up on distribution of publicity and issue material including form, prospectus and deciding on the quantum of the issue material.
9	Coordination with Stock Exchange for Book Building software, bidding terminals and mock trading.
10	Management of Escrow Account(s), Finalising of Pricing and Allocation
11	Post bidding activities including coordination for non- institutional allocation, coordination with Registrar and Banks, intimation of allocation and dispatch of refund to Bidders, etc. The post issue activities of the issue will involve essential follow up steps, which include finalization of trading and dealing instruments and dispatch of certificates and demat delivery of shares, with the various agencies connected with the work such as Registrar to the Issue, Banker to the Issue and the bank handling refund business. The BRLM shall be responsible for ensuring that these agencies fulfill their functions and enable them to discharge the responsibility through suitable agreements with the Issuer Company.

Credit Rating

This being an issue of Equity Shares, credit rating is not required.

Experts

Except for the Auditor's Report of the Auditors of our Company, we have not obtained any expert opinions.

Trustees

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

Appraising Agency

The project is not appraised by any Bank/Financial Institution/Merchant Banker.

Monitoring Agency

Since the Issue size does not exceed ₹ 50,000 Lacs, the appointment of a monitoring agency as per Regulation 16 of the SEBI Regulations is not required. As required under the listing agreements with the Stock Exchange, the Audit Committee appointed by our Board will monitor the utilisation of the Issue proceeds. We will disclose the utilisation of the proceeds of the Issue, including interim use, under a separate head in our quarterly/half yearly financial disclosures and annual audited financial statements until the Issue Proceeds remain unutilised, to the extent required under the applicable law and regulation. We will indicate investments, if any, of unutilised proceeds of the Issue in our Balance Sheet for the relevant Financial Years subsequent to our listing of our Equity Shares on the SME Platform of NSE.

IPO Grading

[●] has been appointed for grading of the Issue. [●] has assigned a [●] SME fundamental grade of “SME [●]” (SME [●] on Five) to the proposed IPO of our Company. The grade indicates [●].

[●].

Book Building Process

Book building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band.

The Issue Price will be finalized after the Bid / Issue Closing Date. The principal parties involved in the Book Building Process are:

- Our Company;
- The BRLM in this case being Keynote Corporate Services Limited, the Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with NSE and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the BRLM;
- The Registrar to the Issue;
- Self Certified Syndicate Banks through whom ASBA Bidders would subscribe in this Issue; and
- Escrow Collection Bank(s).

The SEBI ICDR Regulations have permitted the Issue of securities to the public through the Book Building Process, wherein 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, of which 5% shall be reserved for Mutual Funds. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net 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.

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net 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. In the event that the demand from Mutual Funds 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 the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the Net QIB Portion and allocated to QIBs (including Mutual Funds) on a proportionate basis, subject to valid Bids at or above Issue Price.

In accordance with the SEBI Regulations, QIBs and Non-Institutional Investors are not allowed to withdraw or lower the size of their Bids (both in terms of number of Equity Shares Bid for and Bid Amount) at any stage. Further, allocation to QIBs in the Net QIB Portion will be on a proportionate basis. For further details, please refer “Terms of the Issue” on page 143 of the Red Herring Prospectus.

QIBs and Non-Institutional Bidders shall compulsorily submit their Bids under the “ASBA Process”, which would entail blocking of funds in the investor’s bank account rather than immediate transfer of funds to the respective Escrow Accounts. Retail Individual Bidders have the option of submitting their Bids under the ASBA Process or through cheques/ demand drafts.

We will comply with the SEBI ICDR Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, we have appointed Keynote Corporate Services Limited as the Book Running Lead Manager, respectively to manage the Issue and procure subscriptions to the Issue.

The process of Book Building 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 or application in the Issue.

Retail Individual Bidders are advised to make their own judgment about investment through the ASBA process prior to submitting an ASBA Bid cum Application Form.

Illustration of Book Building and Price Discovery Process (*Investors should note that this example is solely for illustrative purposes and is not specific to the Issue*)

Bidders can bid at any price within the price band. For instance, assume a price band of ₹ 17 to ₹ 21 per equity share, issue size of 6,000 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
2,000	21	2,000	33.33%
2,500	20	4,500	75.00%
1,500	19	6,000	100.00%
2,000	17	8,000	133.33%
2,500	17	10,500	175.00%

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.*, ₹ 19.00 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 ₹ 19.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding:

1. Check eligibility for making a Bid (see section titled “Issue Procedure – Who Can Bid?” on page 154);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
3. For Bids of all values, ensure that you have mentioned your PAN (see section titled “Issue Procedure – Permanent Account Number or PAN” on page 171);
4. Ensure that the Bid cum Application Form is duly completed as per instructions given in the Red Herring Prospectus and in the Bid cum Application Form;
5. Bids by QIBs will only have to be submitted to the BRLM and their affiliate Syndicate Members or SCSBs or Broker Centre; and

6. Bids by ASBA Bidders will have to be submitted to the Designated Branches of the SCSBs except for ASBA Bids in the Specified Cities. In case of Specified Cities, ASBA Bids may either be submitted with the Designated Branches or with Syndicate or to the Syndicate Members in the Specified Cities. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSBs or the Syndicate Members or the Broker Centre to ensure that the Bid cum Application Form by ASBA Bidders is not rejected.

Bid/Issue Programme

Bid/Issue Period

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

Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Bidding Period at the Bidding Centres mentioned on the Bid cum Application Form or, in case of Bids submitted by the ASBA Bidders, the Designated Branches and the Syndicate ASBA Bidding Locations except that:

- i. in case of Bids by QIBs under the Net QIB Portion, the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. on the QIB Bid Closing Date;
- ii. in case of Bids by Non-Institutional Bidders, the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. on the Bid Closing Date; and
- iii. in case of Bids by Retail Individual Bidders, the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. on the Bid Closing Date, which may be extended up to such time as deemed fit by the Stock Exchange after taking into account the total number of applications received up to the closure of timings and reported by 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 the Bid file received from the Stock Exchange 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 the relevant SCSB or the member of the Syndicate for rectified data.

Our Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI Regulations. The cap shall not be more than 120% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.

In case of revision in the Price Band, the Bidding Period shall be extended for at least three additional Working Days after such revision, 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 Stock Exchange, by issuing a press release and also by indicating the change on the websites of the BRLM and the terminals of the other members of the Syndicate. Further, the SCSBs shall also be notified by the BRLM, through the Registrar to the Issue, of any such revision.

Underwriting Agreement

Our Company has entered into an Underwriting Agreement dated [●] with the Underwriters, for the Equity Shares proposed to be offered pursuant to the Issue. The Underwriting Agreement has been approved by our Board of Directors.

Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions, as specified therein. The underwriting agreement lists out the role and obligations of the Underwriter. The Issue is 100% underwritten.

The details of the Underwriter and the extent of their underwriting commitment is detailed below:

This portion has been intentionally left blank and will be filled in before filing of the Red Herring Prospectus with the RoC

Name and Address of the Underwriters	Indicative Number of Equity shares to be Underwritten	Amount Underwritten (₹ in Lacs)
[●]	[●]	[●]
Total	[●]	[●]

In the opinion of our Board of Directors (based on a certificate given by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their underwriting obligations in full. The Underwriters are registered with SEBI under Section 12 (1) of the SEBI Act.

In the event of any default in payment by the investors with respect to Equity Shares allocated to them, the Underwriters, in addition to their underwriting obligations defined in the Underwriting Agreement, will also be required to procure/subscribe to Equity Shares to the extent of the defaulted amount by such investors.

Market Making Agreement

[●] will act as the Market maker and has entered into an agreement dated [●] and agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations.

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the NSE and SEBI regarding this matter from time to time.

Following is a summary of the key details pertaining to the Market Making arrangement:

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. The spread (difference between the sell and the buy quote) shall not be more than 10%. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The minimum depth of the quote shall be ₹ 100,000/- . However, the investors with holdings of value less than ₹ 100,000/- shall be allowed to offer their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker for the quotes given by him.
4. There would not be more than five Market Makers for a scrip at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
5. The Market Maker(s) shall have the right to terminate said arrangement by giving a six months notice or on mutually acceptable terms to the BRLM, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the BRLM to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations, 2009. Further the company, the BRLM reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particulars point of time.

CAPITAL STRUCTURE

The capital structure of our Company and related information as at the date of the RHP, prior to and after the proposed Issue, is set forth below:

(₹ In Lacs except per share data)

Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price
Authorised share capital		
1,40,00,000 Equity Shares of ₹10/- each	1400.00	1400.00
Issued, subscribed and paid-up share capital before the Issue		
61,70,000 Equity Shares of ₹10/- each	617.00	651.00
Present Issue in terms of the Red Herring Prospectus		
[●] Equity Shares	[●]	1400.00
Which comprises		
[●] Equity Shares at a premium of ₹ [●]/- per Equity Share reserved as Market Maker Portion	[●]	70.00
[●] Equity Shares at a premium of ₹ [●]/- per Equity Share being Net Issue to public	[●]	1330.00
Issued, subscribed and paid-up share capital after the Issue		
[●] Equity Shares	[●]	2051.00
Securities premium account		
Before the Issue	34.00	
After the Issue*	[●]	

* - The Securities Premium Account after the Issue shall be determined after the Book Building Process.

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

Details of Increase in Authorized Capital

Sr. No.	Particulars of increase	Date of meeting	AGM/EGM
1.	Increase in authorized share capital from ₹2 Lacs to ₹10 Lac.	June 18, 1991	EGM
2.	Increase in authorized share capital from ₹10 Lacs to ₹20 Lac	April 29, 1995	EGM
3.	Increase in authorized share capital from ₹ 20 Lacs to ₹ 30 Lac	February 22, 1997	EGM
4.	Increase in authorized share capital from ₹ 30 Lacs to ₹ 60 Lac	March 13, 2000	EGM
5.	Increase in authorized share capital from ₹ 60 Lacs to ₹1 crore	June 21, 2004	EGM
6.	Increase in authorized share capital from ₹ 1 crore to ₹ 1.5 crore	December 19, 2005	EGM
7.	Increase in authorized share capital from ₹ 1.5 crore to ₹ 2 crores	November 2, 2006	EGM
8.	Increase in authorized share capital from ₹ 2 crores to ₹ 3 crores	March 7, 2007	EGM
Split of equity shares *			
9.	Increase in authorized share capital from ₹ 3 crores to ₹ 12 crores	March 17, 2010	EGM
10.	Increase in authorized share capital from ₹ 12 crores to ₹ 14 crores	October 18, 2010	EGM

* Our company has split the face value of equity shares from ₹ 100 per share to ₹ 10 per share vide special resolution passed in Extra Ordinary General Meeting held on March 17, 2010.

Notes to Capital Structure

1. Share capital history of our Company:

Date of Allotment/ Transfer	Number of Equity Shares	Face Value (₹)	Issue Price	Nature of Consideration (Cash, other than cash, bonus)	Nature of Allotment/ Transaction	Cumulative Equity Share Capital
March 17, 1989	20	100	100	Cash	Subscription to MOA	20
September 1, 1989	1,800	100	100	Other than Cash	Further allotment to promoter & others in terms of Business Transfer Agreement dated April 01, 1989	1,820
December 21, 1991	7,410	100	100	Cash	Further allotment to Promoter, Promoter group & others	9,230
March 21, 1997	3,000	100	100	Cash	Further allotment to Promoter, Promoter group & others	12,230
August 1, 1998	17,460	100	100	Cash	Further allotment to Promoter, Promoter group & others	29,690
November 6, 2000	5,650	100	100	Cash	Further allotment to Promoter, Promoter group & others	35,340
January 3, 2002	6,500	100	100	Cash	Further allotment to Promoter, Promoter group & others	41,840
August 13, 2003	18,160	100	100	Cash	Further allotment to Promoter, Promoter group & others	60,000
March 31, 2005	40,000	100	100	Cash	Further allotment to Promoter, Promoter group & others	1,00,000
March 31, 2006	50,000	100	100	Cash	Further allotment to Promoter, Promoter group & others	1,50,000
March 31, 2007	1,50,000	100	100	Cash	Further allotment to Promoter, Promoter group & others	3,00,000
Split of equity shares *						
March 30, 2010	30,00,000	10	Nil	Bonus	Bonus Issue (1 equity share for every 1 equity share held i.e. @ 1:1)	60,00,000
June 19, 2012	1,70,000	10	30	Cash	Allotment to Promoter, Promoter group & others	61,70,000

* Our company has split the face value of equity shares from ₹ 100 per share to ₹ 10 per share vide special resolution passed in Extra Ordinary General Meeting held on March 17, 2010.

The face value of equity shares was reduced from ₹ 100/- to ₹ 10/- per equity share vide special resolution passed in Extra Ordinary General Meeting held on March 17, 2010. However, in order to maintain consistency in the presentation, the face value of the equity shares in all the tables of this section appearing henceforth have been taken at ₹ 10/- per equity share for all the allotments. Also, the number of shares allotted has been adjusted accordingly.

2. Promoters Holding:

History of Share Capital held by the promoters:

Name of Promoter	Date of Allotment /Transfer	Nature of the Issue (Allotment/ Transfer)	Consideration	Number of Shares	Face Value (₹)	Issue/ Transfer Price (₹)	% age of Pre Issue Capital	% age of Post Issue Capital
Mr. Sanjay Gupta	17/03/1989	Subscription to MOA	Cash	100	10.00	10.00	0.00	[●]
	01/09/1989	Allotment	Other than Cash	9,500	10.00	10.00	0.15	[●]
	21/12/1991	Allotment	Cash	4,500	10.00	10.00	0.07	[●]
	21/03/1997	Allotment	Cash	10,000	10.00	10.00	0.16	[●]
	03/01/2002	Allotment	Cash	11,200	10.00	10.00	0.18	[●]
	13/08/2003	Allotment	Cash	34,700	10.00	10.00	0.56	[●]
	16/02/2005	Transfer	Cash	13,700	10.00	10.00	0.22	[●]
	31/03/2005	Allotment	Cash	17,000	10.00	10.00	0.28	[●]
	31/03/2006	Allotment	Cash	12,000	10.00	10.00	0.19	[●]
	15/01/2007	Transfer	Cash	4,500	10.00	10.00	0.07	[●]
	31/03/2007	Allotment	Cash	27,000	10.00	10.00	0.44	[●]
	28/04/2009	Transfer	Cash	2,60,900	10.00	10.00	4.23	[●]
	30/03/2010	Bonus @ 1:1	Nil	4,05,100	10.00	Nil	6.57	[●]
19/06/2012	Allotment	Cash	23,500	10.00	30.00	0.38	[●]	
		Total		8,33,700			13.51	[●]
Mrs. Shakuntala Gupta	21/03/1997	Allotment	Cash	5,500	10.00	10.00	0.09	[●]
	06/11/2000	Allotment	Cash	5,000	10.00	10.00	0.08	[●]
	03/01/2002	Allotment	Cash	16,300	10.00	10.00	0.26	[●]
	13/08/2003	Allotment	Cash	19,500	10.00	10.00	0.32	[●]
	31/03/2005	Allotment	Cash	8,500	10.00	10.00	0.14	[●]
	31/03/2006	Allotment	Cash	24,500	10.00	10.00	0.40	[●]
	31/03/2007	Allotment	Cash	30,000	10.00	10.00	0.49	[●]
	28/04/2009	Transfer	Cash	1,37,500	10.00	10.00	2.23	[●]
	30/03/2010	Bonus @ 1:1	Nil	2,46,800	10.00	Nil	4.00	[●]
19/06/2012	Allotment	Cash	8,400	10.00	30.00	0.14	[●]	
		Total		502,000			8.14	[●]
Sanjay Gupta (HUF)	31/03/2005	Allotment	Cash	6,000	10.00	10.00	0.10	[●]
	28/04/2009	Transfer	Cash	16,50,000	10.00	10.00	26.74	[●]
	30/03/2010	Bonus @ 1:1	Nil	16,56,000	10.00	Nil	26.84	[●]
	19/06/2012	Allotment	Cash	50,800	10.00	30.00	0.82	[●]
		Total		3,362,800			54.50	[●]
		Grand Total		46,98,500			76.15	[●]

3. Details of Promoters contribution locked-in for three years:

As per clause (a) sub-regulation (1) Regulation 32 of the SEBI ICDR Regulations and in terms of the aforesaid table, an aggregate of 20% of the post-Issue Equity Share Capital of our Company shall be locked in for a period of 3 years from the date of Allotment (“Minimum Promoters’ Contribution”). The details of such lock-in are given below:

Name of Promoter	Date of Allotment /Transfer	Nature of the Issue (Allotment/ Transfer)	Consid eration	Number of Shares	Face Value (₹)	Issue/ Transfer Price (₹)	% age of Pre Issue Capital	% age of Post Issue Capital
Mr. Sanjay Gupta	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Total				[•]			[•]	[•]
Mrs. Shakuntala Gupta	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Total				[•]			[•]	[•]
Sanjay Gupta (HUF)	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Total				[•]			[•]	[•]
Grand Total				[•]			[•]	[•]

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

The Promoters’ contribution has been brought in to the extent of not less than the specified minimum amount. We confirm that specific written consent has been obtained from our Promoters whose Equity Shares form part of Promoters’ contribution, to lock-in their Equity Shares for a period of 3 years to ensure Minimum Promoters’ Contribution.

We confirm that the Minimum Promoters’ Contribution of 20% which is subject to lock-in for three years does not consist of:

- Equity Shares acquired during the preceding 3 (three) years for consideration other than cash and revaluation of assets or capitalization of intangible assets;
- Equity Shares acquired during the preceding 3 (three) years resulting from a bonus issue by utilisation of revaluations reserves or unrealised profits of the Issuer or from bonus issue against Equity Shares which are ineligible for computation of Promoters’ contribution;
- Equity Shares acquired by the Promoter during the preceding 1 (one) year, at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;
- Equity Shares allotted to the Promoters during the preceding 1 (one) year, at a price lower than the Issue Price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms and there is no change in the management;
- Equity Shares held by any Promoter that are subject to pledge;

4. Details of share capital locked in for 1 (one) year

Pursuant to Regulation 36(b) and Regulation 37 of the SEBI ICDR Regulations, the Promoters’ holding in excess of Minimum Promoters’ Contribution and the entire pre-Issue share capital held by persons other than Promoters’ shall be locked-in for a period of 1 (one) year from the date of Allotment in this Issue.

5. Other requirements in respect of lock-in

Pursuant to Regulation 39 of the SEBI ICDR Regulations, the locked-in Equity Shares held by the Promoters, as specified above, can be pledged only with scheduled commercial banks or public financial institutions as collateral

security for loans granted by such scheduled commercial banks or public financial institution, provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan.

Provided that securities locked in as Promoters' Contribution for 3 (three) years under Regulation 36(a) of the SEBI ICDR Regulations may be pledged only if, in addition to fulfilling the above requirement, the loan has been granted by such scheduled commercial bank or public financial institution for the purpose of financing one or more of the objects of the Issue.

Pursuant to Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by the Promoters may be transferred to and amongst the Promoters, 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 compliance with the Takeover Code.

Further, pursuant to Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 37 of the SEBI ICDR Regulations, along with the Equity Shares proposed to be transferred, provided that lock-in on such Equity Shares will continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such Equity Shares till the lock-in period stipulated under the SEBI ICDR Regulations has ended, subject to compliance with the Takeover Code, as applicable.

6. **There has been no transactions in Equity Shares by the Directors, Promoters and Promoter Group entities during 6 (six) months preceding the filing of this DRHP with the Stock Exchange**

7. Shareholding pattern of our Company (as per clause 37 of SME Equity listing agreement) as on the date

Category Code	Category of Shareholder	Number of Shareholders	Total No. of shares	Number of shares held in demat form	Total shareholding as a percentage of total number of shares		Post Issue	
					As a % of (A+B) (VI)	As a % of (A+B+C) (VI)	No. of Shares (VIII)	As a % (IX)
(I)	(II)	(III)	(IV)	(V)				
(A) Promoter and Promoter Group								
(1) Indian								
(a)	Individuals/ HUF	11	6143300	6143300	99.57	99.57	[•]	[•]
(b)	Central Government/ State Government	-	-	-	-	-	[•]	[•]
(c)	Bodies Corporate	1	26700	26700	0.43	0.43	[•]	[•]
(d)	Financial Institutions/ Banks	-	-	-	-	-	[•]	[•]
(e)	Any Others (specify)	-	-	-	-	-	[•]	[•]
Sub-Total (A)(1)		12	6170000	6170000	100.00	100.00	[•]	[•]
(2) Foreign								
Sub Total (A)(2)		-	-	-	-	-		
Total holding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)		12	6170000	6170000	100.00	100.00	[•]	[•]
(B) Public Shareholding								
(1) Institutions								
(a)	Mutual Funds/ UTI	-	-	-	-	-	[•]	[•]
(b)	Financial Institutions/Banks	-	-	-	-	-	[•]	[•]
(c)	Central Government/ State Government	-	-	-	-	-	[•]	[•]
(d)	Venture Capital Funds	-	-	-	-	-	[•]	[•]
(e)	Insurance Companies	-	-	-	-	-	[•]	[•]
(f)	Foreign Institutional Investors	-	-	-	-	-	[•]	[•]
(g)	Foreign Venture Capital Investors	-	-	-	-	-	[•]	[•]
(h)	Nominated Investors (as defined in Chapter XA of SEBI (ICDR) Regulations)	-	-	-	-	-	[•]	[•]
(i)	Market Makers	-	-	-	-	-	[•]	[•]
(j)	Any other, specify	-	-	-	-	-	[•]	[•]
Sub-Total (B)(1)		-	-	-	-	-	[•]	[•]
(2) Non Institutions								
(a)	Bodies Corporate	-	-	-	-	-	[•]	[•]
(b)	Individuals							
	i) Holding nominal share capital upto ₹ 1 lac	-	-	-	-	-	[•]	[•]
	ii) Holding nominal share capital in excess of ₹ 1 lac.	-	-	-	-	-	[•]	[•]
(c)	Any Other(specify)	-	-	-	-	-	[•]	[•]
Sub-Total (B)(2)		-	-	-	-	-	[•]	[•]
Total Public shareholding (B)=(B)(1)+(B)(2)		-	-	-	-	-	[•]	[•]
TOTAL (A)+(B)		12	6170000	6170000	100.00	100.00	[•]	[•]
(C) Shares held by Custodians and against which Depository Receipts have been issued								
GRAND TOTAL (A)+(B)+(C)		12	6170000	6170000	100.00	100.00	[•]	[•]

Note: As on date, none of the Equity Shares of our Company have been pledged or otherwise encumbered.

8. **Statement showing shareholding of persons belonging to the category of Promoter and Promoter Group as on the date**

Sr. No.	Name of the Shareholder	No. of Equity Shares	Shares as a percentage of total number of Equity Shares
Promoter			
1.	Mr. Sanjay Gupta	8,33,700	13.51
2.	Mrs. Shakuntla Gupta	5,02,000	8.14
3.	Sanjay Gupta (HUF)	33,62,800	54.50
Total Promoters' holding		46,98,500	76.15
Promoter Group			
1.	Mr. Anurag Gupta	6,99,800	11.34
2.	Mr.. Anil Sharma	2,47,600	4.01
3.	Mrs. Rita Gupta	1,56,800	2.54
4.	Ms. Sadhana Singhal	1,40,000	2.27
5.	Mr. Om Prakash Gupta	1,20,500	1.95
6.	Mrs. Seema Jain	40,000	0.65
7.	Mr. Sidhant Gupta	30,100	0.49
8.	Sanco Enterprises (P) Ltd.	26,700	0.43
9.	Ms. Mansi Gupta	10,000	0.16
Total Promoter group's holding		14,71,500	23.85
Grand Total		61,70,000	100.00

9. **Top ten shareholders**

The list of the top ten shareholders of our Company and the number of Equity Shares held by them is provided below:

a) *As on the date of filing the DRHP*

Sr. No.	Name of the Shareholder	No. of Equity Shares	Shares as a percentage of total number of Equity Shares
1.	Sanjay Gupta (HUF)	33,62,800	54.50
2.	Mr. Sanjay Gupta	8,33,700	13.51
3.	Mr. Anurag Gupta	6,99,800	11.34
4.	Mrs. Shakuntla Gupta	5,02,000	8.14
5.	Mr. Anil Sharma	2,47,600	4.01
6.	Mrs. Rita Gupta	1,56,800	2.54
7.	Ms. Sadhana Singhal	1,40,000	2.27
8.	Mr. Om Prakash Gupta	1,20,500	1.95
9.	Mrs. Seema Jain	40,000	0.65
10.	Mr. Sidhant Gupta	30,100	0.49
Total		61,33,300	99.41

b) *Ten days prior to filing of the DRHP*

Sr. No.	Name of the Shareholder	No. of Equity Shares	Shares as a percentage of total number of Equity Shares
1.	Sanjay Gupta (HUF)	33,62,800	54.50
2.	Mr. Sanjay Gupta	8,33,700	13.51

Sr. No.	Name of the Shareholder	No. of Equity Shares	Shares as a percentage of total number of Equity Shares
3.	Mr. Anurag Gupta	6,99,800	11.34
4.	Mrs. Shakuntla Gupta	5,02,000	8.14
5.	Mr. Anil Sharma	2,47,600	4.01
6.	Mrs. Rita Gupta	1,56,800	2.54
7.	Ms. Sadhana Singhal	1,40,000	2.27
8.	Mr. Om Prakash Gupta	1,20,500	1.95
9.	Mrs. Seema Jain	40,000	0.65
10.	Mr. Sidhant Gupta	30,100	0.49
Total		61,33,300	99.41

c) Two years prior to filing the DRHP

Sr. No.	Name of the Shareholder	No. of Equity Shares	Shares as a percentage of total number of Equity Shares
1.	Sanjay Gupta (HUF)	33,12,000	55.20
2.	Mr. Sanjay Gupta	8,10,200	13.50
3.	Mr. Anurag Gupta	6,99,800	11.66
4.	Mrs. Shakuntla Gupta	4,93,600	8.23
5.	Mr. Anil Sharma	2,47,600	4.13
6.	Ms. Sadhana Singhal	1,40,000	2.33
7.	Mrs. Rita Gupta	1,31,800	2.20
8.	Mr. Om Prakash Gupta	1,04,000	1.73
9.	Mrs. Seema Jain	40,000	0.67
10.	Mr. Sidhant Gupta	11,000	0.18
Total		59,90,000	99.83

10. Till date Company has not introduced any Employees Stock Option Schemes/ Employees Stock Purchase Schemes.
11. There are no financing arrangements whereby our Promoters, Promoter Group, our Group Companies, our Directors and their relatives have financed the purchase by any other person of the Equity Shares of our Company during the period of 6 months immediately preceding the date of filing of the DRHP with the Stock Exchange.
12. Our Promoters, directors, immediate relatives of the directors and members of the Promoter Group have not undertaken/ financed, directly or indirectly, any transaction in the Equity Shares in the six months preceding the date of filing of the DRHP with Stock Exchange.
13. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.
14. 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 minimum allotment lot while finalizing the allotment, subject to minimum allotment being equal to [●] Equity Shares, which is the minimum Bid size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue as a result of which the post-Issue paid up capital after the Issue would also increase by the excess amount of allotments so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased so as to ensure that 20% of the post-Issue paid up capital is locked-in.

15. Shares issued for consideration other than cash

We have issued 1800 equity shares of face value ₹ 100/- each for consideration, other than cash, in lieu of partial consideration for acquiring the business of Sanco Plastic Industries, a partnership firm and 30,00,000 equity shares of face value ₹ 10/- each by way of bonus to existing equity share holders as per details below:

Date of Allotment	No of equity shares	Face value (₹)	Name of Allotees
Allotment in lieu of partial consideration for acquiring the business			
September 1, 1989	950	100	Mr. Sanjay Gupta
September 1, 1989	850	100	Mr. Jai Pal Singh Shishodia
Bonus Issue			
March 30, 2010	30,00,000	10	Bonus Issue @ 1:1

16. Till date, we have not allotted any shares pursuant to any scheme approved by the Court under Section 391-394 of the Companies Act, 1956.
17. Our Company has not raised any bridge loans against the Issue proceeds.
18. Neither our Company, nor the directors or the Promoters, or the BRLM have entered into any buy-back and/or standby/ safety net arrangements for the purchase of Equity Shares of our Company.
19. As on the date of the DRHP, none of the Equity Shares of our Company have been pledged or otherwise encumbered.
20. There are no outstanding warrants, financial instruments or any rights, which would entitle the Promoters or the shareholders of our Company or any other person any option to acquire any of the Equity Shares.
21. The Equity Shares of our Company are fully paid up and there are no partly paid up Equity Shares as on the date of the DRHP.
22. No further issue of capital by way of issue of bonus shares, preferential allotment, rights issue or public issue or in any other manner which will affect the equity capital of our Company, shall be made during the period commencing from the filing of the DRHP with the Stock Exchange to the date on which the Equity Shares issued are listed or application moneys refunded on account of the failure of the Issue.
23. Further, our Company has no intention to alter the equity capital structure by way of split/ consolidation of the denomination of the shares, or issue of shares on preferential basis or issue of bonus rights or public issue of shares or any other securities for a period of six months from the date of opening of the Issue.
24. Except as disclosed in the chapter titled “Our Management” on page 68 of the DRHP, none of our directors or key managerial personnel holds any Equity Shares.
25. Our Company has not revalued its fixed assets since incorporation.
26. There shall be only one denomination of Equity Shares, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
27. As on the date of the DRHP, the total number of holders of Equity Shares in our Company is 12 (Twelve).
28. An applicant in net public category cannot make an application for the number of Equity Shares exceeding the number of Equity Shares offered to the public.
29. As on the date of the DRHP, the BRLM to the Issue does not hold any Equity Shares of our Company.

SECTION V – OBJECTS OF THE ISSUE

The Objects of the Issue is to raise resources to finance:

- Capital Expenditure on Existing Manufacturing Capacity of PVC Pipes & Wire & Cable.
- Meet the margin for working capital requirement.
- Meet the issue expenses.
- General corporate purpose and
- List the equity shares of the company on the stock exchange.

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

The Fund requirement is based on the current business plan. In view of the competitive and dynamic nature of the industry in which we operate, we may have to revise our business plan from time to time and consequently the fund requirement may change.

Cost of Project and Means of Finance

Cost of Project

We intend to utilize Proceeds for financing the above mentioned objects. The details of utilization of Proceeds are as per the table set forth below:

Particulars	₹ in Lacs)	
	Amount	Amount
Capital Expenditure on Existing Manufacturing Capacity of PVC Pipes & Wire & Cable at Paonta Sahib, Himachal Pradesh		
- Civil Works For Installations of Machineries	16.85	
- Plant and Machinery, including spare parts & auxiliary equipments	345.32	
- Contingencies	14.49	376.66
Working Capital margin		675.00
Issue Expenses		•
General Corporate Purpose		•
Total cost of project		•

Means of Finance

Particulars	₹ In lacs)
	Amount
Public issue of equity shares	1400.00
Internal accruals	•

DETAILS OF THE OBJECTS OF THE ISSUE

I. Capital Expenditure on Existing Manufacturing Capacity of PVC Pipes & Wire & Cable at Paonta Sahib, Himachal Pradesh:

With a view to expand our operations, we propose to increase our production capacities of PVC Conduit Pipes/Profiles and PVC Insulated Wires and Cables. The total cost of capital expenditure at our existing manufacturing facility at Paonta Sahib, Himachal Pradesh is ₹ 376.66 Lacs. The production capacities post expenditure would be as under:

Activities	Existing Capacity	Expanded Capacity
PVC Insulated Wires and Cables	18000 KMPA	36000 KMPA
PVC Conduit Pipes/Profiles	4000 MTPA	6000 MTPA

Civil Works For Installations of Machineries

The proposed capacity expenditure is to be carried out at the existing factory site at Paonta Sahib, Himachal Pradesh. The civil works for Installations of Machineries is proposed to be completed at a total cost of ₹ 16.85 lacs under the supervision of M/s. Safico Construction Pvt. Ltd. who have been appointed to do civil work for installation of machines.

The scope of work of M/s. Safico Construction Pvt. Ltd. would include the following:

1. Foundation & grounding of Machines.
2. Fabrication of platforms & standards.
3. All civil work & steel work.
4. Laying of cables.
5. Fixing of DG set & Bus bars.
6. Alignment of plants.
7. Fabrication of Drainage.

Plant & Machinery, including spare parts & auxiliary equipments

An amount of ₹ 345.32 lacs is proposed to be invested in the plant and machinery, including spare parts and auxiliary equipments for the proposed expansion. The breakup of cost under this head is as detailed below:

(₹ In Lacs)

Particulars	Amount
Plant and Machinery	275.37
Spare Parts & Auxiliary Equipments	69.95
Total	345.32

No second hand equipments/ machineries has been purchased or is proposed to be purchased through the proceeds of the issue.

a. Plant & Machineries

The details of the plant and machineries to be procured by the company, based on the quotations received from various suppliers are as under:

Sr. No.	Description	Name of the Supplier	Quantity (Units)	Amount (₹ in lacs)	Date of Quotation
1.	65/45 mm Extrusion Line	Minimax Industries, New Delhi	3	123.95	January 11, 2013
2.	Diameter Controller		1	4.13	January 11, 2013
3.	Spark Tester		1	0.77	January 11, 2013
4.	Pre Heater		1	0.53	January 11, 2013
5.	PVC Pipe Plant KTS-170 /TDH-50 with all Accessories & Fittings	Windsors Machines Ltd., New Delhi	2	96.08	January 12, 2013
6.	Rod Break Down Machine Model TEW 314/11	Tomar Engineering Works, Ghaziabad	1	23.04	January 12, 2013
7.	Spooler 630 mm		1	2.06	January 12, 2013
8.	Pointing Machine		1	1.72	January 12, 2013
9.	Motor (125 Horse Power)		1	2.12	January 12, 2013
10.	Motor (10 Horse Power)		1	0.17	January 12, 2013
11.	AC Driver (125 Horse Power +10 Horse Power)		1	4.18	January 12, 2013

Sr. No.	Description	Name of the Supplier	Quantity (Units)	Amount (₹ in lacs)	Date of Quotation
12.	Fine Wire Drawing Machine Model B-24 (with Motor & AC Driver)		2	16.62	January 12, 2013
Total				275.37	

b. Spare parts & auxiliary equipments

The details of the spare parts & auxiliary equipments to be procured by the company, based on the quotations received from various suppliers are as under:

Sr. No.	Description	Name of the Supplier	Quantity (Units)	Amount (₹ in lacs)	Date of Quotation/ Purchase Order
1.	250 KVA DG Set	Pristine Engineers, New Delhi	1	23.31	January 12, 2013
2.	Dies For PVC Pipe Machineries	V.K. Engineering Works, Delhi	24	6.63	January 06 2013
3.	Dies For Insulated Wires & Cables		52	2.81	January 06 2013
4.	Operating Tools For PVC Pipes, PVC Wire & Cable and Wire Drawing Plant		7	1.12	January 06 2013
5.	Supply of H.T. Electrical Equipments and Other Associated Electrical Work	Polyphase Vidhyut Control System, G. B. Nagar, Utter Pradesh	N.A.	12.43	January 14 2013
6.	Supply of Main Changeover Cum Distribution Panel		N.A.	12.15	January 14 2013
7.	Supply of Main ACB Panel for Transformer Supply		N.A.	2.88	January 14 2013
8.	Supply of 16 Stage-600 KVAR, Automatic Power Factor Control Panel		N.A.	8.62	January 14 2013
Total				69.95	

None of the above suppliers are related to Sanco or its Promoter & Promoter Group.

Contingencies

The company has earmarked contingency of an amount of ₹ 14.49 lacs which is 4% of the cost of civil work & Plant and Machinery, including spare parts & auxiliary equipments (i.e; 4% of ₹ 365.17 Lacs).

II. Working Capital

Post proposed expansion, the Company will require additional working capital to ensure smooth operations of the enhanced capacities. The detailed calculation of the working capital requirement of the Company based on estimates (post capital expenditure) is as given below:

Particulars	(₹ in Lacs)	
	Existing as on December 31, 2012	Estimates as on March 31, 2014
Raw Material	344.99	928.16
Finished Goods	458.62	841.40
Receivables	2126.77	3223.50
Advance to suppliers	239.19	397.78
Other Current Assets	119.84	1134.73
Total Current Assets	3289.41	6525.57
Creditors	829.55	1591.13
Advances	13.71	96.71
Other Current Liabilities	178.78	137.74
Total Current Liabilities	1022.04	1825.57
Working Capital Gap	2267.37	4700.00
Existing Bank Finance	2000.00	2000.00
Additional Working Capital Required (Estimated – Existing Net Working Capital)	267.37	2700.00
Funded by:		
- Bank	-	1525.00
- Internal Accruals/ unsecured loans	267.37	500.00
- Public Issue	-	675.00

Presently the Company is enjoying working capital facilities from:

- Central Bank of India to the extent of ₹ 1900.00 Lacs comprising of ₹ 1000.00 Lacs as fund based facility and ₹ 900.00 Lacs as non-fund based facility.
- ₹ 100.00 Lacs from National Small Industries Company Limited under raw material procurement assistance scheme.

We propose to raise Margin Money from the public issue to the extent of about ₹ 675.00 lacs. We will approach our existing banker for the additional working capital facilities at the appropriate time as and when the project is nearing completion.

For the details of limits sanctioned and other terms and conditions, please refer page 101 of the RHP.

Basis of estimation of working capital requirement

Particulars	Holding norms (No. of days)
Raw material	35
Finished Goods	30
Receivables	100
Creditors	60

Justification for Holding Period levels

We operate in a industry which is highly working capital intensive. Though the industry segment in which our company operates does not require huge investment in plant & machinery, our working capital cycle is larger as compared to any other industry on account of higher output of the machinery and higher value of raw material. We

are required to procure raw material such as PVC Resin, Calcium Carbonate, PVC Stabilizers & Lubricants, Bare Copper & Aluminum wire and packing material from different sources. These suppliers of our raw material are foreign as well as Indigenous manufacturers and suppliers.

The payment terms of sight/usance is 90 days letter of credit and along with that we also avail credit period of 30 to 40 days for the materials purchased (other than letter of credit). Thereafter it takes 8 to 10 days for manufacturing of the finished products i.e. PVC Pipes & Wires & Cables. After completion of all quality checks we deliver our products to our customers viz; dealers, institutional buyers and government departments on the payments of 60 to 90 days. Usually we realize our sales proceed within the stipulated period however there is delay of 10 to 15 days to realize payments in some cases. The nature of our industry and the business is such that we are required to give larger credit to our dealers and institutional buyers. We operate through a network of dealers and we are required to give attractive terms to them to enable them to push the sales. As a result period of debtors is unusually high during certain time of the year thereby increasing overall holding norms for receivables to about 100-120 days.

Issue Expenses

The break-up of issue expenses is as under:

Activity	(₹ in lacs)
	Estimated Expense
Fees to intermediaries	[●]
Advertising and marketing expenses	[●]
Printing and Stationary & Distribution	[●]
Statutory and other miscellaneous expenses	[●]
Total estimated Issue expenses	[●]

General Corporate Purposes

The Company intends to set apart an amount of ₹ [●] lacs funds for meeting certain unplanned expenditure which are necessary for the conducting of the business which have to be sourced through the head General Corporate Purposes.

Schedule of implementation

Sr. no	Activity	Commencement	Completion
1.	Civil Works For Installations of Machineries	June 2013	August 2013
2.	Plant and Machinery, including spare parts & auxiliary equipments	July 2013	August 2013
3.	Trial Runs	September 2013	September 2013
4.	Commercial Production	October 2013	

Year wise breakup of the proceeds to be used

During the Financial Year 2012-13 our Company has spent ₹ 12.50 lacs towards the issue expenses and the balance amount will be spent during the Financial Year 2013-14.

Sources & deployment of Funds

As per the Certificate dated March 07, 2013 received from M/s Vijay Mukesh & Co, Chartered Accountants. We have upto February 28, 2013, deployed an amount aggregating to ₹ 12.50 lacs towards Issue Expenses which forms part of our proposed objects of the issue. The said amount has been sourced through the Internal Accruals of the Company.

Interim Use of Funds

The management, in accordance with the policies set up by the Board, will have flexibility in deploying the proceeds received from the Issue. Pending utilization for the purposes described above, the Company intends to temporarily invest the funds in high quality interest or dividend bearing liquid instruments including deposits with banks for the necessary duration. Such investments would be in accordance with any investment criteria approved by the Board of Directors from time to time.

Monitoring of Utilization of Funds

Since the Issue size does not exceed ₹ 50,000 Lacs, the appointment of a monitoring agency as per Regulation 16 of the SEBI Regulations is not required. As required under the listing agreements with the Stock Exchange, the Audit Committee appointed by our Board will monitor the utilisation of the Issue proceeds. We will disclose the utilisation of the proceeds of the Issue, including interim use, under a separate head in our quarterly/half yearly financial disclosures and annual audited financial statements until the Issue Proceeds remain unutilised, to the extent required under the applicable law and regulation. We will indicate investments, if any, of unutilised proceeds of the Issue in our Balance Sheet for the relevant Financial Years subsequent to our listing of our Equity Shares on the SME Platform of NSE.

Pursuant to clause 52 of the SME Equity Listing Agreement, our Company shall on a half yearly basis disclose to the Audit Committee the uses and applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in the Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the proceeds of the Issue have been utilised in full. The statement shall be certified by the statutory auditors of our Company.

Our Company shall be required to inform material deviations in the utilisation of the proceeds of the Issue to the Stock Exchange(s) and shall also be required to simultaneously make the material deviations/adverse comments of the Audit committee/monitoring agency public through advertisement in newspapers.

No part of the Proceeds from the Issue will be paid by us as consideration to our Promoters, Promoter Group, our Directors, Group Companies or Key Managerial Personnel, except in the normal course of our business.

Basic terms of the issue

The Equity shares being offered are subject to the provision of the Companies Act, 1956, our Memorandum and Articles of Association, the terms of this offer document 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 subjected 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, RBI, ROC and /or other authorities as in force on the date of issue and to the extent applicable.

BASIS OF ISSUE PRICE

QUALITATIVE FACTORS

- Experienced Promoter
- Wide Product Range
- An ISO 9001:2008 certified Company
- First few in “North India” and within its category to get “IS-14927” certification for PVC Profiles
- Vending approvals from various government, semi-government and public limited companies such as Railways, BSNL, MTNL, HCL, Wipro, Siemens etc

QUANTITATIVE FACTORS

Information presented in this section is derived from the financial statements certified by the Statutory Auditors of the Company.

1. Earnings Per Share (EPS) (on ₹ 10 /- per share)

Year Ended	EPS (₹)	Weight
March 31, 2010	2.89	1
March 31, 2011	3.47	2
March 31, 2012	3.80	3
Weighted Average EPS	3.54	

Note: The EPS for Nine Months period ended December 31, 2012 is ₹ 3.41.

2. Price/ Earning (P/E) Ratio

On the lower end of the price band (₹ [●]/- per equity share)

Particulars	
P/E based on pre-issue weighted average EPS of ₹ 3.54	[●]
P/E based on pre-issue EPS of FY 2011-12 of ₹ 3.80	[●]

On the higher end of the price band (₹ [●]/- per equity share)

Particulars	
P/E based on pre-issue weighted average EPS of ₹ 3.54	[●]
P/E based on pre-issue EPS of FY 2011-12 of ₹ 3.80	[●]

3. Return on Net Worth (RONW)

Year Ended	RONW (%)	Weight
March 31, 2010	20.96	1
March 31, 2011	20.78	2
March 31, 2012	17.46	3
Weighted Average RONW	19.15	

Note: The RONW for Nine Months period ended December 31, 2012 is ₹ 13.43.

4. Minimum Return on Increased Net Worth required to maintain pre-issue EPS: [●]

5. Net Asset Value (NAV) per share

As on March 31, 2012 (₹)	21.77
Pre-Issue as on December 31, 2012 (₹)	25.55
Post Issue (₹)	[•]

6. Industry Average P/E

	Name of Company	P/E Multiple based on Price as on 09/04/2013
Highest	Astral Poly Technik Ltd	21.98
Lowest	Texmo Pipes and Products Ltd	2.82
Industry Average	- Plastic Products - Cables - Power	15.40 4.3
Source: Capital line, Capital Market: February, 18, 2013 till March, 03, 2013; Segment – Plastic Products - Cables - Power and www.bseindia.com		

7. Comparison with Peer Group

Name of the Company	Face Value Per equity shares (₹)	Equity Capital as on 31/03/2012 (₹ In Cr.)	Sales as on 31/03/2012 (₹ In Cr.)	PAT/ (Loss) as on 31/03/2012 (₹ In Cr.)	Book Value (₹)	EPS (₹)	Price As on 09/04/2013 (₹)	P/E Multiple based on Price as on 09/04/2013
PVC pipe manufacturers								
Integrated Thermoplastics Limited	10	6.29	84.20	0.84	7.77	1.23	5.39	4.38
Tijaria Polypipes Limited	10	23.63	92.70	(3.05)	64.68	(1.65)	6.00	(3.64)
Astral Poly Technik Ltd	5	11.24	581.22	39.76	82.00	17.20	378.00	21.98
Dutron Polymers Limited	10	6.00	61.67	1.01	37.06	1.68	22.20	13.21
Kisan Mouldings Ltd	10	13.64	290.10	2.00	50.00	2.60	32.50	12.50
Texmo Pipes and Products Ltd	10	23.82	155.64	4.21	181.42	1.77	5.00	2.82
Cable & Wire Manufacturers								
Precision Wires India Limited	10	11.56	932.14	14.14	277.63	12.23	74.20	6.07
Cable Corporation of India Limited	10	77.29	190.60	(20.00)	16.60	(2.57)	18.15	(7.06)
Torrent Cables Limited	10	8.60	320.30	19.30	175.80	21.90	78.85	3.60
Source: Capital line, Capital Market: February, 18, 2013 till March, 03, 2013; Segment – Plastic Products - Cables - Power and www.bseindia.com								
Sanco Industries Limited	10.00	6.00	40.11	3.33	21.77	3.80		-

8. The face value of Equity Shares of Sanco Industries Limited is ₹ 10 and the Issue Price is [•] times of the Face Value.

The Issue Price of ₹ [•] has been determined by us in consultation with the BRLM, on the basis of assessment of market demand from investors through the Book- Building Process and is justified based on the above factors. The face value of the Equity Shares is ₹ 10 each. The Issue Price is [•] times the face value at the lower end of the price band and [•] times the face value at the higher end of the Price Band.

On the basis of the above parameters the Issue Price of ₹ [•] per share is justified.

STATEMENT OF TAX BENEFITS

The Board of Directors
Sanco Industries Limited
9/51, Bazar Gali,
Vishwas Nagar, Shahdara, Delhi

Dear Sirs,

Sub: Proposed Public Issue of Equity Shares (the “Issue”) by Sanco Industries Limited (the “ Company”)

We hereby report that the enclosed annexure states the possible tax benefits that may be available to Sanco Industries 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 fulfill.

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;

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 Initial Public Offering 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 Vijay Mukesh & Co.

