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 64 of the Draft Prospectus.

PUBLIC ISSUE OF 24,00,000 EQUITY SHARES OF ₹ 10 EACH FOR CASH AT A PRICE OF ₹ 18.00 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 8.00 PER EQUITY SHARE) AGGREGATING UPTO ₹ 432.00 LAKHS (THE "ISSUE") BY OUR COMPANY, OF WHICH 1,20,000 EQUITY SHARES AGGREGATING TO ₹ 21.60 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 22,80,000 EQUITY SHARES OF ₹ 10 EACH AGGREGARING TO ₹ 410.40 LACS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 28.00% AND 26.60%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.

FOR FURTHER DETAILS, PLEASE SEE "TERMS OF THE ISSUE" ON PAGE 144 OF THE DRAFT PROSPECTUS.

THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10/- PER EQUITY SHARE AND THE ISSUE PRICE IS 1.8 TIMES OF THE FACE VALUE

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

The Issue is being made through a Fixed Price Method & 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 Issue Price is 1.8 times of the face value. The Issue Price (as determined and justified by our Company, the Lead Manager as stated under the section titled "Basis of Issue Price" on page 30 of Draft 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 Draft Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" on page xi of the Draft Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company having made all reasonable inquiries, accepts responsibility for and confirms that the Draft 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 Draft 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 Draft 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 Draft 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.

LEAD MANAGER	REGISTRAR TO THE ISSUE
KEYNOTE	BEETAL
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 **AIBI No.:** AIBI/ 040	**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

ISSUE PROGRAMME

ISSUE OPENS ON	ISSUE CLOSES ON
[●]	[●]

SECTION I – DEFINITIONS AND ABBREVIATIONS

DEFINITIONS

In the Draft 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 Draft 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 Code/ 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 Draft 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 80 of the Draft Prospectus
Key Management Personnel/KMP	Key management personnel of the Company as per the SEBI ICDR Regulations
Memorandum / 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 79 of the Draft 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 80 of the Draft 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 Applicants
Allottee	A successful Applicant to whom the Equity Shares are allotted
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus
Application Form	The form used by an Applicant (including ASBA Applicants) to apply for the Equity Shares in terms of this Draft Prospectus
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 Application Amount of the ASBA Applicant, as specified in the ASBA Application Form
ASBA Applicant/ Investor(s)	Prospective investors in this Issue who intend 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 applications. The ASBA facility is optional in case of Retail individual investor(s).
ASBA Application Form / ASBA Form	The form, whether physical or electronic, used by an ASBA applicant to submit an application, which contains an authorization to block the application Amount in an ASBA Account and would be considered as an application for Allotment to ASBA Applicants in terms of the Draft Prospectus and the Prospectus Pursuant to SEBI circular number CIR/CFD/DIL/7/2010 dated July 13, 2010, ASBA Application Forms are available for download from the respective website of the Stock Exchange
ASBA Revision Form	The form used by the ASBA Applicant to modify the quantity of Equity Shares or the Amount in any of their ASBA 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 10.
Basis of Allotment	The basis on which Equity Shares will be Allotted to successful Applicants under the Issue and which is described under section titled "Issue Procedure" on page 153.
Broker Centre	Broker centres notified by the Stock Exchange, where Applicants can submit the Application Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the websites of the Stock Exchange

Term	Description
BSE	Bombay Stock Exchange Limited
Client ID	Client identification number of the Applicant‟s beneficiary account
Compliance Officer	The Company Secretary of our Company, Ms. Preeti Gupta
Controlling Branch(es)	Such branch(es) of the SCSB which coordinates applications under the Issue with the Lead Manager, the Registrar to the Issue and the Stock Exchange and a list of which is available at http://www.sebi.gov.in/pmd/scsb.html
Demographic Details	The demographic details of the Applicants such as their address, occupation and bank account details as maintained by their respective Depository Participants
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(es)	Such branches of the SCSBs which shall collect the Application Form used by ASBA Applicants and a list of which is available on http://www.sebi.gov.in/pmd/scsb.html
Designated Date	The date on which funds are transferred from the Escrow Account or the amount blocked by the SCSB is transferred from the ASBA Account, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Applicants in the Issue
Designated Stock Exchange	The National Stock Exchange of India Limited
Draft Prospectus	This Draft Prospectus issued in accordance with Section 60 of the Companies Act
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom this Draft Prospectus constitutes an invitation to subscribe to the Equity Shares
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 this Draft Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and who have opened demat accounts with SEBI registered qualified depositary 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	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Applicant (excluding the ASBA Applicants) will issue cheques or drafts in respect of the Application Amount
Escrow Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, the Lead Manager and the Escrow Collection Bank(s) and the Refund Banks for collection of the Application Amounts and where applicable, refunds of the amounts collected to the Applicants (excluding the ASBA Applicants) on the terms and conditions thereof
First Applicant	The Applicant whose name appears first in the Application Form or Revision Form
Issue	Public Issue of 24,00,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ 18.00 per Equity Share (including a share premium of ₹ 8.00 per Equity Share) aggregating upto ₹ 432.00 lacs.
Issue Agreement	The agreement entered into on January 16, 2013 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which prospective Applicants can submit their applications, including any revisions thereof
Issue Price	₹ 18/- per equity share
Issue Proceeds	Proceeds from the Issue that will be available to our Company being upto ₹ 432.00 lacs.
Lead Manager	Lead Manager to the Issue, in this case being Keynote Corporate Services Limited

Term	Description
Listing Agreement	The model Listing Agreement for SME Exchange to be entered into with the NSE by our Company
Keynote	Keynote Corporate Services Limited
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 Maker Reservation Portion	The Reserved portion of 1,20,000 Equity shares of ₹ 10/- each at an Issue Price of ₹ 18/- (including share premium of ₹8/-) per Equity Share aggregating to ₹ 21.60 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
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 22,80,000 Equity Shares of face value of ₹ 10/- each at ₹ 18/- (including share premium of ₹8/-) per Equity Share aggregating to ₹ 410.40 lacs (Rupees Four Crores Ten Lacs and Forty Thousand 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 25.
Non-Institutional Applicants	All Applicants that are not QIBs or Retail Individual Applicants and who have applied for Equity Shares for an amount more than ₹ 2,00,000 (but not including NRIs other than eligible NRIs)
NR/ Non-Resident	A person resident outside India, as defined under FEMA including eligible NRIs and FIIs
NRI(s)/ Non-Resident Applicant	Individual Applicants other than Retail Individual Applicants, including QIBs and Non Institutional Applicants, irrespective of the number of Equity Shares applied for.
Non Retail Portion	The portion of the Issue being available for allocation on a proportionate basis to Non Retail Applicant(s)
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/ Pay-in Period	The period commencing on the Issue Opening Date and continuing till the Issue Closing Date
Prospectus	The prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act, containing, *inter alia*, the Issue Price, 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 Applicants on the Designated Date
Qualified Institutional Buyers/ QIBs	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI Regulations
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

Term	Description
	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 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
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 Application Amount (excluding the ASBA Applicants), 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 153.
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 Applicant	A Retail Individual Applicant who is a "person resident in India" (as defined in FEMA)
Retail Individual Applicant(s)	Individual Applicants who have applied for Equity Shares for an amount not more than ₹ 2 lacs in any of the 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 50% of the Issue consisting of 11,40,000 Equity Shares shall be available for allocation on a proportionate basis to Retail Individual Applicant(s)
Revision Form	The form used by the Applicants, to modify the quantity of Equity Shares in any of their 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
TRS or Transaction Registration Slip	The transaction registration slip or document issued by a Banker to the Issue or the SCSB (only on demand), as the case may be, to the Applicant as proof of registration of the application
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 Issue Period

Term	Description
	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
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 Amoritsation
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 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

Term	Description
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
SCRR	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 Draft 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 180, 30, 59 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 Draft Prospectus are to the Republic of India, together with its territories and possessions.

Financial Data

Unless stated otherwise, the financial information used in the Draft Prospectus is derived from the Company's financial statements as of and for the year ended March 31, 2013, 2012, 2011, 2010, 2009 and 2008, 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 Draft 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 Draft 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 Draft 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 Draft 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 xi, 47 and 117 of the Draft 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 lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock 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 Draft 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 14/01/2014. For further details please refer page no. 124 of the Draft 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. 123 of the Draft 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. ***There are certain contingent liabilities which have not been provided for and if any of them materialise, this could adversely affect our financial condition***

The contingent liabilities not provided for June 30, 2013 are as follows:

(₹ in lacs)

Particulars	**Year Ended June 30, 2013**
Bank Guarantee given to NSIC	200.00
Total	**200.00**

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

   We have reported a negative operating cash flow from activities for 3 months period ended June 30, 2013, the Financial Year 2011-12 and 2008-09 to the tune of ₹ 167.35 lacs, ₹ 376.18 lacs and ₹ 190.99 lacs respectively as per the audited financial statements for the respective periods.

   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 Draft Prospectus.

5. ***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 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 Draft Prospectus.

6. ***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. f***

   We have estimated fund raising to the extent of ₹ 432.00 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.

7. ***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.***

   We propose to purchase plant & machinery worth ₹ 345.00 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.

   Management's Proposal

   We have 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.

8. ***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 25. 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.

9. ***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.

10. ***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. 58 of the Draft prospectus.

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 June 30, 2013, our Company has taken unsecured loans from various financial institutions/ banks aggregating ₹ 490.68 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 Draft Prospectus.

12. ***Our Promoters have interest in Superlink Polyfeb Limited (SPL) which is a group company that has been engaged in similar lines of business.***

Our Promoters have interest in Superlink Polyfeb Limited (SPL) which is a group company that has been engaged in the business of manufacturing of ACSR/AA Conductor, LT XLPE Aerial Bunch Cable, LT XLPE Power Cables. The said line of businesses may be similar to the business our Company is engaged into. Though presently SPL is non-operational, 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.

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 lead Manager 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. Further, in exercise of the powers vested under clause (b) of sub-section (5) of Section 8 of the Central Sales Tax Act, 1956 (Act no. 74 of 1956) vide it's notification no. EXN- F (5)-6/2006-Vol.I Dated 01st April, 2013, the Governor of Himachal Pradesh, direct that, the Central Sales Tax at a concessional rate of 1% shall be extended for a further period of five years or till the implementation of the Goods and Services Tax, which ever is earlier for the existing industrial units which carry out substantial expansion on or after 1st April, 2013 with effect from commencing commercial production of the expanded capacity. 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 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 lead Manager 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, 2013 and June 30, 2013 is ₹ 1,642.92 lacs and 1,676.95 lacs respectively.

   Public Issue of 24,00,000 Equity Shares for cash at a price of ₹ 18/- per Equity Share (including a share premium of ₹ 8/- per Equity Share) aggregating upto ₹ 432.00 Lacs by our Company, of which 1,20,000 Equity Shares will be reserved for subscription by Market Makers to the Issue ("Market Maker Reservation Portion") aggregating to ₹ 21.60 Lacs The Issue less the Market Maker Reservation Portion i.e. Issue of 22,80,000 Equity Shares aggregating to ₹ 410.40 Lacs is hereinafter referred to as the "Net Issue". The Issue and the Net Issue will constitute 28.00% and 26.60%, 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, 2013 and June 30, 2013 is ₹ 26.63 and ₹ 27.18 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 114 of the Draft 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 Draft Prospectus 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. xi, 79, 68, 114 and 85 of the Draft 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 Prospectus.

8. Our Company and the Lead Manager will update the Offer Document in accordance with the Companies Act and the SEBI (ICDR) Regulations and our Company and the Lead Manager 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 Lead Manager for any complaint, clarifications and information pertaining to the Issue. Any clarification or information relating to this Issue shall be made available by the Lead Manager 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 10.

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 Draft 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 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 Industry Overview please refer to Section "Industry Overview" on page 41 of the Draft Prospectus.

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 EEPC 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 13 our total income increased to ₹ 5858.49 lacs as compared to ₹ 4019.23 in the previous Financial Year. Similarly our Profit After Tax increased to ₹ 299.56 lacs in the FY 13 from ₹ 227.98 lacs during the last Financial Year.

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(further extended 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 47 of the Draft Prospectus.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary financial statements derived from our financial statements as of and for the financial years 2013, 2012, 2011, 2010 and 2009 and 3 months period ended June 30, 2013. 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 117 of the Draft Prospectus.

SUMMARY STATEMENT OF PROFIT AND LOSS ACCOUNT

(₹ in lacs)

Particulars	30th June, 2013	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
INCOME						
Revenue from operations	901.50	5,853.34	4,010.69	3,680.59	3,629.89	3,989.50
Other income	7.01	5.15	8.55	10.62	9.65	2.38
Total Income	**908.50**	**5858.49**	**4019.23**	**3691.21**	**3639.54**	**3991.89**
EXPENSES						
Cost of raw material and components consumed	405.72	2836.64	1853.74	2009.71	2289.96	3424.77
Purchase of Stock in Trade	570.03	1,893.82	1,028.15	1,059.51	606.90	-
Changed in inventories of finished goods and traded goods	(306.31)	27.35	133.87	(212.23)	(205.41)	(33.68)
Employee Benefits Expenses	47.14	140.75	106.06	84.83	59.87	45.14
Other Expenses	48.49	251.12	350.26	305.83	495.64	268.48
Total Expenditure	**765.07**	**5149.68**	**3472.08**	**3247.64**	**3246.96**	**3704.70**
Earnings before interest, tax, depreciation and amortization (EBITDA)	**143.43**	**708.81**	**547.16**	**443.57**	**392.58**	**287.19**
Depreciation and Amortization Expenses	11.72	39.55	41.53	40.76	37.24	39.46
Finance Costs	79.48	266.45	212.53	142.39	145.61	78.15
Profit Before Tax	**52.23**	**402.81**	**293.09**	**260.41**	**209.73**	**169.58**
Less: Tax Expense						
Current tax expense	12.39	99.40	65.56	51.90	35.64	19.85
Deferred tax (credit)/ charge	(0.90)	3.85	(0.45)	0.53	0.51	(0.54)
Total Tax Expense	**11.49**	**103.25**	**65.11**	**52.43**	**36.15**	**19.31**
Profit After Taxation	**40.74**	**299.56**	**227.98**	**207.98**	**173.57**	**150.27**

SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(₹ in lacs)

Particulars	30th June, 2013	31st March , 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
ASSETS						
Non-current assets						
Fixed assets						
Tangible assets	333.28	234.17	294.27	308.30	294.33	263.21
Intangible assets	0.04	0.05	0.08	-	-	-
Capital work-in-progress	30.37	127.73	30.31	24.23	-	-
Non-Current Investments						
Investments in Equity instruments	350.00	350.00	350.00	-	-	-
Long term loans and advances	1.54	1.74	2.04	1.70	2.73	5.59
Other Non Current Assets	124.56	124.69	96.19	-	-	-
Total Non-Current Assets (A)	**839.79**	**838.37**	**772.89**	**334.23**	**297.06**	**268.80**
Current Assets						
Inventories	1,104.82	580.99	712.34	773.14	441.14	278.32
Trade Receivables	2,604.35	2,865.18	2,047.29	1,128.09	1,581.71	1,495.89
Cash and cash equivalents	74.31	83.89	51.52	50.40	31.83	93.72
Short-term loans and advances	201.00	105.22	600.32	48.58	24.65	44.80
Other current assets	32.61	63.26	1.00	1.66	13.72	2.14
Total Current Assets (B)	**4017.09**	**3698.53**	**3412.47**	**2001.87**	**2093.05**	**1914.87**
Total Assets (A+B)	**4856.88**	**4536.90**	**4185.36**	**2336.10**	**2390.11**	**2183.67**
LIABILITIES	-					
Non-Current Liabilities						
Long-term borrowings	460.10	327.99	45.93	91.26	162.24	100.45
Deferred tax liabilities (net)	8.82	9.71	5.86	6.31	5.80	5.28
Other long term liabilities	12.31	12.31	7.59	4.47	-	-
Total Non-Current Liabilities (C)	**481.22**	**350.01**	**59.38**	**102.04**	**168.04**	**105.73**
Current Liabilities						
Short term borrowings	1,182.27	1,068.41	1,699.14	707.80	707.05	648.66
Trade payables	1,062.86	1,214.95	976.83	330.93	269.49	663.88
Other current liabilities	441.19	179.31	87.08	142.70	381.82	91.24
Short-term provisions	12.39	81.31	57.02	51.90	35.64	19.66
Total Current Liabilities (D)	**2,698.71**	**2,543.97**	**2,820.06**	**1,233.33**	**1,394.00**	**1,423.44**

Particulars	30th June, 2013	31st March , 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
Total Liabilities (C+D)	**3,179.93**	**2,893.98**	**2,879.44**	**1,335.37**	**1,562.04**	**1,529.17**
Net Worth (A+B) - (C+D)	**1,676.95**	**1,642.92**	**1,305.92**	**1,000.73**	**828.07**	**654.50**
Net worth represented by:						
Shareholders' Funds						
Share Capital						
Equity share capital	617.00	617.00	600.00	600.00	600.00	300.00
Reserves & Surplus						
Securities Premium	34.00	34.00	-	-	-	-
Reserves & Surplus	1,109.08	1,068.34	768.78	436.06	228.07	354.50
Miss. Expenditure	(83.13)	(76.42)	(62.86)	(35.33)	-	-
Net worth	**1,676.95**	**1,642.92**	**1,305.92**	**1,000.73**	**828.07**	**654.50**

SUMMARY STATEMENT OF CASH FLOW

(₹ in lacs)

Particulars	30th June, 2013	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
A. Cash flow operating activities						
Net Profit before prior period item, tax and extraordinary items	52.23	402.81	287.90	260.41	209.73	169.58
Adjustment for:						
Depreciation/Amortisation	11.72	39.55	41.53	40.76	37.24	39.46
Finance charges & loss on variation on foreign exchange rates	67.63	216.40	165.73	130.26	122.37	66.70
MAT Credit Adjusted	-	(17.70)	(8.55)	-	-	-
Provision for Gratuity & Leave Encashment	-	4.71	3.30	4.47	-	-
Profit/Loss on sale of Fixed Assets	0.72	0.10	-	(0.06)	-	(0.29)
Operating Profit Before Working Capital Changes	**132.31**	**645.86**	**489.91**	**435.84**	**369.34**	**275.46**
Adjustment for:						
Decrease/(Increase) in Inventories	(523.83)	131.35	60.81	(332.00)	(162.82)	(108.36)
Decrease / (Increase) in Trade Receivables	260.82	(817.89)	(919.20)	453.62	(85.82)	(685.39)
Decrease / (Increase) in Short Term Loans and Advances	(95.78)	495.10	(551.74)	(23.93)	20.15	(5.76)
Decrease / (Increase) in Other Current Assets	30.65	(62.64)	0.66	12.06	(11.58)	(2.14)
Increase / (Decrease) in Trade Payables	(152.09)	238.12	645.90	61.44	(394.39)	321.97
Increase / (Decrease) in Other Current Liabilities	180.58	92.23	(55.62)	(239.12)	290.57	31.04
Income taxes paid (net of refund)	-	(57.02)	(46.89)	(35.65)	(19.65)	(17.80)
Net cash generated / (utilized) from operating activities	**(167.35)**	**665.12**	**(376.18)**	**332.26**	**5.80**	**(190.99)**
B. Cash flow from investing activities						
Purchase of fixed assets	(15.73)	(0.84)	(27.58)	(96.96)	(92.58)	(17.64)
Capital Work-in-Progress	-	(97.41)	(6.08)	-	-	-
Sale of Fixed	1.54	21.32	-	18.07	24.23	0.65
Purchase of non-current investment	-	-	(350.00)	-	-	-
Long Term Loans & Advances	0.20	0.30	(0.34)	1.03	2.86	1.29
Other Non Current Assets	0.13	(28.50)	-	-	-	-
Net cash utilized investing activities	**(13.86)**	**(105.13)**	**(384.00)**	**(77.87)**	**(65.50)**	**(15.70)**
C. Cash from Financing activities						
Interest paid	(67.63)	(216.40)	(165.73)	(130.26)	(122.37)	(66.70)

Particulars	**30th June, 2013**	**31st March, 2013**	**31st March, 2012**	**31st March, 2011**	**31st March, 2010**	**31st March, 2009**
Increase in share capital	-	17.00	-	-	-	-
Share premium received	-	34.00	-	-	-	-
(Repayments) / proceeds of long term borrowings	132.11	282.06	(45.33)	(70.98)	61.78	31.84
Dividend & dividend distribution tax	-	-	-	-	-	-
Miss Expenditure to the extent not written off	(6.71)	(13.56)	(18.98)	(35.33)	-	-
(Repayments) / proceeds of short term loans	113.86	(630.73)	991.34	0.75	58.39	287.59
Net cash generated from/ (utilised in) financing activities	**171.63**	**(527.63)**	**761.30**	**(235.82)**	**(2.20)**	**252.72**
Net Increase / (decrease) in cash and cash equivalents	**(9.58)**	**32.36**	**1.12**	**18.57**	**(61.89)**	**46.04**
Cash and cash equivalents at the beginning of the year	**83.89**	**51.52**	**50.40**	**31.83**	**93.72**	**47.68**
Cash and cash equivalents at the end of the year	**74.31**	**83.89**	**51.52**	**50.40**	**31.83**	**93.72**

Note:

The above statement should be read with Significant Accounting Policies and the Notes to the Summary Statements as appearing in Annexure IV of the Auditors report starting on page no. 95 of the Draft Prospectus.