Sd/-

(Sunil Jain)
Partner
Membership No.: 094673
Place: New Delhi
Date: 05/03/2013

Annexure:**STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS****A. SPECIAL TAX BENEFITS TO SANCO INDUSTRIES LIMITED:****Excise & Income Tax Exemption Availed From H.P. Government:**

With reference to Notification No.1 (10)/2001-NER Government of India Ministry of Commerce & Industry (Department of Industrial Policy & Promotion) New Delhi, dated 7th January, 2003 toward New Industrial Policy and other concessions for the state of Uttaranchal and the state of Himachal Pradesh. Following Fiscal Incentives to new Industrial Units and to existing units on their substantial expansion:

- (a) 100% (hundred percent) outright excise duty exemption for a period of 10 years from the date of commencement of commercial production.
- (b) 100% income tax exemption under section 80- IC for initial period of five years and thereafter 30% for companies and 25% for other than companies for a further period of five years for the entire states of Uttaranchal and Himachal Pradesh from the date of commencement of commercial production.
- (c) All New industries in the notified location would be eligible for capital investment subsidy @ 15% of their investment in plant & machinery, subject to a ceiling of ₹ 30 Lac. The existing units will also be entitled to this subsidy on their substantial expansion.
- (d) Central sale Tax is 1% till the financial year 2009 as compare to 2% charged by other states which later on extended up to the financial year 2013 by the Government of Himachal Pradesh in exercise of the power conferred by clause (b) of sub-section (5) of section 8 of The Central Sales Tax Act, 1956 (Central Act No. 74 of 1956) vide it's notification no. EXN- F (5)-6/2006-I Dated 18th June, 2009.
- (e) 75% transport subsidiary under Central Transport Subsidy Scheme is available till further change.

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

No special tax benefits are available to the Shareholders of the Company.

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. Dividend exempt under Section 10(34)**

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

2. Exemption under Section 10(35)

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

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

As per the provisions of section 10(38), long term capital gain arising from the sale of Equity Shares in any company through a recognized stock exchange or from the sale of units of an equity oriented fund shall be exempt from Income Tax if such sale takes place after 1st of October 2004 and such sale is subject to Securities Transaction tax. However, income by way of long-term capital gain of a company shall be taken into account in computing the book profit and income-tax payable under section 115JB.

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

- a) where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and
- b) which has been set up under a scheme of a Mutual Fund specified under section 10 (23D) of the Act.

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

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

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

As per the provisions of section 111A, Short Term capital gains arising from the transfer of Equity Shares in any company through a recognized stock exchange or from the sale of units of equity oriented mutual fund shall be subject to tax @ 15%(plus applicable surcharge and education cess) provided such a transaction is entered into after the 1st day of October, 2004 and the transaction is subject to Securities Transaction Tax.

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

In accordance with and subject to the conditions and to the extent specified in Section 54EC of the Act, the Company would be entitled to exemption from tax on gains arising from transfer of the long term capital asset (not covered by section 10(36) and section 10(38) if such capital gain is invested in any of the long-term specified assets in the manner prescribed in the said section. Where the long term specified asset is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the long-term specified asset is transferred or converted into money.

7. Preliminary Expenses under Section 35D

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

8. Depreciation under Section 32/ Business Loss

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

Business losses can be carried forward for the eight succeeding assessment years for set off against subsequent business profits.

9. Minimum Alternate Tax (“MAT”) Credit under Section 115 JAA (1A)

Under Section 115 JAA (1A) of the Act, tax credit shall be allowed of Minimum Alternate Tax (“MAT”) paid under Section 115JB of the Act at the rate of eighteen and half percent (as provided by Finance Act, 2011) (plus applicable surcharge and education cess) on the book profit determined. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Act. Such MAT credit shall not be available for set-off beyond 7 years succeeding the year in which the MAT becomes allowable.

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

1. Dividend Exempt under Section 10(34)

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

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

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

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

As per the provisions of section 111A, Short Term capital gains arising from the transfer of Equity Shares in any company through a recognized stock exchange or from the sale of units of equity oriented fund shall be subject to tax 15%(plus applicable surcharge and education cess) provided such a transaction is entered into after the 1st day of October, 2004 and the transaction is subject to Securities Transaction Tax.

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

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

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

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

6. Exemption under section 54F

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

7. Dividend Exempt under Section 10(34)

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

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

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

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

As per the provisions of section 111A, Short Term capital gains arising from the transfer of Equity Shares in any company through a recognized stock exchange or from the sale of units of equity oriented mutual fund shall be subject to tax 15%(plus applicable surcharge and education cess) provided such a transaction is entered into after the 1st day of October, 2004 and the transaction is subject to Securities Transaction Tax.

10. Options available under the Act

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

- i. According to the provisions of section 115D read with Section 115E of the Act and subject to the conditions specified therein, long term capital gains arising on transfer of an Indian company's shares, will be subject to tax at the rate of 10 percent (plus applicable surcharge and education cess), without indexation benefit.
- ii. According to the provisions of section 115F of the Act and subject to the conditions specified therein, gains arising on transfer of a long term capital asset being shares in an Indian company shall not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act. If part of such net consideration is invested within the prescribed period of six months in any specified asset or savings certificates referred to in Section 10(4B) of the Act then such gains would not be chargeable to tax on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer. Further, if the specified asset or savings certificate in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.
- iii. As per the provisions of Section 115G of the Act, Non-Resident Indians are not obliged to file a return of income under Section 139(1) of the Act, if their only source of income is income from investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.
- iv. Under Section 115H of the Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under Section 139 of the Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
- v. As per the provisions of Section 115I of the Act, a Non-Resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under Section 139 of the Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

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

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

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

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

13. Exemption under section 54F

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

14. Tax Treaty Benefits

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

BENEFITS AVAILABLE TO OTHER NON-RESIDENTS**1. Dividend Exempt under Section 10(34)**

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

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

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

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

As per the provisions of section 111A, Short Term capital gains arising from the transfer of Equity Shares in any company through a recognized stock exchange or from the sale of units of equity oriented mutual fund shall be subject to tax 15%(plus applicable surcharge and education cess) provided such a transaction is entered into after the 1st day of October, 2004 and the transaction is subject to Securities Transaction Tax.

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

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

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

In accordance with and subject to the conditions and to the extent specified in Section 54EC of the Act, the shareholders would be entitled to exemption from tax on long term capital gains (not covered by sections 10(36) and 10(38)) arising on transfer of their shares in the Company if such capital gain is invested in any of the long

term specified assets in the manner prescribed in the said section. Where the long-term specified asset is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the specified asset is transferred or converted into money.

6. Exemption under section 54F

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

7. Tax Treaty Benefits

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

BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS ('FII')

1. Dividend Exempt under Section 10(34)

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

2. Benefits on taxability of capital gain

In case of a shareholder being a Foreign Institutional Investor (FII), in accordance with and subject to the conditions and to the extent specified in Section 115AD of the Act, tax on long term capital gain (not covered by sections 10(36) and 10(38)) will be 10% and on short term capital gain will be 30% as increased by a surcharge and education cess at an appropriate rate on the tax so computed in either case. However short term capital gains on sale of Equity Shares of a company through a recognized stock exchange or a unit of an equity oriented mutual fund effected on or after 1st October 2004 and subject to Securities transaction tax shall be taxed 15%(plus applicable surcharge and education cess) as per the provisions of section 111A. It is to be noted that the benefits of Indexation and foreign currency fluctuation protection as provided by Section 48 of the Act are not available to FII.

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

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

4. Exemption under section 54F

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

5. Tax Treaty Benefits

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

BENEFITS AVAILABLE TO MUTUAL FUNDS

In case of a shareholder being a Mutual fund, as per the provisions of Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India would be exempt from Income Tax, subject to the conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

BENEFITS AVAILABLE TO VENTURE CAPITAL COMPANIES /FUNDS

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

BENEFITS AVAILABLE UNDER THE WEALTH TAX ACT, 1957

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

BENEFITS AVAILABLE UNDER THE GIFT-TAX ACT, 1958

Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Therefore, any gift of shares will not attract gift tax. However as per the provisions of section 56(2) (vii) and 56(2) (viiia) of the Act, the same will be treated as income in the hands of the donee unless the gift is covered by the situation enumerated in the proviso to respective sections.

Notes:

1. All the above benefits are as per the current tax laws as amended by Finance Act, 2012 and will be available only to the sole / first named holder in case the shares are held by joint holders.
2. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the double taxation avoidance agreements, if any, between India and the country in which the non-resident has fiscal domicile.
3. In view of the individual nature of tax consequences, each investor is advised to consult his / her own tax advisor with respect to specific tax consequences of his / her participation in the scheme.
4. A shareholder is advised to consider in his / her / its own case, the tax implications of an investment in the Equity Shares, particularly in view of the fact that certain recently enacted legislations may not have direct legal precedent or may have a different interpretation on the benefits which an investor can avail.

For M/s Vijay Mukesh & Co.

Sd/-

(Sunil Jain)

Partner

Membership No.: 094673

Place: New Delhi

Date: 27/02/2013

SECTION VI – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information in this section is derived from the **Sectoral Report; PVC Resin, PVC Pipes & PVC Insulated Wires & Cables as on March 2013 by Dun & Bradstreet Information Services India Private Limited ('D&B Research Report')**. The details appearing report has not been independently verified by the Company, the Book Running Lead Manager and no representation is made as to the accuracy of this information, which may be inconsistent with information available or compiled from other sources.

Polyvinyl Chloride

Overview

Polyvinyl chloride (PVC) is the third most widely produced plastic globally, after polyethylene and polypropylene. PVC is composed of 57% chlorine (derived from industrial grade salt) and 43% carbon (derived predominantly from oil / gas via ethylene). Compared to other products PVC is less dependent on hydrocarbons.

PVC is produced in powder form and then blended with additives to create various PVC products. Pipes & fittings, wires & cables, films & sheets and profiles are few of the products manufactured from PVC.

PVC is produced by polymerization of vinyl chloride monomer. Globally four types of polymerization process are used for manufacturing PVC: Suspension Polymerization, Mass / Bulk Polymerization, Emulsion Polymerization and Solution Polymerization.

Currently close to 80% of the PVC produced globally is manufactured through suspension polymerization process. PVC sector in the country is organized, partly because of the large investment involved in setting up a manufacturing unit which acts as an entry barrier.

First PVC plant in the country was set up in 1951 by Calico in Mumbai. Despite such early beginning, the per capita consumption of PVC is lower than global standard. Currently the per capita consumption of PVC in the country is close to 1.5 Kg / annum against global average of approximately 5 Kg / annum.

Product Applications

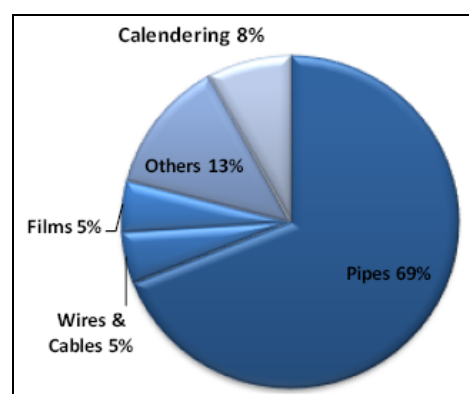
PVC has high resistance level to chemical reaction, is flexible to work with and is durable making it ideal for applications in construction (residential and commercial), packaging, electronic / electrical applications, irrigation, drinking water supply and sewage disposal.

Sector	PVC Product
Construction	PVC Pipes & fittings, PVC wires & cables, PVC cladding & sheets
Oil & Gas	PVC pipes & fittings for extraction and transportation of oil and gas
Packaging	PVC sheets & films used to make flexible packaging materials
Automotive	PVC resin is used in the manufacture of window seals & gaskets, dashboards

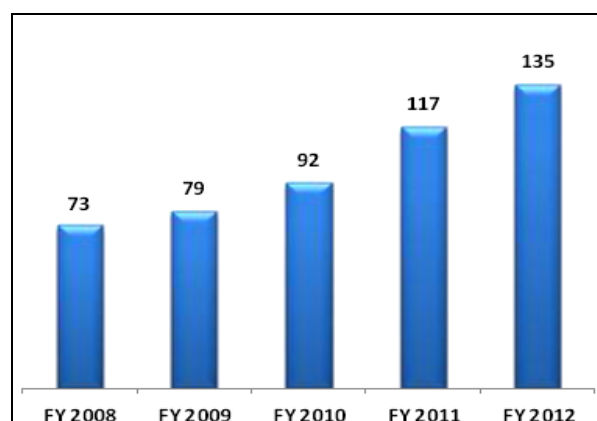
Market Size

PVC market in the country is estimated to be worth of ₹ 135Bn. It has been growing at a compounded rate of ~17% during the fiscal period 2008-12. PVC production capacity in the country was approximately 1,335 thousand tons against a demand of ~1,990 thousand tons. The production - demand deficit in the country has been increasing steadily during the past four fiscals.

PVC - End Use Pattern

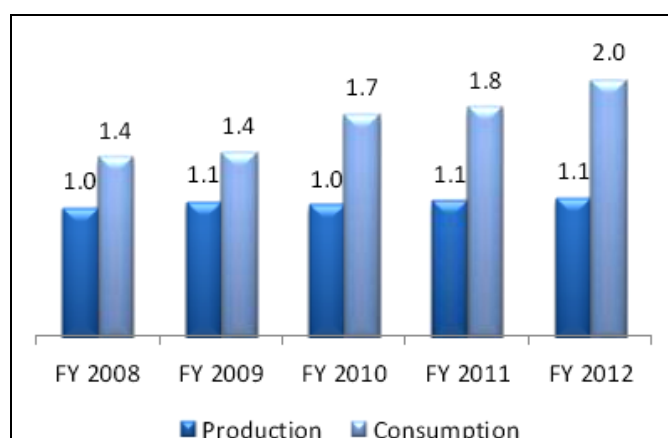


Indian PVC Market (₹ Bn)



Production of PVC in the country have been increased by a CAGR of ~2% during the fiscal period 2008-12 while the consumption is growing by a CAGR of ~9.3%. Only 226 thousand tons of capacity was added during the fiscal period 2008-12, which is equivalent to just 38% of net consumption during the period. Disparity in production and consumption increased from ~400 thousand tons in FY 2008 to ~900 thousand tons by FY 2012.

Annual Production and Consumption (in Mn Tons)



To meet this shortfall the country stepped up its PVC imports and during FY 2008-12 the quantity of PVC imports increased by a compounded rate of ~23%. By FY 2012 annual volume of PVC imported into the country reached ~918 thousand tons while the annual import bill reached ~₹ 49 Bn.

Demand Drivers

The demand for PVC resin depends upon the growth in demand for PVC products from sectors as varied as construction, FMCG, processed foods, pharmaceuticals, agriculture, healthcare (blood bags, hospital flooring) and automobile (seat- covers, dashboards and other automotive parts).

- PVC has replaced other materials such as wood or glass used in the construction and is used as a raw material in window frames and shutters, pipe, cabling etc. Around 50% of PVC produced is used in the construction industry which has strong growth potentials due to large investment taking place in housing and infrastructure development along with commercial segments like IT parks, malls, multiplexes etc.
- Growth in commercial and residential construction thus pushes up the demand for PVC products
- Growth in the consumption of packaged foods has resulted in the increase in demand for flexible packaging materials. Consequently the demand for PVC resin –raw materials used for the production of flexible packaging material- would go up.

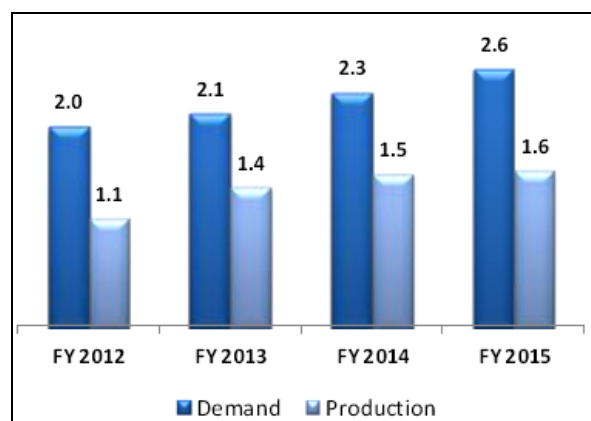
Key Opportunities

- Usage of PVC-Nano composites produced by adding nanofiller to increase the stiffness and tensile strength apart from improving the barrier properties is expected to grow in the coming years.
- Commercial development of such PVC-Nano composites having properties including resistance to fire would result in increased application of PVC in windows, doors and sidings.
- Development of PVC-Nano composites which are resistance to fracture and equipped with higher load bearing capacity would increase the usage of large-diameter PVC pipes.

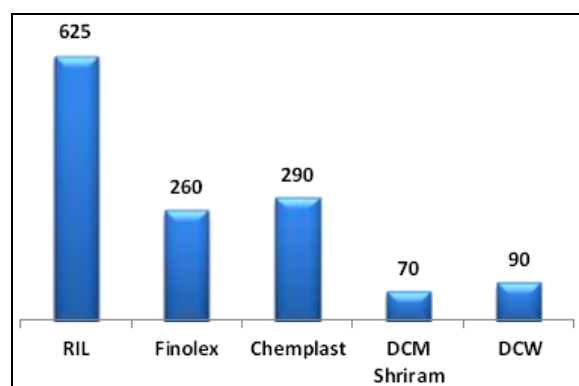
Market Projections

On the back of expected demand from construction, packaging and packaging sector the annual demand for PVC is expected to grow by a CAGR of ~9% during FY 2012-15 to reach ~2.6 million tons. Production would continue to lag demand and supply deficit is expected to reach 1 million tons. During the period FY 2012-15 domestic production of PVC is expected to grow by a CAGR of ~13% to reach ~1.6 million tons.

Forecast: Production and Demand (in Mn Tons)



Installed Capacity of Major Players as on FY 2012 (in 000 Tons)



PVC Pipes

Overview:

Piping system is the biggest end-use sector of PVC in the country. Approximately 68% of total PVC produced in the country is used to manufacture pipes & fittings. It is used for applications in building construction, irrigation, indoor plumbing and sewage. Usage of PVC pipes became widespread because of its durability, longevity and resistance to wear and tear. PVC pipes have a clear advantage over ductile iron pipes and galvanized iron pipes due to better corrosive properties, higher resistance to abrasion and low thermal conductivity.

PVC pipe manufacturing is not a high technology process as a result of which large numbers of companies are present in the sector. There is no product differentiation present in the sector is a high volume low margin sector.

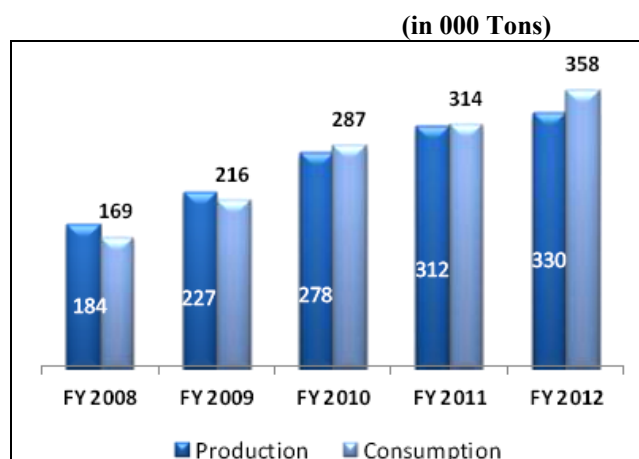
Types	Applications
PVC Water Pipes	Large pipes are used to carry fresh water from water treatment plants to houses and businesses. Smaller pipes to distribute water to homes / consumer usage
PVC Pipes used in Oil & Gas	Extraction of oil & gas and transportation of the same to refineries / treatment plants
PVC Plumbing Pipes	Used for plumbing in buildings. It is also used to transport high pressured water.
PV Sewer & Drain Pipes	Used to discharge industrial and domestic effluent. These pipes are housed inside a containment pipe to protect from cracks.
PVC Conduit Pipes	Used in residential and commercial buildings for open and concealed wirings, in street light and traffic signal connection, concealed wiring in buses, railway coaches, ships & aircrafts, in house meters & water pump connections and in false ceilings & sleeving.

Market Size

PVC pipes market consists of both organized and unorganized players with organized players accounting for close to 50% of total market. Annual PVC pipes & fitting production in the country is estimated to be close to 3,30,000 tons while consumption is estimated to be close to 3,58,000 tons.

During the fiscal period 2008-12, production has been growing by a compounded rate of ~16% while consumption has been growing by a CAGR of ~21%.

PVC Pipes & Fittings Production & Consumption



Demand Drivers

Approximately ₹ 4 Trillion worth Indian construction sector is one of the largest users of PVC pipes and fittings. In residential and commercial building construction PVC pipes are used primarily for indoor plumbing. In infrastructure and industrial construction projects, sewage disposal is one of the major applications of PVC pipes.

- With the construction sector expected to grow by a CAGR of ~8.3% during the fiscal period 2012-15, the demand for PVC pipes from this sector is expected to go up.
- Government sponsored programs focusing on drinking water supply and sanitation programs Rajiv Gandhi Drinking Water Mission (RGDWM) and Jawaharlal Nehru National Urban Mission (JNNUM) have created a

demand for PVC pipes. With these social programs set to continue and expand in coverage the demand for PVC pipes from these programs is set to go up.

- PVC pipes are used extensively in agriculture sector for irrigation needs. With the government targeting a 4% growth rate in the agriculture sector during the 12th five year plan (2012-17), major irrigation projects are expected to be initiated. This scenario would result in increased demand for PVC pipes.

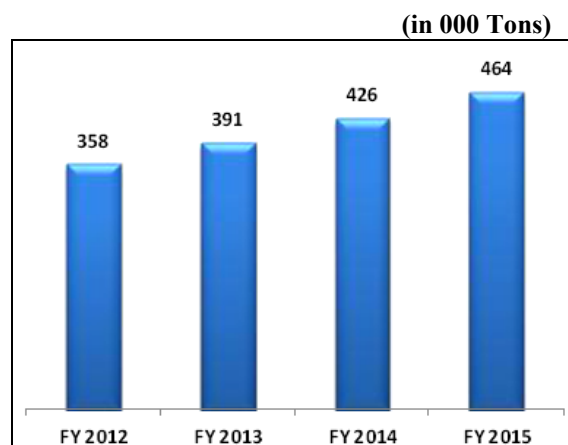
Key Opportunities

In western countries rigid PVC pipes are used extensively in gas distribution pipelines, but this practice is yet to pick up in India. With city gas distribution set to become a major role in urban energy needs the demand for piping materials is expected to go up.

Market Projections

Growth in construction activities and planned government spending in agriculture sector is expected to increase the annual consumption of PVC pipes by a CAGR of ~9% during the fiscal period FY 2012-15. Subsequently annual demand for PVC pipes is expected to reach ~464,000 tons by FY 2015.

PVC Pipes & Fittings: Projected Demand



PVC pipe sector is fragmented in nature of the sector and more than 50% of the market in the unorganized sector. Only few companies in the sector have a pan India presence while majority are regional players. Since there is very little product differentiation in the sector, presence of a wide dealer network capable of reaching deep pockets of the country is the key success factor. This is also one of the key points for the industry being regional in nature as only few players have the capital to create and maintain a wide dealer network.

PVC Wires & Cables

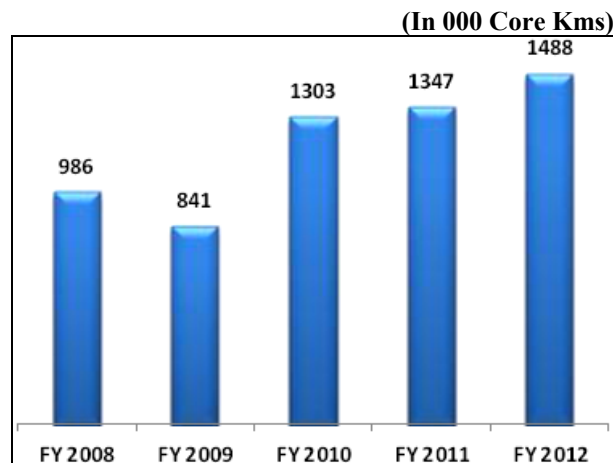
Overview:

PVC coated cable and wire are extensively used in all electrical linings and domestic lighting purposes. The individual insulated conductors are covered with PVC coatings providing additional electrical and mechanical protection. The cables are used in sub-station, distribution systems, industrial installation etc. The range of products covers power and control cables, thermocouples extension and many other applications in various industries. The manufacturing of PVC cable and wire is mostly done through extrusion process while some of the companies use wire-drawing process.

Market Size

Approximately 1,488 thousand core kms of PVC wires & cables is produced in the country annually. During the past four fiscal years (2008-12), annual production of PVC wires & cables increased by a CAGR of ~11%.

Production of Wires & Cables



Demand Drivers

- The major growth drivers for the PVC wire and cable sector comes primarily from residential and commercial building sector (for internal wiring), power transmission sector (for last mile transmission from substations to buildings) and consumer electrical and electronics market.
- Indian residential sector - estimated to be ~ ₹ 2 Bn- has been growing by a compounded rate of ~5% while commercial building sector have been growing by a compounded rate of ~8% during the past four fiscal years (2008-12).
- Going forward both the sector are expected to witness a CAGR growth of ~7% during the fiscal period 2012-15, which would help keep the demand for wires and cables intact.
- Increase in the number of residential units as well as commercial buildings in urban areas translates directly into demand growth of low tension cables which uses PVC insulations.
- Indian consumer electronics industry, with annual turnover of ~ ₹340 Bn is one of the largest consumers of PVC wires and cables. During the fiscal year 2012, approximately 25 million units of consumer electronics products were manufactured in the country.
- With the domestic consumer electronics sector expected to grow by a CAGR of ~13% during FY 2012-15, the demand for PVC wires and cables for use in consumer electric products would remain strong.

Competition

PVC wire and cable market is fragmented in nature. Approximately 125 wire and cable manufacturing companies, registered with Indian Electrical Equipment Manufacturers (IEEA) association formed the organized segment. Unorganized segment comprises of smaller companies involved in the production of domestic wiring and control cables. Finolex Cables, Cable Corporation of India, Universal Cables, RPG Cables and Uniflex Cables are few of the large players in the segment.

BUSINESS OVERVIEW

Overview

Our Company was originally incorporated on March 17, 1989 as a private limited company under the name and style of “Sanco Plastics Private Limited” under the Companies Act, 1956 and registered with the ROC, Delhi & Haryana. The Company was incorporated to takeover the business of a partnership firm named “Sanco Plastic Industries” in which Mr. Sanjay Gupta and Mr. Jai Pal Singh Shishodia were partners. The partnership firm was into manufacturing of PVC Compounds since 1986 and was taken over by way of an Agreement dated April 1, 1989 (“**Business Transfer Agreement**”) on a going concern basis. The partnership concern was thereafter dissolved by way of another agreement dated April 1, 1989.

Our Company manufactures wide range of products such as Rigid PVC conduit pipes, PVC casing & capping, PVC/ PP-R Plumbing Pipes, PVC Insulated Domestic Wires & Cables and Copper Wire Rod. Our products are supplied to entities in the railways, telecom, agriculture, construction, and irrigation sector. The Company has diversified its manufacturing line from electrical products to sanitary products to reduce market risk by introducing PVC/PPR Plumbing Pipes in its products line in 2008. Since FY 2009-10 our company started the trading operations of PVC resin and other related chemicals also. The manufacturing facility of our Company is located in Paonta Sahib, Himachal Pradesh.

We have received vending approvals from various government, semi-government and public limited companies such as Railways, BSNL, MTNL, HCL, Wipro, Siemens etc. to make regular participation in tenders issued by them from time to time.

Our Company is an ISO 9001:2008 certified Company and sells its varied range of products under various brand names such as “SATYAM” “VIKRANT”, “MARSHALL”, “SUPERPLAST” and “SANCO”. We are among the first few companies in “North India” which has received “IS-14927” certification for PVC Profiles for quality assurance. In 1997 we have been awarded as Best Unit in the zone by the Government of NCT Delhi, for our outstanding performance in manufacturing.

Our Company is registered with various trade promotion councils such as EEPIC NSIC (since 1986), (since 2002) and FICCI (since 2009). We participate in various exhibitions and business meetings (domestic as well as overseas) to keep ourselves updated with latest trends and practices.

During the FY 2011-2012 our total income increased to ₹ 4019.23 lacs as compared to ₹ 3691.21 in the previous FY 2010-2011. Similarly our Profit After Tax increased to ₹ 227.98 lacs in the FY 2011-2012 from ₹ 207.98 lacs in the FY 2010-2011. For 9 months period ended, December 2012, our Company earned a total Income of ₹ 3289.54 lacs and Profit After Tax of ₹ 210.47 Lacs.

Competitive Strengths

We are into the business of manufacturing of PVC conduit pipes, PVC casing & capping, PVC/ PP-R Plumbing Pipes, PVC Insulated Domestic Wires & Cables and Copper Wire Rod. We believe that we have the following competitive strengths to maintain and enhance our position as a reputed supplier of the said products. Our principal competitive strengths are hereunder:-

- 1. Multiple Product range:** We manufacture wide range of products in order to address the varied and expanding requirements of our customers. We believe that our broad range of products allow our customers to source most of their product categories from us and enable us to expand our business from existing customers, as well as address a larger base of potential new customers.
- 2. Strong Management Team:** We benefit from the leadership of our management team, which has extensive experience in the existing field. Our Promoters are having adequate experience in the PVC pipes and wire industry and we have successfully implemented expansion projects till date. Our Key Management Personnel are largely responsible for successful execution of day to day activities and expansion of our manufacturing facilities, developing new customer base and strengthening our customer relationships. In addition to our senior

management team, we believe that our middle management team, skilled work force and marketing personnel provide us with the depth needed to manage our growth.

3. ***We produce quality products at competitive pricing:*** We believe in providing the best possible quality to the customers. Our automated designing and sampling facilities enable us to produce quality products at all times. This has benefited our manufacturing process significantly in terms of reducing wastage and enabling us to demand a premium for our products. There are quality checks in place that prevent any defective material from reaching the customer through our well-equipped in-house quality control department. We believe that our quality products have earned us a good will from our customers, which has resulted in repeat orders from many of them. Further, we expect that the recent up gradation in our plant and machineries, proposed to be completed during the first quarter of FY 2013-14 will enable us to manufacture our products at a comparatively lower cost.

Location of Manufacturing Facility

We established our first manufacturing unit in Vishwas Nagar, Shahdara, Delhi in 1989. However due to the directive of the Supreme Court to move industries from non confirming areas of Delhi, the company decided to set up a unit at Sahibabad (U.P.), in the year 1999 the added advantage being that the unit was eligible for sales tax exemption under Section 4A of UP Trade Tax Act, 1995. Subsequently, our promoters decided to shift the unit to its current location at Satiwala village, Tehsil Paonta Sahib in the state of Himachal Pradesh in order to avail the tax benefits announced by Central Government under Finance Act, 2003.

Some of the major tax benefits available to our unit is as under:

- a. 100% outright excise duty exemption for a period of 10 years from the date of commencement of commercial production.
- b. 100% income tax exemption for initial period of five years and thereafter 30% for companies for a further period of five years from the date of commencement of commercial production.
- c. Eligible for capital investment subsidy @ 15% of the investment in plant & machinery, subject to a ceiling of ₹30 Lac.
- d. Central sale Tax at 1% was applicable till March 2013 and 1.50% thereafter (for a period of five years or till the implementation of the Goods and Services Tax, whichever is earlier) as compared to 2% charged by other states.
- e. 75% transport subsidiary is available.

For more details on Tax benefits please refer to Section “Statement of Tax Benefits” on page 34 of the RHP.

Our products:

Our Company offers following products to our clients.

1. PVC Conduit Pipes:

It is made of Poly Vinyl Chloride. The additives used in manufacturing this product have shock proof quality. Some of the features of the range offered include:

- Excellent Dielectric strength with no breakdown even at 5000V
- High insulation resistance
- No deformation or bending
- High resistance to oil
- No cracking
- Excellent rigidity
- Sizes available: 20, 25, 32, 40, 50 mm

Applications

- Open and concealed wiring in industries/residential and commercial buildings
- House meter and water pump connections

- Street Light and traffic signal connections
- Concealed wiring on buses, railways coaches, ships, aircrafts etc.
- Being light in weight it can be used on false ceilings and sleeveings.

Salient Features

- Economical, as compared to steel conduits
- Highly insulated non conductor prevents Short circuit hazards
- Corrosion proof free from rust salinity and humidity
- Has mirror like smooth surface finish
- Uniform thickness
- Light weight - Easy handling
- Provide good mechanical protection for cables
- Has longer life, as compared to metal conduit
- Flame resistance, since it is manufactured out of self extinguishing PVC materials

2. PVC Casings and Capings:

The PVC Casings and Capings that are being offered to clients confirm the laid IS: 14927 (2) 2001 standards are made from unplasticised high impact strength PolyVinyl Chloride. These PVC Casings and Capings do not have burrs on both surfaces.

- Rigidity and resistance to flame propagation
- Sizes available: 20 x 12, 25 x 16, 30 x 15 and 38 x 19 mm.

Applications

- Open wiring in industrial/ residential and commercial buildings
- Street light and traffic light signals
- Wiring on buses, railway coaches, ships, aircrafts etc
- Can be used in ceiling suspended ducting, telecom and terminal wiring as well as in false ceilings and sleeveings.
- Can be used for bare conductors

Salient Features:

- Economical, as compared to steel conduits and casing
- Highly insulated non conductor prevents short circuit hazards
- Corrosion free nature
- Uniformity of wall thickness
- Maximum internal wiring space
- Odorless and impurity less
- Available in double locking system

3. PVC-U Threaded Pipes:

Galvanised iron pipes had been in use for the past few decades for the distribution of potable water. It was observed that deterioration of galvanised iron material causes contamination of water due to corrosion, pitting and algae formation. Further, passage of time leads to reduced flow due to choked lines and leakages caused due to galvanic action and corrosion.

Several such technical reasons led to the introduction of PVC - U Systems. The threaded plumbing system which consist of both, Pipes and Fittings, have been widely accepted on the basis of aesthetic superiority, technical suitability and economic viability.

UPVC Rigid Pipes: Rigid PVC pipes are manufactured in accordance with Bureau of Indian Standards guidelines. The products are prepared under various supervisions using suspension grade PVC resin and necessary additives to form the exact compound and then extruded on the pipe plants.

Features of UPVC Rigid Pipes

- Low Cost
- Easy Handling
- 100% leak proof
- Long Lasting
- Non-toxic, non corrosive
- No root penetration
- No galvanic action, rust-proof
- Less frictional losses
- Resistant to abrasion
- Non conductor of electricity
- Seamless, strong and resilient

PVC Insulated Wires & Cables: Our Company offer wide range of Wires and Cables, which are manufactured by using superior quality of aluminum and copper as conductors. These cables are made as per ISO standards and are manufactured to deliver superior results for a longer time, our range of wires and cables are tested at various stages to ensure their flawless functioning in future.

Applications:

- Open and concealed wiring in industries/residential and commercial buildings.
- House meter and water pump connections.
- Street light and traffic signal connections.
- Concealed wiring on buses, railway coaches, ships, aircrafts etc.
- Being light in weight, it can be used on false ceilings and sleeveings.

PPR Plumbing Pipes:

PPR Plumbing pipes are manufactured from Polypropylene Random Copolymer type-3 in accordance with the DIN 8077-78 standards. It can be used at installation of hot & cold water systems, chemistry sector and in transfer of gas and liquids, in agricultural and industrial applications, thermal water manufactured in three types as PN-10, PN-16 and PN-20:

Diameter	PN-10 Wall Thickness(mm)	PN-16 Wall Thickness(mm)	PN-20 Wall Thickness(mm)
16		2.2	2.7
20	1.9	2.8	3.4
25	2.3	3.5	4.2
32	2.9	4.4	5.4
40	3.7	5.5	6.7
50	4.6	6.9	8.3
63	5.8	8.6	10.5
75	6.8	10.3	12.5

Field of Applications:

- Potable water pipe network for cold & hot water installations i.e. in Residential Buildings, Hospitals, Hotels, Offices & School Buildings etc.

- Pipe Networks for Rainwater Utilization Systems.
- Pipe Networks for Compressed – Air Plants.
- Pipe Networks for Solar Plants.
- Pipe Networks in Agriculture and Horticulture.
- Heating Pipes for Residential House.
- Pipe Network for industry, i.e. Transport of aggressive fluids (acid, leys etc.)
- Transport for Liquid Foods.

Advantages:

- Resistance against chemicals.
- Small and taste neutrality.
- Physiological safeness.
- High environmental compatibility.
- High Impact rate.
- Less Pipe roughness.
- Heat and Sound Insulating characteristics.
- Good welding properties.
- High –Heat stabilized.
- Equipped with metal deactivation.

Plant & Machinery

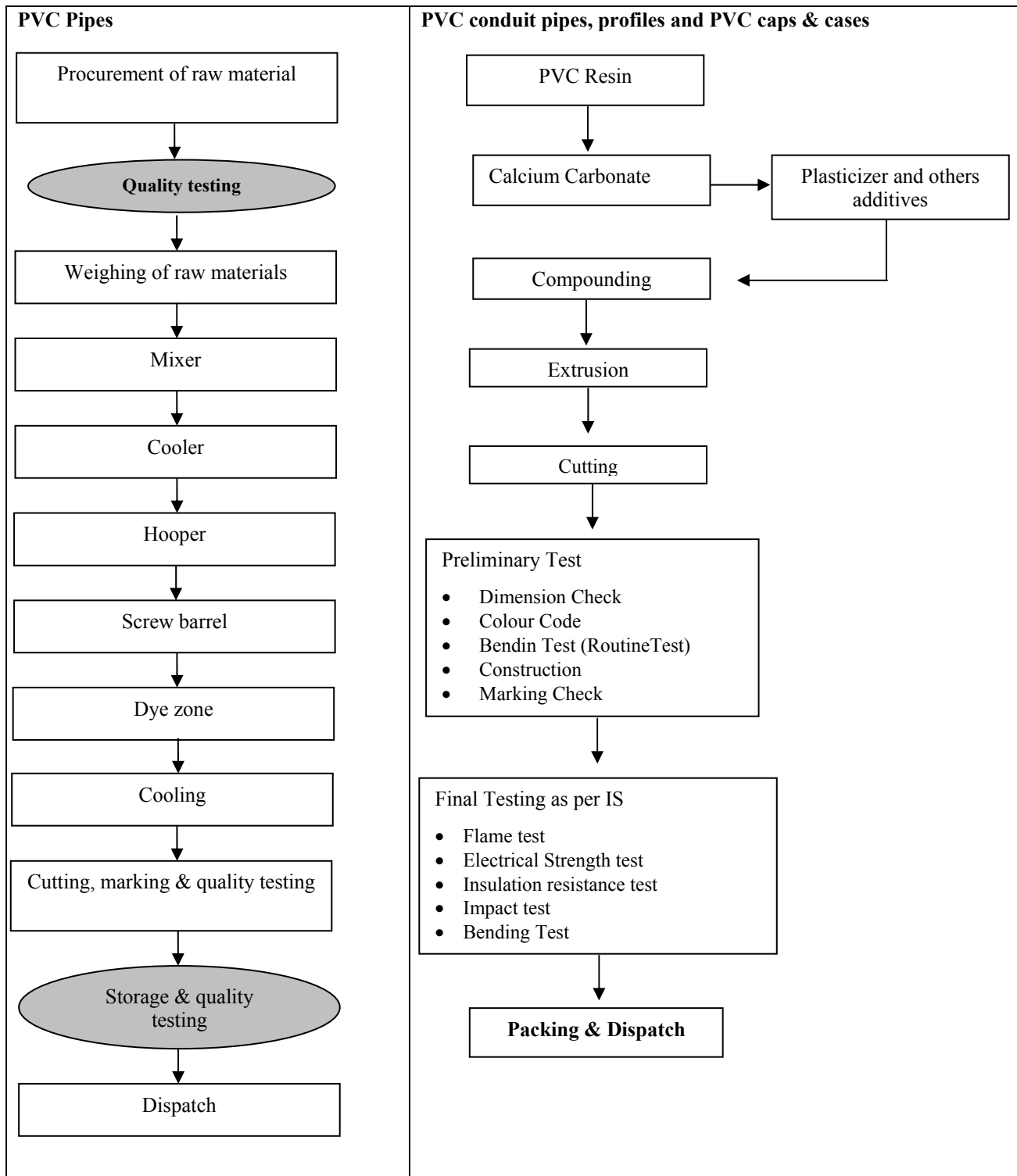
Following is the list of major machines presently installed in our facility:

Sr. no	Description	Quantity
1.	PVC Pipe plant/ machine	10
2.	PVC Wire & Cable plant	3
3.	PVC Compound Machines	3
4.	PPR Pipe Plant & accessories	1
5.	Lathe Machine & accessories	2
6.	Weighing Machine	1
7.	Spiral Loader for hopper of PVC pipes	1
8.	PVC pipe printing machines with tool and accessories	13
9.	Chilling plant	1
10.	DG Set – 600 KVA	1
11.	PVC wire drawing machines	1
12.	Grinding machines	1
13.	Other accessories	1

We are in the process of upgrading our existing plant and machineries by replacing some of our existing machineries with an upgraded one. The said up gradation will enable us to reduce our per unit manufacturing cost. We expect the up gradation to be completed in the first quarter of Financial Year 2013-14 with a total cost of ₹ 95.60 lacs. Post this ongoing upgradation our installed capacity for PVC Pipes shall increase to 4,000 M.T from present 3,000 MT. The same is further expected to increase to 6000 M.T. through proposed capital expenditure for which the funds are being raised through the present IPO.

MANUFACTURING PROCESS

Process Flow



Note on process flow:

a. Raw Material procurement and quality testing

Major raw material required to manufacture PVC Pipes is PVC Resin. The raw materials include Calcium carbonate, H.C wax, Lead Stabilizers, steric acid, Titanium Dioxide, Carbon Black, colour pigments and Impact Modifiers. Additional constituents for plasticized PVC pipes are plasticizers, chlorinated paraffin wax, Di-Octyl Phthalate, Di-Butyl Phthalate, epoxy and Barium lead stabilizer in minor quantities. The raw materials are sourced from various indigenous and foreign suppliers. In order to maintain consistency in the quality of products, the raw materials are thoroughly tested as per laid down standards in the in-house laboratory before they are used for production.

b. Mixing Process

The raw materials are then weighed and fed into the mixing machine (as per the desired quantities) where they are mixed, by means of high speed rotating blades. The heat generated through the rotation of blades melt the raw materials which also leads to evaporation of moisture. This mixture is then transferred into a cooler tank which bring down the temperature of the material to be at par with the room temperature. The material is then screened through vibrating screens before the same is transferred into the extruder.

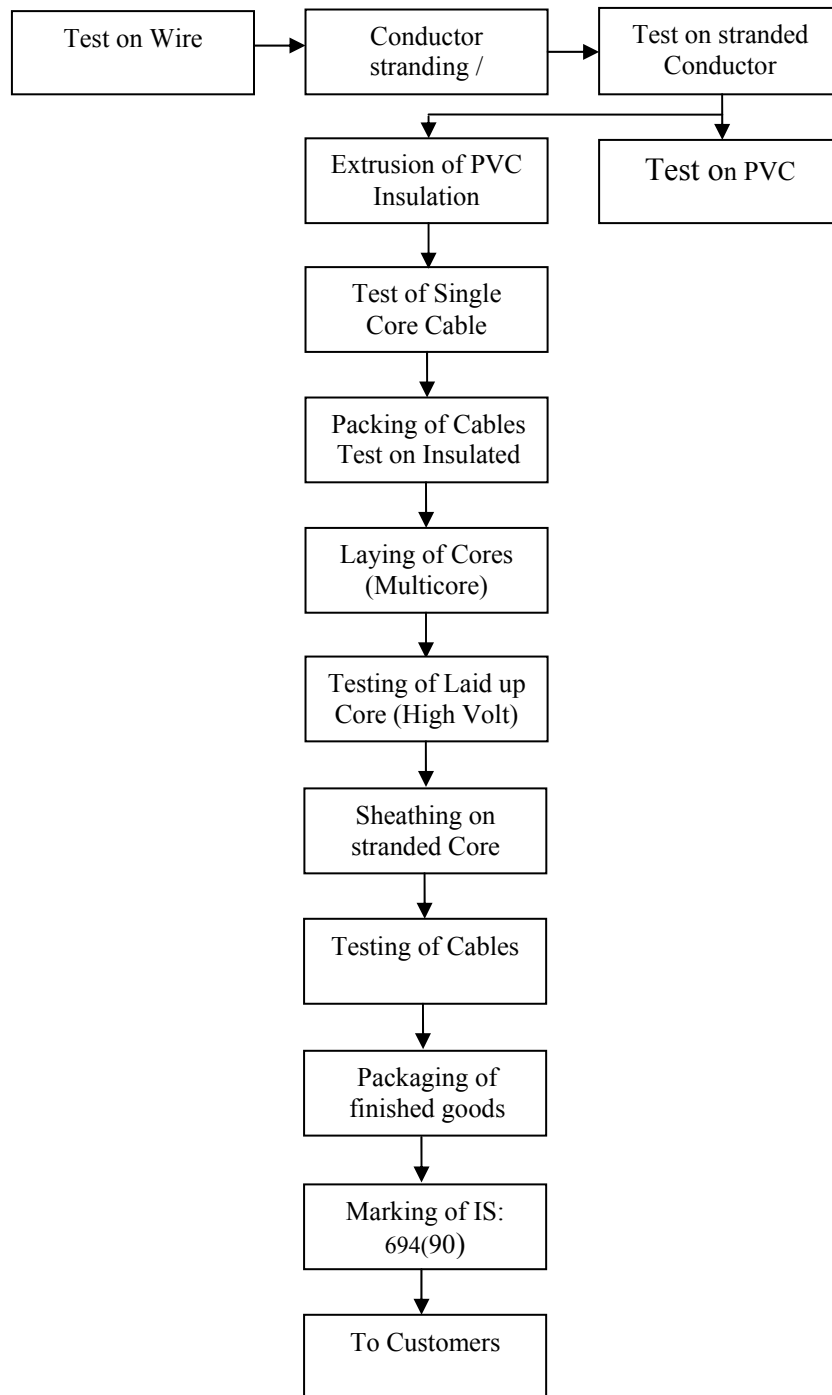
c. Extrusion Process

The screened mixture is then passed into a screw barrel through a feeder of extruder known as hopper. The screw barrel is specially designed so as to have zones at different temperatures. The Compound while passing through the zones gets converted into molten form. This cohesive molten material is then passed through the dye zone of the extruder. The size and the shape of the pipe in the dye zone are controlled using the units of dye zone like adapter, restrictor, spider, cavity, mandrel, and sizing sleeve. Passing through all these units, the melt acquires enough mass and appropriate shape for the pipe to be produced. All these parts of extruder, right from the barrel to the cavity, are kept at different pre-determined temperatures that produce enough heat for the compound. The melt in the circular shape that comes out of the extruder is known as extrudate.

d. Cutting, Marking, Quality Testing & Storage

The extrudate is then passed through the water tank, which has Spray nozzles. The water cools the extrudate and makes it rigid & solid. The puller or haul-off machine pulls the pipe to keep the process running. The pipe from this haul -off machine then passes through the printer which prints the required specifications. The pipe then passes through a cutter which cuts the pipe to the required length. This pipe is then sent to the dispatch department for dispatch after marking and quality inspection.