THE ISSUE

Equity Shares offered: Fresh Issue by our Company	24,00,000 Equity Shares of ₹10 each aggregating ₹ 432.00 Lac
Of which	
Issue reserved for the Marker Makers	1,20,000 Equity Shares of ₹10 each for cash at a price of ₹ 18 per share aggregating to ₹21.60 Lacs
Net Issue to the Public	**22,80,000 Equity Shares of ₹ 10 each aggregating ₹ 410.40 Lacs**
Of which	
Non Retail Portion#	Not more than 11,40,000 Equity Shares of ₹ 10 each aggregating ₹ 205.20 Lacs constituting upto 50% of the Net Issue to the Public*
Retail Portion#	Not less than 11,40,000 Equity Shares Of ₹ 10 each aggregating ₹ 205.20 Lacs, constituting not less than 50% of the Net Issue to the Public **
Equity Shares outstanding prior to the Issue	61,70,000 Equity Shares
Equity Shares outstanding after the Issue	85,70,000 Equity Shares
Use of Issue Proceeds	See section titled "***Objects of the Issue***" on page no. 25 of the Draft Prospectus.

Allocation to all categories shall be made on a proportionate basis. For details, please refer to the section "Issue Procedure – Basis of Allotment" on page 176 of this Draft Prospectus.

Note:

This Issue has been authorised by a resolution of our Board dated August 05, 2013 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 September 06, 2013;

* *In the event of over-subscription, Allotment shall be made on a proportionate basis, subject to valid applications received at the Issue Price;*

** *In the event the Retail Individual Applicants are entitled to more than fifty percent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage.*

Under-subscription, if any, in any category, shall be allowed to be met with spillover from the other category, at the sole discretion of our Company and in consultation with the Lead Manager and the Designated Stock Exchange.

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 Draft Prospectus.

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

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 applied for, Application Amount paid on submission of the Application Form and the bank branch or collection centre where the Application Form was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar with a copy to the relevant SCSB 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.

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. hold 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 Lead Manager, 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.

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 Application Forms from the ASBA Applicants, 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 Lead Manager to this Issue, statement of inter-se allocation responsibilities among Lead Manager's is not applicable: However the responsibilities of Lead Manager 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 Lead Manager 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 ▪ 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, ▪ Formulating marketing strategies, preparation of publicity budget; ▪ Finalising media, marketing and public relations strategy; ▪ Finalising centers for holding conferences for brokers, etc.; ▪ Finalising 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
10	Management of Escrow Account(s), Finalising Allocation
11	Post application activities including coordination for non- institutional allocation, coordination with Registrar and Banks, intimation of allocation and dispatch of refund to Applicants, 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 Lead Manager 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.

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 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 Lead Manager, 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 Lead Manager 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 Lead Manager 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 Draft Prospectus, 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	351.00
Present Issue in terms of the Draft Prospectus		
24,00,000 Equity Shares	240.00	432.00
Which comprises		
1,20,000 Equity Shares at a premium of ₹ 8/- per Equity Share reserved as Market Maker Portion	12.00	21.60
22,80,000 Equity Shares at a premium of ₹ 8/- per Equity Share being Net Issue to public	228.00	410.40
Issued, subscribed and paid-up share capital after the Issue		
85,70,000 Equity Shares	857.00	783.00
Securities premium account		
Before the Issue	34.00	
After the Issue	226.00	

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	0.00
	01/09/1989	Allotment	Other than Cash	9,500	10.00	10.00	0.15	0.11
	21/12/1991	Allotment	Cash	4,500	10.00	10.00	0.07	0.05
	21/03/1997	Allotment	Cash	10,000	10.00	10.00	0.16	0.12
	03/01/2002	Allotment	Cash	11,200	10.00	10.00	0.18	0.13
	13/08/2003	Allotment	Cash	34,700	10.00	10.00	0.56	0.40
	16/02/2005	Transfer	Cash	13,700	10.00	10.00	0.22	0.16
	31/03/2005	Allotment	Cash	17,000	10.00	10.00	0.28	0.20
	31/03/2006	Allotment	Cash	12,000	10.00	10.00	0.19	0.14
	15/01/2007	Transfer	Cash	4,500	10.00	10.00	0.07	0.05
	31/03/2007	Allotment	Cash	27,000	10.00	10.00	0.44	0.32
	28/04/2009	Transfer	Cash	2,60,900	10.00	10.00	4.23	3.04
	30/03/2010	Bonus @ 1:1	Nil	4,05,100	10.00	Nil	6.57	4.73
	19/06/2012	Allotment	Cash	23,500	10.00	30.00	0.38	0.27
		Total		**8,33,700**			**13.51**	**9.73**
Mrs. Shakuntala Gupta	21/03/1997	Allotment	Cash	5,500	10.00	10.00	0.09	0.06
	06/11/2000	Allotment	Cash	5,000	10.00	10.00	0.08	0.06
	03/01/2002	Allotment	Cash	16,300	10.00	10.00	0.26	0.19
	13/08/2003	Allotment	Cash	19,500	10.00	10.00	0.32	0.23
	31/03/2005	Allotment	Cash	8,500	10.00	10.00	0.14	0.10
	31/03/2006	Allotment	Cash	24,500	10.00	10.00	0.40	0.29
	31/03/2007	Allotment	Cash	30,000	10.00	10.00	0.49	0.35
	28/04/2009	Transfer	Cash	1,37,500	10.00	10.00	2.23	1.60
	30/03/2010	Bonus @ 1:1	Nil	2,46,800	10.00	Nil	4.00	2.88
	19/06/2012	Allotment	Cash	8,400	10.00	30.00	0.14	0.10
		Total		**502,000**			**8.14**	**5.86**
Sanjay Gupta (HUF)	31/03/2005	Allotment	Cash	6,000	10.00	10.00	0.10	0.07
	28/04/2009	Transfer	Cash	16,50,000	10.00	10.00	26.74	19.25
	30/03/2010	Bonus @ 1:1	Nil	16,56,000	10.00	Nil	26.84	19.32
	19/06/2012	Allotment	Cash	50,800	10.00	30.00	0.82	0.59
		Total		**3,362,800**			**54.50**	**39.24**
	Grand Total			**46,98,500**			**76.15**	**54.82**

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	30/03/2010	**Bonus @ 1:1**	Nil	4,05,100	10.00	Nil	6.57	4.73
	19/06/2012	**Allotment**	Cash	23,500	10.00	30.00	0.38	0.27
		Total		**4,28,600**			**6.95**	**5.00**
Mrs. Shakuntala Gupta	30/03/2010	**Bonus @ 1:1**	Nil	2,46,800	10.00	Nil	4.00	2.88
	19/06/2012	**Allotment**	Cash	8,400	10.00	30.00	0.14	0.10
		Total		**2,55,200**			**4.14**	**2.98**
Sanjay Gupta (HUF)	30/03/2010	**Bonus @ 1:1**	Nil	9,79,400	10.00	Nil	15.88	11.43
	19/06/2012	**Allotment**	Cash	50,800	10.00	30.00	0.82	0.59
		Total		**10,30,200**			**16.70**	**12.02**
	Grand Total			**17,14,000**			**27.78**	**20.00**

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:

i. Equity Shares acquired during the preceding 3 (three) years for consideration other than cash and revaluation of assets or capitalization of intangible assets;
ii. 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;
iii. 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;
iv. 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;
v. 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 Draft Prospectus 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 Share-holders	Total No. of shares	Number of shares held in demat form	Total shareholding as a percentage of total number of shares		Post Issue	
(I)	(II)	(III)	(IV)	(V)	As a % of (A+B) (VI)	As a % of (A+B+C) (VI)	No. of Shares (VIII)	As a % (IX)
(A)	**Promoter and Promoter Group**							
(1)	**Indian**							
(a)	Individuals/ HUF	11	6143300	6143300	99.57	99.57	6143300	71.68
(b)	Central Government/ State Government	-	-	-	-	-	-	-
(c)	Bodies Corporate	1	26700	26700	0.43	0.43	26700	0.32
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-
(e)	Any Others (specify)	-	-	-	-	-	-	-
	Sub-Total (A)(1)	**12**	**6170000**	**6170000**	**100.00**	**100.00**	**6170000**	**72.00**
(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**	**6170000**	**72.00**
(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)	-	-	-	-	-	**2400000**	**28.00**
(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)	**-**	**-**	**-**	**-**	**-**	**2400000**	**28.00**
	TOTAL (A)+(B)	**12**	**6170000**	**6170000**	**100.00**	**100.00**	**8570000**	**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**	**8570000**	**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 Draft Prospectus with the Stock Exchange

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

b) Ten days prior to filing of the Draft Prospectus with the Stock Exchange

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

c) Two years prior to filing the Prospectus with the Stock Exchange

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.	Ms. Suneet Kumar Gupta	11,000	0.18

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 Draft Prospectus 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 Draft Prospectus with Stock Exchange.

    Subject to valid Applications being received at or above the Issue Price, under-subscription, if any, in any category, shall be allowed to be met with spillover from the other category, at the sole discretion of our Company and in consultation with the Lead Manager and the Designated Stock Exchange.

13. 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 8,000 Equity Shares, which is the minimum Application 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.

14. 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

15. 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.

16. Our Company has not raised any bridge loans against the Issue proceeds.

17. Neither our Company, nor the directors or the Promoters, or the Lead Manager have entered into any buy-back and/or standby/ safety net arrangements for the purchase of Equity Shares of our Company.

18. As on the date of the Draft Prospectus, none of the Equity Shares of our Company have been pledged or otherwise encumbered.

19. 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.

20. 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 Draft Prospectus.

21. 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 Draft Prospectus 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.

22. 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.

23. Except as disclosed in the chapter titled "Our Management" on page 68 of the Draft Prospectus, none of our directors or key managerial personnel holds any Equity Shares.

24. Our Company has not revalued its fixed assets since incorporation.

25. 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.

26. As on the date of the Draft Prospectus, the total number of holders of Equity Shares in our Company is 12 (Twelve).

27. An applicant in net public category cannot make an application for the number of Equity Shares exceeding the number of Equity Shares offered to the public.

28. As on the date of the Draft Prospectus, the Lead Manager 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:

- Expansion of capacities at existing manufacturing facility at Paonta Sahib, Himachal Pradesh
- Meet the issue expenses.
- 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:

(₹ in Lacs)

Particulars	Amount	Amount
Capital Expenditure on Existing Manufacturing Capacity of PVC Pipes & Wire & Cable at Paonta Sahib, Himachal Pradesh		
- Civil Works For Installations of Machineries	17.00	
- Plant and Machinery, including spare parts & auxiliary equipments	345.00	
- Contingencies	15.00	377.00
Issue Expenses		70.00
Total cost of project		447.00

Means of Finance

(₹ In lacs)

Particulars	Amount
Public issue of equity shares	432.00
Internal Accruals	15.00
Total Means of Finance	**447.00**

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 around ₹ 377.00 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 around ₹ 17.00 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 ₹ 345.00 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	275.00
Spare Parts & Auxiliary Equipments	70.00
Total	**345.00**

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	December 06, 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**	
Rounded Off				***275.00***	

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**	
Rounded Off				***70.00***	

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

Contingencies

The company has earmarked contingency of an amount of ₹ 15.00 lacs which is around 4% of the cost of civil work & Plant and Machinery, including spare parts & auxiliary equipments (i.e; 4% of ₹ 362.00 Lacs).

Issue Expenses

The break-up of issue expenses is as under:

(₹ in lacs)

Activity	Estimated Expense
Fees to intermediaries	55.00
Advertising and marketing expenses	4.00
Printing and Stationary & Distribution	3.00
Statutory and other miscellaneous expenses	8.00
Total estimated Issue expenses	**70.00**

Schedule of implementation

Sr. no	Activity	Commencement	Completion
1.	Plant and Machinery, including spare parts & auxiliary equipments	February'2014	April'2014
2.	Trial Runs	May'2014	June'2014
3.	Commercial Production	July'2014	

Year wise breakup of the proceeds to be used

The year wise break up of funds is as follows:

(₹ in lacs)

Particulars	Amount to be spent during the year 2013-14	Amount to be spent during the year 2014-15	Total
Civil Works For Installations of Machinery	17.00	Nil	17.00
Plant and Machinery, including spare parts & auxiliary equipment	200.00	145.00	345.00
Contingencies	Nil	15.00	15.00
Issue Expenses	70.00	Nil	70.00
Total	**287.00**	**160.00**	**447.00**

Sources & deployment of Funds

As per the Certificate dated December 10, 2013 received from M/s Vijay Mukesh & Co, Chartered Accountants, we have upto November 30, 2013, deployed an amount aggregating to ₹ 20.00 lacs towards Issue Expenses which forms part of our proposed objects of the issue. The said amount has been funded through the Internal Accruals of the Company.

Working Capital Requirement:

For the financial year 2013, the working capital requirement of the company was to the tune of Rs. 2200 lacs which was funded through bank finance and internal accruals. The details of the working capital facilities sanctioned by the bank to the company are as under:

- ₹ 1900.00 Lacs comprising of ₹ 1000.00 Lacs as fund based facility and ₹ 900.00 Lacs as non fund based facility from Central Bank of India.
- ₹ 200.00 Lacs from National Small Industries Company Limited under Raw Material Procurement Assistance scheme.

Post expansion, we will require additional working capital to ensure smooth operations of the enhanced capacities. We will estimate the enhanced working capital requirement at the appropriate time and approach our existing banker for the additional working capital facilities as and when the project is nearing completion and the balance if any would be funded through internal accruals.

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 Draft 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 companies 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, 2011	3.47	1
March 31, 2012	3.80	2
March 31, 2013	4.86	3
Weighted Average EPS	**4.28**	

2. Price/ Earning (P/E) Ratio in relation to the Issue price of ₹ 18/- per Equity Share of ₹ 10 each

Particulars	
P/E based on pre-issue weighted average EPS of ₹ 4.28	4.21
P/E based on pre-issue EPS of FY 13 of ₹ 4.86	3.70

3. Return on Net Worth (RONW)

Year Ended	RONW (%)	Weight
March 31, 2011	20.78	1
March 31, 2012	17.46	2
March 31, 2013	18.23	3
Weighted Average RONW	**18.40**	

4. Minimum Return on Increased Net Worth required to maintain pre-issue EPS: 20.07%

5. Net Asset Value (NAV) per share

As on March 31, 2013 (₹)	26.63
Pre-Issue as on June 30, 2013	27.18
Post Issue (₹)	24.61

6. Industry Average P/E

	Name of Company	P/E Multiple based on Price as on 27/11/ 2013
Highest	Kisan Mouldings Ltd	18. 49
Lowest	Torrent Cables Limited	3. 27
Industry Average	- Plastic Products - Cables - Power	15.00 4.80
Source: Capital Market: November 25 -December 08, 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 31/03/2013 (₹ In Cr.)	Sales as on 31/03/2013 (₹. In Cr.)	PAT/ (Loss) as on 31/03/ 2013 (₹ In Cr.)	Book Value (₹)	EPS (₹)	Price As on 11/12/ 2013 (₹)	P/E Multiple based on Price as on 11/12/ 2013
PVC pipe manufacturers								
Integrated Thermoplastics Limited	10	6.29	68.89	0.55	10.00	0.87	7.71	8.86
Tijaria Polypipes Limited	10	23.63	128.32	0.87	38.06	0.37	6.00	16.22
Astral Poly Technik Ltd	5	11.24	821.20	59.52	107.05	26.48	264.70	10.00
Dutron Polymers Limited	10	6.00	83.53	1.15	23.10	1.92	22.00	11.46
Kisan Mouldings Ltd	10	20.33	518.46	2.42	49.76	1.19	22.00	18.49
Texmo Pipes and Products Ltd	10	23.82	154.59	1.23	48.62	0.52	6.65	12.79
Cable & Wire Manufacturers								
Precision Wires India Limited	10	11.56	976.21	15.95	174.90	12.23	74.00	6.05
Cable Corporation of India Limited	10	77.29	212.55	18.18	19.29	2.35	18.20	7.74
Torrent Cables Limited	10	8.60	376.11	17.93	192.63	20.85	68.10	3.27
Source: Capital line, and www.bseindia.com								
Sanco Industries Limited	**10.00**	**6.17**	**58.58**	**2.99**	**26.63**	**4.86**	**-**	**-**

8. **The face value of Equity Shares of Sanco Industries Limited is ₹ 10 and the Issue Price is 1.8 times of the Face Value.**

The Issue Price of ₹ 18/- has been determined by us in consultation with the Lead Manager. Our Company and the Lead Manager believe that the Issue Price of ₹ 18/- is justified in view of the above qualitative and quantitative parameters.

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: 06/09/2013

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. Further, Now, in exercise of the powers vested in her under clause (b) of sub-section (5) of Section 8 of the Central Sales Tax Act, 1956 (Act no. 74 of 1956) vide it's notification no. EXN- F (5)-6/2006-Vol.I Dated 01st April, 2013, the Governor of Himachal Pradesh, direct that, the Central Sales Tax at a concessional rate of 1% shall be extended for a further period of five years or till the implementation of the Goods and Services Tax, which ever is earlier for the existing industrial units which carry out substantial expansion on or after 1st April, 2013 with effect from commencing commercial production of the expanded capacity.

(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) (viia) of the Act, the same will be treated as income in the hands of the done 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.

5. Central Sales Tax in Himachal Pradesh at a concessional rate of 1% shall be extended to Sanco Industries Limited for a further period of five years or till the implementation of the Goods and Services Tax, whichever is earlier as the company had carried out substantial expansion i.e. 33% and also started commercial production of the expended capacity with effect from 1st April, 2013.

For M/s Vijay Mukesh & Co.

Sd/-
(Sunil Jain)
Partner
Membership No.: 094673
Place: New Delhi
Date: 06/09/2013

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 in the report has not been independently verified by the Company, the 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.*

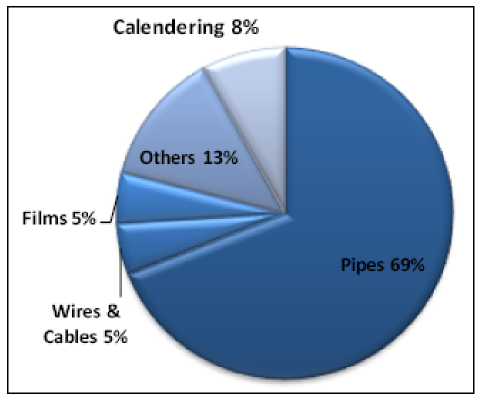
Polyvinyl Chloride

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 - End Use Pattern



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

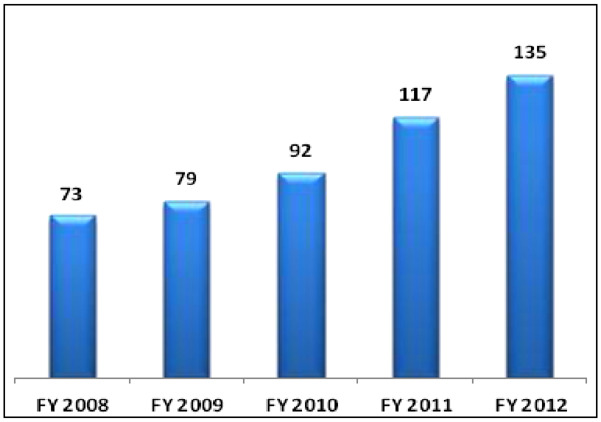
PVC has high resistance level to chemical reaction, is flexible to work with and is durable making it ideal for applications in construction (residential and commercial), packaging, electronic / electrical applications, irrigation, drinking water supply and sewage disposal.

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

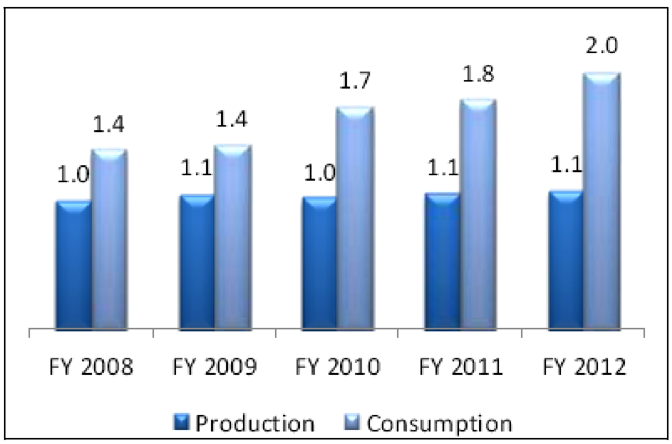
PVC market in the country is estimated to be worth of ₹ 135Bn. It has been growing at a compounded rate of ~17% during the fiscal period 2008-12. PVC production capacity in the country was approximately 1,335 thousand tons against a demand of ~1,990 thousand tons. The production - demand deficit in the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

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.