Process Flow for manufacturing of PVC Insulated Wire & Cables: As per IS 694 (1990)



Bare conductors of Aluminum & Copper in required size are passed through the extruder along with PVC Resin or XLPE for insulation purpose. The extruder contains a wormer inside and heater at outside to melt the insulation material at desired temperature. Thereafter the insulation wire passes for printing through a water tunnel to fix the insulation. After that it passes through testing equipment for PVC/XLPE sheathing and electrical voltage after that it moves to cater puller to coil in the drum for a final size.

Infrastructure Facilities

Power

We have been sanctioned for 496 KW power from HPSEB which is sufficient to meet our power requirements. Himachal Pradesh is a state with surplus power and there are seldom any power failures, still to counter such an eventuality we have a DG set of 600KVA for standby purposes.

Water

The present water requirement of our Company is around 200 liters per day which is being catered through bore wells located at different locations inside the plant premises. The Company may provide bore wells to take care of additional water requirements, if any.

Export Possibilities and Export Obligations

Our company is currently supplying its product in domestic market. The Company does not have any export obligations on our Company.

Raw material procurement

Our major raw material for manufacturing of PVC Conduit Pipes constitutes PVC resin, which we generally import from Korea, Taiwan, Europe, Vietnam etc. at regular intervals. These raw materials are generally purchased from various manufacturers or agents of petrochemical products. We have not entered into any definitive agreement with any of the suppliers of raw materials.

Most of our raw material is transported to our factory either in our own transportation facility of 3 trucks or using third party transportation facility.

Manpower

Our Company has adequate manpower at all levels at present and we are planning to increase the work force by adding around 20 workers after the proposed capital expenditure. The details of which are given as follows:

Category	Present	Additional
Top management	6	-
Managerial & Supervisory staff	8	-
Office staff	12	-
Skilled workers	30	5
Unskilled workers	65	15
Total	121	20

Competitors

Some of our competitors include AKG Industries, Dimple Plastics Pvt Ltd. (Setia Pipes), Nav Shikha Polypack Pvt Ltd. (Polypack Pipes) and Prestoplast Industries.

Effluent Treatment

Our manufacturing process does not generate any effluent, except for water which is recycled and used for our manufacturing activities.

Environmental Clearance

We have all the necessary approvals from the local authorities to operate our business. For more details please refer to Section "Government and Other Approvals" on page 128 of the RHP.

Technology & Inputs

The present technologies used in all our process are proven one, well known and fairly accessible. We do not have any technology agreement/collaboration for any of our processes. No significant changes are expected in the present technology in our processes. However, all our process require suitable modifications/ adjustment for efficiency from time to time, which are easily performed without having any effect on the overall performance of the units.

Research and Development

The products we manufacture go through exhaustive R & D and rigorous inspections. Continuous standardized quality assurance, control and improvement programs ensure the best possible product and extremely competitive prices. To ensure that our products are of good quality, we have a sophisticated testing facility to carry out various tests in order to adhere to Indian Standard viz; Flame test, Electrical Strength test, Insulation resistance test, Impact test and Bending Test.

Collaboration

At present, we have not entered into any technical collaboration.

Capacity & Capacity Utilization

Existing Installed Capacity

Particulars	As at		
	March 31, 2011	March 31, 2012	March 31, 2013
PVC PIPES			
Total Installed Capacity (M.T.)	3000.00	3000.00	3000.00
Capacity Utilization (M.T.)	2474.17	2566.22	2850.00
Capacity Utilization %	82.47	85.54	95.00
PVC WIRES & CABLES			
Total Installed (Km.)	18000.00	18000.00	18000.00
Capacity Utilization (Km.)	14015.46	13130.78	16200.00
Capacity Utilization %	77.86	72.95	90.00

Proposed Installed Capacity (As per the Company's Estimates)

Particulars	Estimated - As at		
	March 31, 2014	March 31, 2015	March 31, 2016
PVC PIPES			
Total Installed Capacity (M.T.)	6000.00 *	6000.00	6000.00
Capacity Utilization (M.T.)	5025.00	5400.00	5880.00
Capacity Utilization %	83.75	90.00	98.00
PVC WIRES & CABLES			
Total Installed (Km.)	36000.00	36000.00	36000.00
Capacity Utilization (Km.)	27000.00	30600.00	34200.00
Capacity Utilization %	75.00	85.00	95.00

We are in the process of upgrading our existing plant and machineries by replacing some of our existing machineries with an upgraded one. The said up gradation will enable us to reduce our per unit manufacturing cost. We expect the up gradation to be completed in the first quarter of Financial Year 2013-14 with a total cost of ₹ 95.60 lacs. Post this

ongoing upgradation our installed capacity for PVC Pipes shall increase to 4,000 M.T from present 3,000 MT. The same is further expected to increase to 6000 M.T. through proposed capital expenditure for which the funds are being raised through the present IPO.

Business strategy

We have presence in the Indian market since last 26 years. Since inception, we have made efforts to place ourself in a competitive position in the industry by proactively responding to our customer requirements. We have received ISO 9001:2008 certification as well as BIS certificate for different category of our products. We want to leverage on the experience of our Promoters, Key Managerial Personnel and our strength to our benefit in future so as to become an effective player in our industry. We have a dealer network with presence of more than 200 dealers. We wish to continue to supply our products to institutional customers and dealers, increase our market share in the industry, produce quality products at the competitive rates and also secure various certifications for standards and quality improvement. We plan to expand our customer base in East & south India through various marketing efforts such as print and television advertisements, attending industry conferences etc.

Marketing Strategy

We sell our products in market in four different brand viz. SANCO, SUPERPLAST, MARSHALL and SATYAM. We supply different brands to different dealers in the same locality/ region, in order to avoid price competition amongst our dealers in the same area which enables us to avoid dealer conflict, maintain our brand image and customer satisfaction. Our products are supplied to entities in various sectors viz; railways, telecom, agriculture and construction. Our marketing department visit our clients on an ongoing basis. We organise dealers meet in different cities for dealers to create awareness about new business policies and also encourage them to call their potential buyers who proposed to be our sub dealers of our product.

SWOT Analysis

Strengths of the Company:

Strengths	Weakness
<ul style="list-style-type: none"> • An ISO 9001:2008 certified Company • BIS certified state of the Art Manufacturing facilities • Plant enjoys an exemption of 100% on excise duty and 30% on income tax alongwith 15% capital subsidy of the investment in plant & machinery subject to a ceiling of ₹ 30 Lac, upto August 2016. • In house development of products based on application and client requirement. • Experienced Promoters • Experienced and dedicated Human Resource 	<ul style="list-style-type: none"> • High working capital intensive activities • Unorganised dealers and distributors base • Limited presence in the market
Opportunities	Threats
<ul style="list-style-type: none"> • Products manufactured by the Company have application in various industries • Potential to add capacity in the existing facility 	<ul style="list-style-type: none"> • Industry is prone to change in government policies, any material changes in the duty may adversely impact our financials. • The raw material prices are prone to price fluctuations which may adversely impact our profitability and financials. • Competition from large as well as small organized sector

ISO Certified Company:

Our Company is an ISO 9001: 2008 certified Company with good manufacturing facilities with the latest technology in providing the range of bare products, extraction, coated or assembled products with various components.

Quality Assurance:

Our Company has been granted License from the Bureau of Indian Standards to manufacture various products as per prescribed quality standards. To ensure the quality we have a dedicated quality control team which is engaged in the strict quality tests at every stage of the product.

Properties

Sr. No.	Details of the Agreement	Purpose	Description of Property	Consideration / Rent	Area	Term (if applicable)
Owned						
1.	Sale Deed dated October 28, 2005 with Sh. Udham Singh through his General Power of Attorney Mr. Raj Kumar	Factory	Village Satiwala, Tehsil Paonta Sahib, District Sirmaur, Himachal Pradesh bearing Khata Khatauni No. 1min/11 Khasra No. 151/83/38	₹ 6,48,000/-	5 Bighas 4 Biswas (4347.sq. meters)	-
Leased						
2.	Perpetual lease deed by the President of India vide agreement dated May 30, 2008	The unit is under construction and Proposed to be used as a Warehouse	Industrial plot bearing no. 37, Block/Pocket No. D Sector 1 at Udyog Vihar, Bawana, Delhi	Premium amount of ₹ 6,93,000/- and yearly rent of ₹ 17,325/-	150 square meters	-
3.	Lease Agreement dated August 26, 2010 from with Mr. O. P. Gupta	Registered Office	No 9/51, Bazar Gali, Vishwas Nagar, Shahdhare, Delhi-110032	The lessee shall not pay the rent/consideration to lessor	125.42 sq. meter (As per management)	Valid until cancelled
4.	Lease agreement dated August 01, 2012 with Shre Krishan Chand Gupta	Godown	No.42, Ground Floor, Sona Trade Centre, Ambedkar Road, Ghaziabad (U.P)	₹ 3000 Per Month	144 sq. ft. (13.38 sq. meters)	August 27, 2012 to July 26, 2013
5.	Lease agreement dated July 25, 2012 with Mrs. Shakuntla Gupta and Mrs. Rita Gupta	Corporate Office	2 nd Floor of D-161 Surajmal Vihar, Delhi	₹ 25,000/- per month	95 sq meters	August 01, 2012 to June 30, 2013
6.	Lease agreement July 25, 2012 with Mrs. Shakuntla Gupta	Corporate Office	3 rd Floor of D-161 Surajmal Vihar, Delhi	₹ 25,000/- per month	95 sq meters	August 01, 2012 to June 30, 2013
7.	Lease Agreement dated September 09, 2012 with Mr. Chetan Arora	Godown	Property No.10/119, Patel Gali, Vishwas Nagar, Shahdara, Delhi-110032.	₹ 17,000/- per month	100 Sq. yards (83.61 sq. meters)	September 2012 to August 09, 2013

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the central / state governments that are applicable to our Company in India. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below are not exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice.

The Companies Act, 1956

The Act deals with laws relating to companies and certain other associations. It was enacted by the parliament in 1956. The Companies Act primarily regulates the formation, financing, functioning and winding up of companies. The Act prescribes regulatory mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. Regulation of the financial and management aspects constitutes the main focus of the Act. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

Regulation of Foreign Investment in India

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 ("FEMA") and the rules and regulations promulgated there under. The RBI, in exercise of its powers under FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") which prohibit, restrict and regulate, transfer or issue of securities, to a person resident outside India. Pursuant to the FEMA Regulations, no prior consent or approval is required from the RBI for foreign direct investment under the "automatic route" within the specified sectoral caps prescribed for various industrial sectors. In respect of all industries not specified under the automatic route, and in respect of investments in excess of the specified sectoral limits under the automatic route, approval for such investment may be required from the FIPB and/or the RBI. Further, FIIs may purchase shares and convertible debentures of an Indian company under the portfolio investment scheme through registered brokers on recognized stock exchanges in India. Regulation 1 (4) of Schedule II of the FEMA Regulations provides that the total holding by each FII or SEBI approved sub-account of an FII shall not exceed 10% of the total paid-up equity capital of an Indian company or 10% of the paid-up value of each series of convertible debentures issued by an Indian company and the total holdings of all FIIs and sub accounts of FIIs added together shall not exceed 24% of the paid-up equity capital or paid-up value of each series of convertible debentures. However, this limit of 24% may be increased up to the statutory ceiling as applicable, by the Indian company concerned passing a resolution by its board of directors followed by the passing of a special resolution to the same effect by its shareholders.

Environment (Protection) Act, 1986

The Environment (Protection) Act, 1986 was enacted as a general legislation to safeguard the environment from all sources of pollution by enabling coordination of the activities of the various regulatory agencies concerned, to enable creation of an authority with powers for environmental protection, regulation of discharge of environmental pollutants etc. The purpose of the Act is to act as an "umbrella" legislation designed to provide a frame work for Central government co-ordination of the activities of various central and state authorities established under previous laws, such as Water Act & Air Act. It includes water, air and land and the inter-relationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property.

Consent for operation of the plant under the Air (Prevention and Control of Pollution) Act 1981 ("Air Act")

The Air (Prevention and Control of Pollution) Act 1981 has been enacted to provide for the prevention, control and abatement of air pollution. The statute was enacted with a view to protect the environment and surroundings from any adverse effects of the pollutants that may emanate from any factory or manufacturing operation or activity. It lays down the limits with regard to emissions and pollutants that are a direct result of any operation or activity. Periodic checks on the factories are mandated in the form of yearly approvals and consents from the corresponding Pollution Control Boards in the state.

Consent for operation of the plant under the Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")

The Water Act was enacted in 1974 in order to provide for the prevention and control of water pollution by factories and manufacturing industries and for maintaining or restoring the wholesomeness of water. In respect to an Industrial Undertaking it applies to the (i) Occupier (the owner and management of the undertaking) (ii) Outlet (iii) Pollution and (iv) Trade effluents. The Act requires that approvals be obtained from the corresponding Pollution Control Boards in the state.

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

The Water Cess Act is a legislation providing for the levy and collection of a cess on local authorities and industries based on the consumption of water by such local authorities and industries so as to enable implementation of the Water Act by the regulatory agencies concerned.

Trade Marks Act, 1999

The Indian law on trademarks is enshrined in the Trade Marks Act, 1999. Under the existing legislation, a trademark is a mark used in relation to goods 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. 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 present term of registration of a trademark is ten years, which may be renewed for similar periods on payment of prescribed renewal fee.

Copyright Act, 1957

The Copyright Act, 1957 came into effect from January 1958. Copyright is an exclusive right. The statutory definition of Copyright is the exclusive right to do or authorizes others to do certain acts in relation to Literary, dramatic or musical works, Artistic work Cinematograph film; and Sound recording. The purpose of recognizing & protecting the copyright of an author is to statutorily protect his work & inspire him to exercise his creative faculties. Copyright is granted for a specific period of time. Whether an act is an infringement or not would depend on the fact whether copyright is subsisting in the work or not. In case the copyright has expired, the work falls in the public domain & any act of reproduction of the work by any person other than then the author would not amount to infringement.

Electricity Act, 2003

The Electricity Act, 2003 has been recently introduced with a view to rationalise electricity tariff, and to bring about transparent policies in the sector. The Act provides for private sector participation in generation, transmission and distribution of electricity, and provides for the corporatisation of the state electricity boards. The related Electricity Regulatory Commissions Act, 1998 has been enacted with a view to confer on these statutory Commissions the responsibility of regulating this sector.

Approvals from Local Authorities

Setting up of a Factory or Manufacturing/Housing unit entails the requisite Planning approvals to be obtained from the relevant Local Panchayat(s) outside the city limits and appropriate Metropolitan Development Authority with in the city limits. Consents from the state Pollution Control Board(s), the relevant state Electricity Board(s), the State Excise Authorities, Sales Tax, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

Industrial (Development and Regulation) Act, 1955

The Industrial (Development and Regulation) Act, 1951 has been liberalized under the New Industrial Policy dated July 24, 1991, and all industrial undertakings are exempt from licensing except for certain industries such as distillation and brewing of alcoholic drinks, cigars and cigarettes of tobacco and manufactured tobacco substitutes, all types of electronic aerospace and defense equipment, industrial explosives including detonating fuses, safety fuses, gun powder, nitrocellulose and matches and hazardous chemicals and those reserved for the small scale sector. An industrial undertaking, which is exempt from licensing, is required to file an Industrial Entrepreneurs Memorandum ("IEM") with the Secretariat for Industrial Assistance, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and no further approvals are required.

Foreign Trade (Development and Regulation) Act, 1992

This statute seeks to increase foreign trade by regulating the imports and exports to and from India. This legislation read with the Indian Foreign Trade Policy provides that no export or import can be made by a person or company without an importer exporter code number unless such person or company is specifically exempt. An application for an importer exporter code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce. An importer-exporter code number allotted to an applicant is valid for all its branches, divisions, units and factories.

The Factories Act, 1948

The Factories Act, 1948 is a social legislation which has been enacted to regulate the occupational safety, health and welfare of workers at work places. This legislation is being enforced by the Government through officers appointed under the Act i.e. Inspectors of Factories, Deputy Chief Inspectors of Factories who work under the control of the Chief Inspector of Factories and overall control of the Labour Commissioner. The ambit of operation of this Act includes the approval of Factory Building Plans before construction/extension, investigation of complaints with regard to health, safety, welfare and working conditions of the workers employed in a factory, the maintenance of registers and the submission of yearly and half-yearly returns.

Labour Laws

India has stringent labour related legislation. Workmen have been provided several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond a prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872.

Some of these legislations which are significant for the conduct of the Company's business are summarized below:

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

Employees Provident Funds and Miscellaneous Provisions Act, 1952 ("EPFA") was introduced with the object to institute provident fund for the benefit of employees in factories and other establishments. It provides for the institution of provident funds and pension funds for employees in establishments, which employ more than 20 persons, and factories specified in Schedule I of the EPFA. Under the EPFA, the Central Government has framed the "Employees Provident Fund Scheme",

"Employees Deposit-linked Insurance Scheme" and the "Employees Family Pension Scheme". The funds constituted under these schemes consist of contributions from both the employer and the employees, in the manner specified in the statute. The EPFA prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

- **Employees' State Insurance Act, 1948**

The Employee State Insurance Act, 1948 ("ESIA") aims to provide benefits for employees or their beneficiaries in case of sickness, maternity, disablement and employment injury and to make provision for the same. It

applies to, inter alia, seasonal power using factories employing ten or more persons and non - power using factories employing 20 or more persons. Every factory or establishment to which the ESIA applies is required to be registered in the manner prescribed in the ESIA. In respect of such employees, both the employer and the employee must make certain contributions to the Employee State Insurance Corporation. The ESIA states that a principal employer, who has paid contribution in respect of an employee employed by or through an immediate employer, shall be entitled to recover the amount of the contribution so paid from the immediate employer, either by deduction from any amount payable to him by the principal employer under any contract, or as a debt payable by the immediate employer.

- **Payment of Gratuity Act, 1972.**

The provisions of the Act are applicable on all the establishments in which ten or more employees were employed on any day of the preceding twelve months and as notified by the government from time to time. The Act provides that within 30 days of opening of the establishment, it has to notify the controlling authority in Form A thereafter whenever there is any change in the name, address or in the change in the nature of the business of the establishment a notice in Form B has to be filed with authority. Further, every employer has to obtain insurance for his liability towards gratuity payment to be made under Payment of Gratuity Act 1972, with Life Insurance Corporation or any other approved insurance fund.

- **Payment of Bonus Act, 1965.**

The Payment of Bonus Act, 1965 is applicable on every establishment employing 20 or more employees. The said act provides for payment of the minimum bonus to the employees specified under the Act. It further requires for the maintenance of certain books and registers and submission of Annual Return within 30 days of payment of the bonus to the Inspector.

- **Contract Labour (Regulation and Abolition) Act, 1970**

This legislation applies to every establishment in which twenty or more workmen are employed or were employed in the past twelve months as contract labour and to every contractor employing or having employed in the past twelve months twenty or more workmen. With the aim of regulating the employment of contract labour in certain establishments and to abolish it in certain circumstances the Government has appointed an authority to ensure adherence to the provisions of this Act.

- **Payment of Wages Act, 1936**

The Payment of Wages Act, 1936 applies to the persons employed in the factories and to persons employed in industrial or other establishments where the monthly wages payable to such persons is less than ₹ 6500/-

- **Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 gives power to appropriate government (Central or State) to fix minimum wages to be paid to the persons employed in scheduled or non scheduled employment and the concerned employer is required to pay the minimum wages, fixed by the appropriate government.

- **Industrial Employment Standing Orders Act, 1946**

Every establishment employing more than 50 employees is required to formulate rules and regulations for its employees and the same should be submitted for approval to the Deputy Labour Commissioner.

- **The Workmen Compensation Act, 1923**

The Workmen Compensation Act, 1923 ("WCA") has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries by accident arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The WCA makes every employer

liable to pay compensation in accordance with the WCA if a personal injury/disablement/loss of life is caused to a workman (including those employed through a contractor) by accident arising out of and in the course of his employment.

In case the employer fails to pay compensation due under the WCA within one month from the date it falls due, the commissioner appointed under the WCA may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

TAX RELATED LEGISLATIONS

- **Value Added Tax, 2005**

Value Added Tax (VAT) is charged by laws enacted by each State on sale of goods affected in the relevant States. VAT is a multi-point levy on each of the entities in the supply chain with the facility of set-off of input tax that is the tax paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. Only the value addition in the hands of each of the entities is subject to tax. VAT is not chargeable on the value of services, which do not involve a transfer of goods. Periodical returns are required to be filed with the VAT Department of the respective States by the Company.

- **Income Tax Act, 1961**

Income Tax Act, 1961 is applicable to every Domestic /Foreign Company whose income is taxable under the provisions of this Act or Rules made there under depending upon its "Residential Status" and "Type of Income" involved. U/s 139(1) every Company is required to file its Income tax Return for every Previous Year by 30th September of the Assessment Year .Other compliances like those relating to Tax Deduction at Source, Fringe Benefit Tax, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

- **Central Sales Tax Act, 1956**

In accordance with the Central Sales Tax Act, every dealer registered under the Act shall be required to furnish a return in Form I (monthly/ quarterly/ annually) as required by the State Sale Tax laws of the assessing authority together with treasury challan or bank receipt in token of the payment of taxes due.

- **Service Tax**

Service tax is charged on taxable services as defined in Chapter V of Finance Act, 1994, which requires a service provider of taxable services to collect service tax from a service recipient and pay such tax to the Government. In accordance with Rule 6 of Service tax Rules the assesses is required to pay Service tax in TR 6 challan by fifth of the month immediately following the month to which it relates. Further under Rule 7 (1) of Service Tax Rules, the company is required to file a half yearly return in Form ST 3 by twenty fifth of the month immediately following the half-year to which the return relates.

- **Customs Act, 1962**

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get itself registered and obtain an IEC (Importer Exporter Code).

OUR HISTORY AND CERTAIN CORPORATE MATTERS

Overview

Sanco Industries Limited was originally incorporated on March 17, 1989 as a private limited company under the name and style of Sanco Plastics Private Limited with corporate number 55-35549 of 1988-89 under the provisions of the Act and registered with the ROC, Delhi & Haryana. The Company was incorporated to takeover the business of a partnership firm named “Sanco Plastic Industries” in which Mr. Sanjay Gupta and Mr. Jai Pal Singh Shishodia were partners. The partnership firm which was in the manufacturing of PVC Compounds since 1986, was taken over by way of an Agreement dated April 1, 1989 (“**Business Transfer Agreement**”) on a going concern basis. The partnership concern was thereafter dissolved by way of another agreement dated April 1, 1989.

Subsequently, on April 09, 2008 the name of the Company was changed to Sanco Industries Private Limited and a fresh certificate of incorporation was issued by the ROC, Delhi & Haryana. Further, on June 03, 2008, the Company was converted into a public limited company under the name of Sanco Industries Limited and fresh certificate of incorporation was issued by the ROC, Delhi & Haryana under the provisions of Section 23(1) of the Act.

We started our manufacturing in the year 1989 by manufacturing of PVC Compound with a production capacity of about 3000 M.T. per Annum. In the year 1991 we started manufacturing of PVC Conduit Pipes & PVC Profiles with a capacity of 3000 MT per annum. We ventured into the manufacturing of PVC Insulated Wires & Cables with a manufacturing capacity of 6000 K M per annum in the year 1995 which was later increased to 18000 KM per annum in the year 2007. Subsequently, in the year 2008 we diversified our manufacturing line from electrical products to sanitary products, to reduce market risk by introducing PVC/PPR Plumbing Pipes in its products list with a capacity of 3240 MT per annum.

The pipes manufactured by our Company suits the requirements of application in electrical installation, railways, agriculture, potable water supply schemes, sewerage and drainage systems, construction industry, telecom industry, bore well for underground water suction, etc.

Major events in the History of the Company

Year	Event
1986	M/s Sanco Plastic Industries formed as a partnership between Mr. Sanjay Gupta and Mr. Jai Pal Singh Shishodia as partners
1989	Incorporation of Sanco Plastic Private Limited to take over the business of M/s Sanco Plastic Industries Business of the partnership firm M/s Sanco Plastic Industries, taken over by Sanco Plastic Private Limited
1997	Received its ISO certification along with relevant BIS mark for the products manufactured. Won the best unit award in the zone for the year 1996-97 from Directorate of Industries, New Delhi Received the “IS: 9537” certification for PVC pipes
1999	Received “IS: 694” certification from PVC wires and cables
2002	Obtained our first ISO 9002: 1994 certification Registered as a member of Engineering Export Promotion Council
2004	Received the “IS: 14927” certification for PVC Cable Trunking & Ducting System
2007	Upgraded to ISO 9001: 2000 certification
2008	Converted into public limited Company.
2008	Diversified our manufacturing line from electrical products to sanitary products, to reduce market risk by introducing PVC/PPR Plumbing Pipes in its products list.
2010	Upgraded to ISO 9001: 2008 certification

We had earlier proposed to raise funds through Initial public Offering and list our equity shares at Bombay Stock Exchange Limited and The National Stock Exchange of India Limited. Our earlier issue was authorized by our Board of Directors pursuant to a resolution passed at its meeting held on November 15, 2010 and our shareholders pursuant to a resolution dated December 3, 2010 under section 81(1A) of the Companies Act, 1956. Our DRHP for the then proposed issue was filed with SEBI on January 25, 2011 and we received its observation on July 13, 2011.

We had also received in-principle approvals from the Bombay Stock Exchange Limited and National Stock Exchange of India Limited for the listing of our Equity Shares pursuant to letters dated March 31, 2011 and April 05, 2011, respectively. However, due to subdued market conditions, we deferred our plan to raise resources and attain listing. Accordingly we had not proceeded with the proposed expansion.

The management of our Company is now confident of raising the resources required for the proposed expansion plan through an Initial Public Offering and attain listing on the SME Platform of the NSE i.e., “EMERGE”

Main Objects of our Company

1. To carry on the business of manufacturers of and dealers in all kinds of plastics such as styrene, poly styrene vinyl chloride, polyethylene, vinyl acetate and copoly polymers, more acrylic and polyesters. Poly carbonates and polyether and epoxy resins and composition, silicon resins and various composition and such other thermosetting resins and molding compositions, nylons, resin and similar thermo-plastics, molding compositions including prefabricated sections and shapes, cellulose plastics and other such thermosetting and thermoplastic materials in rubber and plastic tubes and tyres and films and moulded goods of all kinds and for all purpose and in bottles, containers, tubes. Wrapping materials, foam rubber and plastic products, transmission belts and conveyors and similar industrial articles, pipes, tubes, hoses, rubber containers and rubber lined vessels, tanks, equipments, pipes and similar equipment, shoe products and part thereof, ethical rubber products and parts, toys, insulating materials and all other blown, moulded, formed extruded, calendared and dipped goods and articles thereof.
2. To carry on the business of manufacture of and dealers in all types of rubber and plastic goods, particularly industrial rolls, rollers, sheets, belting and consumer goods such as tyres tubes and other allied products, chappals, shoes, toys, electrical, medical and surgical goods and all other such kinds or products, manufactured from rubbers and plastic.
3. To carry on the business of manufacturing of PVC, HDPE & other Polymers, PVC Raw material HDPE Pipe and PVC Wire Rubber Chemicals, Plastic latures, Allied goods and plasticizers of all kinds.
4. To manufacture, buy, sell, import, export, process or otherwise deal in Copper and Aluminium wires & cables and Conductors of Aluminium & Alloy of all kinds and in particular copper and aluminium wires and strips, paper covered, cotton covered, glass covered wires and strips and enameled wires and cables of all kinds.
5. To carry on the business of manufacturers of or dealers in ferrous or non-ferrous metals iron & steel aluminium, brass, tin, nickel, special, steel and their products.

Changes in Registered Office of our Company

The registered office of the Company had been changed from R-51, Rita Block, Shakarpur, Delhi-92 to 9/51, Bazar Gali, Vishwas Nagar, Shahdara, Delhi-110032 with effect from March 1, 1995.

Changes in Memorandum of Association

Except as stated below there has been no change in the Memorandum of Association of our Company since Inception

Date	Type of change / Reasons for change
June 18, 1991	Authorised Capital Increase from ₹ 2 lakhs divided into 2,000 equity shares of ₹ 100 each to ₹ 10 Lacs divided into 10,000 equity shares of ₹ 100 each
April 29, 1995	Authorised Capital Increase from ₹ 10 lakhs divided into 10,000 equity shares of ₹ 100 each to ₹ 20 lacs divided into 20,000 equity shares of ₹ 100 each
February 22, 1997	Authorised Capital Increase from ₹ 20 lakhs divided into 20,000 equity shares of ₹ 100 each to ₹ 30 Lac divided into 30,000 equity shares of ₹ 100 each
March 13, 2000	Authorised Capital Increase from ₹ 30 lakhs divided into 30,000 equity shares of ₹ 100 each to ₹ 60 Lac divided into 60,000 equity shares of ₹ 100 each

Date	Type of change / Reasons for change
June 21, 2004	Authorised Capital Increase from ₹ 60 lakhs divided into 60,000 equity shares of ₹ 100 each to ₹ 1 Crore divided into 1,00,000 equity shares of ₹ 100 each
December 19, 2005	Authorised Capital Increase from ₹ 1 Crore divided into 1,00,000 equity shares of ₹ 100 each to ₹ 1.5 Crore divided into 1,50,000 equity shares of ₹ 100 each
November 2, 2006	Authorised Capital Increase from ₹ 1.5 Crore divided into 1,50,000 equity shares of ₹ 100 each to ₹ 2 Crore divided into 2,00,000 equity shares of ₹ 100 each
March 7, 2007	Authorised Capital Increase from ₹ 2 Crore divided into 2,00,000 equity shares of ₹ 100 each to ₹ 3 Crore divided into 3,00,000 equity shares of ₹ 100 each
January 2, 2008	Insertion of the following objects as Object Number 3, 4, and 5 respectively in the Main Objects of the Company: <ol style="list-style-type: none"> 3. <i>To carry on the business of manufacturing of PVC, HDPE & other Polymers, PVC Chemicals, PVC Raw material, HDPE Pipe and PVC Wire Rubber Chemicals, Plastic lajures, Allied goods and plasticizers of all kinds.</i> 4. <i>To manufacture, buy, sell, import, export, process or otherwise deal in copper and aluminium wires & cables and conductors of aluminium & alloy of all kinds and in particular copper and aluminium wires and strips, paper covered, cotton covered, glass covered wires and strips and enameled wires and cables of all kinds.</i> 5. <i>To carry on the business of manufacturers of or dealers in ferrous or non ferrous metals iron & steel aluminium, brass, tin, nickel, special steel and their products.”</i>
April 9, 2008	Name of the Company is changed from Sanco Plastics (P) Ltd. To Sanco Industries (P) Ltd.
June 3, 2008	Name of the Company is changed from Sanco Industries (P) Ltd. To Sanco Industries Ltd. consequent upon change of status from a Private limited Company to a Public Company.
March 17, 2010	Authorised Capital subdivided from 3,00,000 equity share of ₹100 each to 30,00,000 equity share of ₹ 10 each and Increase from ₹ 3 crore divided into 30,00,000 equity shares of ₹ 10 each to ₹ 12 crore divided into 1,20,00,000 equity shares of ₹ 10 each
October 18, 2010	Authorised Capital Increase from ₹ 12 crore divided into 1,20,00,000 equity shares of ₹ 10 each to ₹ 14 crore divided into 1,40,00,000 equity shares of ₹ 10 each Name of initial subscribers to the Memorandum and Articles of Association wrongly mentioned was corrected

Injunction or Restraining Order

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

Subsidiaries of our Company

Our Company does not have any subsidiary.

Shareholders Agreement

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

Strategic partners

Presently, our Company does not have any strategic partners.

Financial partners

Presently, our Company does not have any financial partners.

Other Agreements

Except the contracts/agreements entered in the ordinary course of the business carried on or intended to be carried on by Sanco, we have not entered into any other agreement/contract.

OUR MANAGEMENT

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

Name, designation, father's / husbands' name, address, DIN, occupation and Nationality	Date of appointment/ Reappointment	Age Qualification	Other directorships / interests
Mr. Sanjay Gupta Managing Director S/o: Mr. Om Prakash Gupta Address: C-56, Surajmal Vihar, New Delhi-92 DIN: 00726005 Occupation: Business Nationality: Indian	Reappointed as Managing Director w.e.f. August 25, 2010. Term: 5 years	48 Years B.Com. & MBA (Marketing & Finance)	Director: <ul style="list-style-type: none"> • Sanco Enterprises Private Ltd. • Superlink Polyfeb Limited
Mrs. Shakuntla Gupta Whole Time Director W/o: Mr. Om Prakash Gupta Address: C-56, Surajmal Vihar, New Delhi-92 DIN: 00725963 Occupation: Business Nationality: Indian	Reappointed as Whole Time Director w.e.f. May 03, 2010 Term: 5 years	71 Years Intermediate in Arts	Director: Sanco Enterprises Private Ltd.
Mr. Sidhant Gupta Whole Time Director S/o: Mr. Sanjay Gupta Address: C-56, Surajmal Vihar, New Delhi-92 DIN: 02676750 Occupation: Business Nationality: Indian	Reappointed as Whole Time Director w.e.f. December 01, 2011 Term: 5 years	21 Years Trained Pilot & pursuing B.B. A. - Aviation	Director: <ul style="list-style-type: none"> • Sanco Enterprises Private Ltd. • Superlink Polyfeb Limited
Mr. Deepak Gupta Independent Director S/o: Mr. Raj Kumar Gupta Address: 25/2, Ram Bagh Road, Muzaffarnagar - 251001, Uttar Pradesh DIN: 02643569 Occupation: Business Nationality: Indian	Appointed as Director w.e.f. July 02, 2010 Term: Retires by rotation	56 Years BA & LLB	Director: NSUS Infotel Private Limited
Mr. Saurabh Gupta Independent Director S/o: Dr. Sunil Kr. Gupta Address: 3/25, Vishnu puri, Kanpur-208002, Uttar Pradesh DIN: 03093901 Occupation: Business Nationality: Indian	Appointed as Director w.e.f. July 02, 2010 Term: Retires by rotation	32 Years B.Com & Chartered Accountant	NA
Mr. Sanjeev Kumar Jain Independent Director S/o: Mr. Pheru Mal Jain Address: 131 A J and K Pocket, Dilshad Garden, Delhi-110095 DIN: 03121505 Occupation: Business Nationality: Indian	Appointed as Director w.e.f. July 02, 2010 Term: Retires by rotation	49 Years B.Com & Chartered Accountant	Partner: K.G. Sharma & Co.

Brief Profile of our Directors

Mr. Sanjay Gupta

Mr. Sanjay Gupta, aged 48 years, is the Managing Director of our Company. He is a commerce graduate from Delhi University and M.B.A (Marketing & Finance) from National Institute of Management, New Delhi. He has over 26 years of experience in the field of plastic industry. He started his business journey in 1986 with “Sanco Plastic Industries” a partnership firm, engaged in business of manufacturing of PVC Compounds. In Sanco Plastic Industries he was responsible for all the marketing and finance related activities of the firm. Later the said firm was taken-over by Sanco and as a promoter and director, he has played a vital role in strategic planning, restructuring, operations, business development, marketing, etc. Under his leadership the company expanded its business into manufacturing of PVC Compound, PVC Conduit Pipes and PVC Insulated Wires & Cables.

Mrs. Shakuntla Gupta:

Mrs. Shakuntala Gupta, aged 71 years, is one of the Whole Time Director of our Company. She is an Intermediate in Arts stream and has more than 21 years of experience. She started her business journey in 1992 with “Sanco Plastics (P) Ltd, where she has been responsible for administration and human resource management.

Mr. Sidhant Gupta:

Mr. Sidhant Gupta, aged 21 years, is one of the Whole Time Directors of our Company. He is a Pilot from Eagle Flight Training Limited, New Zealand. He is currently pursuing his Bachelors in Business Administration (in aviation) from Dibrugarh University, Assam. He has been inducted as a Whole Time Director in the Board to provide “Technical Advice and innovative ideas in Research & Development”. He is expected to play a key role in the growth of our Company with his inputs in strategic planning and business development as well.

Mr. Saurabh Gupta

Mr. Saurabh Gupta, aged 32 years, holds a Bachelor Degree of Commerce from Kanpur University. He is a qualified Chartered Accountant and also possesses Post Qualification Diploma in Systems Audit from the Institute of Chartered Accountants of India.

He has an experience in the fields of audit and finance spanning 8 years. Until December, 2006 he was associated as Partner in M/s Rajiv Mehrotra & Associates, Kanpur, where he handled the audit and taxation assignments of various private sector organizations, banks, insurance companies and financial institutions. He is the Life time Executive Member of the Chartered Accountants Society, Kanpur. Presently he is associated with J.K. Cement Limited as Manager (Taxation & Management services) at their corporate office in Kanpur, since 2007.

Mr. Sanjeev Kumar Jain

Mr. Sanjeev Kr. Jain, aged 49 years, is the Non-Executive and Independent Director of our company. He holds a Bachelor Degree of Commerce from Delhi University and is a qualified Chartered.

He is a practicing Chartered Accountant where he handles the audit and taxation assignments of various private sector organizations, banks, insurance companies and financial institutions for over 19 years. Presently he is a Partner of K.G. Sharma & Company, Delhi.

Mr. Deepak Gupta

Mr. Deepak Gupta, aged 56 years, is the Non-Executive and Independent Director of our company. He is a Bachelor of Art and LLB from C.C.S. University, Meerut. He has more than 31 years of experience. He started his business journey in 1980 with his own refinery business. Subsequently from the year 1996 he was associated with Aviation by virtue of services in Modiluft as ground staff officer. From the year 2002 to 2007 he was associated with Telecom sector since he worked with Himachal Futuristic Ltd. in administration function.

Borrowing Powers of the Board of Directors

Pursuant to the resolution passed by our shareholders on July 2, 2010 in accordance with the provisions of the Companies Act, our Board has been authorised to borrow money for the purposes of our Company upon such terms and conditions with/without security as the Board of Directors may think fit, provided that the money or monies to be borrowed together with the monies already borrowed by our Company (apart from the temporary loans obtained from our Company's bankers in the ordinary course of business) shall not exceed, at any time, a sum of ₹ 100 crores.

Details of Compensation & Benefits to the Managing Director / Whole Time Directors

Mr. Sanjay Gupta, Managing Director:

He was appointed as Managing Director for a period of 5 years w.e.f. August 25, 2010, in the Extra Ordinary General Meeting dated August 25, 2010 and Board meeting dated August 16, 2010:

Salary	:	₹ 50,000/- per month
Perquisites		
Medical Expenses	:	Actual expenses incurred on the medical treatment for self and the family shall be reimbursed by the Company.
Car Facility	:	Facility of the car with chauffeur shall be provided to be used for the business
Telephone	:	Free Telephone facility at residence shall be provided to be used for the business of the Company.

Mrs. Shakuntla Gupta, Whole Time Director:

She was appointed as Whole Time Director for a period of 5 years w.e.f. May 03, 2010, in the Extra Ordinary General Meeting dated May 3, 2010 and Board meeting dated April 23, 2010:

Salary	:	₹ 50,000/- per month
Perquisites		
Medical Expenses	:	Actual expenses incurred on the medical treatment for self and the family shall be reimbursed by the Company.
Telephone	:	Free Telephone facility at residence shall be provided to be used for the business of the Company.

Mr. Sidhant Gupta, Whole Time Director:

He was appointed as Whole Time Director for a period of 5 years w.e.f. December 01, 2011, in the Extra Ordinary General Meeting dated December 1, 2011 and Board meeting dated November 17, 2011.

Salary	:	₹ 25,000/- per month
Perquisites		
Medical Expenses	:	Actual expenses incurred on the medical treatment for self and the family shall be reimbursed by the Company.
Telephone	:	Free Telephone facility at residence shall be provided to be used for the business of the Company.

Shareholding of Our Directors

As per our Articles, our Directors are not required to hold any qualification shares in our Company. Details of shareholding of our Directors as on the date of filing of the Red Herring Prospectus are as under:

Name	Designation	No of Shares held
Mr. Sanjay Gupta	Managing Director	833700
Mrs. Shakuntla Gupta	Whole time Director	502000
Mr. Sidhant Gupta	Whole time Director	30100
Mr. Deepak Gupta	Director	NIL
Mr. Sanjeev Kumar Jain	Director	NIL
Mr. Saurabh Gupta	Director	NIL

Note: Mr. Sanjay Gupta holds 3362800 shares in the capacity of Karta of Sanjay Gupta HUF.

Family relationship between our directors

Name of the Directors	Relationship between Directors
Mr. Sanjay Gupta	Son of Mrs. Shakuntla Gupta and father of Mr. Sidhant Gupta
Mrs. Shakuntla Gupta	Mother of Mr. Sanjay Gupta and Grandmother of Mr. Sidhant Gupta
Mr. Sidhant Gupta	Grandson of Mrs. Shakuntla Gupta and Son of Mr. Sanjay Gupta

None of the above-mentioned Directors are on the RBI List of willful defaulters as on the date of the Draft Red Herring Prospectus.

There is no arrangement or understanding with major shareholders, customers, suppliers or others pursuant to which any of the above mentioned Directors were selected as a Director of our Company.

None of our directors are associated/ were associated in the past with any company whose shares have been / were suspended from being traded on the nationwide stock exchanges.

None of our directors are associated in any company (ies) which have been delisted from the stock exchange(s)

As on date of filing of the Offer Document there is no service agreement entered into by the Directors with the Company providing for benefits upon termination of employment.

Interest of our Directors

Our Promoters and their relatives may be deemed to be interested in the monthly rental receivable on account of use of property on which the Corporate Office of the Company is situated.

Other than above all of our Directors may be deemed to be interested to the extent of fees payable to them 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 under our Articles of Association. Our whole time directors are entitled to receive remuneration.

Our Directors may also be regarded as interested in the Equity Shares, if any, held 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. All of our 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.

Except as stated above and transactions disclosed in the section titled “Related Party Transactions” on page 113 of the Red Herring Prospectus, our Directors do not have any other interest in our business. We have not acquired any property from our Directors in last two years except those on lease rentals as stated in the sub-section titled “Our Properties” on page 59 of the Red Herring Prospectus.

All the Directors may be deemed to be interested in the contracts, agreements / arrangements entered into or to be entered into by us with any company in which they have direct / indirect interest or any partnership firm in which they are partners.

Changes in our Board of Directors during the last three years

S. No.	Name	Date	Change
1	Mr. Anurag Gupta	August 5, 2010	Resignation
2	Mr. Sidhant Gupta	August 5, 2010	Appointment
3	Mr. Deepak Gupta	May 04, 2010	Appointment
4	Mr. Sanjeev Kumar Jain	May 04, 2010	Appointment
5	Mr. Saurabh Gupta	May 04, 2010	Appointment

CORPORATE GOVERNANCE

The provisions of the Listing Agreement to be entered into with SME exchange of NSE with respect to corporate governance and the SEBI (ICDR) Regulations, 2009 in respect of corporate governance will be applicable to our Company at the time of seeking in principle approval for listing of our Company's Equity Shares with the Stock Exchange. Our Company undertakes to take all necessary steps to continue to comply with all the requirements of Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges.

COMPOSITION OF THE BOARD OF DIRECTORS

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. Our Board has six Directors out of which three are independent directors in accordance with the requirement of clause 49 of the listing agreement of the Stock Exchange.

Sr. No	Name of Director	Designation	Category
1.	Mr. Sanjay Gupta	Managing Director	Executive and non independent Director
2.	Mrs. Shakuntla Gupta	Whole Time Director	Executive and non independent Director
3.	Mr. Sidhant Gupta	Whole Time Director	Executive and non independent Director
4.	Mr. Saurabh Gupta	Independent Director	Non executive and independent Director
5.	Mr. Sanjeev Kumar Jain	Independent Director	Non executive and independent Director
6.	Mr. Deepak Gupta	Independent Director	Non executive and independent Director

In terms of the Clause 49 of the Listing Agreement, our Company has already appointed Independent Directors and constituted the following Committees of the Board:

1. Audit Committee
2. Remuneration Committee
3. Shareholders Grievance/ Transfer Committee

Audit Committee

Our Board constituted an Audit Committee, pursuant to the provisions of Section 292A of the Companies Act. The constitution of the Audit Committee was approved at a meeting of the Board of Directors held on August 5, 2010. 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 Exchange in due course. The committee consists of the following Directors:

Sr. No	Name	Status in Committee	Nature of Directorship
1.	Mr. Saurabh Gupta	Chairman	Non Executive and Independent Director
2.	Mr. Deepak Gupta	Member	Non Executive and Independent Director
3.	Mr. Sanjay Gupta	Member	Executive and Non Independent Director

Our Company Secretary, Ms. Preeti Gupta will act as the secretary of the Committee. The terms of reference of our Audit Committee are given below:

1. Overseeing the Company's financial reporting process 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 statutory auditors for any other services rendered by the statutory auditors.
4. 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 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 the financial statements;
 - (f) Disclosure of any related party transactions;
 - (g) Qualifications in the draft audit report.
5. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
6. Monitoring the utilization of proceeds of the proposed initial public offering of the Company and any other issue of shares of the Company, reviewing the report submitted by monitoring agency, if any, and to make appropriate recommendations to the Board in this regard
7. Monitoring the use of the proceeds of the proposed initial public offering of the Company.
8. Reviewing, with the management, performance of statutory and internal auditors, and 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. Discussions with internal auditors on any significant findings and follow up thereon.
11. Reviewing internal audit reports and adequacy of the internal control systems.
12. Reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors.
13. 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 material nature and reporting the matter to the Board.
14. 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.
15. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
16. To review the functioning of the whistle blower mechanism, when the same is adopted by the Company and is existing.
17. 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.
18. Carrying out any other function as may be statutorily required to be carried out by the Audit Committee.

REMUNERATION COMMITTEE

The constitution of the Remuneration Committee was approved at a meeting of the Board of Directors held on August 5, 2010. The terms of reference of Remuneration Committee comply with the requirements of Clause 49 of the Listing Agreement, which will be entered into with the Stock Exchange in due course. The committee consists of two independent Directors.

The Remuneration Committee has been constituted with the following Directors:

Sr. No	Name	Status in Committee	Nature of Directorship
1.	Mr. Sanjeev Kumar Jain	Chairman	Non Executive and Independent Director
2.	Mr. Saurabh Gupta	Member	Non Executive and Independent Director
3.	Mr. Deepak Gupta	Member	Non Executive and Independent Director

Our Company Secretary, Ms. Preeti Gupta will act as the secretary of the Committee. The terms of reference of our Remuneration Committee are given below

1. To decide and approve the terms and conditions for appointment of executive directors and/ or whole time Directors and Remuneration payable to other Directors and matters related thereto.
2. To recommend to the Board, the remuneration packages of the Company's Managing/Joint Managing/ Deputy Managing/Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period severance fees etc.);
3. To be authorized at it's duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Company's Managing/Joint Managing/ Deputy Managing/ Whole-time/ Executive Directors, including pension rights and any compensation payment;
4. To implement, supervise and administer any share or stock option scheme of the Company.