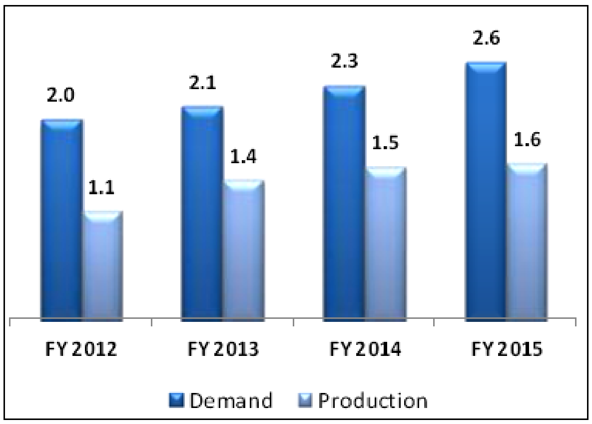
Key Opportunities

- 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.

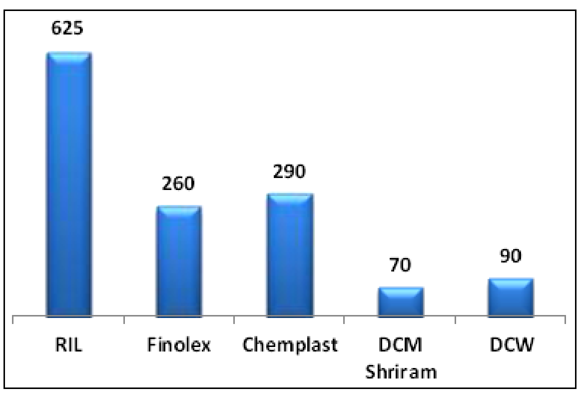
Market Projections

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.

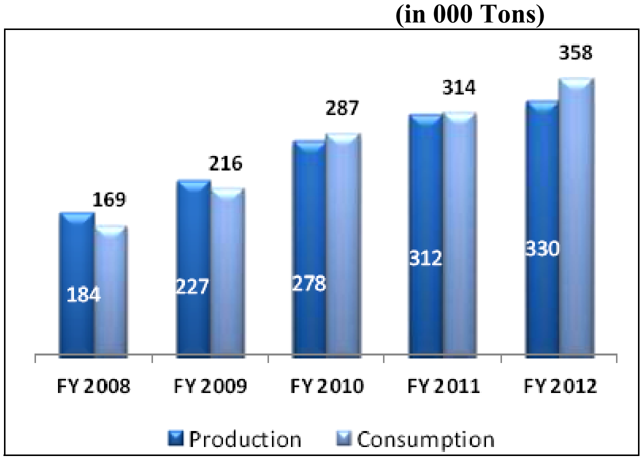
Market Size

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

(in 000 Tons)



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

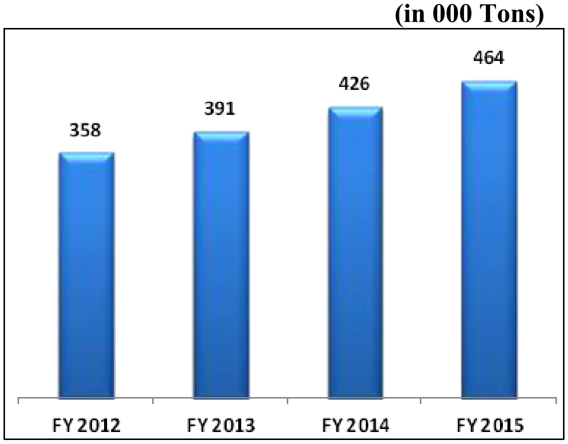
In western countries rigid PVC pipes are used extensively in gas distribution pipelines, but this practice is yet to pick up in India. With city gas distribution set to become a major role in urban energy needs the demand for piping materials is expected to go up.

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

(in 000 Tons)



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:

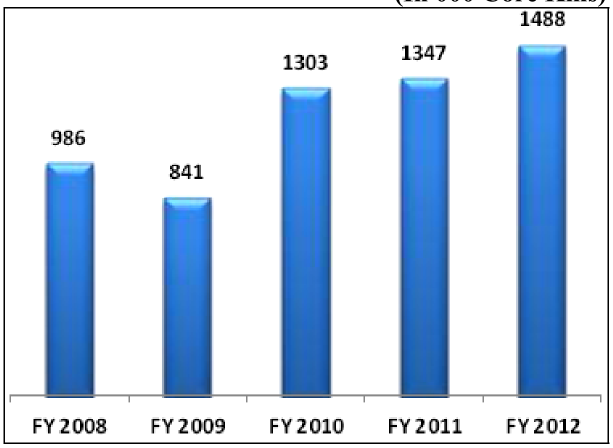
PVC coated cable and wire are extensively used in all electrical linings and domestic lighting purposes. The individual insulated conductors are covered with PVC coatings providing additional electrical and mechanical protection. The cables are used in sub-station, distribution systems, industrial installation 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

(In 000 Core Kms)



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 EEPC (since 1986), NSIC (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 13 our total income increased to ₹ 5858.49 lacs as compared to ₹ 4019.23 in the previous Financial Year. Similarly our Profit After Tax increased to ₹ 299.56 lacs in the FY 13 from ₹ 227.98 lacs during the last Financial Year.

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(further extended 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 32 of the Draft Prospectus.

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 sleevings.

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 sleevings.
- 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:**

Galvanisied iron pipes had been in use for the past few decades for the distribution of potable water. It was observed that deterioration of galvanisied iron material causes contamination of water due to corrosion, pitting and algae formation. Further, passage of time leads to reduced flow due to chocked 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 sleevings.

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

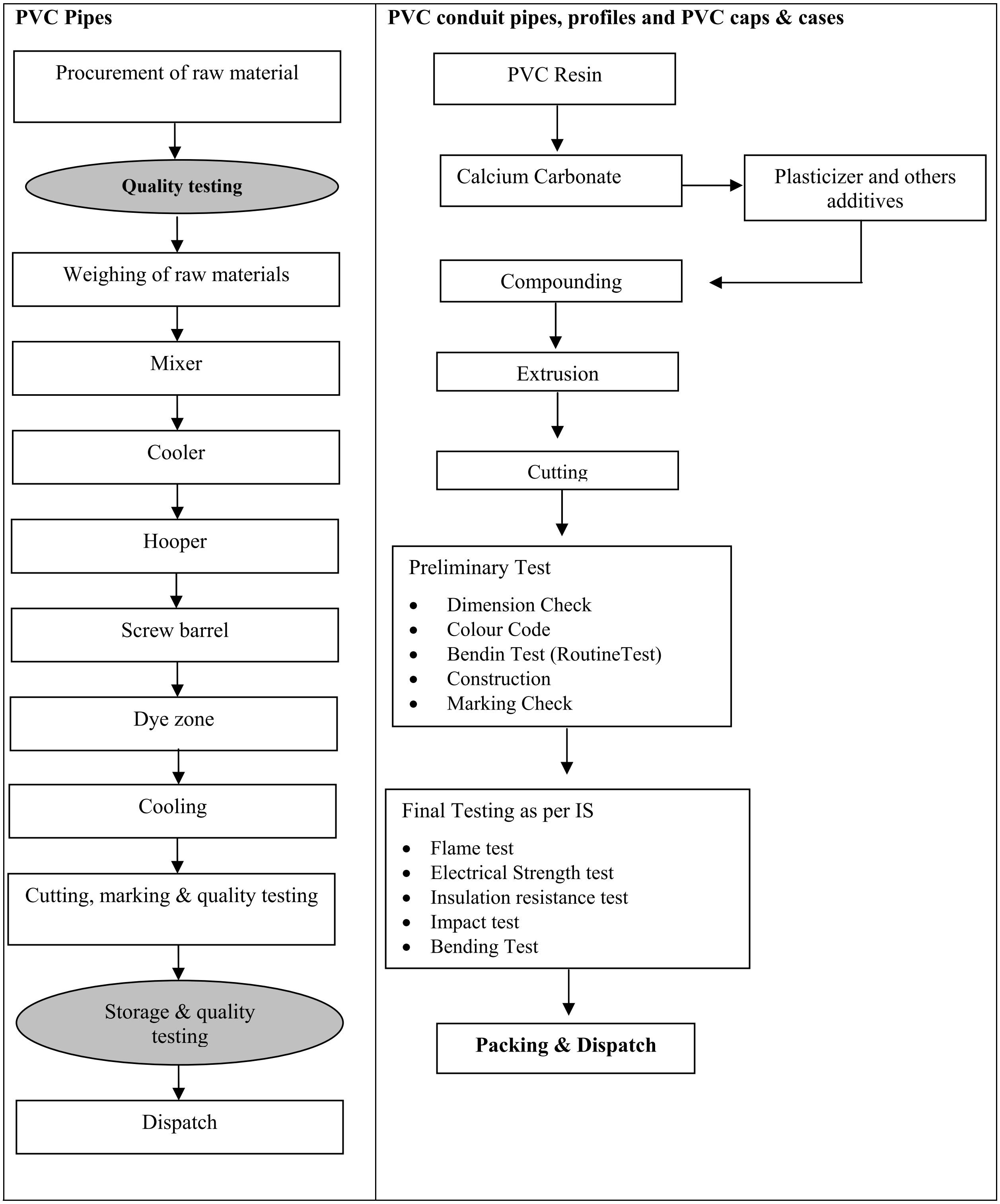
Following is the list of major machines presently installed in our facility:

Sr. no	Description	Quantity
1.	PVC Pipe plant/ machine	7
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 have recently upgraded our plant and machineries by replacing some of our existing machineries with improved machineries. The said up gradation was completed in the first quarter of Financial Year 2013-14. Subsequently our installed capacity for PVC Pipes has increased to 4,000 M.T from 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.

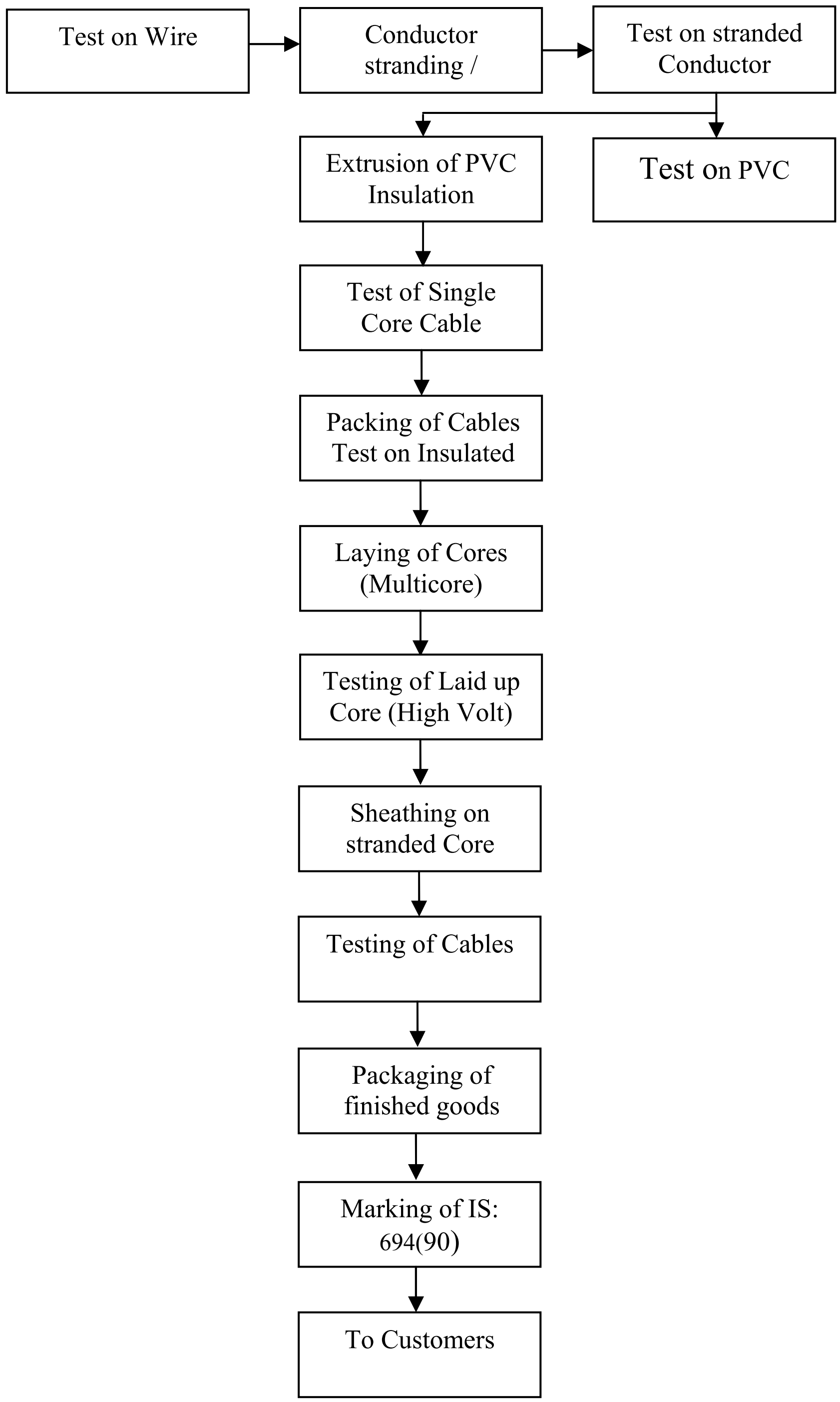
c. Extrusion Process

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.

Export Possibilities and Export Obligations

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

Raw material procurement

Our major raw material for manufacturing of PVC Conduit Pipes is 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 or using third party transportation facility.

Manpower

Our Company has adequate manpower at all levels at present and we plan 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	28	5
Unskilled workers	60	15
Total	**114**	**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 129 of the Draft Prospectus.

Technology & Inputs

The present technologies used in all our process are proven, 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.)	4000.00 *	6000.00	6000.00
Capacity Utilization (M.T.)	3720.00	5400.00	5880.00
Capacity Utilization %	93.00	90.00	98.00
PVC WIRES & CABLES			
Total Installed (Km.)	18000.00	36000.00	36000.00
Capacity Utilization (Km.)	16740.00	30600.00	34200.00
Capacity Utilization %	93.00	85.00	95.00

*We have recently upgraded our plant and machineries by replacing some of our existing machineries with improved machineries. The said up gradation was completed in the first quarter of Financial Year 2013-14. Subsequently our installed capacity for PVC Pipes has increased to 4,000 M.T from 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 ourselves 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 four different brands 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 team visits our clients on an ongoing basis. We organise dealers meet in different cities to create awareness about new product business policies.

SWOT Analysis

Strengths of the Company:

Strengths	Weakness
• 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	• High working capital intensive activities • Unorganised dealers and distributors base • Limited presence in the market
Opportunities	**Threats**
• Products manufactured by the Company have application in various industries • Potential to add capacity in the existing facility	• 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 and the latest technology in providing the range of bare products, extraction, coated or assembled products.

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 September 02, 2013 with Mr 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)	September 02, 2013 to August 01, 2014
5.	Lease agreement dated September 02, 2013 with Mrs. Shakuntla Gupta and Mrs. Rita Gupta	Corporate Office	2nd Floor of D-161 Surajmal Vihar, Delhi	₹ 25,000/- per month	95 sq meters	September 02, 2013 to August 01, 2014
6.	Lease agreement September 02, 2013 with Mrs. Shakuntla Gupta	Corporate Office	3rd Floor of D-161 Surajmal Vihar, Delhi	₹ 25,000/- per month	95 sq meters	September 02, 2013 to August 01, 2014
7.	Lease Agreement dated August 10, 2013 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	August 10, 2013 to July 09, 2014

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 it 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 to18000 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 and introduced PVC/PPR Plumbing Pipes in our 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, sewage 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
2013	Received "Certificate of Appreciation" for exemplary and outstanding achievement & adjudged as one among the top 100 SMEs of India for the period 2012-13 by Bank of India.
	Formed a 100% subsidiary in the name of "**Sanjita Polymet Limited**" in Hong Kong**.**

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 Draft Red Herring Prospectus for the then proposed issue was filed with SEBI on January 25, 2011 and we received SEBI 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 adetate and copy 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 lajures, 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

Date	Type of change / Reasons for change
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
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: 3. *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.* 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."*
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 has formed a 100% subsidiary in the name of "Sanjita Polymet Limited" in Hong Kong.. The details of the same are given on page 67 of the Draft Prospectus.

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.

Subsidiary of our Company

Our Company has formed a 100% subsidiary in the name of **" Sanjita Polymet Limited" (Sanjita)** in Hong Kong**.** Sanjita was incorporated on August 12, 2013 vide certificate of incorporation issued by Registrar of Companies Hong Kong Special Administrative Region. The certificate no. of Sanjita is 61876989-000-08-13-7.

The authorized and subscribed share capital of Sanjita is USD 50,000 shares of USD 1 each and USD 10,000 of USD1 each respectively.

Mr. Siddhant Gupta is the Director of Sanjita Polymet Limited.

It's not a sick Company under the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and has not incurred any losses or has negative cash flows or nor is it in the process of winding up.

OUR MANAGEMENT

The following table sets forth details regarding our Board of Directors as on the date of filing of the Draft 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	49 Years B.Com. & MBA (Marketing & Finance)	**Director**: • 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 Limited
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	22 Years Trained Pilot & pursuing B.B. A. - Aviation	**Director:** • Sanco Enterprises Private Ltd. • Superlink Polyfeb Limited • Sanjita Polymet 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	57 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	33 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	50 Years B.Com & Chartered Accountant	**Partner:** • K.G. Sharma & Co.

Brief Profile of our Directors

Mr. Sanjay Gupta

Mr. Sanjay Gupta, aged 49 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 22 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 33 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 field 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 50 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 handling 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 57 years, is the Non-Executive and Independent Director of our company. He is a Bachelor of Arts 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 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 Draft 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 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 114 of the Draft 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 "Properties" on page 58 of the Draft 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

There are no changes in the Board of directors in the last three years

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

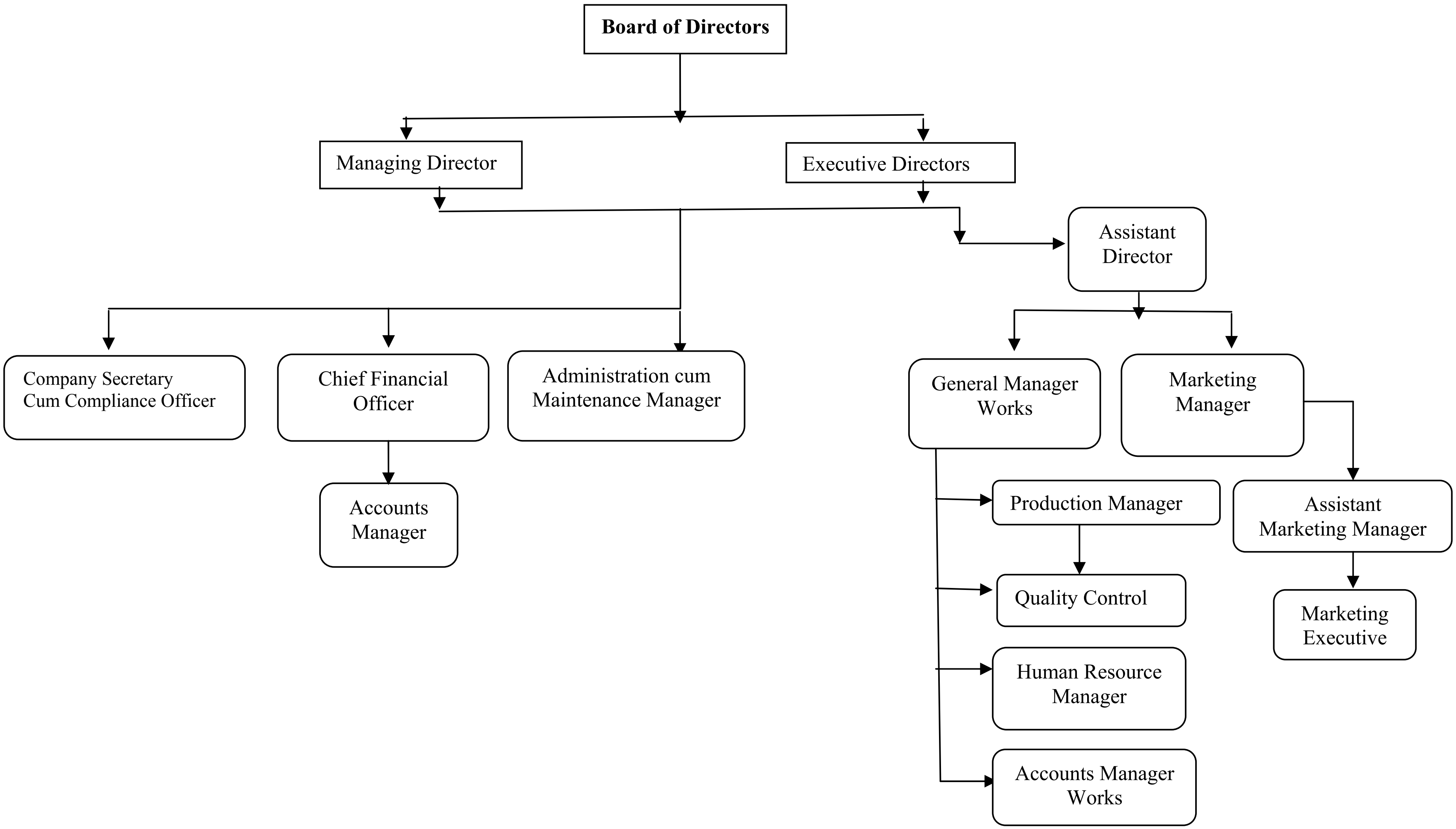
Our Company Secretary, Ms. Preeti Gupta will act as the secretary of the Committee.