SHAREHOLDERS GRIEVANCE/ TRANSFER COMMITTEE

The Shareholders' / Investors' Grievance Committee has been formed by the Board of Directors at the meeting held on August 5, 2010 in compliance with Clause 49 of the Listing Agreement. The Shareholders' / Investors' Grievance Committee has been constituted with the following Directors:

Sr. No	Name	Status in Committee	Nature of Directorship
1.	Mr. Deepak Gupta	Chairman	Non Executive and Independent Director
2.	Mr. Sanjeev Kumar Jain	Member	Non Executive and Independent Director
3.	Mr. Sanjay Gupta	Member	Executive and Non Independent Director

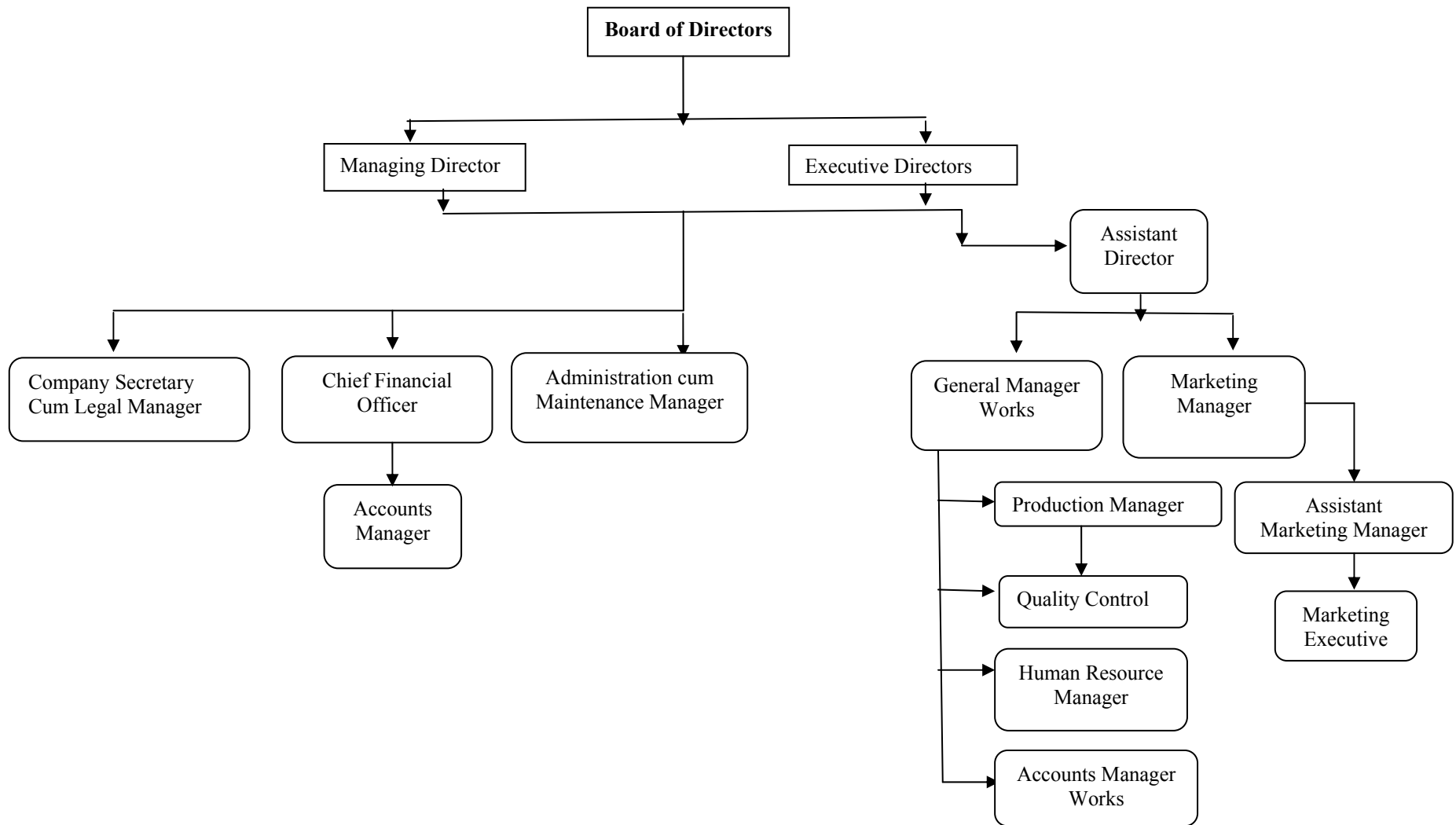
Our Company Secretary, Ms. Preeti Gupta will act as the secretary of the Committee.

The terms of reference of our Shareholders Grievance/ Transfer Committee are given below.

1. It shall have the authority to investigate into any matter in relation to transfer of securities or referred to it by the Board and for this purpose, shall have full access to information contained in the records of our Company and external professional advice, if necessary.
2. To investigate any activity within its terms of reference.
3. To seek information from any employee.
4. To seek information from share transfer agents.
5. To obtain outside legal or other professional advice.
6. To secure attendance of outsiders with relevant expertise, if it consider necessary.
7. To approve issue of duplicate share certificates and to oversee and review all matters connected with the transfer, transmission and issue of securities.
8. To approve share transfer / transmission of securities periodically, whether by circular resolution or otherwise.
9. To look into redressing of shareholders' complaint like transfer of shares, non-receipt of balance sheet, non receipt of declared dividends, etc.

To oversee the performance of the Registrar and Transfer Agents and recommend measures for overall improvement in the quality of investors services.

ORGANISATIONAL CHART



KEY MANAGERIAL PERSONNEL

The details of our Key Managerial Personnel as on the date of filing of the Red Herring Prospectus are as follows:

Name, Designation, Age & Qualification	Functions and areas of experience	Remuneration Per annum (₹ in lacs)	Date of Appointment & Experience in the Company	Previous Company and Total Experience
<p>Mr. Rahul Mittal</p> <p>Assistant Director</p> <p>Age: 28 Years</p> <p>Qualification: Engg. Diploma in Electronics & Telecommunication and B.B.A</p>	<p>Day to Day Operations, Technical Feasibility at the work and Business Development</p>	2.40	<p>August 01, 2011</p> <p>(1 Year 7 months)</p>	<p>Religare Technologies Ltd</p> <p>(9 Years)</p>
<p>Mr. Vipul Singhal</p> <p>Chief Financial Officer</p> <p>Age: 29 Years</p> <p>Qualification: M.B.A (Marketing & Finance)</p>	<p>Finance & Accounts</p>	3.00	<p>June 10, 2007</p> <p>(5 Years 9 months)</p>	<p>Nil</p> <p>(5 Years 9 months)</p>
<p>Mr. Deepak Gupta</p> <p>Administration Cum Maintenance Manager</p> <p>Age: 40 Years</p> <p>Qualification: B.Com</p>	<p>Administration & Maintenance</p>	1.80	<p>June 04, 2006</p> <p>(5 Years 9 months)</p>	<p>Self Employed</p> <p>(18 Years)</p>
<p>Mr. Randhir Singh</p> <p>Marketing Manager</p> <p>Age: 44 Years</p> <p>Qualification: Masters in Arts (English)</p>	<p>Marketing & Business Development</p>	3.24	<p>March 05, 2003</p> <p>(10 Years)</p>	<p>Dollar Electrical Industries</p> <p>(12 Years)</p>
<p>Mr. Sunil Kaushik</p> <p>Accounts Manager</p> <p>Age: 39 Years</p> <p>Qualification: B.Sc., Diploma in Financial Accounting</p>	<p>Accounting</p>	2.60	<p>September 01, 2001</p> <p>(11 Years 6 months)</p>	<p>Advance Chemicals</p> <p>(12 Years)</p>

Name, Designation, Age & Qualification	Functions and areas of experience	Remuneration Per annum (₹ in lacs)	Date of Appointment & Experience in the Company	Previous Company and Total Experience
Ms. Preeti Gupta Company Secretary & Compliance Officer Age: 27 Years Qualification: B.Com and Company Secretary	Secretarial	1.81	May 11, 2011 (1 Year 10 months)	Net4 India Limited (3 Years)
Mr. Shyam Sunder Vashisht General Manager (Works) Age: 46 Years Qualification: BA	Procurement of Raw Material, Production and Quality control	3.00	April 01, 2011 (1 Year 11 months)	Self Employed (12 Years)

All the Key Managerial Personnel mentioned above are on the payrolls of our Company as the permanent employees.

There is no arrangement or understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned Key Managerial Personnel have been recruited.

The Key Management Personnel mentioned above are not related parties as per the Accounting Standard 18.

None of the Key Managerial personnel mentioned above are related to each other, or related to our Promoters/ Directors.

Shareholding of Key Managerial Personnel

There is no shareholding of the Key Managerial Personnel as on the date of the Draft Red Herring Prospectus.

Relation of the Key Managerial Personnel with our Promoters/Directors

None of our key managerial personnel are “related” to the Promoters or Directors of our Company within the meaning of Section 6 of the Companies Act, 1956.

Bonus or profit sharing plan for Key Managerial Personnel

The Company has not formulated any specific bonus plan or profit sharing plan for its Key Managerial Personnel.

Changes in our Key Managerial Personnel during preceding three years from the date of this Offer Document

Name	Designation	Date of Joining	Date of Cessation
Mr. Sandeep Jain	Company Secretary	March 26, 2008	May 4, 2010
Mr. Rajeev Sunaria	Company Secretary cum Legal Manager	August 5, 2010	May 11, 2011

Name	Designation	Date of Joining	Date of Cessation
Ms. Preeti Gupta	Company Secretary	May 11, 2011	-
Mr. Virender Vashisht	General Manager (Works)	April 1, 2008	September 30, 2011
Mr. Rahul Mittal	Assistant Director	August 01, 2011	-
Mr. Shyam Sunder Vashisht	General Manager (Works)	April 01, 2011	-

Interests of Key Managerial Personnel

The Key Managerial Personnel do not have any interest in our Company other than to the extent of remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement incurred by them during the ordinary course of business.

Employees Stock Option

Our Company does not have any Employees Stock Option Scheme or other similar scheme giving options in our Equity Shares to our employees.

Payment or Benefit to officers of Our Company

Except for payment of monetary and non- monetary benefits in accordance with the terms of employment or engagement, we have not paid any amount or given any benefit to any officer of our Company in a period of two years before the date of the draft Red Herring Prospectus, nor is such amount or benefit intended to be paid or given to any officer as on the date of the Red Herring Prospectus.

Other benefits to our key managerial personnel


There are no other benefit payable to our Key Managerial Personnel other than listed above.

OUR PROMOTERS AND THEIR BACKGROUND


Following are the promoters of our Company:

- (i) Mr. Sanjay Gupta;
- (ii) Mrs. Shakuntla Gupta; and
- (iii) M/s Sanjay Gupta HUF

Mr. Sanjay Gupta

	<p>Mr. Sanjay Gupta, aged 48 years, is the Managing Director of our Company. He is a commerce graduate from Delhi University and M.B.A (Marketing & Finance) from National Institute of Management, New Delhi. He has over 26 years of experience in the field of plastic industry. He started his business journey in 1986 with “Sanco Plastic Industries” a partnership firm, engaged in business of manufacturing of PVC Compounds. In Sanco Plastic Industries he was responsible for all the marketing and finance related activities of the firm. Later the said firm was taken-over by Sanco and as a promoter and director, he has played a vital role in strategic planning, restructuring, operations, business development, marketing, etc. Under his leadership the company expanded its business into manufacturing of PVC Compound, PVC Conduit Pipes and PVC Insulated Wires & Cables.</p>	
	Driving License Number	P-07112004325804
	Voter Identification Card Number	DL\04\043\201139

Mrs. Shakuntla Gupta

	<p>Mrs. Shakuntala Gupta, aged 71 years, is one of the Whole Time Director of our Company. She is an Intermediate in Arts stream and has more than 21 years of experience. She started her business journey in 1992 with “Sanco Plastics (P) Ltd, where she has been responsible for administration and human resource management. As a whole Time Director of our Company, she is playing a key role in the growth of our Company.</p>	
	Voter Identification Card Number	DL\04\043\201151

Mrs. Shakuntla Gupta is one of the co promoter and Whole Time Director of our Company.

Sanjay Gupta (HUF):

Sanjay Gupta (HUF) was formed as a Hindu Undivided Family on July 01, 1990. The PAN of the HUF is AALHS3276B. Mr. Sanjay Gupta is the Karta of Sanjay Gupta (HUF). Mrs. Rita Gupta, Mr. Sidhant Gupta and Ms. Mansi Gupta are the other members of this HUF.

Particulars	(₹ in Lacs)		
	2011-2012	2010-11	2009-10
Capital	32.11	30.26	23.22
Gross Total Income	1.90	1.80	2.18
Net Profit	1.89	1.76	2.12

We confirm that the Permanent Account Number, Bank Account Number and Passport Number of all the above Promoters will be submitted to National Stock Exchange Limited of India Limited at the time of filing of the Draft Red Herring Prospectus with them.

Interest of Promoters

Our Promoters viz. Mr. Sanjay Gupta and Mrs. Shakuntla Gupta are interested to the extent of their shareholding in our Company. Further, Mr. Sanjay Gupta, the Managing Director and Mrs. Shakuntla Gupta of our Company may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them. Further, Mr. Sanjay Gupta and Mrs. Shakuntla Gupta are also members & director in our other Group entities. For the transactions with our Promoter Group entities, please refer to section titled “Related Party Transactions” on page 113 of the Red Herring Prospectus.

Further, our Promoters and their relatives may be deemed to be interested in the monthly rental receivable on account of use of property on which the Corporate Office of the Company is situated.

Except as mentioned hereinabove, our Promoters do not have any other interest in any property acquired by our Company in a period of two years before filing of the Draft Red Herring Prospectus or proposed to be acquired by us as on date of filing the Red Herring Prospectus with RoC. Except “as stated in "Related Party Transactions" beginning on page no. 113 of the Red Herring Prospectus, and as stated herein, our Promoters or any of the Promoter Group Entities do not have any other interest in our business.

Payment or benefits to Promoters of Our Company

No amount or benefit has been paid or given or is intended to be paid or given to any of the Promoter or Promoter Group within the two years preceding the date of filing the Red Herring Prospectus except that stated under the section titled “Related Party Transactions” on page 113 of the Red Herring Prospectus.

Except as stated in the section “Related Party Transactions” on page no. 113 of the Red Herring Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors.

Promoter Group

In addition to the Promoters named above, and on the basis of the aforesaid promoters, the following natural persons form part of the Promoter Group under Regulation 2(zb) (ii) of the Regulations because of their relationship with Mr. Sanjay Gupta and Mrs. Shakuntla Gupta:

Promoter	Name of the Relative	Relationship
Mr. Sanjay Gupta	O.P. Gupta	Father
	Shakuntla Gupta	Mother
	Rita Gupta	Spouse
	Sidhant Gupta	Son
	Mansi Gupta	Daughter
	Seema Jain	Sister
	Shikha Sharma	Sister
	Rajrani Gupta	Mother of Spouse
	Suneet Kumar Gupta	Brother of Spouse
	Manoj Gupta	Brother of Spouse
	Anju Rani Gupta	Sister of Spouse
Mrs. Shakuntla Gupta	O.P. Gupta	Husband
	Sanjay Gupta	Son
	Seema Jain	Daughter
	Shikha Sharma	Daughter
	Gyan Chand Gupta	Brother
	Radhey Shyam Gupta	Brother
	Shanti Devi	Sister
	Kamal Shree Aggarwal	Sister
Amar Nath Gupta	Brother of Spouse	

On the basis of the aforesaid natural persons forming part of the Promoter Group, the following entities form part of the Promoter Group under Regulation 2(zb)(iv) of the Regulations.

Sanco Enterprises Private Limited (SEPL)

SEPL was incorporated on July 17, 1990 with Registrar of Companies, Delhi & Haryana. The registration no. of the Company is 55-40854 and the CIN is U00000DL1990PTC040854. SEPL is engaged in the business of fast food restaurant. Its registered office is situated at 9/51 Bazar Gali, Vishwas Nagar, Delhi - 110032. Mr. Sanjay Gupta, Mrs. Shakuntala Gupta and Mrs. Rita Gupta are promoters of SEPL.

The board of directors of SEPL as on March 31, 2013 is as follows:

- Mr. Sanjay Gupta
- Mrs. Shakuntla Gupta
- Mrs. Rita Gupta
- Mr. Sidhant Gupta

The Shareholding of SEPL as on March 31, 2013 is as under:

Name of the Shareholder	No. of Equity Shares of ₹ 100/- each	% of the Paid-Up Capital
Promoter	57,136	57.14
Promoter Group	42,864	42.86
Public	Nil	Nil
Total	1,00,000	100.00

The financial highlights of SEPL for the last three years (Audited) are as under:

Particulars	(₹ in lacs)		
	2011-2012	2010-2011	2009-2010
Income from operations	NIL	NIL	406.80
Other Income	12.09	11.76	0.86
Profit/(Loss) after Tax	0.30	1.13	1.04
Equity Share Capital	100.00	100.00	100.00
Reserves and Surplus	9.61	9.30	8.17
Earnings per share (₹)	0.03	1.13	1.04
NAV (₹)	109.61	109.30	108.17

The Equity Shares of SEPL are not listed on any stock exchange and it has not made any capital issue during the past three years.

There is no litigation pending, in which SEPL is involved as on date of filing the Draft Red Herring Prospectus with ROC.

SEPL is not a Sick Industrial Company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995.

Superlink Polyfeb Limited (SPL)

SPL was incorporated on June 24, 2002 with Registrar of Companies Delhi & Haryana. The registration no. of SPL is 115859 and CIN is U25209DL2002PTC115859. SPL is engaged in the business of manufacturing of ACSR/AA Conductor, LT XLPE Aerial Bunch Cable, LT XLPE Power Cables. Its registered office is situated at A-98 Surajmal Vihar, Delhi 110092. The promoters of SPL are Mr. Sanjay Gupta, Mr. Manoj Jain, Mr. Om Prakash Gupta, Mr. Virender Vashist, Mr. Manish Jain, Mr. Anshu Jain and Mr. Devi Prasad Pandey.

The board of directors of Superlink Polyfeb Limited as on March 31, 2013 is as follows:

- Mr. Sanjay Gupta
- Mr. Sidhant Gupta
- Mr. Om Prakash Gupta
- Mr. Anurag Gupta

The Shareholding of the Company M/s Superlink Polyfeb Ltd. as on March 31, 2013 is as under:

Name of the Shareholder	No. of Equity Shares of ₹ 100/- each	% of the Paid-Up Capital
Promoter	13,46,200	30.48
Promoter Group	30,71,026	69.52
Public	Nil	Nil
Total	44,17,226	100.00

The financial highlights of company for the last three years (Audited) are as under:

Particulars	(₹ in lacs)		
	2011-2012	2010-2011	2009-2010
Income from operations	-	-	47.95
Other Income	4.44	31.65	92.26
Profit/(Loss) after Tax	0.12	(21.94)	0.77
Equity Share Capital	441.72	441.72	441.72
Reserves and Surplus	409.02	365.86	387.79
Deferred Income Tax (Liabilities)	-	2.02	2.02
Earnings per share	0.00	(0.50)	0.02
NAV	19.26	18.28	18.77

The Equity Shares of SPL are not listed on any stock exchange and it has not made any capital issue during the past three years.

For details with respect to litigation pending against SPL, please refer section 'Outstanding Litigations, Material Developments and other Disclosures' appearing on page no. 121 of this Offer Document.

SPL is not a Sick Industrial Company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995.

Disassociation

Our promoters have not disassociated themselves from any of the Companies/firms during the last three years

Defunct Group Companies

None of the Group Companies remain defunct and no application has been made to the registrar of companies for striking off the name of any of the Group Companies, during the five years preceding the date of filing this DRHP with Stock Exchange.

Common Pursuits

None of our Group Company is engaged activities similar to those conducted by us except as stated above under our Promoters Group Companies.

Undertaking / confirmations

Our Promoters and promoter group entities have confirmed that they have not been detained as willful defaulters by the RBI or any other Government authority. Additionally, there are no violations of securities laws committed by them in the past or are pending against them and none of our promoters or persons in control of body corporate forming part of our Promoter Group have been restricted from accessing the capital markets for any reasons, by SEBI or any other authorities.

Dividend Policy

The declaration and payment of dividend, if any, will be recommended by the Board of Directors and approved by the shareholders of our Company. It will depend on a number of factors, including but not limited to the profits, capital requirements and overall financial condition. Our Company has not declared any dividend during the last five years.

CURRENCY OF PRESENTATION

In the Red Herring Prospectus, unless the context otherwise requires, 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 and the word “trillion” means “One thousand billion”. In the Red Herring Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding off.

Throughout the Red Herring Prospectus, all the figures have been expressed in Lacs of Rupees, except when stated otherwise. All references to “Rupees”, ₹ and “Rs.” in the Red Herring Prospectus are to the legal currency of India.

SECTION VII - FINANCIAL INFORMATION

AUDITORS' REPORT

To,
The Board of Directors,
Sanco Industries Ltd
9/51, Bazar Gali, Vishwas Nagar,
Delhi-32

1. We have examined the attached financial information of **SANCO INDUSTRIES LTD** as approved by the Board of Directors of the Company prepared in terms of the requirements of Paragraph B, Part II of Schedule II of the Companies Act, 1956 (the Act) and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (SEBI Regulation) and terms of our engagement agreed with you in accordance with our letter dated 12/01/2013 in connection with the proposed Equity offering.

The preparation and presentation of these financial information is the responsibility of the Company's management.

2. We have, in terms of Securities and Exchange Board of India (ICDR) Regulations, 2009 audited the financials of M/s Sanco Industries Ltd as on 31st December, 2012 and also re-audited the Balance Sheet of M/s Sanco Industries Ltd. as at 31st March, 2012 the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, which have been audited by **M/s Raj Gupta & Associates, erstwhile statutory Auditors of the Company**. In our opinion and to the best of our information and according to the explanation given to us, and also as per the reliance placed on the reports for the financial year ending on 31st March, 2012 submitted by the erstwhile Statutory Auditors, **M/s Raj Gupta & Associates**, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principle generally accepted in India.
3. We have examined the attached 'Summary Statement of Assets and Liabilities' of the Company as at 31st December, 2012, 31st March, 2012, 31st March, 2011, 31st March, 2010, 31st March, 2009 and 31st March, 2008 (Annexure I) and the attached ' Summary Statement of Profit and Loss' (Annexure II) and the attached 'Summary Statement of Cash Flow' (Annexure III) for the period ended 31st December, 2012, for the financial years ended on 31st March, 2012, 31st March, 2011, 31st March, 2010, 31st March, 2009 & 31st March, 2008 together referred to as Summary Statements'. These Summary Statements have been extracted from the re-audited financial statements for the period ended 31st December, 2012, March 31, 2012 and audited financial statements for the period ended 31st March 2011, March 31, 2010, March 31, 2009 & March 31, 2008. The re-audit for the period ended 31st December, 2012 and re-audit for the financial year ended March 31, 2012 was conducted by us and audit for the financial year ended March 31, 2011, March 31, 2010, March 31, 2009 & March 31, 2008 was conducted by the erstwhile statutory auditors of the Company, **M/s, Raj Gupta & Associates**. The financial information included for the financial year ended March 31, 2011, March 31, 2010, March 31, 2009 & March 31, 2008 are based on reports submitted by them and have been relied upon by us while expressing our opinion and reporting on various financial information and annexures thereof expressly stated in the following paragraphs.
4. Based on the above, we report that in our opinion and according to the information and explanations given to us, we have found the same to be correct and the same have been accordingly used in the financial information.
5. Based on above and also as per the reliance placed on the reports submitted by the previous auditors, M/s Raj Gupta & Associates, Chartered Accountants for the respective periods and year we state that:
 - i) The 'Summary Statements' have to be read in conjunction with the Significant Accounting Policies and Notes to Accounts given in **Annexure IV** as well as with the Audit report on the financial statements
 - ii) The profits have been arrived at after charging all expenses including depreciation and after making such adjustment and regroupings as in our opinion are appropriate in the year/period to which they relate.

iii) The 'Summary Statements' of the Company have been taken with retrospective effect to reflect the true & fair view.

iv) Based on the above, we have been informed that:

1. There have been no adjustments for the changes in accounting policies retrospectively in respective financial years.
2. There have been no material adjustments for the amounts referring previous years in the respective financial years.
3. There are no extra ordinary items that need to be disclosed separately in the accounts and qualification requiring adjustments.

6. Other Financial Information

We have also examined the following other financial information set out in Annexures prepared by the management and approved by the Board of Directors relating to the Company for the period ended 31st December, 2012, March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 & March 31, 2008.

- a) Annexure IV - Significant Accounting Policies & Notes on financial statements.
- b) Annexure V- Statement of Share capital
- c) Annexure VI- Statement of Reserves & Surplus.
- d) Annexure VII(a)- Statement of Long term borrowings
- e) Annexure VII(b)- Statement of Short term borrowings
- f) Annexure VII(c)- Details of terms and conditions of Secured loans.
- g) Annexure VIII- Statement of Tangible assets & Intangible assets
- h) Annexure IX- Statement of Trade receivables
- i) Annexure X- Statement of Long term loans & advances
- j) Annexure XI- Statement of Other Non Current Assets
- k) Annexure XII- Statement of Short term loans & advances
- l) Annexure XIII - Statement of Investments.
- m) Annexure XIV- Statement of Inventories.
- n) Annexure XV- Statement of Cash & Cash Equivalent.
- o) Annexure XVI- Statement of Other Current Assets.
- p) Annexure XVII- Statement of Trade payables.
- q) Annexure XVIII- Statement of Other Current Liabilities
- r) Annexure XIX- Statement of Other long term liabilities.
- s) Annexure XX- Statement of Short Term Provisions.
- t) Annexure XXI - Statement of Other Income.
- u) Annexure XXII - Statement of Tax Shelter
- v) Annexure XXIII - Statement of Dividend Paid
- w) Annexure XXIV - Key Accounting Ratios
- x) Annexure XXV - Statement of Capitalization
- y) Annexure XXVI - Statement of Related Party Transaction
- z) Annexure XXVII - Statement of Contingent Liabilities.

7. In our opinion, the 'Financial Information as per Re-audited/Audited Financial Statements' and 'Other Financial Information' mentioned above read with Significant Accounting Policies and Notes to Accounts appearing in Annexure IV & the audit report for the period ended 31st December, 2012, 31st March 2012, 31st March 2011, 31st March, 2010, 31st March 2009 & 31st March, 2008 have been prepared in accordance with Part II of schedule II of the Act, and the SEBI Regulations.
8. This report should, in any way, neither be construed as a re-issuance nor re-dating of any of the previous audit reports by us nor should this be construed as a new opinion on any of the Financial Statements referred to herein.

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

For VIJAY MUKESH & Co.,
Chartered Accountants

Sd/-

Sunil Jain
(Partner)
Membership No.: 094673
Firm Registration No: 014554N

Place: New Delhi
Date: 29/01/ 2013

ANNEXURE I

SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(₹ in lacs)

Particulars	31st December, 2012	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
ASSETS						
Non-current assets						
Fixed assets						
Tangible assets	263.99	294.27	308.30	294.33	263.21	285.40
Intangible assets	0.05	0.08	-	-	-	-
Capital work-in-progress	30.32	30.31	24.23	-	-	-
Non-Current Investments						
Investments in Equity instruments	350.00	350.00	-	-	-	-
Long term loans and advances	1.54	2.04	1.70	2.73	5.59	6.88
Other Non Current Assets	82.42	96.19	-	-	-	-
Total Non-Current Assets (A)	728.33	772.89	334.23	297.06	268.80	292.28
Current Assets						
Inventories	843.77	712.34	773.14	441.14	278.32	169.96
Trade Receivables	2,126.77	2,047.29	1,128.09	1,581.71	1,495.89	810.50
Cash and cash equivalents	108.19	51.52	50.40	31.83	93.72	47.68
Short-term loans and advances	247.73	600.32	48.58	24.65	44.80	39.04
Other current assets	3.12	1.00	1.66	13.72	2.14	-
Total Current Assets (B)	3329.58	3412.47	2001.87	2093.05	1914.87	1067.18
Total Assets (A)+(B)	4057.91	4185.36	2336.10	2390.11	2183.67	1359.46
LIABILITIES						
Non-Current Liabilities						
Long-term borrowings	243.18	45.93	91.26	162.24	100.45	68.61
Deferred tax liabilities (net)	11.85	5.86	6.31	5.80	5.28	5.82
Other long term liabilities	12.69	7.59	4.47	-	-	-
Total Non-Current Liabilities (C)	267.71	59.38	102.04	168.04	105.73	74.43
Current Liabilities						
Short term borrowings	1,193.99	1,699.14	707.80	707.05	648.66	361.07
Trade payables	829.55	976.83	330.93	269.49	663.88	341.91
Other current liabilities	147.67	87.08	142.70	381.82	91.24	60.21
Short-term provisions	52.26	57.02	51.90	35.64	19.66	17.61
Total Current Liabilities (D)	2,223.46	2,820.06	1,233.33	1,394.00	1,423.44	780.79
Total Liabilities (C)+(D)	2,491.18	2,879.44	1,335.37	1,562.04	1,529.17	855.23
Net Worth (A+B) - (C+D)	1,566.73	1,305.92	1,000.73	828.07	654.50	504.23
Net worth represented by:						
Shareholders Funds						
Share Capital						
Equity share capital	617.00	600.00	600.00	600.00	300.00	300.00
Reserves & Surplus						
Securities Premium	34.00	-	-	-	-	-

Particulars	31st December, 2012	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
Reserves & Surplus	979.24	768.78	436.06	228.07	354.50	204.23
Miss. Expenditure	(63.52)	(62.86)	(35.33)	-	-	-
Net worth	1,566.73	1,305.92	1,000.73	828.07	654.50	504.23

Notes :

There are no revaluation Reserves / revaluations carried, so no adjustments are required
The accompanying accounting policies & Notes on accounts are an integral part of these statements

ANNEXURE II
SUMMARY STATEMENT OF PROFIT AND LOSSES

(₹ in lacs)

Particulars	31st December, 2012	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
INCOME						
Revenue from operations	3,283.71	4,010.69	3,680.59	3,629.89	3,989.50	3,092.11
Other income	5.83	8.55	10.62	9.65	2.38	18.72
Total Income	3289.54	4019.23	3691.21	3639.54	3991.89	3110.83
EXPENSES						
Cost of raw material and components consumed	1461.11	1853.74	2009.71	2289.96	3424.77	2625.54
Purchase of Stock in Trade	1,149.07	1,028.15	1,059.51	606.90	-	-
Changed in inventories of finished goods and traded goods	(110.75)	133.87	(212.23)	(205.41)	(33.68)	(11.80)
Employee Benefits Expenses	90.59	106.06	84.83	59.87	45.14	29.48
Other Expenses	180.43	350.26	305.83	495.64	268.48	224.84
Total Expenditure	2770.45	3472.08	3247.64	3246.96	3704.70	2868.07
Earnings before interest, tax, depreciation and amortization (EBITDA)	519.09	547.16	443.57	392.58	287.19	242.76
Depreciation and Amortization Expenses	29.77	41.53	40.76	37.24	39.46	34.95
Finance Costs	206.85	212.53	142.39	145.61	78.15	55.48
Profit Before Tax	282.47	293.09	260.41	209.73	169.58	152.33
Less: Tax Expense						
Current tax expense	66.02	65.56	51.90	35.64	19.85	17.61
Deferred tax (credit)/ charge	5.98	(0.45)	0.53	0.51	(0.54)	0.71
Total Tax Expense	72.00	65.11	52.43	36.15	19.31	18.32
Profit After Taxation	210.47	227.98	207.98	173.57	150.27	134.02

ANNEXURE III
SUMMARY STATEMENT OF CASH FLOWS

(₹ in lacs)

Particulars	31st December, 2012	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
A. Cash flow operating activities						
Net Profit before prior period item, tax and extraordinary items	282.47	287.90	260.41	209.73	169.58	152.33
Adjustment for:						
Depreciation/amortization	29.77	41.53	40.76	37.24	39.46	34.95
Finance charges & loss on variation on foreign exchange rates	164.76	165.73	130.26	122.37	66.70	48.22
MAT Credit Adjusted	(13.76)	(8.55)	-	-	-	-
Provision for Gratuity & Leave Encashment	5.10	3.30	4.47	-	-	-
Profit on sale of Fixed Assets	(1.19)	-	(0.06)	-	(0.29)	(17.87)
Operating Profit Before Working Capital Changes	467.15	489.91	435.84	369.34	275.46	217.63
Adjustment for:						
Decrease/(Increase) in Inventories	(131.43)	60.81	(332.00)	(162.82)	(108.36)	90.90
Decrease / (Increase) in Trade Receivables	(79.48)	(919.20)	453.62	(85.82)	(685.39)	(364.20)
Decrease / (Increase) in Short Term Loans and Advances	352.60	(551.74)	(23.93)	20.15	(5.76)	(35.16)
Decrease / (Increase) in Other Current Assets	(2.12)	0.66	12.06	(11.58)	(2.14)	0.71
Increase / (Decrease) in Trade Payables	(147.29)	645.90	61.44	(394.39)	321.97	41.48
Increase / (Decrease) in Other Current Liabilities	60.59	(55.62)	(239.12)	290.57	31.04	(85.43)
Income taxes paid (net of refund)	(57.02)	(46.89)	(35.65)	(19.65)	(17.80)	(6.12)
Net cash generated / (utilized) from operating activities	463.00	(376.18)	332.26	5.80	(190.99)	(140.20)
B. Cash flow from investing activities						
Purchase of fixed assets	(0.78)	(27.58)	(96.96)	(92.58)	(17.64)	(65.07)
Capital Work-in-Progress	(0.00)	(6.08)	-	-	-	-
Sale of fixed assets	2.50		18.07	24.23	0.65	52.00
Purchase of non-current investment	-	(350.00)	-	-	-	-
Long Term Loans & Advances	0.50	(0.34)	1.03	2.86	1.29	21.61
Other Non Current Assets	13.76	-	-	-	-	-
Net cash utilized investing activities	15.98	(384.00)	(77.87)	(65.50)	(15.70)	8.54
C. Cash from Financing activities						
Interest paid	(164.76)	(165.73)	(130.26)	(122.37)	(66.70)	(48.22)
Increase in share capital	17.00	-	-	-	-	-
Share premium received	34.00	-	-	-	-	-
(Repayments) / proceeds of long term borrowings	197.25	(45.33)	(70.98)	61.78	31.84	(29.46)
Dividend & dividend distribution tax	-	-	-	-	-	-
Miss Expenditure to the extent not written off	(0.66)	(18.98)	(35.33)	-	-	-
(Repayments) / proceeds of short term loans	(505.14)	991.34	0.75	58.39	287.59	210.10

Particulars	31st December, 2012	31st March,	31st March,	31st March,	31st March,	31st March,
Net cash generated from/ (utilised in) financing activities	(422.31)	761.30	(235.82)	(2.20)	252.72	132.43
Net Increase / (decrease) in cash and cash equivalents	56.67	1.12	18.57	(61.89)	46.04	0.77
Cash and cash equivalents at the beginning of the year	51.52	50.40	31.83	93.72	47.68	46.91
Cash and cash equivalents at the end of the year	108.19	51.52	50.40	31.83	93.72	47.68

ANNEXURE IV

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS :

1. Nature of Operations

Sanco Industries Limited, incorporated on 17.03.1989, Formerly known as Sanco Plastics Pvt Ltd is engaged in manufacturing of PVC Compound, Pipe, Casing, Wire & Cable.

2. Statement of Significant Accounting Policies**(a) Basis of Preparation**

- i. The financial statements for the period ended 31st December, 2012, and year ended 31st March 2012 are prepared under revised schedule VI as well as Guidance Note issued by the Institute of Chartered Accountants of India. Accordingly the previous year figures have also been reclassified to conform to the year's classification. The financials statement for the year ended 31st March 2011, 2010, 2009 & 2008 had been prepared as per the then applicable pre revised schedule VI to the companies Act 1956.
- ii. The financial statements have been prepared under the historical cost convention (except for impaired fixed assets which are stated at recoverable amount); in conformity with the accounting principles generally accepted in India and comply with the accounting standards referred to in Section 211(3C) of the Companies Act 1956.
- iii. The company follows Mercantile System of Accounting and recognizes significant items of income and expenditure on accrual basis.

(b) Fixed Assets

- i. Fixed assets are stated at cost, less accumulated depreciation and impairment losses.
- ii. Cost comprises all direct costs related to the acquisition and installation of fixed assets to its working condition for its intended use.
- iii. Fixed assets are stated at cost,

(c) Depreciation

- i. Depreciation is provided on written down value method, on pro-rata basis, at the rate specified in schedule XIV of the Companies Act, 1956.

(d) Intangibles

Intangible assets are amortized over the useful life of the assets not exceeding 5 years.

(e) Inventories

Inventories are valued as follows:

Raw materials, components, stores and spares:	At cost, cost is determined on a FIFO basis.
Work-in-progress:	At cost as increased by proportionate share of production overhead.
Finished goods:	Lower of cost and net realizable value. Cost includes direct materials, labor and a proportion of manufacturing overheads.

(f) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Sale of Goods

Revenue from sale of goods is recognized upon dispatch of goods from the plants.

Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

(g) Employee Benefits

i. Provision for gratuity and leave encashment is made periodically and Provident Fund is a defined contribution scheme (Government Scheme) and the contributions are charged to the Profit & Loss Account of the year when the contributions to the respective funds are due. Provision for gratuity & Leave encashment has been made on the basis of management valuation and as per the specification of accounting standard defined by Institute of Chartered Accountant of India.

(h) Taxation:

- i. Current tax is determined as the amount of tax payable in respect of taxable income for the year.
- ii. Deferred taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.
- iii. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.
- iv. When tax on income as per normal provision of Income Tax Act is less than tax as per section 115 JB of Income Tax Act then Provision for income tax has to be made on the basis of provision of section 115 JB of Income Tax Act.

(i) Foreign Currency

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction; any subsequent fluctuations are charged / taken to revenue account.

(j) Provisions and Contingent Liabilities.

Provisions are recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

(k) Borrowing Costs.

Borrowing costs attributable to fixed assets during construction/renovation and modernization are capitalized. Other borrowing costs are recognized as an expense in the period in which they are incurred.

(l) Use of estimates.

The preparation of financial statement requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the results and estimates are recognized in the period in which the results are known / materialized.

Notes Forming part of the accounts

3. Contingent Liabilities not provided for in respect of : Nil
4. Some of the balances shown under advances, deposits, creditors, are subject to confirmation, reconfirmation, reconciliation and consequential adjustment, if any.
5. In the opinion of the management, the value of current assets, loans and advances, on realization in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.
6. Calculation of Deferred Tax:
 - a) Deferred tax has been provided in accordance with Accounting Standard 22 – “Accounting for Taxes on Income” issued by the Institute of Chartered Accountants of India
7. Related party Disclosures:

As per Annexure XXVI annexed.
10. All Figures are in lacs and have been rounded off to the two decimals

ANNEXURE- IV NOTES ON FINANCIAL STATEMENTS

Note 1: REVENUE FROM OPERATIONS

(₹ in lacs)

Particulars	31st December, 2012	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
Sale of Products						
Manufactured Products	2,057.58	2,882.27	2,339.43	3,165.60	3,989.50	3,092.11
Traded Products	1,226.13	1,128.42	1,341.16	464.29	-	-
	3,283.71	4,010.69	3,680.59	3,629.89	3,989.50	3,092.11

Note 2: COST OF MATERIAL CONSUMED

(₹ in lacs)

Particulars	31st December, 2012	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
Raw Material						
Opening Stock	358.63	285.57	165.80	208.39	133.71	236.41
Add: Purchases	1481.79	1926.80	2129.48	2247.37	3,499.45	2,522.85
Less: Closing Stock	379.31	358.63	285.57	165.80	208.39	133.71
	1461.11	1853.74	2009.71	2289.96	3424.77	2625.54

Note 3: PURCHASE OF TRADED GOODS

(₹ in lacs)

Particulars	31st December, 2012	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
Purchase of Traded Goods	1,149.07	1,028.15	1,059.51	606.90	-	-
	1,149.07	1,028.15	1,059.51	606.90	-	-

Note 4: CHANGES IN INVENTORIES

(₹ in lacs)

Particulars	31st December, 2012	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
Finished Goods						
Opening Stock	286.88	485.60	112.30	69.93	36.25	24.45
Less: Closing Stock	463.12	286.88	485.60	112.30	69.93	36.25
Traded Goods						
Opening Stock	66.82	1.97	163.04	-	-	-
Less: Closing Stock	1.34	66.82	1.97	163.04	-	-
	(110.75)	133.87	(212.23)	(205.41)	(33.68)	(11.80)

Note 5: EMPLOYEE BENEFITS EXPENSES

(₹ in lacs)

Particulars	31st December, 2012	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
Salary	63.62	26.35	26.58	21.08	12.47	7.74
Wages	-	49.83	30.07	16.99	14.94	9.96
Director's Remuneration	11.25	13.00	12.00	15.00	12.60	8.40
Workers & Staff Welfare	4.23	6.32	5.20	4.02	2.64	1.76
Employer's Contribution to EPF	6.39	4.69	3.19	2.10	1.88	1.25
Employer's Contribution to ESI	-	2.14	1.31	0.68	0.60	0.38
Gratuity & Leave Encashment	5.10	3.30	4.47	-	-	-
Employees Compensation Expenses	-	0.43	2.01	-	-	-
	90.59	106.06	84.83	59.87	45.14	29.48

Note 6: FINANCE COSTS

(₹ in lacs)

Particulars	31st December, 2012	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
Interest Expenses						
Interest to Bank	121.14	148.30	130.26	122.37	66.70	48.22
Interest to Others	43.63	17.43	-	-	-	-
Bank Charges	22.62	22.22	12.14	23.24	11.44	7.26
Applicable Net Gain/Loss on Foreign Currencies Transactions & Translations	19.48	24.59	-	-	-	-
	206.85	212.53	142.39	145.61	78.15	55.48

Note 7: OTHER EXPENSES

(₹ in lacs)

Particulars	31st December, 2012	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
Manufacturing Expenses						
Custom & Import Duties	0.56	85.60	67.86	193.06	104.37	101.88
Consignment Clearing Charges	1.92	2.10	0.70	0.76	7.74	4.56
Freight & Forwarding Charges	28.19	86.07	73.01	137.65	49.47	37.07
Loading/Unloading Charges	0.23	2.86	1.55	4.12	-	-
Power & Electricity	59.16	81.78	81.45	52.45	39.86	27.22
Job Work	-	-	-	-	0.92	6.44
Machinery Maintenance	0.92	3.09	3.48	3.93	0.92	0.35
(A)	90.99	261.50	228.05	391.96	203.28	177.53
Administration & Selling & Distribution Expenses:						
Additional Sales Tax Demand	13.78	3.83	-	4.23	-	-

Particulars	31st December, 2012	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
Audit Fee	0.30	0.30	0.30	0.20	0.20	0.20
Advertisement & Publicity Exp.	0.14	3.09	1.42	6.71	4.51	1.59
BIS Fees	0.85	0.92	0.91	-	-	1.04
Car Insurance	-	-	-	0.31	0.30	0.30
Car Maintenance	0.27	0.84	0.18	1.67	0.14	0.56
Cartage Outward	-	-	-	-	-	1.34
Charity & Donation	5.05	0.20	0.56	0.12	0.06	1.11
Commission on sales	0.40	9.39	20.85	20.12	16.30	1.51
Computer Maintenance	0.26	0.51	0.69	0.31	0.11	0.07
Conveyance & Petrol Expenses	3.62	3.06	3.39	3.13	1.47	3.03
Bad Debt/Discount A/c	-	0.06	0.39	-	0.57	(0.11)
Electricity Expenses	1.30	1.45	0.17	0.02	0.52	0.10
Exhibition in Colombo	-	-	-	-	-	0.50
Factory Insurance	-	-	-	-	-	0.60
Fees & Subscription	0.60	1.01	0.45	1.19	1.29	0.21
Inspection Charges	-	0.06	0.17	-	-	-
Insurance Exp.	-	-	-	1.12	0.93	0.14
Insurance	20.02	21.88	6.91	15.90	15.90	15.90
Legal & Professional Charges	5.66	3.55	1.96	6.76	0.87	0.64
Misc. Expenses	1.92	1.14	1.70	1.39	0.66	0.01
News Paper & Periodicals	0.01	0.02	0.01	0.03	0.03	0.03
Postage & Telegram	0.20	0.21	0.19	0.23	0.18	0.02
Printing & Stationary	0.33	1.13	0.82	0.76	0.52	0.50
Registration Fees	-	-	0.15	0.57	0.36	0.08
Rent	6.84	7.61	1.77	2.75	1.08	-
Repair & Maintenance	2.15	2.28	0.32	2.35	-	0.18
ROC Fees	-	-	-	6.06	-	-
Round off	0.36	(0.00)	(0.01)	(0.00)	(0.00)	0.00
Service Tax	0.51	0.77	0.29	-	-	-
Security Expenses	1.02	2.02	0.62	-	-	1.18
Subscription A/c	-	-	-	-	-	-
Telephone Exp.	1.94	2.95	2.02	1.58	1.38	1.58
Tender Fees	-	-	-	-	0.02	0.00
Tours & Travels	5.13	3.20	5.30	4.19	1.87	1.45
Truck Insurance	-	-	-	0.27	0.33	0.17
Truck Running Expenses	16.78	17.13	26.07	21.17	15.61	12.78
Pollution Control Expenses	-	-	-	0.36	-	0.64
Web Space Charges	-	0.16	0.17	0.18	-	-
(B)	89.45	88.75	77.78	103.68	65.19	47.32
Total (A+B)	180.43	350.26	305.83	495.64	268.48	224.84

**ANNEXURE- V
STATEMENT OF SHARE CAPITAL**

(₹ in lacs)

Particulars	31st December, 2012	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
Authorised shares						
Equity shares of ₹ 10 each (Numbers)	14000000	14000000	14000000	12000000	3000000	3000000
Equity shares of ₹ 10 each (₹)	1400.00	1400.00	1400.00	1200.00	300.00	300.00
Issued, subscribed and fully paid up						
Equity shares of ₹ 10 each (Numbers)	6170000	6000000	6000000	6000000	3000000	3000000
Equity shares of ₹ 10 each (₹)	617.00	600.00	600.00	600.00	300.00	300.00
Capital account	617.00	600.00	600.00	600.00	300.00	300.00

Notes on adjustments for Financial Statements forms integral part of this Statement of share capital.

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	31st December, 2012	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
At the beginning of the period	6,000,000	6,000,000	6,000,000	3,000,000	3,000,000	3,000,000
Issue of Equity Share	170,000	-	-	3,000,000	-	-
Outstanding at the end of the period	6,170,000	6,000,000	6,000,000	6,000,000	3,000,000	3,000,000

Particulars	31st December, 2012	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
Equity shares allotted as fully paid bonus shares by capitalization of securities premium and reserves and surplus	-	-	-	3,000,000	-	-

Particulars	31st December, 2012	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
Number of shares	6,170,000	6,000,000	6,000,000	6,000,000	3,000,000	3,000,000
% holding in class	100%	100%	100%	100%	100%	100%

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of

liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

ANNEXURE - VI

STATEMENT OF RESERVES AND SURPLUS

(₹ in lacs)

Particulars	31st December, 2012	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
1. Securities Premium Account						
Opening balance	-	-	-	-	-	-
Add: Premium on issue of equity shares	34.00	-	-	-	-	-
Less: Amount Utilized	-	-	-	-	-	-
Closing balance	34.00	-	-	-	-	-
2. Surplus/ (deficit) in profit and loss account						
Opening balance	768.78	436.06	228.07	354.50	204.23	70.21
Add: Profit for the year	210.47	227.98	207.98	173.57	150.27	134.02
Add: MAT Credit Entitlement	-	104.74	-	-	-	-
Less: Amount Utilized towards issue of fully paid bonus shares	-	-	-	300.00	-	-
Closing balance	979.25	768.78	436.06	228.07	354.50	204.23
Total Reserves & Surplus	1013.25	768.78	436.06	228.07	354.50	204.23

Notes on adjustments for Restated Financial Statements (Annexure IV) forms integral part of this Statement of reserves and surplus

ANNEXURE VII(a)

STATEMENT OF LONG TERM BORROWINGS

(₹ in lacs)

Particulars	31st December, 2012	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
Secured Long Term Borrowings *						
Term loan from bank						
SIDBI	16.84	26.19	49.24	41.82	-	-
State Bank of India	-	-	-	26.73	42.14	53.61
Life Insurance Corporation of India	89.85	-	-	-	-	-
Total	106.70	26.19	49.24	68.55	42.14	53.61
Vehicle Loan						
TML Financial Services Ltd.	-	-	-	0.01	0.66	3.11
ICICI Bank Ltd. (Car)	-	-	-	-	0.92	3.40
ICICI Bank Ltd. (Truck)	-	-	1.74	6.00	6.22	-
BMW Financial Services	13.42	15.96	-	-	-	-
HDFC Bank Ltd.	2.42	3.77	5.38	-	-	-
Total	15.84	19.73	7.12	6.02	7.80	6.51
Unsecured						
Yes bank	-	-	-	-	-	8.50
HDFC Bank Ltd.	-	-	9.64	17.91	-	-
Bajaj Finance Ltd. (Business Loan)	12.68	-	-	-	-	-
Tata Capital Financial Services Ltd. (Term Loan guaranteed by directors and their Personal Property)	107.96	-	-	-	-	-
Barclays Investment & Loans India Pvt. Ltd.	-	-	13.62	25.18	-	-
Religare Finvest Ltd.	-	-	11.62	21.54	-	-
Indiabulls Financial Services	-	-	-	9.62	19.90	-
ABN Amro Bank	-	-	-	6.85	15.63	-
Standard Chartered Bank	-	-	-	6.56	14.98	-
Total	120.64	-	34.89	87.67	50.51	8.50

* Note: The statement of long term borrowings doesn't include loans payable/maturing within one year. Further, the detailed terms and conditions of the secured borrowings are appearing in Annexure VII(c)

ANNEXURE VII(b)

STATEMENT OF SHORT TERM BORROWINGS

(₹ in lacs)

Particulars	31st December, 2012	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
Secured						
Working Capital Loan						
Central Bank of India	1,056.69	-	-	-	-	-
State Bank of India	-	998.45	707.80	707.05	548.86	361.07
DCB Bank	-	-	-	-	99.80	-
NSIC Ltd.	95.47	-	-	-	-	-
Unsecured						
Tata Capital Ltd.	41.83	230.18	-	-	-	-
From other Corporates	-	470.50	-	-	-	-
Total	1,193.99	1,699.14	707.80	707.05	648.66	361.07

ANNEXURE TO VII (c)

DETAILS OF TERMS AND CONDITIONS OF SECURED LOANS OUTSTANDING AS AT 31st DECEMBER, 2012

(₹ in lacs)

Sr. No	Name of Financial Institution / Banks	Nature of Secured Loan	Amount Sanctioned	Primary Security	Collateral Security	Balance as at 31.12.2012	Interest Rate	No. of EMI	Amount of EMI	Starting Date of EMI
1	Central Bank of India Anand Vihar Branch, Delhi	Working Capital Facilities	Fund Based :1000.00 Lac Non Fund : 900.00 Lac	Hypothecation of stock, book debts, goods in transit & all other current assets of the company, present & future receivables	1. Equitable Mortgage of Factory Land and building in the name of the Company at village Sattiwala Teh. Paonta Sahib. Distt. Sirmour (H.P.) 2. Equitable mortgage of commercial property no. 51 block 9 Khasra no.2293/1849/3, 3760/1020/69/1, Bazar Gali. Vi shwas Nagar, Shahdara, Delhi 3. Equitable mortgage of residential house of Smt. Shakuntala Gupta and Smt. Rita Gupta, w/o Sri Sanjay at C-56, Suraj Mal Vihar, Delhi 4. Personal Guarantee of Mr. Sanjay Gupta, Mrs. Shakuntla Gupta, Mr. Sidhant Gupta, Mr. O.P. Gupta (Father of Director) Mrs. Rita Gupta (Wife of Director) M/s Sanjay Gupta HUF	1056.69	13.00%	N.A.	N.A.	N.A.

Sr. No	Name of Financial Institution / Banks	Nature of Secured Loan	Amount Sanctioned	Primary Security	Collateral Security	Balance as at 31.12.2012	Interest Rate	No. of EMI	Amount of EMI	Starting Date of EMI
2	National Small Industries Corporation, Delhi	Working Capital Facility under Raw Material Assistance Scheme	100.00 Lac	Bank Guarantee of the limit sanctioned i.e. ₹ 100.00 Lac	Nil	95.47	13.40%	N.A.	N.A.	N.A.
3	SIDBI Okhla Industrial Area, New Delhi	Machinery Term Loan	27.82 Lac	First Charge by way of hypothecation of all Plant & Machinery financed under the project for loan amounting ₹27.82 Lac	Nil	2.10	11.50%	48	0.55	
4	SIDBI Okhla Industrial Area, New Delhi	Machinery Term Loan	33.25 Lac	First Charge by way of hypothecation of all Plant & Machinery financed under the project for loan amounting ₹ 33.25 Lac	Nil	14.74	11.50%	60	0.43	
5	HDFC Bank Ltd. New Delhi	Hire Purchase Loan	3.16 Lac	Hypothication of the vehicle under finance	Nil	1.65	13.00%	36	0.11	5/6/2011
6	HDFC Bank Ltd. New Delhi	Hire Purchase Loan	3.42 Lac	Hypothication of the vehicle under finance	Nil	2.55	12.00%	60	0.08	5/6/2011
7	BMW Financial Services	Hire Purchase Loan	20.00 Lac	Hypothication of the vehicle under finance	Nil	16.97	10.84%	60	0.43	1/1/2012
8	LIC of India	Loan against Keyman Policy	85.23 Lac	Nil	Secured with Keyman Policy Bond worth ₹ 250.00 Lac	89.85	9.50%	N.A.	N.A.	N.A.

**ANNEXURE VIII
STATEMENT OF TANGIBLE & INTANGIBLE ASSETS**

(₹ in lacs)

Particulars	31st December, 2012	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
TANGIBLE ASSETS						
LAND						
Gross Block	14.15	14.15	14.15	14.15	14.15	14.15
Less Accumulated Depreciation	-	-	-	-	-	-
Net Block	14.15	14.15	14.15	14.15	14.15	14.15
LAND & BUILDINGS						
Gross Block	18.35	18.35	18.35	18.35	18.35	18.35
Less Accumulated Depreciation	1.83	1.83	1.83	1.83	1.83	-
Net Block	16.51	16.51	16.51	16.51	16.51	18.35
FACTORY BUILDINGS						
Gross Block	108.10	108.10	108.10	108.10	98.26	96.54
Less Accumulated Depreciation	50.28	45.59	38.64	30.92	22.67	14.33
Net Block	57.83	62.51	69.46	77.18	75.59	82.22
PLANT & MACHINERY						
Gross Block	277.42	277.42	274.77	238.93	188.98	186.68
Less Accumulated Depreciation	135.25	118.69	94.64	75.26	54.54	33.06
Net Block	142.17	158.73	180.13	163.67	134.44	153.62
FURNITURE & FIXTURES						
Gross Block	0.46	0.46	0.45	0.45	0.45	0.45
Less Accumulated Depreciation	0.34	0.32	0.30	0.26	0.22	0.19
Net Block	0.12	0.13	0.15	0.18	0.23	0.26
OFFICE EQUIPMENTS						
Gross Block	10.61	10.40	9.47	3.67	3.14	3.20
Less Accumulated Depreciation	5.89	4.92	3.21	2.51	2.34	2.48
Net Block	4.72	5.48	6.25	1.16	0.80	0.72
VEHICLES						
Gross Block	65.50	72.53	48.64	40.63	32.58	23.65
Less Accumulated Depreciation	37.00	35.78	27.00	19.17	11.09	7.56
Net Block	28.50	36.75	21.64	21.46	21.49	16.09
Total Net Block	263.99	294.27	308.30	294.33	263.21	285.40
Intangible Assets						
Computer Software	0.09	0.09	-	-	-	-
Amortized	0.04	0.01	-	-	-	-
Balance	0.05	0.08	-	-	-	-
Capital Work-in-progress	30.32	30.31	24.23	-	-	-

ANNEXURE IX
STATEMENT OF TRADE RECEIVABLES

(₹ in lacs)

Particulars	31st December, 2012	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
Debt outstanding for a period exceeding six months						
(Unsecured considered good)						
Considered good	747.00	411.02	554.28	400.68	30.43	20.59
Considered doubtful	-	-	-	-	-	-
Debt outstanding for a period less than six months (Unsecured considered good)	1,379.77	1,636.27	573.80	1,181.03	1,465.46	789.91
Total	2,126.77	2,047.29	1,128.09	1,581.71	1,495.89	810.50

ANNEXURE X
STATEMENT OF LONG TERM LOANS AND ADVANCES

(₹ in lacs)

Particulars	31st December, 2012	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
Unsecured considered good	-	-	-	-	-	-
Security deposits	1.54	2.04	1.70	2.73	5.59	6.88
Total	1.54	2.04	1.70	2.73	5.59	6.88

ANNEXURE XI
STATEMENT OF OTHER NON CURRENT ASSETS

(₹ in lacs)

Particulars	31st December, 2012	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
Mat Credit Available	82.42	96.19	-	-	-	-
Total	82.42	96.19	-	-	-	-

**ANNEXURE XII
STATEMENT OF SHORT TERM LOANS AND ADVANCES**

(₹ in lacs)

Particulars	31st December, 2012	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
(Unsecured Considered good unless otherwise stated)						
a) Advance recoverable in cash or kind or value to be received						
Considered Good	7.19	354.18	7.99	1.61	5.00	28.81
b) Balance with government authorities						
Advance Taxes Paid	0.21	0.28	6.21	0.78	0.43	0.19
Advance to Supplier	239.19	236.33	22.49	0.74	0.11	-
VAT Receivable	0.14	-	11.43	21.52	39.26	10.04
Special Additional Duty Receivable		9.54	0.46			
Income Tax A.Y. 05-06	1.00					
Total	247.73	600.32	48.58	24.65	44.80	39.04

**ANNEXURE XIII
STATEMENT OF INVESTMENTS**

(₹ in lacs)

Particulars	31st December, 2012	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
QUOTED in equity shares fully paid up	-	-	-	-	-	-
UN QUOTED in equity shares						
S.D.Portfolio & Infratech Private Limited	100.00	100.00	-	-	-	-
A.R.Com Private Limited	50.00	50.00	-	-	-	-
U.K.B. Electronics Private Limited	200.00	200.00	-	-	-	-
Total	350.00	350.00	-	-	-	-

ANNEXURE XIV

STATEMENT OF INVENTORIES

(₹ in lacs)

Particulars	31st December, 2012	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
Raw materials-(valued at cost)	379.31	358.63	285.57	165.80	208.39	133.71
Stock in Trade	1.34	66.82	1.97	163.04	-	-
Finished goods (valued at lower of cost or net realisable value)	463.12	286.88	485.60	112.30	69.93	36.25
Total	843.77	712.34	773.14	441.14	278.32	169.96

ANNEXURE XV

STATEMENT OF CASH AND CASH EQUIVALENTS

(₹ in lacs)

Particulars	31st December, 2012	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
Cash on hand	1.82	9.25	30.42	3.53	1.91	0.19
Balances with banks						
(i) In current accounts	23.66	0.89	(9.34)	7.05	4.95	5.59
(ii) In deposit accounts (held as margin money)	82.72	41.38	29.32	21.25	86.86	41.90
Total	108.19	51.52	50.40	31.83	93.72	47.68

ANNEXURE- XVI

STATEMENT OF OTHER CURRENT ASSETS

(₹ in lacs)

Particulars	31st December, 2012	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
Balance with government authorities	-	1.00	1.00	13.19	1.00	-
Prepaid Expenses	2.17	-	0.66	0.53	1.14	-
Interest Accrued	0.94	-	-	-	-	-
Total	3.12	1.00	1.66	13.72	2.14	-

**ANNEXURE - XVII
STATEMENT OF TRADE PAYABLES**

(₹ in lacs)

Particulars	31st December, 2012	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
Trade payables						
(a) Due to Micro & Small Enterprises	-	-	-	-	-	-
(b) Due to other Creditors	829.55	976.83	330.93	269.49	663.88	341.91
Total	829.55	976.83	330.93	269.49	663.88	341.91

Note: Trade payable does not include any amount payable to promoter(s)/ promoter group and director of the company.

**ANNEXURE- XVIII
STATEMENT OF OTHER CURRENT LIABILITIES**

(₹ in lacs)

Particulars	31st December, 2012	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
Instalments of Loans falling due within 12 months	99.67	41.52	118.32	361.13	83.22	58.74
Expenses Payable	34.29	42.04	16.60	18.47	3.79	0.47
Sundry Advances from Parties	13.71	3.52	7.78	2.21	4.23	1.00
Total	147.67	87.08	142.70	381.82	91.24	60.21

**ANNEXURE- XIX
STATEMENT OF LONG TERM PROVISIONS**

(₹ in lacs)

Particulars	31st December, 2012	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
Gratuity Payable	12.69	7.59	4.47	-	-	-
Total	12.69	7.59	4.47	-	-	-

ANNEXURE- XX
STATEMENT OF SHORT TERM PROVISIONS

(₹ in lacs)

Particulars	31st December, 2012	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
Provision for tax	52.26	57.02	51.90	35.64	19.66	17.61
Total	52.26	57.02	51.90	35.64	19.66	17.61

ANNEXURE XXI
STATEMENT OF OTHER INCOME

(₹ in lacs)

Particulars	31st December, 2012	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
Interest Income	4.08	2.37	2.40	8.48	2.09	0.85
Cartage Outward	-	0.98	-	0.52	-	-
Foreign exchange gain	-	-	-	0.65	-	-
Commission Recd.	-	-	8.16	-	-	-
Subsidiary Recd. From SIDBI	-	5.19	-	-	-	-
Profit on sale of fixed assets	-	-	0.06	-	0.29	17.87
Other Miscellaneous Income	1.75	-	-	-	-	-
Total	5.83	8.55	10.62	9.65	2.38	18.72

ANNEXURE XXII
STATEMENT OF TAX SHELTER

(₹ in lacs)

Sr. No	Particulars	31st December, 2012	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
A	profit before tax	282.47	293.09	260.41	209.73	169.58	152.33
B	Tax rate(including surcharge and education cess)	0.32	0.32	0.34	0.34	0.34	0.34
C	Tax there on(including surcharge and education cess)	91.65	95.09	88.51	71.29	57.64	51.78
D	Adjustments :						
	Permanent Differences						
	Deduction under section 80 IC	(96.00)	(90.59)	(256.92)	(192.47)	(169.57)	(132.37)
	Donation under section 80G	-	-	-	-	-	-
	Dividend exempted	-	-	-	-	-	-

Sr. No	Particulars	31st December, 2012	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
	Adjustments on profit /loss on sale of assets	-	-	-	-	-	-
	Income taxable under other heads	7.40	5.34	6.57	0.11	7.71	1.10
	Total	(88.60)	(85.25)	(250.35)	(192.36)	(161.86)	(131.27)
E	Timing difference						
	Difference between book depreciation and tax depreciation as per Return of Income	3.73	1.39	(1.58)	(1.50)	(1.59)	(2.08)
	provision for Gratuity, Leave encashment and Bonus under section 43B	-	-	-	-	-	-
	Disallowance u/s 40(a) (ia)	-	-	-	-	-	-
	Allowance u/s 40 (a)(ia) on payment	-	-	-	-	-	-
	Allowable expenses u/s 35D	-	-	-	-	-	-
	Allowable expenses u/s 35DD	-	-	-	-	-	-
	Disallowance of amalgamation expenses u/s 35DD						
	Gratuity paid during the year						
	Earned leave salary paid						
	Bonus paid						
	Total	3.73	1.39	(1.58)	(1.50)	(1.59)	(2.08)
F	Net adjustments (D+E)	(84.87)	(83.86)	(251.93)	(193.86)	(163.45)	(133.35)
G	Tax expenses or (savings) thereon (F*B)	(27.54)	(27.21)	(85.63)	(65.89)	(55.56)	(45.33)

Note:

1. The statement of tax shelter and adjustment have been prepared as per the summary statement of profit and losses, of the Company
2. Adjustment are considered in the tax shelter based on return of Income filed for respective years and latest tax assessment status positions
3. The permanent / timing difference also considers the income - tax returns filed by the company

ANNEXURE XXIII
SCHEDULE OF DIVIDEND PAID

(₹ in lacs)

Particulars	31st December, 2012	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
The company has not provide/declare any dividend for the period as mentioned above.						

ANNEXURE XXIV

STATEMENT OF KEY ACCOUNTING RATIOS

(₹ in lacs)

Sr. No	Particulars	31st December, 2012	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
	Earnings Per Share (In ₹)						
A	Net profit after tax attributable to equity share holders	210.47	227.98	207.98	173.57	150.27	134.02
B *	Weighted average no. equity shares outstanding during the year before considering impact of bonus issue, sub-division of shares and preferential allotment (Basic)	61.70	60.00	60.00	60.00	30.00	30.00
	Weighted average no. equity shares outstanding during the year before considering impact of bonus issue, sub-division of shares and preferential allotment (Dilutive)	61.32	60.00	60.00	60.00	30.00	30.00
C	Basic EPS (A/B)	3.41	3.80	3.47	2.89	5.01	4.47
	Diluted EPS (A/B)	3.43	3.80	3.47	2.89	5.01	4.47
D**	Weighted average no. equity shares outstanding during the year after considering impact of bonus issue, sub-division of shares and preferential allotment (Basic)	61.70	60.00	60.00	60.00	60.00	60.00
	Weighted average no. equity shares outstanding during the year before considering impact of bonus issue, sub-division of shares and preferential allotment (Dilutive)	61.32	60.00	60.00	60.00	60.00	60.00
E	Basic EPS (A/D)	3.41	3.80	3.47	2.89	2.50	2.23
	Diluted EPS (A/D)	3.43	3.80	3.47	2.89	2.50	2.23
	Return on Networth (%) (F/G)	13.43	17.46	20.78	20.96	22.96	26.58
F	Net profit after tax attributable to equity share holders	210.47	227.98	207.98	173.57	150.27	134.02
G	Net worth	1,566.73	1,305.92	1,000.73	828.07	654.50	504.23
	Net Asset Value Per Equity Share (H/I)(₹)	25.55	21.77	16.68	13.80	21.82	16.81
H	Total Assets less total liabilities	1,566.73	1,305.92	1,000.73	828.07	654.50	504.23
I	Weighted average no. equity shares outstanding during the year.	61.32	60.00	60.00	60.00	30.00	30.00

Note: * Weighted average no of equity shares outstanding during the years before considering impact of bonus issue.

** Weighted average no of equity shares outstanding during the year after considering impact of bonus issue to show retrospective effect of the issue.

Formula :

Earning per Share (₹)

$$\frac{\text{Net Profit attributable to equity shareholders}}{\text{Weighted Average number of equity shares outstanding during the period}}$$

Net Asset Value Per Share (₹)

$$\frac{\text{Net Worth excluding revaluation reserve at the end of the period}}{\text{Total Number of equity shares outstanding at the end of the year/period}}$$

Return on Net Worth (%)

$$\frac{\text{Net Profit after tax adjustments}}{\text{Net worth at the end of the year/period}}$$

Net Asset

Equity Share Capital plus Reserves & Surplus less Miscellaneous Expenditure to the extent not written off.

ANNEXURE-XXV

Statement of Capitalization

(₹ in lacs)

Sl. No	Particulars	Pre issue as at 31st December, 2012	Post issue **
	Debt		
A	Short Term Debt	1,193.99	1,193.99
B	Long Term Debt *	342.85	342.85
C	Total Debt	1,536.84	1,536.84
	Shareholders' funds		
D	Share capital	617.00	**
E	Reserves and surplus	1,013.24	
F	Total Shareholders Fund	1,630.24	
G	Long Term Debt/Equity(B/F)	0.21	
H	Total Debt/Equity (C/F)	0.94	

Note:

- 1) * Amount repayable within 1 year i.e. ₹ 99.67 Lac is included in long term debt.
- 2) **The corresponding post issue figures are not determinable at this stage, pending completion of book-building process and hence have not been furnished.

ANNEXURE XXVI

STATEMENT OF RELATED PARTY TRANSACTION

A. Related parties

Name of related parties & description of relationship

31st December, 2012	31 st March 2012	31 st March 2011	31 st March 2010	31 st March 2009	31 st March 2008
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Key Management Personnel

Sanjay Gupta	Sanjay Gupta	Sanjay Gupta	Sanjay Gupta	Sanjay Gupta	Sanjay Gupta
Shakuntala Gupta	Shakuntala Gupta	Shakuntala Gupta	Shakuntala Gupta	Shakuntala Gupta	Shakuntala Gupta
-	-	-	Anurag Gupta	Anurag Gupta	Anurag Gupta
Sidhant Gupta	Sidhant Gupta	Sidhant Gupta	Sidhant Gupta	Sidhant Gupta	Sidhant Gupta
Rita Gupta	Rita Gupta	Rita Gupta	Rita Gupta	Rita Gupta	Rita Gupta
Sanjay Gupta HUF	Sanjay Gupta HUF	Sanjay Gupta HUF	Sanjay Gupta HUF	Sanjay Gupta HUF	Sanjay Gupta HUF

Associates/Enterprises over which directors and /or their relatives have significant influence

Sanco Enterprises (P) Ltd.	Sanco Enterprises (P) Ltd.	Sanco Enterprises (P) Ltd.	Sanco Enterprises (P) Ltd.	Sanco Enterprises (P) Ltd.	Sanco Enterprises (P) Ltd.
Superlink Polyfeb Ltd.	Superlink Polyfeb Ltd.	Superlink Polyfeb Ltd.	Superlink Polyfeb Ltd.	Superlink Polyfeb Ltd.	Superlink Polyfeb Ltd.

B. Related Party Transactions

(₹ in lacs)

Particulars	31st December, 2012	31 st March 2012	31 st March 2011	31 st March 2010	31 st March 2009	31 st March 2008
Remuneration to key managerial personnel	11.25	13.00	12.00	15.00	12.60	8.40
Sanjay Gupta	4.5	6.00	6.00	6.00	4.80	3.60
Shakuntala Gupta	4.5	6.00	6.00	6.00	4.80	2.40
Anurag Gupta	-	-	-	3.00	3.00	2.40
Sidhant Gupta	2.25	1.00	-	-	-	-
Pay to key managerial personnel other than remuneration						
RENT	4.50	5.50	-	-	-	-
Shakuntala Gupta	3.38	4.50	-	-	-	-
Rita Gupta	1.13	1.00	-	-	-	-
Loan Taken/ (Granted)						
Sanjay Gupta	-	-	17.00	3.96	-	-
Anurag Gupta	-	-	-	2.50	-	-
Sanjay Gupta (HUF)	-	-	(1.00)	-	-	-
Loan Repaid/ (Received Back)						
Sanjay Gupta	-	-	17.00	3.96	-	-
Anurag Gupta	-	-	-	2.50	-	-
Sanjay Gupta (HUF)	-	-	(1.00)	-	-	-
Transactions with associate companies						
Superlink Polyfeb Ltd.						
Loan Taken	-	-	-	260.00	-	-
Loan Repaid	-	-	262.04	33.18	-	-
Loan Given	-	-	-	-	-	-
Loan Given Repaid	-	-	-	-	-	-
Interest paid	-	-	-	29.45	-	-
Commission on Sale	-	-	-	9.69	-	-
Purchase of Material	-	-	-	-	67.82	-
Sanco Enterprises Pvt. Ltd.						
Loan Taken	-	-	74.25	257.00	-	-
Loan Repaid	-	-	74.25	257.00	-	-
Loan Given	-	-	-	56.03	-	-
Loan Given Repaid	-	-	-	56.03	-	-
Commission on Sale	-	-	-	-	5.85	0.90
Sale	-	-	-	-	58.7	45.44
Purchase of Material	-	-	-	-	0.96	-

ANNEXURE-XXVII**STATEMENT OF CONTINGENT LIABILITIES**

Contingent liability not provided for in respect of:

(₹ in lacs)

Particulars	31st December, 2012	31 st March 2012	31 st March 2011	31 st March 2010	31 st March 2009	31 st March 2008
There were no contingent liabilities in the company for the period as mentioned above.						

CHANGES IN ACCOUNTING POLICIES IN THE LAST THREE YEARS

There are no changes in accounting policies of the Company in the last three years.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis of Financial Condition and Results of Operations as Reflected in the Financial Statements

a. Overview of our Business:

We are into the manufacturing of wide range of products such as Rigid PVC conduit pipes, PVC casing & capping, PVC/ PPR Plumbing Pipes, PVC Insulated Domestic Wires & Cables and Copper Wire Rod. The products are used in various electrical, cable and construction industries. Subsequently the Company has diversified its manufacturing line from electrical products to sanitary products to reduce market risk by introducing PVC/PPR Plumbing Pipes in its products line in 2008. Since FY 2010 our company started the trading operations of PVC resin and other related chemicals.

b. Quality and ISO certification

Our Company is an ISO 9001:2008 certified Company and sells its varied range of products under various brand names such as "SATYAM" "VIKRANT", "MARSHALL", "SUPERPLAST" and "SANCO". We are among the first few companies in "North India" and in its category which got "IS-14927" certification for PVC Profiles for quality assurance since December'2004. We are also awarded by the Government of NCT Delhi, for its outstanding performance in 1997. The manufacturing facility of our Company is located in Himachal Pradesh.

c. Capacity Expansion

Activities	Existing Capacity	Expanded Capacity
PVC Insulated Wires and Cables	18000 KMPA	36000 KMPA
PVC Conduit Pipes/Profiles	4000 MTPA	6000 MTPA

d. Promoters experience & their Shareholding

Our promoters have been involved in the business for over two and a half decades. Our promoters & promoters group currently holds entire 100% of our equity Capital.

e. Factors that may affect Results of Operations

Except as otherwise stated in the Risk Factors given in this Offer Document and the following important factors could cause actual results to differ materially from the expectations include, among others:

- **General economic and business conditions;**

As a company operating in India, we are affected by the general economic conditions in the country. The Indian economy has grown steadily over the past several years. This improved performance was propelled by the growth in industrial activity and robust services sector. The overall economic growth will therefore impact the results of its operations. The growth prospects of the business of the Company and its ability to implement the strategies will be influenced by macroeconomic growth.

- **Our ability to successfully implement its strategy and its growth and expansion plans;**

Our growth plans are considerable and would put significant demands on our management team and other resources. Any delay in implementation of its strategy and its growth and expansion plans could impact the Company's roll out schedules and cause cost and time over runs.

- **Factors affecting industrial activity;**
Any change in the factors such as industrial policies, tariffs, excise duties etc which may affect the activities of the steel, oil & gas, pharmaceutical industry etc. may affect our results of operation.
- **Increasing competition in the industry;**
We face competition from some of the domestic companies like AKG Industries, Dimple Plastics Pvt Ltd. (Setia Pipes) and Nav Shikha Polypack Pvt. Ltd. (Polypack Pipes).
- **Cyclical or seasonal fluctuations in the operating results;**
Cyclical or seasonal fluctuations in the operating results of the Company may affect the enduring financial performance at large.
- **Changes in laws and regulations that apply to the industry;**
There are some laws and regulations applicable to the industry in which we operate, which we have to comply/ follow. In case of a failure to comply with these laws and regulations or to obtain or renew the necessary permits and approvals our business may be affected.
- **Changes in fiscal, economic or political conditions in India;**
External factors such as potential terrorist attacks, acts of war or geopolitical and social turmoil in many parts of the world could constrain our ability to do business, increase the costs and negatively affect our financial performance.
- **Changes in the foreign exchange control regulations, interest rates and tax laws in India.**
Any change in the foreign exchange control regulation, mainly interest rates and tax laws pertaining to India affects the liquidity of cash in the market which in turn affects the purchasing power of the economy.

f. Outlook

The company is committed to put continuous efforts for providing superior quality products with research and innovation using best practices, adopting sales and marketing strategies, investment in people development and expansion of manufacturing capacity. The company is confident of continuous good performance of growth by using better technologies and consistent efforts. Fundamental growth drivers of the Indian economy continue to exist. The overall scenario for economy is showing recovery trends and we believe it will help our industry to grow at a faster rate, and we at Sanco Industries Limited remains optimistic about our future.

g. Overview of Our Results of Operations

The following discussion of the financial condition and results of operations for the financial year ended March 31, 2012, 2011, 2010, 2009 & 2008 respectively including the notes thereto and the reports thereon which appear in this Offer Document.

The Audited Financial Statements are prepared in accordance with the Indian Accounting Standards

(₹ in Lac)

Particulars	For the Financial year			
	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
Income				
Revenue from operations	4,010.69	3,680.59	3,629.89	3,989.50
Other income	8.55	10.62	9.65	2.38
Total Income	4019.23	3691.21	3639.54	3991.89

Particulars	For the Financial year			
	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
Expenses				
Cost of raw material and components consumed	1853.74	2009.71	2289.96	3424.77
Purchase of Stock in Trade	1,028.15	1,059.51	606.90	-
Changed in inventories of finished goods and traded goods	133.87	(212.23)	(205.41)	(33.68)
Employee Benefits Expenses	106.06	84.83	59.87	45.14
Depreciation and Amortization Expenses	41.53	40.76	37.24	39.46
Finance Costs	212.53	142.39	145.61	78.15
Other Expenses	350.26	305.83	495.64	268.48
Total Expenditure	3726.14	3430.80	3429.81	3822.32
Profit Before Tax	293.09	260.41	209.73	169.58
Less: Tax Expense				
Current tax expense	65.56	51.90	35.64	19.85
Deferred tax (credit)/ charge	(0.45)	0.53	0.51	(0.54)
Total Tax Expense	65.11	52.43	36.15	19.31
Profit After Taxation	227.98	207.98	173.58	150.27

Comparison of FY 2012 with FY 2011:

Total Income

Total Income for FY 2012 was ₹ 4,019.23 lacs as compared to ₹ 3,691.21 lacs in FY 2011 showing an increase of 8.89%. The increase in income was mainly due to increase in turnover, which was primarily on account of increased demand of PVC Conduit Pipes & Profiles.

Expenditure:

Cost of Raw Materials consumed increased to ₹ 3,015.76 lacs in FY 2012 against ₹ 2,856.99 lacs in FY 2011. The increase of 5.56% in materials consumed was in line with the increase in the production of PVC Pipes.

Our employee benefits expenses increased to ₹ 106.06 lacs in FY 2012 against ₹ 84.83 lacs in FY 2011, showing an increase of 25.03%. The increase in employee benefits expenses was primarily due to the increase in the wages during the FY 2011-2012.

Other expenses increased to ₹ 350.26 lacs in FY 2012 as compared to ₹ 305.83 lacs in FY 2011. The increase of around 14.53% was on account of increase in manufacturing expenses such as costs of import custom duty, clearing, freight & forwarding expenses and also due to overall increase in production levels.

Depreciation

Depreciation on fixed assets increased to ₹ 41.53 lacs in FY 2012 from ₹ 40.76 lacs in FY 2011. The increase of 1.89% was due to purchase of fixed assets to the tune of ₹ 27.58 lacs.

Finance costs

Finance costs increased to ₹ 212.53 lacs in FY 2012 against ₹ 142.39 lacs in FY 2011. An increase of 49.26% was primarily due to increase in interest on working capital loan & unsecured loans and also due to loss incurred on foreign currency transaction.

Profit after Tax

PAT increased to ₹ 227.98 lacs in FY 2012 from ₹ 207.97 lacs in FY 2011. An increase of 9.62% in PAT during FY 2012 was due to increase in turnover of the Company.

Comparison of FY 2011 with FY 2010:**Total Income**

Total Income for FY 2011 was ₹ 3,691.20 lacs as compared to ₹ 3,639.54 lacs in FY 2010 showing a marginal increase of 1.42%. The increase in total income was mainly due to increase in turnover for the period under consideration.

Expenditure:

Cost of Raw Materials increased to ₹ 2,856.99 lacs in FY 2011 against ₹ 2,691.45 lacs in FY 2010. The increase in materials consumed was in line with the increase of PVC Resin and copper prices in domestic as well as international market.

Our employee benefits expenses increased to ₹ 84.83 lacs in FY 2011 against ₹ 59.87 lacs in FY 2010, showing an increase of 41.69%. The increase in employee benefits expenses was attributable primarily to the increase in the wages during FY 2011.

Other expenses decreased to ₹ 305.83 lacs in FY 2011 against ₹ 495.64 lacs in FY 2010, showing a decrease of 38.30%. The reduction in other expenses was due to decrease in imports resulting in subsequent reduction in custom duty, clearing, freight & forwarding expenses During FY 2011 and also due to the decrease in expenditure incurred on advertisement and brand promotion.

Depreciation

Depreciation on fixed assets increased to ₹ 40.76 lacs in FY 2011 from ₹ 37.24 lacs in FY 2010. An increase of around 9.45% was mainly due to the net addition of fixed assets to the tune of ₹ 73.87 lacs.

Finance costs

Finance charges marginally decreased to ₹ 142.39 lacs in FY 2011 against ₹ 145.61 lacs in FY 2010. Though there was an increase in the interest cost during the year, the overall bank charges paid for the period were lower which resulted in decrease in the finance costs by 2.21% in the FY 2010-11 as compared to previous year 2009-2010.

Profit after Tax

PAT increased to ₹ 207.97 lacs in FY 2011 from ₹ 173.58 lacs in FY 2010. The increase of around 19.81% in PAT during the FY 2011 was mainly due to increase in total income and reduction in other expenses during the period under consideration.

Comparison of FY 2010 with FY 2009:**Total Income**

Total Income for FY 2010 was ₹ 3,639.54 lacs as compared to ₹ 3,991.88 lacs in FY 2009 showing a decrease of 8.83%. Though the quantum of the products sold during the year increased, the total income earned decreased due to lower sales realization.

Expenditure:

Cost of Raw Materials consumed decreased to ₹ 2,691.45 lacs in FY 2010 against ₹ 3,391.09 lacs in FY 2009. The decrease of around 17.53% in raw materials consumed was in line with the fall of PVC Resin prices in international market.

Our employee benefits expenses increased to ₹ 59.87 lacs in FY 2010 against ₹ 45.14 lacs in FY 2009, showing an increase of 32.63%. The increase in employee benefits expenses was primarily due to the increased costs of salary and wages during FY 2010.

Other expenses increased to ₹ 495.64 Lac in FY 2010 against ₹ 268.48 Lac in FY 2009, showing an increase of 84.61%. The increase in other expenses was primarily due to increase in manufacturing & packaging expenses and transportation costs during the year.

Depreciation

Depreciation on fixed assets decreased to ₹ 37.24 lacs in FY 2010 from ₹ 39.46 lacs in FY 2009. The depreciation went down by 5.63% for the period under comparison. The decrease in depreciation was on account of sale of old machinery for ₹ 24.21 lacs. Further, out of the fixed assets to the tune of ₹ 92.58 lacs purchased during the FY 2009-2010, machineries to the tune of ₹ 73.30 lacs were purchased only during the last quarter of the FY 2009-10.

Finance cost

Finance charges increased to ₹ 145.61 lacs in FY 2010 against ₹ 78.15 lacs in FY 2009, an increase of 86.32%. This was primarily due to increase in secured and unsecured loans by ₹ 572.10 lacs.

Profit after Tax

PAT increased to ₹ 173.58 lacs in FY 2010 from ₹ 150.27 lacs in FY 2009. The marginal increase in PAT by 15.51% was on account of reduction in raw material consumption during the year.

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:**1. Unusual or infrequent events or transactions**

There have been no events, other than as described in this Offer Document, which may be called “unusual” or “infrequent”.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations

Any slowdown in the growth of Indian economy or future volatility in global commodity prices, could affect the business, including the future financial performance, shareholders' funds and ability to implement strategy and the price of the Equity Shares.

3. Known trends or Uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

There are no known trends or uncertainties that may have material adverse impact on the income, costs and profits of the company from continuing operations.

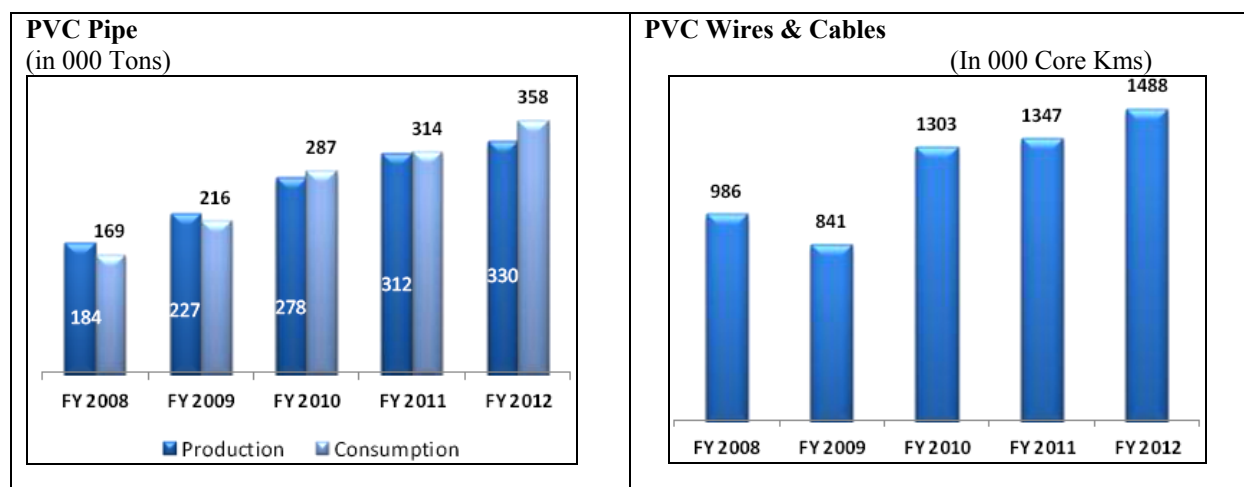
4. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

Increase in the cost of the products in which the Company deals, will affect the profitability of the company. Further, the company is not able to pass on the increase in prices of the product to the customers in full. This can be offset through cost reduction.

5. 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

The increase / decrease in turnover is only on account of increase in sales prices and volume.

6. Total turnover of each major industry segment in which the Company operates



Source: D&B Research Report

7. Status of any publicly announced new product

We have not publicly announced any new products.

8. The extent to which the business is Seasonal

Our business is not seasonal and no major cyclical trends are observed in this industry.

9. Competitive conditions

We face competition from few companies like AKG Industries, Dimple Plastics Pvt Ltd. (Setia Pipes) and Nav Shikha Polypack Pvt. Ltd. (Polypack Pipes).

10. Cautionary Statement

Statements in this report on Management Discussion and Analysis describing the company's objective, expectations or predictions may be forward looking statements within the meaning of applicable security law and regulations. These statements are based on certain assumption and expectation of future events. Actual results could however differ materially from those expressed or implied.

SECTION VIII – LEGAL AND REGULATORY INFORMATION**OUTSTANDING LITIGATIONS, MATERIAL DEVELOPMENTS AND OTHER DISCLOSURES**

There are no outstanding or pending litigation, suits, civil prosecution, criminal proceedings or tax liabilities against our Company, our Directors, our Promoters and Promoter Group and there are no defaults, non-payment of statutory dues, overdues to banks and financial institutions, defaults against bank and financial institutions except the following and there are no outstanding debenture, bond, fixed deposit or preference shares issued by our Company; no default in creation of full security as per the terms of the issue, no proceedings initiated for economic or 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 I of Schedule XIII of the Companies Act, 1956), and no disciplinary action has been taken by SEBI or any stock exchange against our Company, our Promoters, our Directors or Promoter Group except as described below:

I. Contingent liabilities not provided for:

Nil

II. Outstanding litigations involving Sanco Industries Limited:

We, Sanco Industries Limited hereby certify that, except as stated herein there are no:

- Pending litigations against us.
- Outstanding litigations, defaults etc pertaining to matter likely to affect operations and finances of the company including prosecution under the Companies Act 1956 (1 of 1956).
- Pending litigations, defaults etc in respect of Companies/firms/ventures with which the promoters were associated in the past but are no longer associated, and their names continue to be associated with particular litigation.
- Disciplinary action/ investigation taken by Securities and Exchange Board of India(SEBI)/ Stock Exchanges against the Company, its directors , promoters and their other business ventures (irrespective of the fact whether or not they fall under the purview of section 370(1B) of the Companies Act 1956.
- Cases against the Company or its Promoters of economic offences in which penalties were imposed on promoters.
- Pending litigation, disputes, defaults, non-payment of statutory dues, proceedings initiated for offences (including past cases and irrespective of whether specified in paragraph (i) of part 1 of Schedule XIII of the Companies Act, 1956) against the promoters and their business ventures.
- Pending litigations, defaults, non payment of Statutory dues, proceedings initiated for economic offences/civil offences, disciplinary action taken by the Board /Stock Exchanges against the Company/Promoters and their business ventures/Directors other than those mentioned in the Draft Red Herring Prospectus and that no litigations have arisen and the Company and its Directors take full responsibility of the information mentioned in the Draft Red Herring Prospectus.

(a) Cases filed against Sanco

Nil

(b) Cases filed by Sanco**i. Suo Moto Compounding Application**

Suo Moto Compounding Application no. CA No.1567/2011 dated January 12, 2011 was filed by us with the Reserve Bank of India, Foreign Exchange Department, Mumbai for seeking relief regarding unintended contravention of the provisions of FEMA Act, 1999. In turn the Reserve Bank of India, Foreign Exchange Department, Mumbai vide its order dated July 18, 2011 compounded the contraventions of Regulation 4 of Notification No. FEMA 20/2000-RB in terms of the foreign Exchange (Compounding Proceedings) Rules, 2000 on payment of ₹ 40,000/-

Brief facts:

Mr. Sumit Kumar a Resident Indian had transferred 550 equity shares of ₹100/- each of Sanco Industries Limited by way of gift to Mr. Anil Sharma, a NRI without seeking an approval of Reserve Bank of India. Sanco had recorded the said transfer in the board meeting held on January 15, 2007. The value of shares was ₹ 67,872/-.

Vide order dated July 18, 2011 the Assistant General Manager, RBI, the compounding authority had compounded the said offence and imposed a penalty of ₹ 40,000/- against the company for contravention of the provision of section 13 of FEMA Act, 1999. In this regard, the company in compliance with order dated July 18, 2011 had deposited the amount of ₹ 40,000/- to the Reserve Bank of India and pursuant to the receipt of the payment, the company had been granted a certificate by RBI, Mumbai on August 30, 2011.

ii. Other cases/suits filed by Sanco

Sr. No	Parties	Court/ Authority	Case Number	Current status	Amount involved (₹ in lacs)
<i>Criminal Complaint – For cheque bounce</i>					
1.	Ess Ess Products & Others, (a proprietorship firm) Ghaziabad, Uttar Pradesh	Hon'ble Metropolitan Magistrate, Karkadooma Court, New Delhi	15/1 of 2012	We had filed a case against the party (one of our customer) under section 138 of Negotiable Instruments Act 1881. The matter came up for hearing on 04.01.2013 before the District Court and the representative of Ess Ess Products requested the matter to be referred to the Mediation Centre, Karkadooma Court, Delhi. The next date of hearing in 20.05.2013 in Mediation cell	2.10
2.	Mr. Bharat Bhushan Khurana	Additional Chief Metropolitan Magistrate, Karkadooma Court, New Delhi	-	We had filed a case against the party (one of our customer) under section 138 of Negotiable Instruments Act 1881. The case is at the stage of Cross	4.75

Sr. No	Parties	Court/ Authority	Case Number	Current status	Amount involved (₹ in lacs)
				Examination before the Additional Chief Metropolitan Magistrate. Next date of hearing in the case is 06/06/2013	

Sr. No	Parties	Current status	Amount involved (₹ in lacs)
Legal Notices– Suit for Recovery, served by Sanco			
1.	A.N. Manufacturing Company, New Delhi	Notice dated June 19, 2012, sent through Registered AD on 21/06/2012	127.09 plus interest @ 24% per annum
2.	Rikshit Trading Company, Jaipur, Rajasthan	Notice dated 03/07/2012, sent through Registered AD on 05/07/2012	2.27 plus interest @ 24% per annum
3.	Anurag Insulations, Jaipur, Rajasthan	Notice dated 03/07/2012 sent through Registered AD on 05/07/2012	1.99 plus interest @ 24% per annum
4.	Fair Deal Electric, Varanasi, Uttar Pradesh	Notice dated 03/07/2012 sent through Registered AD on 05/07/2012	1.69 plus interest @ 24% per annum
5.	Raj Kamal Traders Saharanpur, Uttar Pradesh	Notice dated 03/07/2012 sent through Registered AD on 05/07/2012	1.60 plus interest @ 24% per annum
6.	Hardik Agencies, Haldwani, Uttarkhand	Notice dated 03/07/2012 sent through Registered AD on 05/07/2012	2.33 plus interest @ 24% per annum
7.	Suraj Traders, Modinagar, Uttar Pradesh	Notice dated 03/07/2012 sent through Registered AD on 05/07/2012	1.49 plus interest @ 24% per annum
8.	Ess Ess Products, Ghaziabad, Uttar Pradesh	Notice dated 18/05/2012 sent through Registered AD on 19/05/2012 to repay the bounced cheque amount	0.50 plus interest @ 24% per annum

III. Outstanding litigations involving promoters and group companies

There are no outstanding litigation, disputes, non-payment of statutory dues, overdues to banks / financial institutions, defaults against banks / financial institutions, defaults in dues towards instrument holders like debenture holders, fixed deposits, and arrears on cumulative preference shares issued, defaults in creation of full security as per terms of issue, other liabilities, proceedings initiated for economic / civil / any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of Part I of Schedule XIII of the Companies Act, 1956) against the promoters of Sanco Industries Limited or the group companies/associates of Sanco Industries Limited.