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 Draft 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
Mr. Rahul Mittal **Assistant Director** **Age:** 28 Years **Qualification:** Engg. Diploma in Electronics & Telecommunication and B.B.A	Day to Day Operations, Technical Feasibility at the work and Business Development	2.40	August 01, 2011 (2 Year 4 months)	Religare Technologies Ltd (9 Years)
Mr. Vipul Singhal **Chief Financial Officer** **Age:** 29 Years **Qualification:** M.B.A (Marketing & Finance)	Finance & Accounts	3.00	June 10, 2007 (6Years 5 months)	Nil (6 Years 5 months)
Mr. Deepak Gupta **Administration Cum Maintenance Manager** **Age:** 40 Years **Qualification:** B.Com	Administration & Maintenance	1.80	June 04, 2006 (7 Years 5 months)	Self Employed (19 Years)
Mr. Randhir Singh **Marketing Manager** **Age:** 44 Years **Qualification:** Masters in Arts (English)	Marketing & Business Development	3.24	March 05, 2003 (10 Years 8 months)	Dollar Electrical Industries (12 Years)
Mr. Sunil Kaushik **Accounts Manager** **Age:** 39 Years **Qualification:** B.Sc., Diploma in Financial Accounting	Accounting	2.60	September 01, 2001 (12 Years)	Advance Chemicals (12 Years 5 months)

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 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. Rajeev Sunaria	Company Secretary cum Legal Manager	August 5 , 2010	May 11 ,2011
Ms. Preeti Gupta	Company Secretary	May 11, 2011	-

Name	Designation	Date of Joining	Date of Cessation
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 Prospectus, nor is such amount or benefit intended to be paid or given to any officer as on the date of the Draft 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

	Mr. Sanjay Gupta, aged 49 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.	
	Driving License Number	P-07112004325804
	Voter Identification Card Number	DL\04\043\201139

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. As a whole Time Director of our Company, she is playing a key role in the growth of our Company.	
	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.

(₹ in Lacs)

Particulars	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 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 114 of the Draft 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 Prospectus or proposed to be acquired by us as on date of filing the Prospectus with RoC. Except "as stated in "Related Party Transactions" beginning on page no. 114 of the Draft 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 Draft Prospectus except that stated under the section titled "Related Party Transactions" on page 114 of the Draft Prospectus.

Except as stated in the section "Related Party Transactions" on page no. 114 of the Draft 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 Mach 31, 2013 is as follows:

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

The Shareholding of SEPL as on Mach 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:

(₹ in lacs)

Particulars	2012-2013	2011-2012	2010-2011
Income from operations	9.73	NIL	NIL
Other Income	14.67	12.09	11.76
Profit/(Loss) after Tax	0.52	0.30	1.13
Equity Share Capital	100.00	100.00	100.00
Reserves and Surplus	10.13	9.61	9.30
Earnings per share (₹)	0.05	0.03	1.13
NAV (₹)	110.13	109.61	109.30

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 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 has been engaged in the business of manufacturing of ACSR/AA Conductor, LT XLPE Aerial Bunch Cable, LT XLPE Power Cables. Presently the company is non-operational. 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 date is as follows:

- Mr. Sanjay Gupta
- Mr. Sidhant Gupta
- Mr. Anurag Gupta

The Shareholding of the Company M/s Superlink Polyfeb Ltd. as on date is as under:

Name of the Shareholder	No. of Equity Shares of ₹ 100/- each	% of the Paid-Up Capital
Promoter	9,29,600	12.03
Promoter Group	68,00,546	87.97
Public	Nil	Nil
Total	**77,30,146**	**100.00**

The Company made a Bonus Issue of 33,12,920 equity shares of ₹ 10/- each by capitalizing the reserves to the tune of ₹331.29 lacs on May 24, 2013.

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

(₹ in lacs)

Particulars	2012-2013	2011-2012	2010-2011
Income from operations	-	-	-
Other Income	7.52	4.44	31.65
Profit/(Loss) after Tax	1.42	0.12	(21.94)
Equity Share Capital	441.72	441.72	441.72
Reserves and Surplus	410.78	409.02	365.86
Deferred Income Tax (Liabilities)	2.02	-	2.02
Earnings per share	0.03	0.00	(0.50)
NAV	19.30	19.26	18.28

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. 123 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 Draft Prospectus 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 Draft 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 Draft Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding off.

Throughout the Draft Prospectus, all the figures have been expressed in Lacs of Rupees, except when stated otherwise. All references to “Rupees”, ₹ and “Rs.” in the Draft 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 January 12, 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 June 30, 2013, March 31, 2013 and also re- audited the Balance Sheet of M/s Sanco Industries Ltd. as at March 31, 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 March 31, 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 June 30, 2013, March 31, 2013, March 31, 2012, March 31, 2011, March 31, 2010 and March 31, 2009 (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 financial period ended on June 30,2013, March 31, 2013, March 31, 2012, March 31, 2011, March 31, 2010 & March 31, 2009 together referred to as Summary Statements'. These Summary Statements have been extracted from the audited financial statements for the period ended June 30, 2013, March 31, 2013 and re-audited financial statements for the period ended March 31, 2012 and audited financial statements for the period ended March 31, 2011, March 31, 2010 & March 31, 2009. The audit for the period ended June 30, 2013, March 31, 2013 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 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 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 Polices 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 polices retrospectively in respective financial years.
2. There have been no materials 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 financial period ended June 30, 2013, March 31, 2013, March 31, 2012, March 31, 2011, March 31, 2010 & March 31, 2009 .

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 financial period ended June 30, 2013, March 31, 2013, March 31, 2012, March 31, 2011, March 31, 2010 & March 31, 2009 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.
9. 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

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

Place: New Delhi
Date: 11/12/ 2013

ANNEXURE I

SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(₹ in lacs)

Particulars	30th June, 2013	31st March , 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
ASSETS						
Non-current assets						
Fixed assets						
Tangible assets	333.28	234.17	294.27	308.30	294.33	263.21
Intangible assets	0.04	0.05	0.08	-	-	-
Capital work-in-progress	30.37	127.73	30.31	24.23	-	-
Non-Current Investments						
Investments in Equity instruments	350.00	350.00	350.00	-	-	-
Long term loans and advances	1.54	1.74	2.04	1.70	2.73	5.59
Other Non Current Assets	124.56	124.69	96.19	-	-	-
Total Non-Current Assets (A)	**839.79**	**838.37**	**772.89**	**334.23**	**297.06**	**268.80**
Current Assets						
Inventories	1,104.82	580.99	712.34	773.14	441.14	278.32
Trade Receivables	2,604.35	2,865.18	2,047.29	1,128.09	1,581.71	1,495.89
Cash and cash equivalents	74.31	83.89	51.52	50.40	31.83	93.72
Short-term loans and advances	201.00	105.22	600.32	48.58	24.65	44.80
Other current assets	32.61	63.26	1.00	1.66	13.72	2.14
Total Current Assets (B)	**4017.09**	**3698.53**	**3412.47**	**2001.87**	**2093.05**	**1914.87**
Total Assets (A+B)	**4856.88**	**4536.90**	**4185.36**	**2336.10**	**2390.11**	**2183.67**
LIABILITIES						
Non-Current Liabilities						
Long-term borrowings	460.10	327.99	45.93	91.26	162.24	100.45
Deferred tax liabilities (net)	8.82	9.71	5.86	6.31	5.80	5.28
Other long term liabilities	12.31	12.31	7.59	4.47	-	-
Total Non-Current Liabilities (C)	**481.22**	**350.01**	**59.38**	**102.04**	**168.04**	**105.73**
Current Liabilities						
Short term borrowings	1,182.27	1,068.41	1,699.14	707.80	707.05	648.66
Trade payables	1,062.86	1,214.95	976.83	330.93	269.49	663.88
Other current liabilities	441.19	179.31	87.08	142.70	381.82	91.24
Short-term provisions	12.39	81.31	57.02	51.90	35.64	19.66

Particulars	30th June, 2013	31st March , 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
Total Current Liabilities (D)	**2,698.71**	**2,543.97**	**2,820.06**	**1,233.33**	**1,394.00**	**1,423.44**
Total Liabilities (C+D)	**3,179.93**	**2,893.98**	**2,879.44**	**1,335.37**	**1,562.04**	**1,529.17**
Net Worth (A+B) - (C+D)	**1,676.95**	**1,642.92**	**1,305.92**	**1,000.73**	**828.07**	**654.50**
Net worth represented by:						
Shareholders' Funds						
Share Capital						
Equity share capital	617.00	617.00	600.00	600.00	600.00	300.00
Reserves & Surplus						
Securities Premium	34.00	34.00	-	-	-	-
Reserves & Surplus	1,109.08	1,068.34	768.78	436.06	228.07	354.50
Miss. Expenditure	(83.13)	(76.42)	(62.86)	(35.33)	-	-
Net worth	**1,676.95**	**1,642.92**	**1,305.92**	**1,000.73**	**828.07**	**654.50**

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	30th June, 2013	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
INCOME						
Revenue from operations	901.50	5,853.34	4,010.69	3,680.59	3,629.89	3,989.50
Other income	7.01	5.15	8.55	10.62	9.65	2.38
Total Income	**908.50**	**5858.49**	**4019.23**	**3691.21**	**3639.54**	**3991.89**
EXPENSES						
Cost of raw material and components consumed	405.72	2836.64	1853.74	2009.71	2289.96	3424.77
Purchase of Stock in Trade	570.03	1,893.82	1,028.15	1,059.51	606.90	-
Changed in inventories of finished goods and traded goods	(306.31)	27.35	133.87	(212.23)	(205.41)	(33.68)
Employee Benefits Expenses	47.14	140.75	106.06	84.83	59.87	45.14
Other Expenses	48.49	251.12	350.26	305.83	495.64	268.48
Total Expenditure	**765.07**	**5149.68**	**3472.08**	**3247.64**	**3246.96**	**3704.70**
Earnings before interest, tax, depreciation and amortization (EBITDA)	**143.43**	**708.81**	**547.16**	**443.57**	**392.58**	**287.19**
Depreciation and Amortization Expenses	11.72	39.55	41.53	40.76	37.24	39.46
Finance Costs	79.48	266.45	212.53	142.39	145.61	78.15
Profit Before Tax	**52.23**	**402.81**	**293.09**	**260.41**	**209.73**	**169.58**
Less: Tax Expense						
Current tax expense	12.39	99.40	65.56	51.90	35.64	19.85
Deferred tax (credit)/ charge	(0.90)	3.85	(0.45)	0.53	0.51	(0.54)
Total Tax Expense	**11.49**	**103.25**	**65.11**	**52.43**	**36.15**	**19.31**
Profit After Taxation	**40.74**	**299.56**	**227.98**	**207.98**	**173.57**	**150.27**