Legal proceedings by/against the promoters/group entities

(a) Proceedings of civil nature

(i) Against the promoters/group entities: NIL

(ii) By the Promoters/ group companies/associates: NIL

(b) Proceedings of a criminal nature

(i) Against the promoters/group entities:

Mr. Sanjay Gupta with respect to Superlink Polyfeb Limited ('SPL')

Sr. No.	Reference to Case No.	Opposite Party	Brief facts of the case
1.	Criminal Complaint No.15/1 of 2012 filed against Mr. Sanjay Gupta by the Central Excise Department, Delhi before the Additional Chief Metropolitan Magistrate, Patiala House, New Delhi under section 9 and 9A of the Central Excise Act, 1944.	Central Excise Department, Delhi	<p>A show cause notice C. No. IV (Hqrs Prev) 15/68/DII/08/223 dated 24/02/2009 issued by the Office of the Commissioner of Central Excise; Delhi-II, CR Building, IP Estate, New Delhi why a penalty should not be imposed under Rule 26 of the Central Excise Rules, 2002 against Mr.Sanjay Gupta, former director of the Superlink Polyfeb Ltd and also against one of the job worker 'Tirpuati Metal Works'.</p> <p>Subsequently, Superlink polyfeb Ltd vide its letter dated 20/03/2009 replied to the show cause notice issued by the Commissioner of Central Excise; Delhi-II informing that, Superlink Polyfeb Ltd is a unit located in the specified industrial area in Himachal Pradesh and the department cannot impose the penalty against the director of Superlink Polyfeb Ltd because the unit is enjoying full exemption from all duties for a period of 10 years under Notification No.50/2003-C.E. dated 10/06/2003.</p> <p>Consequently, after hearing the parties the Commissioner of Central Excise Department- Delhi-II passed an order dated 26/02/2010 imposing a penalty of ₹ 25 Lakhs on Mr. Sanjay Gupta and also imposing a duty of ₹ 2,27,17,168/- on Tirupati Metal Works.</p> <p>The order dated 26/02/2010 was appealed by Mr. Sanjay Gupta before Customs Excise and Service Tax Appellate Tribunal, New Delhi, Principal Bench on the ground that the SPL was enjoying the benefit of area based notification No.49/2003 and 50/2003-CE.</p> <p>The Customs Excise and Service Tax Appellate Tribunal, New Delhi, Principal Bench vide its order dated 17/02/2012 had set aside the order dated 26/02/2010 passed by the Commissioner of Central Excise-II, Delhi on the premise that from the calculations chart placed before the department regarding the quantum of credit available to the appellant would be either sufficient to neutralize the demand or may be in excess of the demand confirmed against them. It further remanded the matter to the commissioner for examining the appellant's entitlement of MODVAT credit of duty paid on the waste and scrap at the time of import of the same.</p> <p>While passing of the order by the Appellate Tribunal during the inter-magnum period the Inspector, Central Excise</p>

Sr. No.	Reference to Case No.	Opposite Party	Brief facts of the case
			<p>Delhi-II has filed a criminal complaint No.15/1 of 2012 against Mr. Sanjay Gupta before the Additional Chief Metropolitan Magistrate, Patiala House, New Delhi under section 9 and 9A of the Central Excise Act, 1944. A summon notice was issued by the Ld. Metropolitan Magistrate before the court on 26/09/2012.</p> <p>On 26/11/2012 Mr. Sanjay Gupta has been granted an exemption under section 436 of the Criminal Procedure Code, 1903. After perusing the details of the order dated 17/02/2012 the Ld. Metropolitan Magistrate directed Mr. Sanjay Gupta to file a discharge application from the criminal proceedings. The said discharge application was filed by Mr. Sanjay Gupta on 22/03/2013. The next date of hearing in the above matter is 10/05/2013.</p>

(ii) By the promoters/ group entities: Nil

(iii) Cases under Income tax Act against the promoters/ group entities: Nil

IV. Legal proceedings by or against the directors of Sanco Industries Limited

(a) Proceedings of civil nature

(i) Against the Directors - NIL

(ii) By the Directors - NIL

(b) Proceedings of criminal nature

(i) Against the Directors -

Besides above, there are no litigations pending against our Directors.

(ii) By the Directors - NIL

(iv) Past penalties imposed by any authority

In the past there was a delay in modifying a charge with the Registrar of Companies by one of our Group Companies, Sanco Enterprises Private Limited. Sanco Enterprises Private Limited had to file an application bearing no. 925/141/2009-CLB dated May 29, 2009, for condonation of the said delay before the Company Law Board under Section 141 of the Companies Act, which was eventually condoned by the Hon'ble Company Law Board, New Delhi vide their order dated July 14, 2009, subject to payment of penalty. The said penalty of ₹ 10,000/- was duly paid by Sanco Enterprises Private Limited.

MATERIAL DEVELOPMENTS

Significant development since the last audited Balance Sheet as on December 31, 2012 till the date of the draft Red Herring Prospectus

Except as mentioned below, circumstances have arisen since the date of last financial statement until the date of filing of the draft Red Herring Prospectus with SEBI, which materially and adversely affect or is likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months. There is no subsequent development after the date of the Auditor's Report, which will have a

material impact on the reserves, profits, earnings per share and book value of the Equity Shares of our Company:

- We have sold our investment in S.D. Portfolio & Infratech Pvt. Limited and A R Com Private Limited amounting to ₹ 100 Lacs and ₹ 50 Lacs respectively on March 08, 2013.
- We have been sanctioned the following loans during the current Financial Year but the no amount has been disbursed till date.

Sr. No.	Lender	Nature of loan	Sanctioned amount	Security	Interest rate p.a.	Repayment schedule
1.	SIDBI-3	Term Loan	70.00	<p>First Charge by way of hypothecation in favour of SIDBI of all plant and machinery equipment, miscellaneous fixed assets including tools, spares etc. whether movable or fixed acquired/ to be acquired under the scheme by the borrower.</p> <p>Extension of first charge by way of hypothecation of all the plant and machinery, equipment, miscellaneous fixed assets etc. acquired under our earlier SIDBI loans of ₹ 33.25 Lacs, ₹ 27.82 Lacs and ₹ 16.65 Lacs.</p> <p>Collateral Security:</p> <p>The loan to the extent of ₹ 22.00 Lakh will be inter-alia covered under <i>Credit Guarantee Fund Trust For Micro And Small Enterprises CGTMSE</i>.</p>	12.75 %	Loan to be repaid in 36 monthly instalments comprising of 35 equal instalments of ₹ 1.94 Lacs each and 36 th & last instalment of ₹ 2.10 lacs commencing after 3 months moratorium from 1 st month of disbursement
2.	Intec Capital Limited	Business Loan	94.50	<p>First Charge by the way of exclusive hypothecation lien mark on the proforma invoice and invoices in favor of Intec Capital Ltd covering the entire assets. The cost of assets must be equal or above loan amount.</p> <p>Property: Exclusive First Charge by way of registered/ equitable mortgage of property situated at Flat No.804, 8th Floor, Sai Kripa Apt., Plot No,GH-3, Sector-11, Vasundhara, Ghaziabad, U.P</p>	6.10%	To be repaid in 24 Equated Monthly Installments of ₹ 4.42 Lacs starting from 16/01/2013

Sr. No.	Lender	Nature of loan	Sanctioned amount	Security	Interest rate p.a.	Repayment schedule
				<p>Personal Guarantee & Deed of Guarantee of Mr.Sanjay Gupta, Mrs.Shakuntla Gupta and Mr.Anurag Gupta</p> <p>Corporate Guarantee of Mr.Sanjay Gupta, Mrs.Shakuntla Gupta, and Mr.Anurag Gupta with guarantee cheques of each with undertaking.</p> <p>Collateral Money of 33% of the Loan amount i.e. ₹ 31.18 lacs amount of S. D. The Collateral money bears interest of 6.10% and will be payable at the end of the tenure and repayment of loan.</p>		

GOVERNMENT AND OTHER APPROVALS

On the basis of the indicative list of approvals below, we are permitted to carry on business activities and no further major approvals from any Government authorities or regulatory authority or any other entity are required by us to undertake the Issue or continue these business activities. It must be understood that, in granting these licenses, Government of India and/ or Reserve Bank of India does not take any responsibility for Company's financial soundness or for the correctness of any of the statements made or opinion expressed in this behalf.

I. APPROVALS FOR THE ISSUE

Corporate Approvals

Our Board of Directors has, pursuant to resolution passed at its meeting held on December 01, 2012 authorized the Issue, subject to the approval by the shareholders of our Company under Section 81(1A) of the Companies Act.

Our shareholders have, pursuant to a resolution dated January 02, 2013 under section 81(1A) of the Companies Act, authorized the present Issue.

Approvals from Lenders

1) **CENTRAL BANK OF INDIA**

The company vide Letter No.BM/05/SANCO/09/2013 has obtained NOC for proposed IPO on 30th January, 2013 from Central Bank of India, C-53, Anand Vihar, Main Vikas Marg, Delhi-110092.

2) **SIDBI**

The company vide Letter No. SIDBI/OKBO/2082/3(1) (86) has obtained NOC for proposed IPO on 30th January, 2013 from SIDBI, Block-E, Ground Floor, NSIC Admin. Building, Gate no.3, Okhla Industrial Area, Phase-III, New Delhi.

II. INCORPORATION AND OTHER DETAILS

Sanco Industries Ltd.

Certificate of incorporation as Sanco Plastics Private Limited from the Registrar of Companies, NCT of Delhi and Haryana dated March 17, 1989 under the Companies Act;

Fresh certificate of incorporation from the Registrar of Companies, NCT of Delhi and Haryana dated April 9, 2008 for the change in name of our Company to Sanco Industries Private Limited.

Fresh certificate of incorporation from the Registrar of Companies, NCT of Delhi and Haryana dated June 3, 2008 with respect to Sanco Industries Limited pursuant to change in the status of our Company from private to public.

III. BUSINESS RELATED APPROVALS

a) Registration under various tax laws

Sl. No.	Description of Approval	Reference Registration No.	No./	Issuing Authority	Date of Issue	Validity / Renewal
1.	Income Tax Permanent Account No.	AAACS0260K		Income Tax Department	December 5, 1995	Valid till cancelled.
2.	Income Tax Deduction Account No.	DELS21220D		Income Tax Department	May 8, 2004	Valid till cancelled.

Sl. No.	Description of Approval	Reference Registration No. No./	Issuing Authority	Date of Issue	Validity / Renewal
3.	Registration as a Dealer under Himachal Pradesh General Sales Tax Act, 1968.	TIN 02040200651 Registration No. SIR-III-3975	Assessing Authority, Sirmour District, H.P	December 8, 2005	Valid till cancelled.
4.	Registration as a Dealer under Central Sales Tax Act, 1956 for Village Satiwala, Tehsil Poanta Sahib	TIN 02040200651 Certificate of Registration: CST No. 7428	Assessing Authority, Sirmour District, H.P	December 8, 2005	Valid till cancelled.
5.	Registration as a Dealer under Delhi Value Added Tax, 2004	Registration Number 07410352114	Department of Value Added Tax, Government of NCT of Delhi	December 18, 2008	Valid till cancelled.
6.	Registration as a Dealer under Central Sales Tax Act, 1956 for Delhi	TIN: 07410352114 Certificate of Registration: CST No. 351452	Notified Authority, Value Added Tax Department Delhi	December 16, 2008	Valid till cancelled.
7.	Registration as a Dealer under Uttar Pradesh Value Added Tax Act, 2005	TIN 09288801123	Department of Commercial Tax, Uttar Pradesh	October 15, 2008	Valid till cancelled.
8.	Dealer of excisable goods under Excise Act	Registration Number as AAACS0260KXD001	Assistant Commission of Central Excise, Delhi	October 8, 2009	Valid till cancelled
9.	Registration under Service Tax for Paonta Sahib for transport of goods by road	Service Tax No. AAACS1021NST002	Assistant Commission of Central Excise, Simla	April 24, 2007	Valid till cancelled
10.	Importer Exporter Code	0592050009	Directorate General of Foreign Trade	January 19, 1993	Valid till cancelled.

b) Registrations/ approvals required for running the factory at Paonta Sahib

Sl. No.	Description of Approval	Reference Registration No. No./	Issuing Authority	Date of Issue	Validity / Renewal
1.	Factory Licence for the factory at Paonta Sahib	L&E(Fac)9-351/06	Chief Inspector, Factories, Himachal Pradesh	June 2007	December 31, 2013
2.	Consent to Establish a manufacturing/ assembly of PVC/ PP-R Pipes and PVC wire and cables, PVC Compound at Village Satiwala, Poanta Sahib	PCB/AEE(N)/Sanco Plastics/2004-560-61	Himachal Pradesh State Environment Protection and Pollution Control Board	June 22, 2005	Valid till cancelled
3.	Consent to Operate/ No Objection Certificate for manufacturing/ assembly of PVC/ PP-R Pipes and PVC wire and cables, PVC Compound at Village Satiwala, Poanta Sahib	PCB/EE(PT)/(1234)/Sanco Industries Limited/ 31-33	Himachal Pradesh State Environment Protection and Pollution Control Board	April 02, 2013	March 31, 2018

Sl. No.	Description of Approval	Reference No./ Registration No.	Issuing Authority	Date of Issue	Validity / Renewal
4.	NOC from the Fire Department with respect to the factory at Paonta Sahib	Home(FS)(HQ)6-10/76.XL-Sml NOC-8592	Chief Fire Officer, Shimla	June 29, 2012	June 28, 2013

c) Registrations/ approvals required under labour laws

Sl. No.	Description of Approval	Reference No./ Registration No.	Issuing Authority	Date of Issue	Validity / Renewal
1.	Registration under Employees State Insurance Corporation	HP.14-38356-90/1591	Regional Office, Employees State Insurance Corporation, HP	May 25, 2007	Valid till cancelled.
2.	Employees Provident Fund Organization	HP/5507	Regional Provident Fund Organisation, Shimla	February 6, 2007	Valid till cancelled.

d) Registrations and approvals from various government and regulatory authorities under various Acts/ Rules

Sl. No.	Description of Approval	Reference No./ Registration No.	Issuing Authority	Date of Issue	Validity / Renewal
1.	Entrepreneurs Memorandum Certificate for manufacturing of PVC pipes, PVC Insu. Wires & Cables & PVC Insu. Copper Wire; PVC Compound; PPR Pipes; PVC Profile & PVC Rode.	Permanent Registration /EM-II No.02/010/12/00133	Department of Industries, Paonta Sahib, Sirmour District (H.P)	05/09/2007	Valid till cancelled
2.	License for the use of Standard Mark in respect of PVC insulated cable for working voltage upto and including 1100V, single core, sheathed/unsheathed with aluminum conductors including angles for use in low temperature conditions and excluding cables for use in outdoor conditions. IS: 694:1990	License No. CM/L 8291885	Bureau of Indian Standards	April 01, 2013	March 31, 2014
3.	License for the use of Standard Mark in respect of PVC insulated cable for Cables Trunking and ducting systems for	License No. CM/L 8635487	Bureau of Indian Standards	December 28, 2012	December 27, 2013

Sl. No.	Description of Approval	Reference No./ Registration No.	Issuing Authority	Date of Issue	Validity of Renewal
	electrical installations intended for mounting on walls and ceilings, of non metallic insulating material without apparatus mounting devices for medium mechanical stress non-flame propagating, with working temperature (-5 c to 60 c), IP 40 and access cover removable with tools for sizes 25mm x 25mm, 25mm x 16mm, and 25mm x 12mm IS: 14927: Part 2: 2001				
4.	License for the use of Standard Mark in respect of Rigid plain conduits of insulating materials for sizes 20mm, 25mm, 32mm and 50mm medium mechanical stress and 25mm heavy mechanical stress IS: 9537: Part 3: 1983	License No. CM/L 8219372	Bureau of Indian Standards	October 16, 2012	October 15, 2013
5.	ISO 9001:2008 Certificate for Quality Management Systems at Village Satiwala, Paonta Sahib	Certificate No. PCMS/ QMS/ 2091-2010	International Organization for Standardization Accreditation done by PC Management System P Ltd.	August 27, 2010	August 26, 2013

We are yet to obtain following registrations:

- Registration under Shops and Establishment Act for our warehouse at 42, Ground floor, Sona Trade Center, Ambedkar Road, Ghaziabad, (UP).
- We are registered under the provisions of EPF Act 1952 with Provident Fund Office, Himachal Pradesh. We have not been granted sub-code of registration from the Provident fund authorities (Delhi) for our Corporate Office situated at Delhi.

Intellectual Property Rights

The details of our trademarks registered with the Trademark registry under the Trademarks Act, 1999 are provided below:

Trademark	Number	Status	Date of	Validity	Class & Description
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			Application/R egistration		
SATYAM	128865	Registered	June 07, 2004	June 07, 2014	Class 17- PVC Pipes, Hose Pipes, Conduit Pipes and Accessories, PVC Casing and Caping Systems included in Class 17
MARSHALL	877279	Registered	September 20, 2009	September 20, 2019	Class 9 Electrical Wires, Cables & Accessories, Voltage Stabilizers, Inventors
SUPERPLAST	1050877	Registered	October 10, 2011	October 10, 2021	Class 9- Metallic and Non Metallic Conduit Pipe and PVC Insulated Wires and cables for electrical installation
VIKRANT	1288664	Registered	June 07, 2004	June 07, 2014.	Class 17- PVC Pipes, Hose Pipes, Conduit Pipes and accessories, PVC Casing and Caping systems included in Class 17
MARSHALL	777834	Registered	November 11, 2007	November 11, 2017	Class 9- PVC & Hard Non Metal Conduit Pipes for Electrical Fittings purposes included in Class 9
SANCO	1741397	Registered	October 08, 2008	October 08, 2018	Class 9- PVC Conduit pipes, casing and caping for Electrical fittings, wires and cables included in class 9
SANCO	2117326	Applied	March 17, 2011	Not Applicable	Class 17- Rubber, Gutta, Percha, Gum Asbestos, Mica and Goods made from these materials and not included in other classes; Plastics in Extruded Form for use in Manufacture; Packing, Stopping and Irulating Materials; Flexible Pipes, not of Metal.

OTHER REGULATORY AND STATUTORY DECLARATIONS

Authority for the Issue

The present Issue of Equity Shares has been authorized by the resolution of the Board of Directors at their meeting held on December 01, 2012. The shareholders have, at the Annual General Meeting of our Company held on January 02, 2013 have approved the Issue by passing resolutions under section 81(1) and 81(1A) of the Companies Act, 1956.

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the SME Platform of the NSE i.e., “EMERGE” and traded in the SME Normal market. In –principle approval from NSE for listing the Equity Shares has been received pursuant to its letter no. [•] dated [•], 2013. The NSE shall be the Designated Stock Exchange.

Prohibition by SEBI or RBI or Governmental authority

Our Company, our associates, our Promoters, our Promoter Group companies, or the companies with which the Directors are associated as directors or promoters, have not been prohibited from accessing or operating in the capital market under any order or direction passed by SEBI.

None of our Company, the associates, the Promoters or the members of the Promoter Group have been declared willful defaulters by the RBI or any Government authority and no violations of securities laws have been committed by them in the past and no proceedings in relation to such violations are currently pending against them.

None of our Directors are associated in any manner with any entity which is engaged in securities market related business and is registered with SEBI for the same.

None of our Directors hold current or have held directorship(s) in the last five years in a listed company whose shares have been or were suspended from trading on the Bombay Stock Exchange Limited or the National Stock Exchange of India or in a listed company which has been / was delisted from any stock exchange.

We confirm that there are no regulatory actions initiated/ taken against our Company, promoter group companies and the Promoter in their individual capacity by various agencies/ regulatory bodies.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 106M(1) and other provisions of Chapter XB of the SEBI ICDR Regulations as the post issue face value capital is less than ₹ [•] lacs.

We confirm that:

1. In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this Issue has been hundred percent underwritten and that the BRLM has underwritten more than 15% of the Total Issue Size. For further details pertaining to said underwriting see chapter titled “General Information” on page 9.
2. In accordance with Regulation 106O of the SEBI ICDR Regulations, our Company will not file any Draft Red Herring Prospectus with SEBI nor will SEBI issued any observations on our Draft Red Herring Prospectus. Also, we shall ensure that the BRLM submits a copy of the Draft Red Herring Prospectus along with a due diligence certificate including additional confirmations as required by SEBI at the time of filing the Draft Red Herring Prospectus with Stock Exchange and the Registrar of Companies.
3. In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, our Company has entered into an agreement with the BRLM and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this issue. For further details of the market making arrangement see chapter titled “General Information” on page 9.

4. In accordance with Regulation 106Q of the SEBI ICDR Regulations, the minimum application size in terms of number of Equity Shares will not be less than ₹ one lac per application.
5. In accordance with Regulation 106P of the SEBI ICDR Regulations, the Underwriter other than the BRLM and the Nominated Investors shall not subscribe to the Issue, in any manner except for fulfilling their obligations under their respective agreements with the BRLM in this regard.
6. In accordance with Regulation 106P of the SEBI ICDR Regulations, all the underwriting and subscription agreements made by the BRLM shall be disclosed in the Red Herring Prospectus.
7. In accordance with Regulation 106V of the SEBI ICDR Regulations, our Company shall disclose the details of arrangement of market making in the Red Herring Prospectus.

Further, we undertake that the number of Allottees in the Issue shall be atleast fifty. 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.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, KEYNOTE CORPORATE SERVICES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, KEYNOTE CORPORATE SERVICES LIMITED WILL FURNISH TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●].

As per Regulation 106(o) of the SEBI ICDR Regulations, only the prospectus has to be filed with SEBI alongwith a Due Diligence certificate as per form a of Schedule VI of the SEBI ICDR Regulations by the BRLM. Accordingly, this section will be updated at the time of filing the Prospectus with Stock Exchange and ROC and Prospectus and Due Diligence certificate as per form a of Schedule VI of the SEBI ICDR Regulations with SEBI.

Price Information of Past Issues handled by BRLM

1. Price information of past issues handled by Keynote Corporate Services Limited

Sr No	Issue Name	Issue Size ₹(Cr.)	Issue price (₹)	Listing date	Opening price on listing date (₹)	Closing price on listing date (₹)	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10 th calendar day from listing day (₹)	Benchmark index as on 10 th calendar days from listing day (Closing)	Closing price as on 20 th calendar day from listing day (₹)	Benchmark index as on 20 th calendar days from listing day (Closing)	Closing price as on 30 th calendar day from listing day (₹)	Benchmark index as on 30 th calendar days from listing day (Closing)
1.	Prakash Steelage Limited	68.75	110.00	25/08/2010	118.55 (BSE) 122.00 (NSE)	187.95 (BSE) 185.00 (NSE)	70.86% (BSE) 68.18% (NSE)	18,179.64 (SENSEX) 5462.35 (NIFTY)	181.80 (BSE) 182.10 (NSE)	18,221.43 (SENSEX) 5479.40 (NIFTY)	156.40 (BSE) 156.65 (NSE)	19,208.33 (SENSEX) 5760.00 (NIFTY)	145.60 (BSE) 145.65 (NSE)	19,861.01 (SENSEX) 5959.55 (NIFTY)
2.	Bedmutha Industries Limited	91.80	102.00	14/10/2010	114.40 (BSE) 113.50 (NSE)	180.80 (BSE) 179.15 (NSE)	77.25% (BSE) 75.64% (NSE)	20,497.64 (SENSEX) 6177.35 (NIFTY)	204.20 (BSE)* 203.00 (NSE)*	20,303.12 (SENSEX) 6105.80 (NIFTY)	176.05 (BSE) 174.95 (NSE)	20,345.69 (SENSEX) 6119.00 (NIFTY)	116.95 (BSE) 116.15 (NSE)	20,156.89 (SENSEX) 6071.65 (NIFTY)
3.	Gravita India Limited	45.00	125.00	16/11/2010	218.75 (BSE) 201.10 (NSE)	210.40 (BSE) 209.70 (NSE)	68.32% (BSE) 67.76% (NSE)	19865.14 (SENSEX) 5988.70 (NIFTY)	257.65 (BSE) 257.45 (NSE)	19,318.16 (SENSEX) 5799.75 (NIFTY)	255.70 (BSE)* 256.10 (NSE)*	19,981.31 (SENSEX) 5992.25 (NIFTY)	235.40 (BSE) 235.40 (NSE)	19,647.77 (SENSEX) 5892.30 (NIFTY)
4.	Servalakshmi Paper Limited	60.00	29.00	12/05/2011	30.00 (BSE) 29.00 (NSE)	19.00 (BSE) 19.05 (NSE)	(34.48%) (BSE) (34.31%) (NSE)	18,335.79 (SENSEX) 5,486.15 (NIFTY)	11.75 (BSE)* 11.80 (NSE)*	17,993.33 (SENSEX) 5,386.55 (NIFTY)	11.05 (BSE) 11.10 (NSE)	18,503.28 (SENSEX) 5,560.15 (NIFTY)	10.19 (BSE) 10.20 (NSE)	18,268.54 (SENSEX) 5,485.80 (NIFTY)
5.	Veto Switchgears and Cables Limited (SME Platform – NSE EMERGE)	25.00	50.00	13/12/2012	58.00	50.45	%0.9	19,229.26 (BSE) 5851.50 (NSE)	50.25*	19,255.09* (BSE) 5855.75* (NSE)	50.15	19580.81 (BSE) 5950.85 (NSE)	50.50	19663.64 (BSE) 5951.30 (NIFTY)

*Being non trading day, price data is considered for next trading day.

2. Summary statement of price information of past issues handled by Keynote Corporate Services Limited

Financial Year	Total no. of IPOs	Total Funds Raised (₹. Cr.)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30 th calendar day from listing day			Nos. of IPOs trading at premium as on 30 th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2010-11	3	205.55	Nil	Nil	Nil	3	Nil	Nil	Nil	Nil	Nil	1	1	1
2011-12	1	60.00	Nil	1	Nil	Nil	Nil	Nil	1	Nil	Nil	Nil	Nil	Nil
2012-13	1	25.00	Nil	Nil	Nil	Nil	Nil	1	N.A.	N.A.	N.A.	N.A.	N.A.	1

Track record of past issues handled by BRLM

For details regarding the track record of the BRLM to the Offer as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer to the website of the BRLM Keynote Corporate Services Limited at http://www.keynoteindia.net/track_record.html.

The filing of the 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 the Red Herring Prospectus.

All legal requirements pertaining to the issue have been complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies, Mumbai, in terms of Section 56, Section 60 and 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 RoC in terms of Sections 56, 60 and 60B of the Companies Act.

THE PROMOTER(S) /DIRECTOR(S) OF SANCO INDUSTRIES LIMITED SANJAY GUPTA (HUF), MR. SANJAY GUPTA, MRS. SHAKUNTLA GUPTA, MR. SIDHANT GUPTA, MR. DEEPAK GUPTA, MR. SAURABH GUPTA AND MR. SANJEEV KUMAR JAIN, CONFIRM THAT NO INFORMATION/MATERIAL LIKELY TO HAVE A BEARING ON THE DECISION OF INVESTORS IN RESPECT OF THE SHARES OFFERED IN TERMS OF THIS OFFER DOCUMENT HAS BEEN SUPPRESSED WITHHELD AND / OR INCORPORATED IN THE MANNER THAT WOULD AMOUNT TO MIS-STATEMENT/ MISREPRESENTATION AND IN THE EVENT OF ITS TRANSPIRING AT ANY POINT IN TIME TILL ALLOTMENT/ REFUND, AS THE CASE MAY BE, THAT ANY INFORMATION/MATERIAL HAS BEEN SUPPRESSED/WITHHELD AND/ OR AMOUNTS TO A MIS-STATEMENT/ MISREPRESENTATION, THE PROMOTERS/DIRECTORS UNDERTAKE TO REFUND THE ENTIRE APPLICATION MONIES TO ALL SUBSCRIBERS WITHIN 7 DAYS THEREAFTER WITHOUT PREJUDICE TO THE PROVISIONS OF SECTION 63 OF THE COMPANIES ACT.

Disclaimer statement of our Company, the BRLM

The Company, the Directors, and the BRLM accept no responsibility for statements made otherwise than in this DRHP or in the advertisements or any other material issued by or at instance of the above mentioned entities and anyone depending on any other source of information, including our website, www.sancopipes.com, would be doing so at his or her own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into among the BRLM and us dated January 16, 2013 and the Underwriting Agreement dated [●] entered into among the Underwriters and us.

All information shall be made available by us and 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 or at bidding centres etc.

Neither we nor the Syndicate is liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Caution

Investors who Bid in the Issue will be required to confirm and will be deemed to have represented to our Company, the BRLM, the Underwriters, the Syndicate Members 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 of our Company and will not issue, sell, pledge, or transfer the Equity Shares of our Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the BRLM, the Underwriters, the Syndicate Members 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 of our Company.

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 not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and to FIIs, Eligible NRIs, Eligible QFIs and other eligible foreign investors (viz. FVCIs, multilateral and bilateral development financial institutions). The Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India 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 dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai 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 RHP has been submitted to the Stock Exchange. Accordingly, the Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and the RHP may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the RHP nor any sale hereunder shall, under any circumstances create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Transfer Restrictions

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 SME platform of the National Stock Exchange of India Limited (NSE)

As required, a copy of the Draft Red Herring Prospectus had been submitted to NSE. NSE has given vide its letter no. [●] dated [●], 2013 permission to the Company to use the Exchange's name in the offer document as one of the Stock Exchange(s) on which the Company's securities are proposed to be listed. The Exchange has scrutinised the offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document, nor does it warrant that the Company's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project of this Company.

Every person who desires to apply for or otherwise acquires any of the Company's securities may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

The Draft Red Herring Prospectus is being filed with the NSE at Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051.

A copy of the Draft Red Herring Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the offer document in term of Regulation 106(M)(3) of the SEBI (ICDR) Regulations. However a copy of the Prospectus will be filed with SEBI at Northern Regional Office, 5th Floor, Bank of Baroda Building, 16 Sansad Marg, New Delhi - 110 001 while filing the Prospectus with the NSE and RoC, Delhi & Haryana.

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, Mumbai.

Listing

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the SME platform of the NSE. Initial listing application has been made to the NSE for permission to list the Equity Shares and for an official quotation of the Equity Shares of our Company. The NSE shall be the Designated Stock Exchange. In case the permission for listing of the Equity Shares is not granted by the NSE, 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 8 days after the day from which our Company becomes liable to repay it (i.e. from the date of refusal or within ten working days from the Bid/Issue Closing Date, whichever is earlier) then our Company and every director of our Company who is an officer in default shall, on and from expiry of 8 days, 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.

Our Company with the assistance of the BRLM shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME platform of the NSE are taken within twelve 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 and Compliance Officer, the auditors, the legal advisors, the Bankers to our Company, the Book Running Lead Manager, the Syndicate Members, the Escrow Collection Banks and the Registrar to the Issue to act in their respective capacities, have been obtained and will be filed along with a copy of the Red Herring Prospectus with RoC and have agreed that such consents have not been withdrawn upto the time of delivery of the Prospectus for registration, is as required under Section 60 and 60B of the Companies Act.

M/s. Vijay Mukesh & Co., Chartered Accountants, our Statutory Auditors have also given their written consent to the inclusion of their report as appearing in the form and context in which it appears in this RHP and also of the tax

benefits accruing to the Company and to the members of the Company and such consent and report will not be withdrawn up to the time of delivery of the Prospectus for registration to the Registrar of Companies.

Expert Opinion

Other than reports of our Auditor in respect of the information in the section “Financial Information” and “Statement of Tax Benefits” on page 85 and page 34, no expert opinion has been obtained by our Company in relation to the Issue.

Issue Expenses

The Issue related expenses include, among others, fees payable to intermediaries including BRLM, printing and distribution expenses, advertisement and marketing expenses and registrar, legal and depository fees among others and are estimated at ₹ [●] lacs (approximately [●] per cent of the total Issue size) and will be met out of the proceeds of the Issue.

Particulars	Amount (₹ in lacs)	As percentage of total expenses	As a percentage of Issue size
Fees of the Intermediaries (including underwriting commission, market making fees, brokerage and selling commission)	[●]	[●]	[●]
SCSB Commission/processing fee to SCSBs for processing ASBA Bid cum Application Forms procured by members of syndicate and non-syndicate members**	[●]	[●]	[●]
Commission to Non-Syndicate Members on procurement of eligible applications considered for purpose of allotment***	[●]	[●]	[●]
Advertising, traveling and marketing expenses	[●]	[●]	[●]
Printing and stationery expenses	[●]	[●]	[●]
Statutory and other miscellaneous expenses	[●]	[●]	[●]
Total estimated Issue related expenses	[●]	[●]	[●]

**SCSBs would be entitled to a processing fee of [●] per Bid-cum-Application Form, for processing the Bid-cum-Application Forms procured by the members of the Syndicate and submitted to SCSBs.

***Non-Syndicate Members would be entitled to a commission of ₹[●] per eligible bid cum application form procured and considered for basis of allotment

Fees payable to the BRLM

The total fees payable to the BRLM will be as per the Issue Agreement signed between our Company, BRLM and as per the Market Making Agreement signed between our Company, the BRLM, a copy of which is available for inspection at our Registered Office.

Fees payable to the Registrar to the Issue

The total fees payable to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Agreement signed with between our Company and the Registrar to the Issue, a copy of which is available for inspection at our Registered Office.

The Registrar to the Issue will also be reimbursed with all relevant out-of-pocket expenses such as cost of stationery, postage, stamp duty, communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to make refunds to unsuccessful applicants.

Previous public or rights issues in the last 5 years

Our Company has not undertaken any public or rights issue of Equity Shares/ Debentures in the last 5 years.

Previous issue of Equity Shares for consideration other than cash

We have issued 1800 equity shares of face value ₹ 100/- each for consideration, other than cash, in lieu of partial consideration for acquiring the business of Sanco Plastic Industries, a partnership firm and 30,00,000 equity shares by way of bonus to existing equity share holders as per details below:

Date of Allotment	No of equity shares	Face value (Rs)	Name of Allotees
Allotment in lieu of partial consideration for acquiring the business			
September 1, 1989	950	100	Mr. Sanjay Gupta
September 1, 1989	850	100	Mr. Jai Pal Singh Shishodia
Bonus Issue			
March 30, 2010	30,00,000	10	Bonus Issue in the ratio of 1:1

Other than above, we have not issued any equity shares for consideration otherwise than for cash.

Underwriting commission or Brokerage and selling commission on Previous Issues

No sum has been paid or payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

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 capital issue since inception

Neither 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 Exchange(s) and has not made any capital issue since inception.

Promise vis-à-vis Performance – Last 3 issues

Our Company has not made any Public Issue in the past.

Listed ventures of Promoters

There are no listed ventures of our Promoters.

Promise vs Performance – Previous Issues of our Company and our Group / Subsidiary / Associate Companies

Our Company has not made any public issue of Equity Shares since its incorporation. None of our Group / Subsidiary / Associate Companies have made any public issues in the past.

Outstanding Debentures or Bonds or Redeemable Preference shares

As on the date of filing the Draft Red Herring Prospectus, our Company does not have any outstanding debentures or has made any bond issue.

Partly paid-up shares

As on the date of the draft Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company.

Stock Market Data

This being the first public issue by our Company, no stock market data is available.

Disclosure on Investor Grievances and Redressal System

The Agreement between the Registrar to the Issue and our Company entered on January 21, 2013 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, 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 center 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 relevant SCSB giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked, ASBA Account number and the designated branch of the relevant SCSB or Syndicate ASBA Bidding Location where the ASBA Form was submitted and the details of the member of the Syndicate through whom the ASBA Form was submitted (in the event the ASBA Form was submitted through a member of the Syndicate).

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 business 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. Our Company has also constituted an Investors' Grievance Committee to review and redress the shareholders and investor 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' on page 68.

Our Company has appointed Ms. Preeti Gupta, Company Secretary as the Compliance Officer and she may be contacted at the Corporate Office of the Company at D- 161, Surajmal Vihar (Near Karkardooma Court), New Delhi- 110092 (India). Tel: +91-011-47315500 (100Lines); Fax: +91-011-47315555; E-mail: ipo@sancopipes.com for redressal of any complaints.

Investors may contact the Compliance Officer at the below mentioned address and/ or Registrar to the Issue at the above mentioned address in case of any Issue related problems such as non-receipt of allotment advice/ share certificates/ demat credit/ refund orders etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in.

Status of outstanding investor complaints

As on date, there were no outstanding investor complaints.

Changes in Auditors during the last three years and reasons thereof

M/s Vijay Mukesh & Co., New Delhi has been appointed as Statutory Auditors of our Company vide the resolution passed in the AGM dated September 07, 2012 in place of M/s Raj Gupta & Associates, New Delhi who ceased to be Auditor.

Capitalization of Reserves or Profits

We have issued 30,00,000 equity shares of ₹ 10 each as bonus shares in the ratio of 1 share for every 1 share on March 30, 2010 by capitalizing reserves. Other than this we have not capitalized any of our reserves or profits.

Revaluation of Fixed Assets

There has been no revaluation of our Company's fixed assets in the last five years.

SECTION IX – OFFERING INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, the SCRR, the SCRA, the Memorandum and Articles of Association of our Company, conditions of RBI approval, if any, the terms of the Red Herring Prospectus, the Prospectus, the Bid cum Application Form, the Revision Form, the Allotment Advice and Confirmation of Allocation Note (“CAN”), Listing Agreements with the Stock Exchange 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 Exchange(s), 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 the 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 other corporate benefits, if any, declared by our Company after the date of Allotment.

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 Exchange.

Face Value and Issue Price per Share

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.

Compliance with Regulations issued by SEBI

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

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, the equity shareholders of our Company shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, 1956 and the terms of the listing agreements with the Stock Exchange(s) and the Memorandum and Articles of Association our Company.

Market Lot and Trading Lot

Under Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialized form. In terms of existing SEBI ICDR Regulations, the trading in the Equity Shares shall only be in dematerialized form for all investors. Since trading of the Equity Shares is in dematerialized mode, the trading will happen in the minimum contract size of [●] equity shares and the same may be modified by the SME Platform of NSE from time to time by giving prior notice to investors at large. The market lot of equity shares is [●] Equity Share. Allocation and allotment of Equity Shares through this Issue will be done only in electronic form, in multiples of [●] Equity Share, subject to a minimum allotment of [●] Equity Shares. For details of allocation and allotment, please refer to the section titled “Issue Procedure” on page 152 of the Red Herring Prospectus.

Joint Holders

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts in Mumbai. The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

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.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first bidder, along with other joint bidder, may nominate any one person in whom, in the event of the death of sole bidder or in case of joint bidders, death of all the bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Company’s Registered / Corporate Office or to our Registrar and Transfer Agents.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys 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 dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. If our Company does not receive the subscription of 100% of the Issue through the Red Herring Prospectus including devolvement of Underwriters within sixty days from the date of closure of the issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under section 73 of the Companies Act, 1956.

Migration to Main Board

Our company may migrate to the main board of NSE from the SME Exchanges on a later date subject to the following:

- a) If the Paid up Capital of our Company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), our Company shall apply to NSE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- b) If the Paid up Capital of our company is more than ₹ 10 crores but below ₹ 25 crores, our Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Market Making

The shares offered through this Issue are proposed to be listed on the SME Platform of NSE and traded in the SME Normal market, wherein the BRLM shall ensure compulsory Market Making through the registered Market Makers of the SME Exchanges for a minimum period of three years from the date of listing of shares offered through the Red Herring Prospectus. For further details of the agreement entered into between our Company, the BRLM see chapter titled “General Information” on page 9 of the Red Herring Prospectus.

Arrangement for disposal of odd lot

The trading of the equity shares will happen in the minimum contract size of [●] shares. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Exchanges.

Application by Eligible NRIs, FIIs and FVCIs

As per the extant policy of the Government of India, OCBs cannot participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval

from the RBI. On submission of such approval along with the Bid cum Application Form, the OCB shall be eligible to be considered for share allocation.

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.

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. The Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. The 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 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.

Restriction on transfer of Equity Shares

Except for lock-in as detailed in “Capital Structure” on page 17 of the Red Herring Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfers of debentures except as provided in the Articles of Association. There are no restrictions on transmission of Equity Shares and on their consolidation/ splitting except as provided in the Articles of Association. Please see “Description of Equity Shares and Terms of the Articles of Association” on page 188 of the Red Herring Prospectus.

Withdrawal of the Issue

Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue anytime after the Bid Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days, providing reasons for not proceeding with the Issue.

Our Company shall also inform the same to Stock Exchange on which the Equity Shares are proposed to be listed and the BRLM through the Registrar shall notify the SCSBs to unblock the ASBA Account within one Working Day from the date of such notification.

Any further issue of Equity Shares by our Company shall be in compliance with applicable laws.

If our Company withdraws the Issue after the Bid Closing Date, our Company shall be required to file a fresh Red Herring Prospectus.

Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and the final RoC approval of the Prospectus.

Option to Receive Securities in Dematerialized Form

Equity Shares being offered through the RHP can be applied for and will be allotted in dematerialized form only.

ISSUE STRUCTURE

Public Issue of [●] Equity Shares of ₹ 10 each for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating upto ₹ 1400 lacs (the “Issue”) by our Company. Of which [●] Equity Shares of ₹ 10 each will be reserved for subscription by Market Makers to the Issue (“Market Maker Reservation Portion”) the Issue less the Market Maker Reservation Portion i.e. Issue of [●] Equity Shares of ₹ 10 each is hereinafter referred to as the “Net Issue”. The Issue and the Net Issue will constitute [●]% and [●]%, respectively of the post Issue paid up Equity Share capital of the Company.

The Issue is made through the Book Building Process.

Particulars	Qualified Institutional Bidders	Non-Institutional Bidders	Retail Individual Bidders	Market Maker Reservation Portion
Number of Equity Shares*	[●] Equity Shares or Issue less allocation to Non-Institutional Bidders and Retail Individual Bidders	Not less than [●] Equity Shares shall be available for allocation	Not less than [●] Equity Shares shall be available for allocation	[●] Equity Shares
Percentage of the Issue Size available for allocation	50% of the Net Issue shall be allocated to QIBs. However, not less than 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only.	Not less than 15% of the Net Issue shall be available for allocation	Not less than 35% of the Net Issue shall be available for allocation	[●]% of the Issue
Basis of Allocation, if respective category is oversubscribed	Proportionate, subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares each, as follows: (a) [●] Equity Shares, constituting 5% of the Net QIB portion, shall be available for allocation on a proportionate basis to Mutual Funds; (b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above	Proportionate	Proportionate	Firm Allotment
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	[●] Equity Shares
Maximum Bid	Not exceeding the size of the Issue subject to regulations as applicable to the Bidder	Not exceeding the size of the Issue	Not exceeding the size of the Issue	[●] Equity Shares
Mode of Allotment	Compulsorily in dematerialized form	Compulsorily in dematerialized form	Compulsorily in dematerialized form	Compulsorily in dematerialized form
Bid Lot***	[●] Equity Shares in multiples of [●] Equity Shares.	[●] Equity Shares in multiples of [●] Equity Shares.	[●] Equity Shares in multiples of [●] Equity Shares.	[●] Equity Shares

Particulars	Qualified Institutional Bidders	Non-Institutional Bidders	Retail Individual Bidders	Market Maker Reservation Portion
Trading Lot	[●] Equity Shares, however the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.	[●] Equity Shares, however the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.	[●] Equity Shares, however the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.	[●] Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
Who can Apply **	Public financial institutions, as specified in Section 4A of the Companies Act: scheduled commercial banks, mutual funds, foreign institutional investor registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, permitted insurance companies registered with the Insurance Regulatory and Development Authority, provident funds, (subject to applicable laws) with minimum corpus of ₹ 2500 lacs and pension funds with minimum corpus of ₹ 2500 lacs in accordance with applicable law, National Investment Fund set up by Government of India, insurance funds set up and managed by the army, navy and air force of the Union of India and insurance funds set up and managed by the Department of Posts, India, Nominated Investor(s) and Market Maker (s).	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 and Eligible QFIs	Resident individuals, Eligible NRIs, HUF (applying through the Karta), applying for Equity Shares such that the Bid Amount does not exceed ₹ 2,00,000 in value.	Market maker
Terms of Payment	Full Bid amount on Bidding through the ASBA Process	Full Bid Amount on bidding through the ASBA Process	Full Bid Amount on bidding	Full Bid Amount on bidding

* In the event of over-subscription, Allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price;

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net 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. In the event that the demand from Mutual Funds 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 the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the Net QIB Portion and allocated to QIBs (including Mutual Funds) on a proportionate basis, subject to valid Bids at or above 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 the Bid Cum Application Form.

*** SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the “Circular”) standardized the lot size for Initial Public Offer proposing to list on SME exchange/platform and for the secondary market trading on such exchange/platform, as under:

Price Band (in Rs)	Lot Size (No of shares)
Upto 14	10000
more than 14 upto 18	8000
more than 18 upto 25	6000
more than 25 upto 35	4000
more than 35 upto 50	3000
more than 50 upto 70	2000
more than 70 upto 90	1600
more than 90 upto 120	1200
more than 120 upto 150	1000
more than 150 upto 180	800
more than 180 upto 250	600
more than 250 upto 350	400
more than 350 upto 500	300
more than 500 upto 600	240
more than 600 upto 750	200
More than 750 upto 1000	160
above 1000	100

Further to the circular, at the Initial Public Offer stage the Registrar to Issue in consultation with BRLM, our Company and the Designated Stock Exchange shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as the IPO Lot Size at the application/ allotment stage, facilitating secondary market trading. At the IPO stage if the price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into. For example: if the proposed price band is at 24-28 than the Lot size shall be 4000 shares. The lot size shall not be reduced by Stock Exchange to below the initial lot size if the trading price is below the IPO issue price. Stock Exchange can review the lot size once in every 6 months / wherever warranted, by giving an advance notice of at least one month to the market. However, as far as possible the Stock Exchange shall ensure that odd lots are not created. Further, Stock Exchange shall ensure that the lot size shall be the same for a securities traded across the Stock Exchange. In case of oversubscription, if the option to retain ten percent of the net offer to public for the purpose of making allotment in minimum lots is exercised, then it shall be ensured by the Issuer/ Stock Exchange/ Merchant Bankers that the post issue paid up capital of the issuer does not go beyond ₹ 2,500 lacs.

Further, vide SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2012 dated October 12, 2012, the allotment of equity shares to each Retail Individual Bidder shall not be less than the minimum

bid lot, subject to availability of shares in Retail Individual Bidder category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

**** In case of ASBA Bidders, SCSBs will be authorized to block funds equivalent to the Bid Amount in the relevant ASBA Account as detailed in the Bid cum Application Form.

Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013 it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account is used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Anchor Investor shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid. Provided, that any difference between the Issue Price and Anchor Investor Allocation Price, shall be payable by the Anchor Investor Pay-in Date. If the Issue Price is lower than the Anchor Investor Allocation Price, the Allotment to Anchor Investors shall be at the Anchor Investor Allocation Price.

Letters of Allotment, refund orders or instructions to SCSBs

Our Company shall credit the Equity Shares to the valid beneficiary account with its Depository Participants within 12 Working Days from the Bid Closing Date to all successful Allottees.

Please note that only Bidders having a bank account at any of the 68 centres where the clearing houses for the NECS as notified by the RBI are eligible to receive refunds or payment through electronic transfer of funds. For all other Bidders, including Bidders having bank accounts in the said 68 centres who have not updated their bank particulars along with the nine-digit MICR code, the refund orders shall be dispatched within 12 Working Days of the Bid Closing Date through speed post or registered post.

In case of ASBA Bidders, the Registrar to the Issue shall instruct the SCSBs to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA for withdrawn, rejected or unsuccessful or partially successful ASBAs within 12 Working Days from the Bid Closing Date.

Interest in case of delay in dispatch of refund orders or instructions to SCSBs

In accordance with the Companies Act, the requirements of the Stock Exchange and SEBI Regulations, our Company undertakes that:

- Allotment shall be made only in dematerialised form within 12 Working Days from the Bid Closing Date;
- Dispatch of refund orders, except for Bidders who can receive refunds through Direct Credit, NEFT, RTGS or NECS, shall be done within 12 Working Days from the Bid Closing Date;
- Instructions to SCSBs to unblock the funds in the relevant ASBA Account for withdrawn rejected or unsuccessful Bids shall be made within 12 Working Days from the Bid Closing Date.
- It shall pay interest at 15% p.a. if the 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 through Direct Credit, NEFT, RTGS or NECS, the refund instructions have not been given to the clearing system in the disclosed manner within 12 Working Days from the Bid Closing Date or if instructions to SCSBs to unblock funds in the ASBA Accounts are not given within 12 Working Days of the Bid Closing Date.
- If such money is not repaid within 8 days from our Company becoming liable to repay, our Company and every Director of our Company who is an officer in default shall 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 CAN to the Registrar to the Issue. Refunds will be made by cheques, pay orders or demand drafts drawn on any one or more of the Refund Banker(s) 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.

In case of ASBA Bidders, the SCSBs will unblock funds in the ASBA Accounts to the extent of the refund to be made based on instructions received from the Registrar to the Issue.

Bid/Issue Period

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

Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Bidding Period at the Bidding Centres mentioned on the Bid cum Application Form or, in case of Bids submitted by the ASBA Bidders, the Designated Branches and the Syndicate ASBA Bidding Locations except that:

- i. in case of Bids by QIBs under the Net QIB Portion, the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. on the QIB Bid Closing Date;
- ii. in case of Bids by Non-Institutional Bidders, the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. on the Bid Closing Date; and
- iii. in case of Bids by Retail Individual Bidders, the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. on the Bid Closing Date, which may be extended up to such time as deemed fit by the Stock Exchange after taking into account the total number of applications received up to the closure of timings and reported by 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 the Bid file received from the Stock Exchange 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 the relevant SCSB or the member of the Syndicate for rectified data.

Our Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI Regulations. The cap shall not be more than 120% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.

In case of revision in the Price Band, the Bidding Period shall be extended for at least three additional Working Days after such revision, 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 Stock Exchange, by issuing a press release and also by indicating the change on the websites of the BRLM and the terminals of the other members of the Syndicate. Further, the SCSBs shall also be notified by the BRLM, through the Registrar to the Issue, of any such revision.

Indicative dates of Bid closing, finalization of Basis of Allotment, credit of Equity Shares to successful Bidder's demat account, initiation of refunds and commencement of trading of Equity Shares is as set forth below:

Activity	Indicative Dates
Bid Closing Date	[●]
Finalisation of Basis of Allotment	[●]
Credit of Equity Shares	[●]
Initiation of refunds	[●]
Commencement of trading of Equity Shares	[●]

The above timetable is indicative and does not constitute any obligation on the Company or the BRLM. Whilst the Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 12 Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by the Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable law.

ISSUE PROCEDURE

This section applies to all Bidders. QIBs and the Non-Institutional Bidders can participate in the Offer only through the ASBA process. Retail Individual Bidders can participate in the Offer through ASBA as well as non-ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to Bidders other than the ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Pursuant to Securities and Exchange Board of India circular no. CIR/CFD/14/2012 dated 04/10/2012, the investors can submit application forms in public issues using the stock broker network of Stock Exchanges, who may not be syndicate members in an issue. This mechanism can be used to submit ASBA as well as Non-ASBA applications. Additionally ASBA Bidders may also apply electronically through the internet banking facility wherever provided for by the SCSB. The details of the locations are available on the website of BSE and NSE i.e. www.bseindia.com and www.nseindia.com.

Further, please note that pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2012, certain aspects, such as withdrawal and revision of Bids, manner of allocation to Retail Individual Bidders and announcement of Price Band, have been modified. Please note that such modifications have come into effect from October 12, 2012 and all Bidders are advised to read this section carefully before participating in the Issue.

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 law or as specified in the Red Herring Prospectus.

Book Building Procedure

The Issue is being made through the Book Building Process wherein not more than 50% of the Issue shall be available for allocation to Qualified Institutional Buyers on a proportionate basis. Out of the QIB Portion 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for Allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price.

Further, not less than 15% of the Issue would be available for allocation to Non-Institutional Bidders and not less than 35% of the Issue would be available for allocation to Retail Individual Bidders on a proportionate basis, subject to valid bids being received from them at or above the Issue Price.

All Bidders applying through cheques or demand drafts are required to submit their Bids through the Syndicate or Broker Centres (nationwide broker network of Stock Exchanges).

ASBA Bidders are required to submit their Bids to the SCSBs or to the Syndicate or Broker Centres.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including the DP ID Numbers and the beneficiary account number, shall be treated as incomplete and rejected. Bid cum Application Forms which do not have the details of the Bidders' PAN shall be treated as incomplete and are liable to be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchange.

Bid-cum-Application Form

Pursuant to SEBI circular CIR/CFD/DIL/4/2011 dated September 27, 2011, Bid cum Application Forms have been standardized and it has been decided that henceforth there would only be a single form for ASBA and non-ASBA Bidders. It has also been decided that the Bid cum Application Form (accompanied with abridged prospectus) would be printed in a booklet form of A4 size paper.

Bid cum Application Forms for ASBA Bidders will also be available on the website of the NSE (www.nseindia.com) at least one day prior to Bid Opening Date. A hyperlink to the websites of the Stock Exchange for this facility will be provided on the websites of the BRLM and the SCSBs. Same Bid cum Application Form applies to all ASBA Bids irrespective of whether they are submitted to the SCSBs or to the Syndicate ASBA Bidding Locations.

Copies of the Bid cum Application Form will be available for all categories of Bidders with the members of the Syndicate and at our Registered Office and our Corporate Office. In addition, Bid cum Application Forms in physical form will be available with the Designated Branches, and electronic Bid cum Application Forms will be available on the websites of the SCSBs and of the Stock Exchange at least one day prior to the Bid Opening Date. Copies of the Red Herring Prospectus shall, on a request being made by any Bidder before the Bid Closing Date, be furnished to such Bidder at our Registered Office, our Corporate Office and the Designated Branches.

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate, unless they are using the ASBA Process. Before being issued to the Bidders, the Bid cum Application Form shall be serially numbered. The Bid cum Application Form shall contain information about the Bidders, the price and the number of Equity Shares Bid for. Bidders shall have the option to make a maximum of three Bids (in terms of number of Equity Shares and respective Bid Amount) in the Bid cum Application Form and such options shall not be considered as multiple Bids. The collection centre of the Syndicate or Broker centre (as the case may be) will, after the Bid has been uploaded, acknowledge the uploading of the Bid cum Application Form or Revision Form by stamping the acknowledgment slip with the date and time and returning it to the Bidder. This acknowledgment slip shall 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.

Upon completing and submitting the Bid cum Application Form to a member of the Syndicate or Broker Centre 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 as would be required for filing the Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the Bidder. Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the application form.

Bidders can also submit their Bids through the ASBA by submitting Bid cum Application Forms, either in physical or electronic mode, to the SCSB with whom the ASBA Account is maintained or through the members of the Syndicate/ Sub-Syndicate (ASBA Bids through the members of the Syndicate/ sub-Syndicate shall hereinafter be referred to as the "Syndicate ASBA") or Broker centre. However, ASBA Bids through submitted to the Syndicate is permitted only at the Syndicate ASBA Bidding Locations. Kindly note that Bid cum Application Forms submitted by ASBA Bidders to members of the Syndicate at the Syndicate ASBA Bidding Locations or to the Broker centre at its bidding centre, will not be accepted if the SCSB with which the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate (A list of such branches is available at <http://www.sebi.gov.in/>) or at the location of the Broker centre (As per the list available on the website of BSE and NSE i.e. www.bseindia.com and www.nseindia.com) to deposit the Bid cum Application Form.

ASBA Bidders can submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the Bid cum Application Form, which shall be stamped, at the relevant Designated Branch. Bid cum Application Form in physical mode, which shall be stamped, can also be submitted to be members of the Syndicate at Syndicate ASBA Bidding Locations or to the Broker centre. 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 SCSB, and accordingly registering such Bids.

The SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the Bid cum Application Form. Upon completing and submitting the Bid cum Application Form to the SCSB or to the members of the Syndicate, the ASBA Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form, as would be required 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 Bidder.

To supplement the foregoing, the mode and manner of Bidding is illustrated in the following chart.

Category of Bidder	Permitted modes of Bidding	Application form to be used for Bidding	To whom the application form has to be submitted
Retail Individual Bidders	Either (i) ASBA or (ii) non-ASBA	(i) If Bidding through ASBA, the Bid-cum-Application Form (physical or electronic)	(i) If physical Bid-cum-Application Form is being used, either to the members of the Syndicate only at Syndicate ASBA Bidding Locations or to the Designated Branch of the SCSB where the ASBA Account is maintained; or (ii) if electronic Bid-cum-Application Form is being used, to the SCSBs, electronically through the internet banking facility; or (iii) to the Broker centre
		(ii) If Bidding through non-ASBA, the Bid-cum-Application Form.	(i) if Bid-cum-Application Form is being used, to the members of the Syndicate at the Bidding Centres as stated in the Bid-cum-Application For; or (ii) to the Broker centre
Non-Institutional Bidders and QIBs	ASBA (Kindly note that ASBA is mandatory and no other mode of Bidding is permitted as per SEBI Circular dated April 29, 2011)	Bid-cum-Application Form (physical or electronic) with an indication of the mode of payment option being “ASBA”	(i) If physical Bid-cum-Application Form is being used, either to the members of the Syndicate only at Syndicate ASBA Bidding Locations or to the Designated Branch of the SCSB where the ASBA Account is maintained; or (ii) if electronic Bid-cum-Application Form is being used, to the SCSBs, electronically through the internet banking facility. (iii) to the Broker Centre

The prescribed colour of the Bid-cum-Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, Eligible QFIs, FIIs or Foreign Venture Capital Funds, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	Blue

Who can Bid?

1. Indian nationals resident in India who are majors, in single or joint names (not more than three).
2. Indian Nationals, resident in India, who are competent to contract under Indian Contract Act, 1872 as amended and Minors, having valid demat account, as per demographic details provided by Depositories.
3. HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows:
Name of Sole or First Bidder: “XYZ Hindu Undivided Family applying through the Karta XYZ”, where XYZ is the name of the Karta. Bids by HUFs would be considered at par with those from individuals;
4. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest

- in equity shares;
5. Mutual Funds registered with SEBI;
 6. Eligible NRIs (whether on a repatriation basis or on a non-repatriation basis), subject to applicable law;
 7. Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI regulations and SEBI regulations, as applicable);
 8. Multilateral and bilateral development financial institution;
 9. Venture capital funds registered with SEBI;
 10. Foreign venture capital investors registered with SEBI subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Issue;
 11. FIIs and sub-accounts registered with SEBI other than a sub-account which is a foreign corporate or foreign individual subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Issue;
 12. Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Bidders category;
 13. State Industrial Development Corporations;
 14. Insurance companies registered with the Insurance Regulatory and Development Authority;
 15. Provident funds with a minimum corpus of ₹ 2500 lacs and who are authorized under their constitution to hold and invest in equity shares;
 16. Pension funds with a minimum corpus of ₹ 2500 lacs and who are authorized under their constitution to hold and invest in equity shares;
 17. National Investment Fund set up by resolution F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
 18. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts and who are authorized under their respective constitutions to hold and invest in equity shares;
 19. Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable local laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
 20. Eligible QFIs under the Non-Institutional Bidders category;
 21. Scientific and/or industrial research organizations authorized under their constitution to invest in equity shares;
 22. Insurance funds set up and managed by army, navy or air force of the Union of India
 23. Limited liability partnerships;
 24. Insurance funds set up and managed by the Department of Posts, India; and
 25. Any other QIBs permitted to invest, subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Issue.
 26. Nominated investors and Market Makers.
 27. Any other person eligible to Bid in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid cum Application Form, the OCB shall be eligible to be considered for share allocation.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Participation by associates and affiliates of the BRLM and the Syndicate Members

The BRLM and the Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and Syndicate Members may subscribe to or purchase Equity Shares in the Issue, either in the QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis. Such bidding and subscription may be on their own account or their clients. All categories of investors, including associates or affiliates of the BRLM and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Bids by Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by Mutual Funds:

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand 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 the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No mutual fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights. These limits would have to be adhered to by the mutual funds for investment in this Issue. 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 Eligible NRIs

Bid cum Application forms (Blue in colour) have been made available for Eligible NRIs at the Registered Office and Corporate Office of our Company, BRLM, Syndicate Members and with select members of the Syndicate.

Eligible NRIs may please note that only such applications as are accompanied by payment in free foreign exchange or by debit to their Non Resident External (NRE) / Foreign Currency Non Resident (FCNR) accounts shall be considered for Allotment under the Eligible NRI category on repatriable basis. The NRIs who intend to make payment through Non-Resident Ordinary (NRO) i.e. on non repatriation basis accounts shall use the Bid cum Application Form meant for Resident Indians (White in colour) and shall not use the forms meant for Eligible NRIs (Blue in colour).

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The Issue of Equity Shares to a single FII should not exceed 10% of the post-Issue paid-up capital of our Company.

In respect of a FII investing in Equity Shares of our Company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital of our Company or 5% of our total issued capital in case such sub-account is a foreign corporate or foreign individual.

A sub account of a FII which is a foreign corporate or foreign individual shall not be considered to be a Qualified Institutional Buyer, as defined under the SEBI Regulations, for this Issue.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended (the "SEBI FII Regulations"), an FII or its sub-account may issue, deal or hold, offshore derivative instruments (defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by 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 or sub-account is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it 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 Member 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) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 inter alia prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the holding by any individual venture capital fund registered with SEBI should not exceed 25% of its corpus. However, venture capital funds or foreign venture capital investors may invest not more than 33.33% of their respective investible funds in various prescribed instruments, including in initial public offers.

Category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund under the category I AIFs, as defined in the SEBI AIF Regulations, can invest only up to 33.33% of the corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulations.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, as amended ("LLP Act") a certified copy of certificate of registration issued under the LLP Act 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 QFIs

Pursuant to a circular dated January 13, 2012, the RBI has permitted Eligible QFIs to invest in equity shares of Indian companies on a repatriation basis subject to certain terms and conditions. Eligible QFIs have been permitted to invest in equity shares of Indian companies which are offered to the public in India in accordance with the SEBI Regulations. The individual and aggregate investment limits for Eligible QFIs in an Indian company are 5% and 10% of the paid up capital of the Indian company, respectively. These limits are in addition to the investment limits prescribed under the portfolio investment scheme for FIIs and NRIs. However, in cases of those sectors which have composite foreign investment caps, Eligible QFI investment limits are required to be considered within such composite foreign investment cap.

QFIs shall be included under the Non-Institutional Bidders category. Further, the SEBI in its circular dated January 13, 2012 has specified, amongst other things, eligible transactions for Eligible QFIs (which includes investment in equity shares in public issues to be listed on recognised Stock Exchange and sale of equity shares held by Eligible

QFIs in their demat account through SEBI registered brokers), manner of operation of demat accounts by Eligible QFIs, transaction processes and investment restrictions. SEBI has specified that transactions by Eligible QFIs shall be treated at par with those made by Indian non-institutional investors in various respects including, margins, voting rights and public issues.

Eligible QFIs shall open a single non interest bearing Rupee account with an Authorised Dealers ('AD') category-I bank in India for routing the payment for transactions relating to purchase of equity shares (including investment in equity shares in public issues) subject to the conditions as may be prescribed by the RBI from time to time.

Eligible QFIs who wish to participate in the Offer are required to submit the Bid cum Application Form for the Offer. Eligible QFIs are advised to use the Bid cum Application Form meant for Non-Residents (Blue in colour). Eligible QFIs are required to participate in the Issue through the ASBA process.

Eligible QFIs are not permitted to issue off-shore derivative instruments or participatory notes.

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 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 (the "IRDA Investment Regulations"), are broadly set forth below:

- 1. 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;**
- 2. 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 Unit Linked Insurance Plans ("ULIPs")); and**
- 3. 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, by circular bearing number IRDA/INV/CIR/027/2008-09 dated December 26, 2008 partially amended the exposure limits applicable to investments in public limited companies in the infrastructure and housing sectors, 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 ₹ 250 million, 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. Provident funds/pension funds can participate in the Offer only through the ASBA process.

Bids by Banking Companies

The investment limit for banking companies as per the Banking Regulation Act, 1949, as amended, is 30% of the paid-up share capital of the investee company or 30% of the banks' own paid-up share capital and reserves, whichever is less (except in case of certain specified exceptions, such as setting up or investing in a subsidiary company, which requires RBI approval). Additionally, any investment by a bank in the Equity Shares must be approved by such bank's investment committee set up to ensure compliance with the applicable prudential norms for classification, valuation and operation of investment portfolio of banks (currently reflected in the RBI Master Circular of July 1, 2011). Banking companies can participate in the Offer only through the ASBA process.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹ 2,500 lacs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 lacs, 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 SEBI registration certificate (as applicable) and/or bye laws must be lodged with the Bid-cum-Application Form. With respect to 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 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:

- 1) With respect to Bids by VCFs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the 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.
- 2) 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. 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.
- 3) 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. 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, 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, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice/CANs/refund orders/letters notifying the unblocking of the bank accounts of ASBA Bidders, the Demographic Details given on the Bid-cum-Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar to the Offer shall use Demographic Details as 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 and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated above.

Maximum and Minimum Bid Size

For Retail Individual Bidders

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Share thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed ₹ 2,00,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed ₹ 2,00,000. In case the Bid Amount is over ₹ 2,00,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off Price option, the Bid would be considered for allocation under the Non-Institutional Portion. The Cut-off Price option 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. **A Retail Individual Bidder may either withdraw or revise his or her Bid at any time prior to the finalisation of Allotment.**

For Non-Institutional Bidders and QIBs Bidders

The Bid must be for a minimum of such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **QIB and a Non-Institutional Bidder cannot withdraw or lower the size of their Bids (both in terms of number of Equity Shares Bid for and Bid Amount) at any stage and are required to pay the entire Bid Amount upon submission of the Bid.**

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to ₹ 2,00,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. **Non-Institutional Bidders and QIBs are not allowed to (i) Bid at Cut-Off Price, (ii) withdraw the Bids at any stage, and (iii) lower the size of the Bids (both in terms of number of Equity Shares Bid for and Bid Amount) at any stage.**

Information for the Bidders:

1. Our Company and the BRLM shall declare the Bid/Issue Opening Date and the Bid/Issue Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in two national daily newspapers (one each in English and Hindi) and in one regional daily newspaper with wide circulation, where the Registered Office of our Company is situated. This advertisement shall be in the prescribed format.
2. Our Company will file the Red Herring Prospectus with the ROC prior to the Bid/ Issue Opening Date in compliance with the SEBI (ICDR) Regulations 2009 and the Companies Act, 1956.
3. The Syndicate and the SCSBs, as applicable, will circulate copies of the Bid cum Application Form to potential investors and at the request of potential investors, copies of the Red Herring Prospectus. The SCSB shall ensure that the abridged prospectus is made available on its website.
4. Any Bidder (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 can obtain the same from our Registered Office or Corporate Office of our company or from the members of the Syndicate or the SCSBs.
5. Eligible investors who are interested in subscribing for the Equity Shares should approach the BRLM or Syndicate Member /their authorized agent(s) to register their Bids. Bidders who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their Bids or the Syndicate in Specified Cities to register their Bids. Pursuant to Securities and Exchange Board of India circular no. CIR/CFD/14/2012

dated 04/10/2012, the investors can submit application forms in public issues using the stock broker network of Stock Exchanges, who may not be syndicate members in an issue. This mechanism can be used to submit ASBA as well as Non-ASBA applications. Additionally ASBA Bidders may also apply electronically through the internet banking facility wherever provided for by the SCSB..

6. The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms (other than the ASBA Bid cum Application Form) should bear the stamp of the BRLM or Syndicate Member otherwise they will be rejected. Bids by ASBA Bidders may submit the ASBA Form to the Designated Branches of SCSBs directly or through a member of the Syndicate or Broker centre.
7. Please ensure that in the event an ASBA Bid cum Application form is submitted at the terminals of the Syndicate Members or non-syndicate member and the payment is proposed to be made through the ASBA process, the SCSB with whom the payment is to be blocked has a branch at any of the bidding centres referred to in the Application Form.
8. The beneficiary accounts of Bidders for whom PAN details have not been verified will be suspended for credit, and no credit of Equity Shares pursuant to the Issue will be made in the accounts of such Bidders.

Bidders are advised not to submit the Bid cum Application Form directly to Escrow Collection Banks and the same will be rejected in such cases and the Bidders will not be entitled to any compensation whatsoever.

Submission of Bid-cum-Application Form

All Bid-cum-Application Forms or Revision Forms 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. With respect to ASBA Bidders, the ASBA Form or the ASBA Revision Form may be submitted to the Designated Branches of the SCSBs or to the Syndicate Member(s)/sub-syndicate members at the Specified Centres.

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 and SCSBs, as applicable, 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.

Additional information specific to ASBA Bidders

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 on the websites of the SCSBs and the Stock Exchange at least one day prior to the Issue Opening Date. Further, the SCSBs will ensure that the abridged Red Herring Prospectus is made available on their websites.

SCSBs may provide the electronic mode of Bidding either through an internet enabled Bidding and banking facility or such other secured, electronically enabled mechanism for Bidding and blocking funds in the ASBA Account. Eligible ASBA Bidders may also approach the Designated Branches to register their Bids through the ASBA process.

The SCSBs shall accept Bids only during the Bid Period and only from the ASBA Bidders. The SCSB shall not accept any ASBA Bid cum Application Form after the closing time of acceptance of Bids on the Issue Closing Date. The ASBA Bid cum Application Form shall bear the stamp of the Designated Branch or the members of the Syndicate (in case of Bids through Syndicate ASBA), if not, the same shall be rejected.

Method and Process of Bidding

- a) Our Company and 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 widely circulated national newspapers (one each in English and Hindi) and a widely circulated regional newspaper. The Syndicate and the SCSBs shall accept Bids from the Bidders during the Issue Period.

- b) The Bid/Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in two national newspapers (one each in English and Hindi) and one Marathi newspaper with wide circulation and also by indicating the change on the websites of the BRLM and at the terminals of the Syndicate and by intimation to the SCSBs.
- c) During the Bid/Issue Period, Bidders (other than ASBA Bidders), who are interested in subscribing for the Equity Shares should approach the Syndicate Members or their authorised agents or to the Broker centre to register their Bids. The Syndicate Members or non-syndicate members (Broker Centre) shall accept Bids from all Bidders and have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Red Herring Prospectus. Bidders applying through the ASBA process may approach the Designated Branches of the SCSBs or to the Syndicate Member(s)/sub-syndicate members or to the Broker centre at the Specified Centres to register their Bids.
- d) Each Bid-cum-Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph entitled “Bids at Different Price Levels” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid-cum-Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- e) The Bidder cannot Bid on another Bid-cum-Application Form after Bids on one Bid-cum-Application Form have been submitted to any member of the Syndicate or the SCSBs or to the Broker centre. Submission of a second Bid-cum-Application Form or ASBA Bid Cum Application Form to either the same or to another member of the Syndicate or SCBS or to the Broker centre will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph titled “Build up of the Book and Revision of Bids”. **Please note that, upon submission of the Bid, Non Institutional Bidders and QIBs are not permitted to withdraw or lower the size of their Bids (both in terms of number of Equity Shares Bid for and Bid Amount) at any stage.**
- f) In case of Bidders applying through the ASBA process has submitted the Bid-cum-Application Forms to the Syndicate Member(s)/sub-syndicate members or to the Broker centre at the Specified Centres or its authorized agents, the members shall upload the Bid details in the electronic bidding system of the Stock Exchange. Before accepting the Bid-cum-Application Forms, the Syndicate/sub-syndicate members or the non-syndicate member (Broker centre) shall ensure that SCSBs whose name has been entered in the Bid-cum-Application Form has designated a branch in that particular bidding center to accept such Bid-cum-Application Forms. Within two days of the Bid/Issue Closing date, the members shall forward a schedule containing the application and amount along with the application forms to the branch of the SCSBs so authorised to accept the ASBA forms procured by the members. Upon receipt of such application forms the SCSBs shall verify whether sufficient funds are available in the ASBA account as mentioned in the application forms. In the event sufficient funds are not available in the relevant ASBA Account, the Designated Branch of the SCSB shall reject such Bids.
- g) The members of the Syndicate/the SCSBs/ Broker centre will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid-cum-Application Form.
- h) Along with the Bid-cum-Application Form, all Bidders (other than ASBA Bidders) will make payment in the manner described in “Escrow Mechanism- Terms of payment and payment into the Escrow Accounts” on page 173.

- i) In case of receipt of the ASBA Form directly from the Bidder, submitted whether 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 mentioned in the ASBA Form, prior to uploading such Bids with the Stock Exchange. 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 Exchange. If sufficient funds are available in the ASBA Account, the SCSBs shall block an amount equivalent to the Bid Amount mentioned in the ASBA Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- j) 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 Form, as the case may be. Once the Basis of Allotment is finalized, 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.
- k) Pursuant to SEBI Circular No. CIR/CFD/14/2012 dated October 04, 2012 all investors can submit their application form through nationwide broker network of Stock Exchanges. The details of locations including name of the broker, contact details such as name of the contact person, postal address, telephone number, e-mail address of the broker, etc. where the application forms shall be collected will be disclosed by the Stock Exchanges on their websites.
- Application forms can be downloaded from the Stock Exchanges websites/broker terminals, so that any investor or stock broker can download/print the forms directly.
 - Eligible investor may submit the application indicating the mode of payment to any of the registered broker of the Stock Exchange having its office in any of the broker centre of the Stock Exchange
 - All accepted applications shall be stamped and thereby acknowledged by the broker at the time of receipt and will be uploaded on the Stock Exchange platform
 - Broker shall be responsible for uploading the bid on the Stock Exchange platform, banking the cheque/submitted the ASBA form to SCSB, etc. and liable for any failure in this regard
 - In case of non-ASBA application, broker to deposit the cheque, prepare electronic schedule and send it to Banker to the Issue. All Bankers to the Issue (“BTI”), which have branch/es in a broker centre, shall ensure that at least one of its branches in the broker centre accepts cheques. Brokers shall deposit the cheque in any of the bank branch of the collecting bank in the broker centre. Brokers shall also update the electronic schedule (containing application details including the application amount) as downloaded from Stock Exchange platform and send it to local branch of the collecting bank. Brokers shall retain all physical applications initially and send it to Registrar to Issue (“RTA” or ”Registrar”) after 6 months
 - In case of ASBA application, broker to forward a schedule along with application form to respective ASBA Branch. Broker shall forward a schedule (containing application number and amount) along with application forms to the branch named for ASBA of the respective self certified syndicate banks (SCSBs) for blocking of fund

Please note that QIBs and Non-Institutional Bidders shall mandatorily submit their Bids through the ASBA process.

Bids at Different Price Levels and Revision of Bids

1. Our Company, in consultation with the BRLM and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, 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 the either side i.e. the

floor price can move up or down to the extent of 20% of the floor price disclosed at least two days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.

2. In case of revision in the Price Band, the Bid/Issue Period will be extended for at least three additional days after revision of Price Band subject to a maximum of 10 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 Exchange, by issuing a public notice in an English national newspaper, a Hindi national newspaper and Marathi newspaper, each with wide circulation and also by indicating the change on the websites of the BRLM, SCSBs and at the terminals of the Syndicate Member(s).
3. Our Company, in consultation with the BRLM will finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.
4. The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non- Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
5. Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders, shall submit the Bid-cum-Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.
6. 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 cap of the revised Price Band, with the members of the Syndicate or the SCSBs to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds ₹200,000, the Bid will be considered for allocation under the Non Institutional Bidders category 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 of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted for the purpose of allocation, 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.
7. In case of a downward revision in the Price Band, 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 Refund Account(s) or unblocked by the SCSBs, as applicable.
8. 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 greater than ₹100,000.

The trading of the Equity Shares of our Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchange. 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 the relevant laws, rules, regulations, guidelines and approvals.

Escrow mechanism, terms of payment and payment into the Escrow Accounts

For details of the escrow mechanism and payment instructions, please see “Issue Procedure - Payment Instructions” on page 173.

Electronic Registration of Bids

1. The members of the Syndicate, Broker centre and the Designated branches of the SCSBs will register the Bids using the on-line facility of the Stock Exchange.
2. The Syndicate, Broker centre and the SCSBs will undertake modification of selected fields in the Bid details

already uploaded within one Working Day from the Bid/Issue 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.

3. There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Bids are being accepted. The BRLM, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the Syndicate Members, Broker centres and the SCSBs, (ii) the Bids uploaded by the Syndicate Members, Broker centre and the SCSBs, (iii) the Bids accepted but not uploaded by the Syndicate Members, Broker centre and the SCSBs or (iv) with respect to ASBA Bids, Bids accepted and uploaded without blocking funds in the ASBA Accounts. However, the Syndicate, Broker centre and/or the SCSBs shall be responsible for any error in the Bid details uploaded by them. It shall be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.
4. The Stock Exchange will offer an electronic facility for registering Bids for the Issue. This facility will be available with the Syndicate & their authorised agents, Broker centres and the SCSBs during the Bid/ Issue Period. The Syndicate Members, Broker centres and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis. On the Bid/ Issue Closing Date, the Syndicate, Broker centres and the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchange. This information will be available with the BRLM on a regular basis.
5. Based on the aggregate demand and price for Bids registered on the electronic facility of the Stock Exchange, a graphical representation of consolidated demand and price as available on the website of the Stock Exchange would be made available at the Bidding centres during the Bid/Issue Period.
6. At the time of registering each Bid other than ASBA Bids, the Syndicate, Broker centres shall enter the following details of the Bidders in the on-line system:
7. Name of the Bidder: Bidders should ensure that the name given in the Bid-cum-Application Form is exactly the same as the name in which the Depository Account is held. In case the Bid-cum-Application Form is submitted in joint names, Bidders should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid-cum-Application Form.
 - Investor Category – Individual, Corporate, FII, NRI, Mutual Fund, etc.
 - Price Option
 - Numbers of Equity Shares Bid for.
 - Bid Amount.
 - Cheque Details.
 - Bid-cum-Application Form number.
 - DP ID and client identification number of the beneficiary account of the Bidder.
 - PAN.
8. With respect to ASBA Bids, at the time of registering each Bid, the Designated Branches of the SCSBs or the Syndicate/ Sub-Syndicate members or the Broker centres shall enter the following information pertaining to the Bidder into the online system:
 - Name of the Bidder(s);
 - Application Number;
 - PAN (of First Bidder, in case of more than one Bidder);
 - Investor Category and Sub-Category:

Retail	Non- Institutional	QIBs
(No sub category)	- Individual	- Mutual Funds
	- Corporate	- Financial Institutions
	- Other	- Insurance companies
		- Foreign Institutional
		- Investors other than corporate and individual
		- sub-accounts

- Number of Equity Shares Bid for.
 - Depository Participant Identification Number and Client Identification Number of the beneficiary account of the Bidder.
 - Bid Amount
 - Bank Account number
9. A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate, Broker centre or the SCSBs as the case may be. The registration of the Bid by the member of the Syndicate, Broker centre or the SCSB does not guarantee that the Equity Shares shall be allocated/Allotment either by the members of the Syndicate or our Company.
10. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of QIB Bidders, only the BRLM and its affiliate Syndicate Members (only in specified cities) have the right to accept the bid or reject it. However, such rejection should be made at the time of receiving the bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on the technical grounds.
12. The permission given by NSE to use its 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, the BRLM is cleared or approved by NSE; 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.

Build up of the book and revision of Bids

Bids received from various Bidders through the Syndicate and the SCSBs shall be electronically uploaded to the Stock Exchange main frame on a regular basis.

The Book gets built up at various price levels. This information will be available with the BRLM on a regular basis at the end of the Bid/Issue Period and can be obtained from them.

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, which is a part of the Bid-cum-Application Form or ASBA Bid Cum Application Form.

Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid-cum-Application Form and such Bidder is changing only one of the options in the

Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The Syndicate, Broker centres and the Designated Branches of the SCSBs will not accept incomplete or inaccurate Revision Forms.

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 SCSB through whom such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

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) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 2,00,000 if the Bidder wants to continue to Bid at Cut-off Price), with the Syndicate or Broker centre to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 2,00,000, 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 of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, 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.

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.

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 relevant SCSB shall block the additional Bid Amount. In such cases, the Syndicate / Broker centre 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.

When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and may get a revised TRS from the Syndicate or the Broker centre or the SCSB, 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.

Please note that, upon submission of the Bid, Non Institutional Bidders and QIB Bidders are not permitted to withdraw or lower the size of their Bids (both in terms of number of Equity Shares Bid for and Bid Amount) at any stage.

Price Discovery and Allocation

1. After the Bid/Issue Closing Date, the BRLM will analyze the demand generated at various price levels and discuss pricing strategy with us.
2. Our Company, in consultation with the BRLM shall finalize the 'Issue Price', the number of Equity Shares to be allotted in each category of Bidders.
3. The allocation available to QIBs for not more than 50% of the Issue to the Public, of which 5% shall be reserved for Mutual Funds, would be on a proportionate basis, subject to valid bids being received at or above the Issue Price in the manner as described in the section titled 'Basis of Allotment'. The allocation to Non-Institutional Bidders and Retail Individual Bidders of not less than 15% and 35% of the Issue to the Public, respectively, would be on proportionate basis, in the manner specified in the SEBI (ICDR) Regulations in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.
4. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories or a

combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

5. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net 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. In the event that the demand from Mutual Funds 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 the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the Net QIB Portion and allocated to QIBs (including Mutual Funds) on a proportionate basis, subject to valid Bids at or above Issue Price.
6. Allocation to NRIs, Eligible QFIs, FIIs, Foreign Venture Capital Funds registered with SEBI applying on repatriation basis will be subject to the terms and conditions stipulated by the FIPB and RBI while granting permission for Issue/Allocation of Equity Shares to them.
7. The allotment details shall be uploaded on the website of the Registrar to the Issue.

Signing of the Underwriting Agreement and the RoC Filing

- (a) Our Company, the BRLM and the Syndicate Members have entered into an Underwriting Agreement on [●], 2013.

For terms of the Underwriting Agreement please see chapter titled 'General Information' beginning on page no. 9.

- (b) After signing the Underwriting Agreement, Our Company will update and file the updated Red Herring Prospectus with the RoC in accordance with the applicable law, which then would be termed as the "Prospectus". The Prospectus will contain details of the Issue Price, Issue size, underwriting arrangements and will be complete in all material respects.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, Our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one Marathi language daily newspaper, each with wide circulation.

Advertisement regarding Issue Price and Prospectus

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Confirmation of Allotment Note ("CAN")

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Syndicate a list of the Bidders who have been Allotted Equity Shares in the Issue.

The Registrar will then dispatch a CAN to the Bidders who have been Allotted Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder for all the Equity Shares allocated to such Bidder.

Designated Date and Allotment of Equity Shares

- a. Our Company will ensure that (i) the Allotment of Equity Shares; and (ii) credit to the successful Bidder's depository account will be completed within 12 Working Days of the Bid/Issue Closing Date.
- b. In accordance with the SEBI Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.
- c. 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.
- d. Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.

GENERAL INSTRUCTIONS

Do's:

- a) Check if you are eligible to apply in terms of the Red Herring Prospectus and under applicable law;
- b) Ensure that you have Bid within the Price Band;
- c) Read all the instructions carefully and complete the Bid-cum-Application Form;
- d) Ensure that the details about the Depository Participant, PAN and the beneficiary account are correct 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 with respect to ASBA Bidders, ensure that your Bid is submitted either at a Designated Branch of the SCSB or to the Syndicate Member(s)/sub-syndicate members at the Specified Centres.;
- f) With respect to ASBA Bids ensure that the ASBA 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 Form;
- g) Ensure that you request for and receive a TRS for all your Bid options;
- h) In case of Bids submitted through ASBA process, ensure that you have funds equal to the Bid Amount in your bank account maintained with the SCSB before submitting the ASBA Form to the respective Designated Branch of the SCSBs or the Syndicate members;
- i) In case of Non-ASBA Bids, ensure that the full Bid Amount is paid for the Bids submitted to the Syndicate or to the non-syndicate member and in case of Bids under the ASBA process funds equivalent to the Bid Amount are blocked in case of any Bids submitted through the SCSBs.
- j) In case of Bids submitted through the ASBA process, instruct the relevant SCSBs not to release the funds blocked in the ASBA Account in respect of the relevant Bid Amounts until receipt of instructions from the Registrar to the Issue to unblock the Bid Amount, based on finalization of the Basis of Allotment;
- k) Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;
- l) All Bidders should mention their PAN allotted under the IT Act. Bid Cum-Application Form in which the PAN is not provided will be rejected;
- m) Ensure that the Demographic Details 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. In case 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) All QIB Bidders and Non-Institutional Bidders shall apply only through the ASBA process.

Don'ts:

- a) Do not Bid if you are prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- b) Do not Bid if you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise, or if you are not competent to contract under the Indian Contract Act, 1872, as amended;

- c) Do not Bid if you are a US resident;
- d) Do not bid after the time prescribed as per the Bid cum Application Form, Pre-issue advertisement and the Red Herring Prospectus and if the Bid is not as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;
- e) Do not submit your Bids on plain paper;
- f) Do not forget to tick the Bidder category on the Bid cum Application Form;
- g) In case of ASBA Bids, do not forget to tick the authorization to the SCSB to block funds in the ASBA Account;
- h) Do not Bid for lower than the minimum Bid size;
- i) Do not Bid/ revise Bid Amount to less than the Floor Price or higher than the Cap Price;
- j) Do not Bid on another Bid-cum-Application Form after you have submitted a Bid to the Syndicate or Broker centre or the SCSBs, as applicable;
- k) Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;
- l) Do not send Bid-cum-Application Forms by post; instead submit the same to a member of the Syndicate or Broker centre or the SCSBs only;
- m) Do not Bid at Cut-off Price (for QIB Bidders and Non-Institutional Bidders, for Bid Amount in excess of ₹ 2,00,000);
- n) Do not Bid for a Bid Amount exceeding ₹ 2,00,000 (for Bids by Retail Individual Bidders);
- o) With respect to ASBA Bids, do not bid if there are inadequate funds in the ASBA Account for enabling the SCSB to block the Bid Amount specified in the ASBA Bid cum Application Form;
- p) Do not Bids under power of attorney or if you are a limited company, corporate, trust, etc., unless the Bid is supported with relevant documents;
- q) Do not forget to mention the sole or first Bidder's PAN (except for Bids on behalf of the Central or State Government, residents of Sikkim and officials appointed by the courts), DP ID and BAN in the Bid-cum-Application Form;
- r) Do not fill up the Bid-cum-Application Form such that the Equity Shares Bid for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- s) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground; and
- t) Do not submit the Bids without the full Bid Amount.

INSTRUCTIONS FOR COMPLETING THE BID-CUM-APPLICATION FORM

Bids must be:

- a. Made only in the prescribed Bid-cum-Application Form or Revision Form, as applicable.
- b. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid-cum-Application Form or in the Revision Form. Bidders must provide details of valid and active DP ID, BAN 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 or incorrect Bid-cum-Application Forms or Revision Forms are liable to be rejected. Bidders should note that the Syndicate, the Broker centre and / or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Bid-cum-Application Forms or Revision Forms.
- c. Information provided by the Bidders will be uploaded in the online IPO system by the Syndicate, Broker centre and the SCSBs, as the case may be, and the electronic data will be used to make allocation/ Allotment. The Bidders should ensure that the details are correct and legible.
- d. For Retail Individual Bidders, the Bid must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid Amount of ₹ 2,00,000.
- e. For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. Bids cannot be made for more than 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.

- f. In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- g. 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.
- h. If the ASBA Account holder is different from the ASBA Bidder, the Bid cum Application Form should also be signed by the account holder as provided in the Bid cum Application Form.

Bidder's PAN, Depository Account and Bank Account Details

Bidders should note that on the basis of PAN of the Bidders, DP ID and beneficiary account number provided by them in the Bid-cum-Application Form, the Registrar will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as "Demographic Details"). These bank account details would be used for giving refunds (including through physical refund warrants, direct credit, NECS, NEFT) or unblocking of ASBA Account. It is mandatory to provide the bank account details in the space provided in the Bid-cum-Application Form and Bid-cum-Application Form that do not contain such details are liable to be rejected. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders or unblocking of ASBA Account at the Bidders sole risk and neither the BRLM or the Registrar 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.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID-CUM-APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID-CUM-APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID-CUM-APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID-CUM-APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/allocation advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid-cum-Application Form would not be used for any other purpose by the Registrar.

By signing the Bid-cum-Application Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Refund orders/ CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/ CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder (other than ASBA Bidders) in the Bid-cum-Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Bidder's sole risk and neither our Company, the Escrow Collection Banks, Registrar, the BRLM shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, PAN of the sole/First Bidder, the DP ID and the beneficiary's identity, then such Bids are liable to be rejected.

Bids by Non-Residents including Eligible NRIs, FIIs and Foreign Venture Capital Funds on a repatriation basis

Bids and revision to Bids must be:

On the Bid-cum-Application Form or the Revision Form, as applicable (Blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained in the Red Herring Prospectus, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision are liable to be rejected.

Bids by Retail Individual Bidders must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, subject to a maximum Bid Amount of ₹ 2,00,000.

Bids by QIBs bidding in the Net QIB Portion and Non- Institutional Bidders must be for a minimum of such number of Equity Shares that the Bid Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. Bids cannot be made for more than the size of this Issue, subject to applicable investment limits under laws or regulations to the Bidders. QIBs bidding cannot withdraw their Bids after the Bid Closing Date.

Bids on a repatriation basis shall be in the names of individuals, or in the name of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Bids by Eligible NRIs for a Bid Amount of up to ₹ 2,00,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than ₹ 2,00,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid-cum-Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, Eligible QFIs or FIIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorney or by Limited Companies, Corporate Bodies or Registered Societies

In case of bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the Power of Attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum & Article of Association and/or Bye Laws must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any bid in whole or in part.

Certain additional documents are required to be lodged along with the Bid cum Application Form by the following entities:

With respect to Bids by FVCIs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.

With respect to Bids by insurance companies registered with the IRDA, in addition to the above, a certified copy of the certificate of registration issued by the IRDA must be lodged with the Bid cum Application Form.

With respect to Bids made by provident funds with minimum corpus of ₹ 25.00 crore (subject to applicable law) and pension funds with a minimum corpus of ₹ 25.00 crore, a certified copy

Our Company in our absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney and additional documents, as specified above, along with the Bid cum Application Form, subject to such terms and conditions that the Bank and the BRLM may deem fit.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Bidders other than ASBA Bidders

Our Company and the Syndicate shall open Escrow Account(s) with one or more Escrow Collection Bank(s) in whose favour the Retail Individual Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks for and on behalf of the Retail Individual Bidders shall maintain the monies in the Escrow Account 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 Retail Individual 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 facilitate collections from the Bidders.

Payment mechanism for ASBA Bidders

The ASBA Bidders shall specify the bank account number in the ASBA Form and the SCSB shall block an amount equivalent to the Bid Amount in the bank account specified in the ASBA 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 Form or for unsuccessful ASBA Forms, the Registrar shall give instructions to the SCSB to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue 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.

Payment into Escrow Account for Bidders other than ASBA Bidders

Each Retail Individual Bidder shall draw a cheque or demand draft or remit the funds electronically through the NEFT/RTGS mechanism for the amount payable on the Bid and/or on allocation/Allotment as per the following terms:

1. All Retail Individual Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid-cum-Application Form.
2. The Retail Individual Bidders shall, with the submission of the Bid-cum-Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the Syndicate or non-syndicate member (Broker Centre). If the payment is not made favouring the Escrow Account along with the Bid-cum-Application Form, the Bid of the Bidder shall be rejected.
3. The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - I. In case of Resident Retail: “**Escrow Account – Sanco Industries Limited - Public Issue - R**”
 - II. In case of Non-Resident Retail “**Escrow Account – Sanco Industries Limited - Public Issue - NR**”
4. In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal

banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.

5. In case of Bids by NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a Non-Resident Ordinary (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.
6. The monies deposited in the Escrow Account will be held for the benefit of the Bidders (other than ASBA Bidders) till the Designated Date.
7. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.
8. Within 12 Working Days from the Bid/Issue Closing Date, the Refund Bank shall also refund all amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also the excess amount paid on bidding, if any, after adjusting for allocation/Allotment to such Bidders.
9. Payments should be made by cheque, or a 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 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/postal orders will not be accepted.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid-cum-Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same. In 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.

The Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. In this regard, the procedures which would be followed by the Registrar to detect multiple Bids are given below:

- a) All Bids will be checked for common PAN and will be accumulated and taken to a separate process file which would serve as a multiple master.
- b) In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.
- c) The Registrar will obtain, from the depositories, details of the applicant's address based on the DP ID and Beneficiary Account Number provided in the Bid data and create an address master.

- d) The addresses of all the applications in the multiple master will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names. The Bids with same name and same address will be treated as multiple Bids.
- e) The Bids will be scrutinised for DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.

Please note that, upon submission of the Bid, ASBA Bidders who are Non Institutional Bidders and QIB Bidders are not permitted to withdraw or lower the size of their Bids (both in terms of number of Equity Shares Bid for and Bid Amount) at any stage.

Permanent Account Number or PAN

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 Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Any Bid-cum-Application Form without the PAN is liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

REJECTION OF BIDS

In case of QIB Bidders, our Company in consultation with the BRLM may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company has a right to reject Bids based on technical grounds. Consequent refunds shall be made by NEFT/NECS/Direct Credit/cheque or pay order or draft 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.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

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 Form does not tally with the amount payable for the value of the Equity Shares Bid for;
2. 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;
3. Bid by persons not competent to contract under the Indian Contract Act, 1872 except bids by Minors having valid demat account as per demographic details provided by Depositories. including minors, insane persons;
4. PAN not mentioned in the Bid-cum-Application Form;
5. GIR number furnished instead of PAN;
6. Bids for lower number of Equity Shares than specified for that category of investors;
7. Bids at a price less than the Floor Price;
8. Bids at a price more than the Cap Price;
9. Bids at Cut-off Price by Non-Institutional and QIB Bidders;
10. Bids for number of Equity Shares which are not in multiples of [●];
11. Category not ticked;
12. Multiple Bids as defined in the Red Herring Prospectus;
13. In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;

14. Bids accompanied by Stockinvest/money order/postal order/cash;
15. Bid-cum-Application Forms does not have the stamp of the BRLM or Syndicate Members or the SCSB;
16. Bid-cum-Application Forms does not have Bidder's depository account details;
17. Bid-cum-Application Forms are not delivered by the Bidders within the time prescribed as per the 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;
18. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
19. With respect to ASBA Bids, inadequate funds in the bank account to block the Bid Amount specified in the ASBA Form at the time of blocking such Bid Amount in the bank account;
20. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
21. Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
22. ASBA Bids for QIBs not intimated to the BRLM;
23. Bids by persons in the United States;
24. Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;
25. Bids by QIBs and Non-Institutional Bidders through the non-ASBA process;
26. Bids not uploaded on the terminals of the Stock Exchange; and
27. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority.
28. Revision of Bids by Non Institutional Bidders and QIB Bidders resulting in lowering the size of their Bids;

IN CASE THE DP ID, CLIENT ID AND PAN MENTIONED IN THE BID-CUM-APPLICATION FORM AND ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE STOCK EXCHANGE OR THE SYNDICATE/THE BROKER CENTRE/ THE SCSBs DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITARIES.

EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment of Equity Shares in this Issue shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar:

- Agreement dated December 30, 2010, between NSDL, Our Company and the Registrar;
- Agreement dated January 03, 2011, between CDSL, Our Company and the Registrar.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid-cum-Application Form or Revision Form.

Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

Names in the Bid-cum-Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

If incomplete or incorrect details are given under the heading “Bidders Depository Account Details” in the Bid-cum-Application Form or Revision Form, it is liable to be rejected.

The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid-cum-Application Form vis-à-vis those with his or her Depository Participant.

Equity Shares in electronic form can be traded only on the Stock Exchange having electronic connectivity with NSDL and CDSL. The Stock Exchange where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

The trading of the Equity Shares of Our Company would be in dematerialised form only for all Bidders in the demat segment of the respective Stock Exchange.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid-cum-Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid form, name and address of the member of the Syndicate or Broker Centre or the Designated Branch of the SCSBs where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, bank account number in which the amount equivalent to the Bid Amount was blocked.

Bidders can contact the Compliance Officer or the Registrar 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 to the Designated Branches of the SCSBs/ to the Syndicate Member(s)/sub-syndicate members/ Broker centres at the Specified Centres, the Bidders can contact the Designated Branches of the SCSBs or the Syndicate/ Sub-Syndicate members or the Broker centres, as the case may be.

PAYMENT OF REFUND

Bidders other than ASBA Bidders must note that on the basis of the names of the Bidders, Depository Participant’s name, DP ID, beneficiary account number provided by them in the Bid-cum-Application Form, the Registrar will obtain, from the Depositories, the Bidders bank account details, including the nine digit Magnetic Ink Character Recognition (“MICR”) code as appearing on a cheque leaf. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch of refund 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, nor the BRLM, the Registrar, Escrow Collection Bank(s), Bankers to the Issue, the BRLM shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

Mode of making refunds for Bidders other than ASBA Bidders

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through various modes in the following order of preference:

1. NECS – Payment of refund would be done through NECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the abovementioned centres, except where the applicant, being eligible, opts to receive refund through direct credit.
2. Direct Credit – Applicants having bank accounts with the Refund Bank (s), as mentioned in the Bid-cum-Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.
3. NEFT – Payment of refund shall be undertaken through NEFT wherever the applicants’ bank has been assigned

the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

4. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Mode of making 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 Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/Issue Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

With respect to Bidders other than ASBA Bidders, Our Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 12 Working Days of the Bid/Issue Closing Date.

In case of applicants who receive refunds through NECS, NEFT, direct credit the refund instructions will be given to the clearing system within 12 Working Days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within 12 Working Days of Bid/ Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed, are taken within 12 Working Days of the Bid/Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, Our Company further undertakes that:

Allotment of Equity Shares shall be made only in dematerialised form within 12 Working Days of the Bid/Issue Closing Date; and

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 12 Working Days of 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 12 Working Days from the Bid/Issue Closing Date.

If the Allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT or ECS, the refund instructions have not been given in the disclosed manner within 12 Working Days from the Bid/ Issue Closing Date or on refusal by

Stock Exchange to grant listing permission for the Equity Shares being offered, our Company shall, within 8 days, repay the money failing which it shall pay interest with interest at 15% per annum, as prescribed under section 73 of the Companies Act.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A 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 share 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.”

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The 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.

In the event, the Bids received from Retail Individual Bidders exceeds [●] Equity Shares, then the maximum number of Retail Individual Bidders who can be allocated/Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for allocation/Allotment to Retail Individual Bidders by the minimum Bid Lot (“**Maximum RII Allottees**”). The allocation/Allotment to Retail Individual Bidders will then be made in the following manner:

- In the event the number of Retail Individual Bidders who have submitted valid Bids in the Offer is equal to or less than Maximum RII Allottees, (i) Retail Individual Bidders shall be allocated / Allotted the minimum Bid Lot; and (ii) the balance Equity Shares, if any, remaining in the Retail Portion shall be allocated/ Allotted on a proportionate basis to the Retail Individual Bidders who have received allocation/Allotment as per (i) above for less than the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- In the event the number of Retail Individual Bidders who have submitted valid Bids in the Offer is more than Maximum RII Allottees, the Retail Individual Bidders (in that category) who will then be allocated/ Allotted minimum Bid Lot shall be determined on draw of lots basis. For the method of basis of Allotment, refer illustration below.

Illustration Explaining Procedure of Allotment for Retail Bidder

A.

- i. Total no. of specified securities on offer @ ₹ 600 per share: 1 crore specified securities.
- ii. Specified securities on offer for retail individual investors’ category: 35 lakh specified securities.

- iii. The issue is over-subscribed 2.5 times whereas the retail individual investors' category is oversubscribed 4 times.
- iv. Issuer decides to fix the **minimum application / bid size as 20** specified securities (falling within the range of ₹ 10,000 - ₹ 15,000). Application can be made for a minimum of 20 specified securities and in multiples thereof.
- v. Assume that a total of **one lakh retail individual investors** have applied in the issue, in varying number of bid lots i.e. between 1 – 16 bid lots, based on the maximum application size of upto ₹ 2,00,000.
- vi. Out of the one lakh investors, there are five retail individual investors A, B, C, D and E who have applied as follows: A has applied for 320 specified securities. B has applied for 220 specified securities. C has applied for 120 specified securities. D has applied for 60 specified securities and E has applied for 20 specified securities.

As per allotment procedure, the allotment to retail individual investors shall not be less than the minimum bid lot, subject to availability of shares, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Sr. No.	Name of Investor	Total Number of Specified securities applied for	Total number of specified securities eligible to be allotted
1	A	320	20 specified securities (i.e. the minimum bid lot) + 38 specified securities $[\{35,00,000 - (1,00,000 * 20)\} / \{140,00,000 - (1,00,000 * 20)\}] * 300$ (i.e. 320-20)
2	B	220	20 specified securities (i.e. the minimum bid lot) + 25 specified securities $[\{35,00,000 - (1,00,000 * 20)\} / \{140,00,000 - (1,00,000 * 20)\}] * 200$ (i.e. 220-20)
3	C	120	20 specified securities (i.e. the minimum bid lot) + 13 specified securities $[\{35,00,000 - (1,00,000 * 20)\} / \{140,00,000 - (1,00,000 * 20)\}] * 100$ (i.e. 120-20)
4	D	60	20 specified securities (i.e. the minimum bid lot) + 5 specified securities $[\{35,00,000 - (1,00,000 * 20)\} / \{140,00,000 - (1,00,000 * 20)\}] * 40$ (i.e. 60-20)
5	E	20	20 specified securities (i.e. the minimum bid lot)

B.

- (1) Total no. of specified securities on offer @ ₹ 600 per share: 1 crore specified securities.
- (2) Specified securities on offer for retail individual investors' category: 35 lakh specified securities.
- (3) The issue is over subscribed 7 times whereas the retail individual investors' category is over subscribed 9.37 times.
- (4) Issuer decides to fix the minimum application / bid size as 20 specified securities (falling within the range of ₹ 10,000 - ₹ 15,000). Application can be made for a minimum of 20 specified securities and in multiples thereof.
- (5) Assume that a total of two lakh retail individual investors have applied in the issue, in varying number of bid lots i.e. between 1 – 16 bid lots, based on the maximum application size of upto ₹ 2,00,000, as per the table shown below.
- (6) As per allotment procedure, the allotment to retail individual investors shall not be less than the minimum bid lot, subject to availability of shares.
- (7) Since the total number of shares on offer to retail individual investors is 35,00,000 and the minimum bid lot is 20 shares, the maximum no. of investors who can be allotted this minimum bid lot will be 1,75,000. In other words, 1,75,000 retail applicants will get the minimum bid lot and the remaining 25,000 retail applicants will not get allotment.

The details of allotment shall be as follows:

No. of Lots	No. of Shares at each lot	No. of Retail Investors applying at each lot	Total No. of Shares applied for at each lot	No. of investors who shall receive minimum bid-lot (to be selected on lottery)
A	B	C	D = (B*C)	E
1	20	10,000	2,00,000	8,750 = (1,75,000/2,00,000)*10,000
2	40	10,000	4,00,000	8,750
3	60	10,000	6,00,000	8,750
4	80	10,000	8,00,000	8,750
5	100	20,000	20,00,000	17,500
6	120	20,000	24,00,000	17,500
7	140	15,000	21,00,000	13,125
8	160	20,000	32,00,000	17,500
9	180	10,000	18,00,000	8,750
10	200	15,000	30,00,000	13,125
11	220	10,000	22,00,000	8,750
12	240	10,000	24,00,000	8,750
13	260	10,000	26,00,000	8,750
14	280	5,000	14,00,000	4,375
15	300	15,000	45,00,000	13,125
16	320	10,000	32,00,000	8,750
Total		2,00,000	328,00,000	1,75,000

B. For Non-Institutional Bidders

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs and Retail shall be available for Allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

C. For QIBs

Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Issue size less Allotment to Non Institutional Bidders and Retail shall be available for Allotment to Non- QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. The Allotment to all the 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:

- In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.

- In the event that 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.
- Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

(b) In the second instance Allotment to all QIBs shall be determined as follows:

- In the event that the 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, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for up to 95% of the QIB Portion.
- Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.
- Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

The BRLM, the Registrar to the Issue and the Designated Stock Exchange shall ensure that the 'Basis of Allocation' is finalized in a fair and proper manner in accordance with the SEBI Regulations. The drawing of lots (where required) to finalize the 'Basis of Allocation' shall be done in the presence of a public representative on the Governing Board of the Designated Stock Exchange.

Method of Proportionate Allotment

In the event of the Issue being over-subscribed, the basis of allotment shall be finalised by Our Company in consultation with the Designated Stock Exchange. The Executive Director/Managing Director/authorized employees of the NSE (Designated Stock Exchange) along with the post Issue Lead Merchant Banker and the Registrars to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner.

The allotment shall be made in marketable lots, on a proportional basis as explained below:

- a) Bidders will be categorized according to the number of Equity Shares applied for,
- b) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
- c) Number of Equity Shares to be Allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio, in that category subject to a minimum allotment of [●] Equity Shares. The allotment lot shall be the same as the minimum application lot irrespective of any revisions to the Price Band.
- d) In all Bids where the proportionate allotment is less than [●] Equity Shares per Bidder, the Allotment shall be made as follows:
 - I. Each successful Bidder shall be allotted a minimum of [●] Equity Shares; and
 - II. The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above.

- 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 the decimal is less than 0.5, it would be rounded off to the lower whole number. All Bidders in such categories would be allotted Equity Shares 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 Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

Investors should note that the Equity Shares will be allocated to all successful Bidders in dematerialised form only. Bidders will not have the option of being allocated Equity Shares in physical form.

Illustration of Allotment to QIBs and Mutual Funds (“MF”) in the QIB Portion

A. Issue Detail

Sr. No	Particulars	Issue Details
1.	Issue Size	200 Crores equity shares
2.	Allocation to QIB (50%)	100 Crores Equity Shares
	Of which	
	a. Allocation to Mutual Funds	5 Crores Equity Shares
	b. Balance for all QIBs including MFs	95 Crores Equity Shares
5.	No. of QIB applicants	10
6.	No of Shares applied for	500 Crores Equity shares

B. Details of QIB Bids

Sr .No	QIB Bidders	No. of shares bid (in crores)
1	A1	50
2	A2	20
3	A3	130
4	A4	50
5	A5	50
6	MF1	40
7	MF2	40
8	MF3	80
9	MF4	20
10	MF5	20
	Total	500

#A1-A5 : (QIB bidders other than MFs), (MF1-MF5) : (QIB Bidders other than Mutual Funds)

C. Details of Allotment to QIB Bidders

Type of QIB Bidders	Equity shares bid for	Allocation of 3.5 crores equity shares to MFs proportionately	Allocation of balance 66.5 crores equity shares to QIBs proportionately	Aggregate allocation to MFs
A1	50	0	6.65	0
A2	20	0	2.66	0
A3	130	0	17.29	0
A4	50	0	6.65	0
A5	50	0	6.65	0

Type of QIB Bidders	Equity shares bid for	Allocation of 3.5 crores equity shares to MFs proportionately	Allocation of balance 66.5 crores equity shares to QIBs proportionately	Aggregate allocation to MFs
MF1	40	0.7	5.32	6.02
MF2	40	0.7	5.32	6.02
MF3	80	1.4	10.64	12.04
MF4	20	0.35	2.66	3.01
MF5	20	0.35	2.66	3.01
	500	3.5	66.5	30.1

Please note:

1. The illustration presumes compliance with the requirements specified in the Red Herring Prospectus in the section titled “*Issue Structure*” on page 147.
2. Out of 70 crores equity shares allocated to QIBs, 3.5 crores (i.e. 5%) will be allocated on proportionate basis among five Mutual Fund applicants who applied for 200 equity shares in QIB category.
3. The balance 66.5 crores equity shares (i.e. 70 – 3.5 (available for MFs)) will be allocated on proportionate basis among 10 QIB applicants who applied for 500 equity shares (including five MF applicants who applied for 200 equity shares).
4. The figures in the fourth column entitled “Allocation of balance 66.5 crores Equity Shares to QIBs proportionately” in the above illustration are arrived as under:
 - For QIBs other than Mutual Funds (A1 to A5) = No. of shares bid for (i.e. in column II) X 66.5 / 496.5
 - For Mutual Funds (MF1 to MF5) = [(No. of shares bid for (i.e. in column II of the table above) less Equity Shares allotted (i.e., column III of the table above)] X 66.5 / 496.5

The numerator and denominator for arriving at allocation of 66.5 crore Equity shares to the 10 QIBs are reduced by 3.5 crores Equity shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

Letters of Allotment or Refund Orders or instructions to the SCSBs, disposal of application and application moneys

Our Company shall give credit to the beneficiary account with depository participants within 10 Working Days from the Bid/Issue Closing Date. Applicants residing at the centres where clearing houses are managed by the RBI, will get refunds through NECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit. Our Company will ensure dispatch of any refund orders by speed or registered post or direct credit, NEFT or NECS, at the sole or first Bidders’ sole risk, within 10 Working Days from the Bid/ Issue Closing Date. Bidders to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 10 Working Days of the Bid/ Issue Closing Date. In case of ASBA Bidders, the Registrar shall instruct the relevant SCSBs to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 10 Working Days of the Bid/Issue Closing Date.

Interest in case of delay in despatch of Allotment Letters or Refund Orders/ instruction to the SCSBs by the Registrar.

Our Company agrees that (i) Allotment of Equity Shares; and (ii) credit to the successful Bidders’ depository accounts will be completed within 12 Working Days of the Bid/ Issue Closing Date. Our Company further agrees that if the Allotment letters or refund orders have not been despatched to the applicants or if, in a case where the

refund or portion thereof is made in electronic manner through Direct Credit, NEFT or ECS, the refund instructions have not been given in the disclosed manner within 12 working days from the Bid/ Issue Closing Date or on refusal by Stock Exchange to grant listing permission for the Equity Shares being offered, our Company shall, within 8 days, repay the money failing which it shall pay interest with interest at 15% per annum, as prescribed under section 73 of the Companies Act.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar. Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

UNDERTAKING BY OUR COMPANY

We undertake as follows:

1. that the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
2. that all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are to be listed are taken within 12 Working Days of Bid/Issue Closing Date;
3. 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.
4. that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 10 Working days of closure of the issue, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
5. Instructions to SCSBs to unblock funds in the ASBA Accounts shall be given within nine working days of the Bid/Issue Closing Date
6. that certificates of the securities/ refund orders to the non-resident Indians shall be dispatched within specified time That the instruction for electronic credit of Equity Shares / refund orders / intimation about the refund to nonresident Indians shall be completed within the specified time;
7. that no further issue of securities shall be made till the securities offered through the Red Herring Prospectus are listed or till the application moneys are refunded on account of non-listing, under subscription, etc.
8. that adequate arrangements shall be made to collect all Applications Supported by Blocked Amount (ASBA) and to consider them similar to non-ASBA applications while finalizing the basis of allotment.

Withdrawal of the Issue

Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue after the bidding and if so, the reason thereof shall be given as a public notice within two days of the closure of the issue. The public notice shall be issued in the same newspapers where the pre-issue advertisement had appeared. The Stock Exchange where the specified securities were proposed to be listed shall also be informed promptly.

If our Company withdraws the issue after closure of bidding, the issuer shall be required to file a fresh draft offer document with SEBI.

UTILIZATION OF ISSUE PROCEEDS

The Board of Directors of our Company certifies that:

1. All monies received out of this issue of Equity Shares to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 73 of the Companies Act,

1956;

2. Details of all monies utilized out of the issue referred to in sub-item (a) shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilised under an appropriate separate head in the Balance Sheet of our Company indicating the purpose for which such monies had been utilized; and
3. Details of all unutilized monies out of the issue of Equity Shares, referred to in sub-item (i) shall be disclosed under an appropriate separate head in the Balance Sheet of our Company indicating the form in which such unutilized monies have been invested;

Our Company shall comply with the requirements of Clause 49 of the listing agreement in relation to the disclosure and monitoring of the utilization of the Net Proceeds; and

Our Company shall not have recourse to the proceeds of the Issue until the approval for trading of the Equity Shares from the Stock Exchange has been received

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the industrial policy of Government of India, or the Industrial Policy and FEMA. While the Industrial Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made.

Under the Industrial Policy, 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. The government bodies responsible for granting foreign investment approvals are the Foreign Investment Promotion Board of Government of India (FIPB) and the RBI.

RBI, vide its circular A.P (DIR Series) Circular No. 53 dated December 17, 2003, permitted FIIs to subscribe to shares of an Indian Company in the public issue without prior approval of RBI, so long as the price of Equity Shares to be issued is not less than the price at which the Equity Shares are issued to residents.

Investment by Non-Resident Indians

A variety of special facilities for making investments in India in shares of Indian Companies are available to individuals of Indian nationality or origin residing outside India (“NRIs”). These facilities permit NRIs to make portfolio investments in shares and other securities of Indian companies on a basis not generally available to other foreign investors. Under the portfolio investment scheme, NRIs are permitted to purchase and sell Equity Shares of our Company through a registered broker on the Stock Exchange. NRIs collectively should not own more than 10% of the post-issue paid up capital of our Company. No single NRI may own more than 5% of the post- issue paid up capital of our Company. NRI investment in foreign exchange is now fully repatriable whereas investments made in Indian Rupees through rupee accounts remains non repatriable.

Investment by Foreign Institutional Investors

Foreign Institutional Investors (“FIIs”) including institutions such as pension funds, investment trusts, asset management companies, nominee companies and incorporated, institutional portfolio managers can invest in all the securities traded on the primary and secondary markets in India. FIIs are required to obtain an initial registration from the SEBI and a general permission from the RBI to engage in transactions regulated under FEMA. FIIs must also comply with the provisions of the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time. The initial registration and the RBI’s general permission together enable the registered FII to buy (subject to the ownership restrictions discussed below) and sell freely securities issued by Indian companies, to realise capital gains or investments made through the initial amount invested in India, to subscribe or renounce rights issues for shares, to appoint a domestic custodian for custody of investments held and to repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received towards sale or renunciation of rights issues of shares.

Ownership restrictions of FIIs

Under the portfolio investment scheme, the overall issue of Equity Shares to FIIs on a repatriation basis should not exceed 24% of post-issue paid-up capital of our Company. However, the limit of 24% can be raised up to the permitted sectoral cap for that Company after approval of the board of Directors and shareholders of our Company. The issue of Equity Shares to a single FII should not exceed 10% of the post-issue paid-up capital of our Company. In respect of an FII investing in Equity Shares of a Company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital of that Company.

The above information is given for the benefit of the Bidders and neither our Company nor the BRLM are liable for any changes in the regulations after the date of the RHP.

SECTION X – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF THE COMPANY**SHARE CAPITAL**

1. The Authorised Share Capital of the Company shall be such amount and be divided into such shares as may, from time to time, be provided in clause V of the Memorandum of Association with power to subdivide consolidated and increase and with power from time to time, to issue any shares of the original capital with and subject to any preferential, qualified or special rights, privileges or conditions as may be, thought fit, and upon the sub-division of shares resulting from sub-division. The minimum paid-up Share Capital of the Company shall be ₹ 5,00,000/- (Rupees Five Lacs Only).
2. Subject to the provisions of these Articles and of the Act, the shares shall be under the control of the Board of Directors, who may allot or otherwise dispose of the same to such persons, on such terms and conditions and at such time as they think fit and with full power to give any person to option to call of or to be allotted shares of the Company of any class, either at a premium or at par or at a discount and for such time and for such consideration as the Board of Directors think fit (Subject to the provisions of Section 78 and 79 of the Act), provided that option or right to call of shares shall not be given to any person except with the sanction of the company in General Meeting. The Board shall cause to be made the returns as the allotment provided for in Section 75 of the Act.
3. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles; and every person who thus or otherwise accepts any shares and whose name is on the register shall, for the purposes of the Articles, be a member.
4. (1) If at any time the share capital is divided into deferent classes of shares, the rights attached to any class (unless otherwise provided by the terms of issues of the shares of that class may, subject to the provisions of section 106 and 107 of the Act and whether or not the Company is being wound up the varied with the consent in writing of the holders of three fourths of the issued shares of that class or with a sanction of a resolution passed at a separate meeting of the holders of the shares of that class.
(2) Subject to the provisions of Section 170(2) (a) and d(b) of the Act, to every such separate meeting, the provisions of these regulations relating to meetings that mutatis mutandis apply, but so that necessary quorum shall be five persons at least holding or representing by proxy or one-third of the issued shares of the class in question.
7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise provided by the terms of issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking par issue therewith.
8. (1) The Company may exercise the powers of paying commissions conferred by Section 76 of the Act, provided that the rate percent or the amount of the commission [aid of agreed to be paid shall be disclosed in the manner required by the Section.
(2) The rate of commission shall not exceed the rate of 5% (five percent) of the price at which the shares in respect whereof the same is paid are issued or an amount equal to 5% (five percent) of such price, as the case may be and in the case of debentures 2.5% (two and a half percent) of the price at which the debentures in respect whereof the same is paid are issued and an amount equal to 2.5% (two and a half percent) of such price, as the case may be.
(3) The commission may be satisfied by payment in cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.
(4) The Company may also, on any issue of shares, pay such brokerage as may be lawful.
9. Subject to Section 187-C of the Act, no person shall be recognized by the Company as holding any share upon any trust and the Company shall not be bounded by or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent future or a partial interest in any share or any interest in nay fractional part of a share or any other rights in respect of any share except an assault right to the entirely thereof in the registered holder.
10. (1) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment (or within such other period as the conditions of the issue shall provide) or within one month after the application for the registration of transfer is received by the Company.
(a) One certificate for all his shares without payment, or
(b) Several certificates, each for one or more of his shares, provided that any subdivision, consolidation or splitting of certificates in marketable lots shall be done by the company free of any charges.

- (2) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid up thereon.
- (3) In respect of any shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
11. The Company agrees, that it will not charge any fees exceeding those which may be agreed upon with the Stock Exchange.
- (i) for issue of new certificate in replacement of those that are torn out, defaced, lost or destroyed:-
- (ii) For sub-division and consolidation of shares and debenture certificates and for subdivision of Letters of Allotment and Split, Consolidation, Renewal and Pucca Transfer Receipts into denominations other than those fixed for the markets units for trading.”
12. The Company may issue such fractional certificates as the Board may approve in respect of any of the shares of the Company on such terms as the Board thinks fit as to the period within which the fractional certificates are to be converted into share certificates.
13. If any shares stands in the names of two or more persons, the persons first named in the register of members shall as regards receipt of dividends, the service of notices and subject to the provisions of these Articles, all or any other matter connected with the Company except the issue of share certificates, voting at meeting and the transfer of the share, be deemed the sole holder thereof.

FURTHER ISSUE OF SHARES

14. Where at the time after the expiry of two years from the formation of the company or at any time after the expiry of one year from the allotment of shares in the company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the company by allotment of further shares either out of the unissued capital or out of the increased share capital then:
- a) Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the company, in proportion, as near as circumstances admit, to the capital paid up on those shares at the date.
- b) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than thirty days from the date of the offer and the offer if not accepted, will be deemed to have been declined.
- c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub clause (b) hereof 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.
- d) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose off them in such manner and to such person(s) as they may think, in their sole discretion fit.
15. Notwithstanding anything contained in sub-clause (1) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub clause (1) hereof in any manner whatsoever.
- a) If a special resolution to that effect is passed by the company in General Meeting, or
- b) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the chairman) by 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 most beneficial to the company.

16. Nothing in sub-clause (c) of (1) hereof shall be deemed:
- a) To extend the time within which the offer should be accepted; or
 - b) To authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made had declined to take the shares comprised in the renunciation.
17. Nothing in this Article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debenture issued or loans raised by the Company:
- i) To convert such debentures or loans into shares in the company; or
 - ii) To subscribe for shares in the company (whether such option is conferred in these Articles or otherwise)

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

- a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and
- b) In the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the company in General Meeting before the issue of the debentures or raising of the loans.

TRANSFER AND TRANSMISSION OF SHARES

30. The company shall keep a 'Register of Transfer' and therein shall fairly and distinctly enter particulars of every transfer of transmission of any shares..
- 31 (A) the Company shall use a common form of transfer.
(B) (1) the instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and the transferee.
(2) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
32. The instrument of transfer shall be in writing and all the provisions of Section 108 of the Companies Act, 1956 and of modification thereof for the time being shall be complied with in respect of all transfers of shares and registration thereof.
33. Unless the Directors decide otherwise when an instrument of transfer is tendered by the transferee, before registering any such transfer, the Directors shall give notice by letter sent by registered acknowledgement due post to the registered holder that such transfer has been lodged and that unless objection in writing at the office within ten days from the posting of such notice to him, he shall be deemed to have admitted the validity of the said transfer, where no notice is received by the registered holder, the Directors shall be deemed to have decided not to give notice and in any event to the non-receipt by the by the registered holder of any notice shall not entitle him to make any claim of any kind against the Company or the Directors in respect of such non-receipt.

TRANSFER OF SHARES

34. The Board of Directors may, subject to the right of appeal conferred by Section 111 of the Companies Act, 1956 decline to register:-
- (a) The transfer of a share not being a fully paid up share, to a person of whom they do not approve; or
 - (b) Any transfer of the shares on which the Company has a lien, provided that the registration transfer shall not be refused on the ground of transferor being either alone or jointly with any person or persons indebted to the Company on any account.
35. The Board may also decline to recognize any instrument of transfer unless:-

- (a) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (b) The instrument is in respect of only one class of shares.
36. All instruments of transfer which shall be registered shall be retained by the Company but may be destroyed upon the expiration of such period as the Board may from time to time determine. Any instrument of transfer which the Board declines to register shall (except in any case of fraud) be returned to the person depositing the same.
37. (a) the registration transfers may be suspended at such times and for such period as the Board may, from time to time, determine:
Provided that such registration shall not be suspended for more than forty five days in the aggregate in any year or for more than thirty days at any one time.
- (b) There shall be no charge for:
- (i) Registration of shares or debentures.
- (ii) Sub-division and/or consolidation of shares and debentures certificates and sub-division of Letters of Allotment and split, consolidation, renewal and pucca transfer receipts into denominations corresponding to the market unit or trending.
- (iii) Sub-division of renounceable Letters of Right.
- (iv) Issue of new certificates in replacements of those which are decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilized.
- (v) Registration of any Powers of Attorney, Letter of Administration and similar other documents.
- (vi) Registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other documents.
- (c) Permission for sub-division/consolidation of share certificate.

TRANSMISSION OF SHARES

- 38.(1) On the death of a member, the survivors where the members was a joint holder and his legal representative where he was a sole holder shall be the only person recognized by the company as having any title to his interest in the shares.
- (2) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any shares which had been jointly held by him with other persons.
- 39.(1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly required by the Board and subject as hereinafter provided elect, either:
- (a) To be registered himself as holder of the shares; or
- (b) To make such transfer of the shares as the deceased or insolvent member could have made.
- (2) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had himself transferred the share before his death or insolvency.
- 40.(1) If the person so becoming entitled, shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- (2) If the person aforesaid shall elect to transfer the shares, he shall testify his election by executing a transfer of share.
- (3) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice of transfer were a transfer signed by that member.
41. On the transfer of the share being registered in this name a person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he was the registered holder of the share and that he shall not, before being registered as a member in respect of the share be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.
- Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonus or other moneys payable in respect of the share, until the requirements of the notice have been complied with.
42. Where the Company has knowledge through any of its principle officers within the meaning of Section 2 of the Estate Duty Act, 1953 of the death of any member of or debenture holder in the Company, it shall furnish to the

controller within the meaning of such Section, the prescribed particulars in accordance with that Act and the rules made thereunder and it shall not be lawful for the Company to register the transfer of any shares or debentures standing in the name of the deceased, unless the transferor has acquired such shares for valuable consideration or a certificate from the Controller is produced before the Company to the effect that the Estate Duty in respect of such shares and debentures has been paid or will be paid or that none is due, as the case may be.

43. The Company shall incur liability 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 the person shaving or claiming any equitable right, title of 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 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 though not bound so to do, shall be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think it.

FORFEITURE OF SHARES

44. If a member fails to pay any call, on the day appointed for payment thereof, the Board may at any time thereafter during such time as any part of the call or installment remains unpaid serve a notice on him requiring payment of so much of the call or installment as is unpaid together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
45. The notice aforesaid shall:
- (a) Name a further day (not earlier than the expiry of 30 (thirty) days from the date of service of notice) on or before which the payment required by the notice is to be made; and
 - (b) State that, in the event of non payment on or before the days so named, the shares in respect of which the call was made will be liable to be forfeited.
46. If the requirements of any notice as aforesaid are not complied with, any share in respect of which the notice has been given, at any time, thereafter, before the payment required by the notice has been made forfeited by a resolution of the board to the effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the date of forfeiture, which shall be the date on which the resolution of the Board is passed forfeiting the shares.
47. (1) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
(2) At any time before a sale or disposal, as aforesaid the Board may annul the forfeiture on such terms as it thinks fit.
48. (1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all money which, at date of forfeiture, were presently payable by him to the Company in respect of the shares together with interest thereof from the time of forfeiture until payment at the rate of 9% (nine percent) per annum.
(2) The liability of such person shall cease if and when the Company shall have received payments in full or all such money in respect of the shares.
49. (1) A duly verified declaration in writing that the declarant is a Director or the secretary of the Company and a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated against all persons claiming to be entitled to the share.
(2) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to who the share is sold or disposed off.
(3) The transferee shall thereupon be registered as the holder of the shares.
(4) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share to be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
50. The provisions of these regulations as to forfeiture shall apply, in the case of non-payment of any sum which by the terms of issued of a share, become 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.

51. The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the share, and all other rights incidental thereto except only such of those rights as by these Articles are expressly saved.
52. Upon any sale, after forfeiture or for enforcing a lien in purported exercise of powers hereinbefore given, the Board may, appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings or to be application of the purchase money and after his name has been entered in the Register in respect of such shares, the validity, of the sale shall not be impeached by any reason and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
53. Upon any sale, re-allotment or other disposal under the provisions of these Articles relating to lien or to forfeiture, the certificate or 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. When any shares, under the power in that behalf herein contained are sold by the Board and the certificate in respect thereof has not been delivered up to the Company by the former holder of such shares, the Board may, issue a new certificate for such shares distinguishing it in such manner as it may think fit, from the certificate not so delivered.

54. The Directors may subject to the provisions of the Act, accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof.

GENERAL MEETING

55. All General Meeting other than the Annual General Meeting of the company shall be called extra ordinary General Meetings.
56. (1) The Board may, whenever it thinks fit call an Extraordinary General Meetings.
(2) It at any time there are not within India Directors capable of acting who are sufficient in number to form a quorum, any Director or any two member of the company may call an Extraordinary General Meeting in the same manner, as nearly as possible, to that in which such a meeting may be called by the Board.

CONDUCT OF GENERAL MEETING

57. No general meeting, annual, extraordinary, shall be competent to enter upon, discuss or transact any business which has not been stated I the notice by which it was convened or called.
72. (1) No business shall be transacted at any general meeting, unless a quorum or member is present at the time when the meeting proceeds to business.

(2) Save as otherwise provided in the section 174 of the Act a minimum of the five members present in person shall be the quorum. A body corporate, being member, shall be deemed to be personally present if it is represented in accordance with the section 187 of the Act.

VOTES OF MEMBER

80. Subject to any rights or restriction for the time being attached to any class or classes of shares:
 - (a) On a show of hands, every member present in person shall have one vote; and
 - (b) On a poll, the voting rights of member shall be as laid down in section 87 of the Act.
81. In the case of a joint holder, the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other point holders. For this purpose, seniority shall be determined by the order in which the names of joint holders stand in the register of members.
82. A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote whether on a show of hands or on a poll by his committee or other legal guardian , and any such committee or guardian may on a poll , vote by proxy provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the office not less than 24 hours before the time of holding the meeting or adjourned meeting at which such person claims to vote on poll.

83. No member shall be entitled to vote at any general meeting unless all calls, and other sums presently payable by him in respect of shares in the company or in respect of shares on which the company has exercised any right of lien, have been paid.
84. (1) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes.
(2) Any such objection made in due time shall be referred to the chairman of the meeting, whose decision thereon shall be final and conclusive.
85. The instrument appointing a proxy and power of attorney or other authority, if any under which it is signed or notarially certified copy of that power or authority shall be deposited at the registered office of the company, not less than 48 hours before the time for holding the adjourned meeting at which the person named in the instrument proposes to vote, or in the case of poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated valid.
86. An instrument appointing a proxy shall be in either of the forms in schedule IX to the Act or in a form as near thereto as circumstances admit.
87. A vote in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy is given, if no intimation in writing of such death, insanity revocation or transfer shall have been received by the company at its office before commencement of the meeting or adjourned meeting at which the proxy is used.

POWERS OF BOARD OF DIRECTORS

101. The Board of Directors may pay all expenses incurred in the formation, promotion and registration of the Company.
102. The Company may exercise the power conferred by Section 50 of the Act, with regard to having an official seal for use abroad and such power shall be vested in the Board.
103. The Company may exercise the power conferred on it by Section 157 and 158 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of those Sections) make and vary such regulations as it may think fit with respect to the keeping of any such register.
104. The Directors may enter into contracts or arrangements on behalf of the Company subject to the necessary disclosures required by the Act being made wherever any Director is in any way; whether directly or indirectly concerned or interested in the contract or arrangements.

BORROWING POWER

105. Subject to the provisions of Sections 58A, 292 and 293 of the Act, and the Regulations there under and Directions issued by the RBI the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property (both present and future) and uncalled capital, or any part hereof and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party.
106. 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 may think fit and in particular by a resolution passed at a meeting of the Board (and not by circulation) by the issue of debenture or debenture stock of the Company, charged upon all or any of the property of the company (both present and future), including its uncalled capital for the time being.
107. Any debentures, debenture stock or other securities may be issued at a discount, premium or otherwise, may be made assignable free from any equities between the company and person to whom the same may be issued on the condition that they shall be convertible into shares of any authorized denomination, and with privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at general meetings, appointment of directors and otherwise provided that debentures with the right to allotment or conversion into shares shall not be issued except with the sanction of the company in General Meeting.
108. All cheques, promissory notes, drafts, hundies, bills of exchange and other negotiable instruments and all receipts of money paid to the Company, shall be signed, drawn, accepted, endorsed and otherwise executed, as the case may be, by such person and in such manner as the Board may, from time to time, by resolution determine.

109. Subject to Section 287 of the Act, the quorum for a meeting of the Board of Directors shall be one third of its total strength (any fraction contained in that one third being rounded off as one) or two Directors, whichever is higher, provided that where at any time the number of interested Directors exceeds or is equal to two third of the total strength, the number of the remaining Directors, that is to say the number of Directors, who are not interested, present at the meeting being not less than two thirds of the total strength, the number of the remaining Directors, that is to say, the number of Directors who are not interested, present at the meeting, being not less than two, shall be the quorum during such time.
110. If a meeting of the Board could not be held for want of quorum, whatever number of Directors not being less than two, shall be present at the adjourned meeting, notice where of shall be given to all the Directors, shall form a quorum
111. (1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of vote.
(2) In case of an equality of votes, the Chairman of the meeting shall have a second or casting vote.
112. The continuing Directors may act notwithstanding any vacancy in the Board, but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the Directors to that fixed for the quorum or for summoning a General meeting of the Company, but for no other purpose.
113. (1) Save as provided in Articles 93, the Board may elect one of its members as Chairman of its meetings and determine the period for which he is to hold office as such.
(2) If no such Chairman is elected or if at any meeting the Chairman is not present within fifteen minutes after the time appointment for holding the meeting, the Directors present may choose one of their members to be Chairman of the meeting.
114. Subject to the restrictions contained in Section 292 and 293 of the Act, the Board may delegate any of its powers to committees of the Board consisting of such member or members of its body as it think fit and it may, revoke such delegation and discharge any such committee of the Board either wholly or in part, and either as to persons or purpose, but every committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such committee of the board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.
115. The meetings and proceedings of any such committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last proceeding Article.
116. (1) A committee may elect a chairman of its meetings.
(2) If no such chairman is elected or if at any meeting the chairman is not present within five minutes of the time appointed for holding the meeting, the members present may choose one of their members to be chairman of the meeting.
117. (1) A committee may meet and adjourn as it thinks proper.
(2) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present and in case of an equality of votes, the chairman shall have a second or casting vote.
118. All acts done by any meeting of the Board or by a committee thereof by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment or continuance in office of any such Directors or persons acting as aforesaid or that they or any of them were disqualified or had vacated office or were not entitled to act as such or that the appointed or any of them had been terminated by virtue of any provisions contained in the Act in these Articles, be as valid as if every such person had been duly appointed had duly continued in office was qualified, had continued to be a Director his appointment had not been ruminated and he had been entitled to be a Director provided that nothing in this Articles shall be deemed to give validity to any act done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.
119. Subject to Section 289 of the Act and except a resolution which the Act requires specifically to be passed in any board meeting, a resolution in writing, signed by the majority members of the Board or of a committee thereof, for the time being entitled to received notice of a meeting of the Board or committee, shall be as valid and effectual if it had been passed at a meeting of the Board or committee, duly convened and held Managing Directors(s)

UNPAID OR UNCLAIMED DIVIDEND:

138. 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 42 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 42 days, open a special account in that behalf in any scheduled bank called “Unpaid Dividend of _____ 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.
139. Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of three years from the date of such transfer, shall be transferred by the Company to the general revenue account of the Central Government. A claim to any money so transferred to the general revenue account may be preferred to the Central Government by the shareholders to whom the money is due. No unclaimed or unpaid dividend shall be forfeited by the Board.

DEMATERIALIZATION OF SECURITIES

140. Definitions for the purpose of this Article:

“Beneficial Owner” means a person (s) whose name is recorded as such with a depository;

“SEBI” means The Securities and Exchange Board of India established under Securities and Exchange Board of India Act, 1992;

“Depository” means a Company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as a Depositor under the SEBI Act, 1992;

“Deposit Act” means the Depositories Act, 1996 or any statutory modification or re-enactment thereof;

“Registered Owner” means a Depository whose name is entered as such in the records of the Company;

“Security” means such Security, as may be specified by the SEBI from time to time.

140.A) Dematerialization / Rematerialization of Securities

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its securities and to offer securities in the dematerialized form pursuant to the Depositories Act.

140. B) Intimation to Depository

Notwithstanding anything contained in this Article, where securities are dealt with in a Depository, the Company shall intimate the Details of allotment of securities to Depository immediately on allotment of such Securities.

140. C) Options for investors

Every person subscribing to securities offered by the company shall have the option to receive security certificated or to hold the securities with a depository, such a person who is the beneficial owner of the securities can opt out of depository, if permitted by law, in respect of any security in the manner provided by the Depository Act, and the company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificate of 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 information, the depository shall enter in the records, the name of the allottee as the beneficial owner of the securities.

140. D) Securities in Depositories to be in fungible form

All securities held by a Depository shall be dematerialized and shall be in fungible form. No Certificate shall be issued for the securities held by the depository. Nothing contained in Section 153, 153A, 153B,

187B, 187C and 372A of the Companies Act, 1956 shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

140.E) Transfer of Securities

Nothing contained in Section 108 of the Companies Act, 1956 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.

140.F) Allotment of Securities dealt within a Depository

Notwithstanding anything contained in the Act, or these Articles, where a depository deals within or the securities, the Company shall intimate the details of allotment of relevant securities to the depository immediately on allotment of such securities.

140. G) Distinctive Nos. of Securities held in a Depository

Notwithstanding in the Act, or these Articles regarding the necessity of having distinctive numbers for securities issued by the company shall not apply to securities held with a depository.

The Register and index of beneficial owners maintained by a Depository under the Depositories Act shall be 140. H) Register and Index of beneficial owners deemed to be the Register and Index of members and other security holders for the purpose of these Articles.

140.I) Right of Depositories and beneficial owners

- a) Notwithstanding anything contained in the Provisions of the Companies Act, 1956 and these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.
- b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be member of the company. The beneficial owners of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of their securities, which are held by the depository.

BUY BACK OF SECURITIES

141. The Company shall have power, subject to and in accordance with all applicable provisions of the Act, to purchase any of its own shares or other securities, (i.e. buy-back) whether or not redeemable, from out of the sources as permissible under the Law. As regard to the financing for subscribing or investing in its own shares or securities by the Company, the statutory provisions for the time being applicable to the Company shall be observed.

Resolution to be passed by the Directors

1. Resolved that at the time of the next General Meeting of the Company, the following items be included in agenda as special business:
“To consider and pass the following resolution:
“Resolution that Articles of Association of the Company be altered in the manner following:
Note: The entire Article with the alterations suggested by us should be incorporated in the Resolution.
2. Further Resolved that Directors do hereby undertake that pending the amendment of the Articles of Association of the Company at the next General Meeting as herein before mentioned the Directors of the Company will act in consonance with the terms of the proposed amendments to the Articles of the Company.

SECRECY

142. Subject to the provisions of law of land and the Act, no member or other person (not being a Director) shall be entitled to visit or inspect the company's works without the permission of the Board of Director or the Managing Director to require discovery of any information respecting any details of the Company's business, trading or customers of any matter is or may be in the nature of a trade secret, mystery of trade or secret process or which may relate to the conduct of the business of the company or which in the opinion of the Director, if will be inexpedient in the interest of the company to disclose.

WINDING UP

143.(1) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company, and any other section required by the Act, divide amongst the members in specie or kind, the whole or nay part of the assets of the company, whether they shall consist of the same kind or not.

(2) For the purpose aforesaid, the liquidator may set values as he deems fair upon any property to be divide as aforesaid and may determine how such division shall be carried out as between the members of the different classes of members.

INDEMNITY

144. Subject to the provisions of section 201 of the Act, every Director, auditor, secretary and other officer or servant of the company (all or whom are herein after referred to a Officer or servant) shall be indemnified by the company to pay, all bonafide costs, losses and expenses which any such office or servant may incur or become liable to be reason of any contract entered into or act or thing done or omitted by him as such officer or servant or in any way in the discharge of the duties; and in particular and so as not to limit the generality of the foregoing provisions, agent any liability incurred by such officer or servant in defending any bonafide proceeding whether civil or criminal in which a judgment is given in his favour or in which he is acquitted or in discharge or in connection with any application under section 633 of the Act in which relief is granted to him by the court. The amount for which such indemnity shall immediately attach as a charge on the property of the company.

SECTION XI –OTHER INFORMATION**MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts and agreements referred to (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or contracts entered into more than two years before the RHP), which are or may be deemed material to be material have been entered into by or on behalf of the Company. Copies of these contracts together with copies of documents referred under Material Documents below all of which have been attached to the copy of the RHP and have been delivered to the Stock Exchange and may be inspected at the Registered Office of the Company between 9:30 am to 5:30 pm on any working day from the date of the RHP until the date of closure of the subscription List.

Material contracts

1. Agreement dated January 16, 2013 entered into between the Company and Keynote Corporate Services Limited, Book Running Lead Manager to the Issue.
2. Memorandum of Understanding dated January 21, 2013 entered into between the Company and BEETAL Financial & Computer Services (P) Limited, Registrar to the Issue.
3. Escrow Agreement dated [●], between the Company, the BRLM, the Escrow Collection Banks and the Registrar to the Issue.
4. Syndicate Agreement dated [●] between the Company, BRLM and Syndicate Members.
5. Underwriting Agreement dated [●] between the Company, BRLM and Syndicate Members.
6. Market Making agreement dated [●] between our Company, the BRLM and the Marker Maker to the Issue.
7. Copy of Tripartite agreement dated January 03, 2011 entered into between the Company, CDSL and Registrar to the Issue.
8. Copy of Tripartite agreement dated December 30, 2010 entered into between the Company, NSDL and Registrar to the Issue.

Material Documents

1. Memorandum of Association and Articles of Association of the Company, as amended from time to time.
2. Resolution passed at the Board meeting dated December 01, 2012, authorising the Issue and resolutions under section 81(1) and 81(1A) of the Companies Act, 1956 passed in EGM of the members of our Company held on January 02, 2013 approving the Issue;
3. Audited Balance sheets and Profit and Loss Accounts of the Company for the financial years ending on March 31, 2012, 2011, 2010, 2009, 2008 and for nine months period ended December 31, 2012.
4. Consents of Auditors, Bankers to the Company, BRLM, Registrar to the Issue, Directors of our Company, Company Secretary & Compliance Officer as referred to, in their respective capacities.
5. Copy of certificate dated January 29, 2013 issued by the Statutory Auditors of the Company, M/s Vijay Mukesh & Co., Chartered Accountants in terms of Part II Schedule II of the Companies Act 1956 including capitalisation statement, taxation statement and accounting ratio.
6. Copy of certificate dated March 05, 2013 issued by M/s Vijay Mukesh & Co., Chartered Accountant and Statutory Auditors of the Company regarding tax benefits accruing to the company and its shareholders.

7. Copy of certificate dated March 07, 2013 received from M/s Vijay Mukesh & Co., Chartered Accountant and Statutory Auditors of the Company regarding sources and deployment of funds.
8. Due Diligence Certificate dated [●] to NSE by the BRLM;
9. Copy of In-principle approval received from NSE vide their letter no. [●] dated [●] for listing of the securities offered through this Offer Document.

Any of the contracts or documents mentioned in the RHP 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 hereby certify that no statement made in the Offer Document contravenes any of the provisions of the Companies Act and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, the Government and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in the Offer Document are true and correct.

Name	Signature
Sanjay Gupta <i>Managing Director</i>	Sd/-
Shakuntla Gupta <i>Whole Time Director</i>	Sd/-
Sidhant Gupta <i>Whole Time Director</i>	Sd/-
Deepak Gupta <i>Independent Director</i>	Sd/-
Saurabh Gupta <i>Independent Director</i>	Sd/-
Sanjeev Kumar Jain <i>Independent Director</i>	Sd/-
Vipul Singhal <i>Chief Financial Officer</i>	Sd/-

Place: New Delhi

Date: April 13, 2013