ANNEXURE III
SUMMARY STATEMENT OF CASH FLOWS

(₹ in lacs)

Particulars	**30th June, 2013**	**31st March, 2013**	**31st March, 2012**	**31st March, 2011**	**31st March, 2010**	**31st March, 2009**
A. Cash flow operating activities						
Net Profit before prior period item, tax and extraordinary items	52.23	402.81	287.90	260.41	209.73	169.58
Adjustment for:						
Depreciation/Amortisation	11.72	39.55	41.53	40.76	37.24	39.46
Finance charges & loss on variation on foreign exchange rates	67.63	216.40	165.73	130.26	122.37	66.70
MAT Credit Adjusted	-	(17.70)	(8.55)	-	-	-
Provision for Gratuity & Leave Encashment	-	4.71	3.30	4.47	-	-
Profit/Loss on sale of Fixed Assets	0.72	0.10	-	(0.06)	-	(0.29)
Operating Profit Before Working Capital Changes	**132.31**	**645.86**	**489.91**	**435.84**	**369.34**	**275.46**
Adjustment for:						
Decrease/(Increase) in Inventories	(523.83)	131.35	60.81	(332.00)	(162.82)	(108.36)
Decrease / (Increase) in Trade Receivables	260.82	(817.89)	(919.20)	453.62	(85.82)	(685.39)
Decrease / (Increase) in Short Term Loans and Advances	(95.78)	495.10	(551.74)	(23.93)	20.15	(5.76)
Decrease / (Increase) in Other Current Assets	30.65	(62.64)	0.66	12.06	(11.58)	(2.14)
Increase / (Decrease) in Trade Payables	(152.09)	238.12	645.90	61.44	(394.39)	321.97
Increase / (Decrease) in Other Current Liabilities	180.58	92.23	(55.62)	(239.12)	290.57	31.04
Income taxes paid (net of refund)	-	(57.02)	(46.89)	(35.65)	(19.65)	(17.80)
Net cash generated / (utilized) from operating activities	**(167.35)**	**665.12**	**(376.18)**	**332.26**	**5.80**	**(190.99)**
B. Cash flow from investing activities						
Purchase of fixed assets	(15.73)	(0.84)	(27.58)	(96.96)	(92.58)	(17.64)
Capital Work-in-Progress	-	(97.41)	(6.08)	-	-	-
Sale of Fixed Assets	1.54	21.32	-	18.07	24.23	0.65
Purchase of non-current investment	-	-	(350.00)	-	-	-
Long Term Loans & Advances	0.20	0.30	(0.34)	1.03	2.86	1.29
Other Non Current Assets	0.13	(28.50)	-	-	-	-
Net cash utilized investing activities	**(13.86)**	**(105.13)**	**(384.00)**	**(77.87)**	**(65.50)**	**(15.70)**
C. Cash from Financing activities						
Interest paid	(67.73)	(216.40)	(165.73)	(130.26)	(122.37)	(66.70)

Increase in share capital	-	17.00	-	-	-	-
Share premium received	-	34.00	-	-	-	-
(Repayments) / proceeds of long term borrowings	132.11	282.06	(45.33)	(70.98)	61.78	31.84
Dividend & dividend distribution tax	-	-	-	-	-	-
Miss Expenditure to the extent not written off	(6.71)	(13.56)	(18.98)	(35.33)	-	-
(Repayments) / proceeds of short term loans	113.86	(630.73)	991.34	0.75	58.39	287.59
Net cash generated from/ (utilised in) financing activities	**171.63**	**(527.63)**	**761.30**	**(235.82)**	**(2.20)**	**252.72**
Net Increase / (decrease) in cash and cash equivalents	**(9.58)**	**32.36**	**1.12**	**18.57**	**(61.89)**	**46.04**
Cash and cash equivalents at the beginning of the year	**83.89**	**51.52**	**50.40**	**31.83**	**93.72**	**47.68**
Cash and cash equivalents at the end of the year	**74.31**	**83.89**	**51.52**	**50.40**	**31.83**	**93.72**

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 and Wire & Cable.

2. Statement of Significant Accounting Policies

(a) Basis of Preparation

i. The financial statements for the period ended June 30, 2013, March 31, 2013 and March 31, 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 March 31 2011, 2010, and 2009 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 then 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 Bank Guarantee given to NSIC : **₹ 2,00,00,00**

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.

8. 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	30th June, 2013	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
Sale of Products						
Manufactured Products	454.25	3,833.66	2,882.27	2,339.43	3,165.60	3,989.50
Traded Products	447.25	2,019.68	1,128.42	1,341.16	464.29	-
Total	**901.50**	**5,853.34**	**4,010.69**	**3,680.59**	**3,629.89**	**3,989.50**

Note 2: COST OF MATERIAL CONSUMED

(₹ in lacs)

Particulars	30th June, 2013	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
Raw Material						
Opening Stock	254.63	358.63	285.57	165.80	208.39	133.71
Add: Purchases	623.24	2732.64	1926.80	2129.48	2247.37	3,499.45
Less: Closing Stock	472.15	254.63	358.63	285.57	165.80	208.39
Total	**405.72**	**2836.64**	**1853.74**	**2009.71**	**2289.96**	**3424.77**

Note 3: PURCHASE OF TRADED GOODS

(₹ in lacs)

Particulars	30th June, 2013	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
Purchase of Traded Goods	570.03	1,893.82	1,028.15	1,059.51	606.90	-
Total	**570.03**	**1,893.82**	**1,028.15**	**1,059.51**	**606.90**	**-**

Note 4: CHANGES IN INVENTORIES

(₹ in lacs)

Particulars	30th June, 2013	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
Finished Goods						
Opening Stock	302.95	286.88	485.60	112.30	69.93	36.25
Less: Closing Stock	476.56	302.95	286.88	485.60	112.30	69.93
Traded Goods						
Opening Stock	23.40	66.82	1.97	163.04	-	-
Less: Closing Stock	156.10	23.40	66.82	1.97	163.04	-
Total	**(306.31)**	**27.35**	**133.87**	**(212.23)**	**(205.41)**	**(33.68)**

Note 5: EMPLOYEE BENEFITS EXPENSES

(₹ in lacs)

Particulars	30th June, 2013	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
Salary	22.70	85.34	26.35	26.58	21.08	12.47
Wages	-	-	49.83	30.07	16.99	14.94
Director's Remuneration	3.75	15.00	13.00	12.00	15.00	12.60
Workers & Staff Welfare	1.44	6.96	6.32	5.20	4.02	2.64
Employer's Contribution to EPF	2.30	8.75	4.69	3.19	2.10	1.88
Employer's Contribution to ESI	-	-	2.14	1.31	0.68	0.60
Gratuity & Leave Encashment	-	5.51	3.30	4.47	-	-
Employees Compensation Expenses	-	-	0.43	2.01	-	-
Keyman Insurance	16.95	19.18	-	-	-	-
Total	**47.14**	**140.75**	**106.06**	**84.83**	**59.87**	**45.14**

Note 6: FINANCE COSTS

(₹ in lacs)

Particulars	30th June, 2013	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
Interest Expenses						
Interest to Bank	41.83	152.87	148.30	130.26	122.37	66.70
Interest to Others	25.80	63.53	17.43			
Bank Charges	11.85	32.66	22.22	12.14	23.24	11.44
Applicable Net Gain/Loss on Foreign Currencies Transactions & Translations	-	17.39	24.59	-	-	-
Total	**79.48**	**266.45**	**212.53**	**142.39**	**145.61**	**78.15**

Note 7: OTHER EXPENSES

(₹ in lacs)

Particulars	30th June, 2013	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
Manufacturing Expenses						
Custom & Import Duties	-	2.16	85.60	67.86	193.06	104.37
Consignment Clearing Charges	-	0.28	2.10	0.70	0.76	7.74
Freight & Forwarding Charges	10.23	39.30	86.07	73.01	137.65	49.47
Loading/Unloading Charges	0.13	2.65	2.86	1.55	4.12	-
Power & Electricity	18.94	83.78	81.78	81.45	52.45	39.86
Job Work	-	-	-	-	-	0.92
Machinery Maintenance	3.24	1.65	3.09	3.48	3.93	0.92

Particulars	30th June, 2013	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
Water Expenses	0.00	-	-	-	-	-
Sub Total (A)	**32.54**	**129.83**	**261.50**	**228.05**	**391.96**	**203.28**
Administration & Selling & Distribution Expenses:	-					
Additional Sales Tax Demand	0.70	13.78	3.83	-	4.23	-
Additional ESIC Demand	-	0.43	-	-	-	-
Audit Fee	-	0.30	0.30	0.30	0.20	0.20
Advertisement & Publicity Exp.	0.24	0.31	3.09	1.42	6.71	4.51
BIS Fees	-	1.20	0.92	0.91	-	-
Car Insurance	-	-	-	-	0.31	0.30
Car Maintenance	0.34	1.55	0.84	0.18	1.67	0.14
Cartage Outward	-	-	-	-	-	-
Charity & Donation	-	5.05	0.20	0.56	0.12	0.06
Commission on sales	-	0.40	9.39	20.85	20.12	16.30
Computer Maintenance	0.20	0.38	0.51	0.69	0.31	0.11
Conveyance & Petrol Expenses	1.57	4.49	3.06	3.39	3.13	1.47
Bad Debt/Discount A/c	-	30.72	0.06	0.39	-	0.57
Electricity Expenses	0.32	1.60	1.45	0.17	0.02	0.52
Fees & Subscription	0.16	0.75	1.01	0.45	1.19	1.29
Inspection Charges	0.08	-	0.06	0.17	-	-
Insurance Exp.	-	-	-	-	1.12	0.93
Insurance	1.24	1.70	21.88	6.91	15.90	15.90
Legal & Professional Charges	1.07	9.36	3.55	1.96	6.76	0.87
Marking Fee	0.02	-	-	-	-	-
Loss on sale of Fixed Assets	0.72	0.10	-	-	-	-
Misc. Expenses	1.24	2.15	1.14	1.70	1.39	0.66
News Paper & Periodicals	0.00	0.02	0.02	0.01	0.03	0.03
Postage & Telegram	0.04	0.27	0.21	0.19	0.23	0.18
Printing & Stationary	0.22	0.53	1.13	0.82	0.76	0.52
Registration Fees	0.25	-	-	0.15	0.57	0.36
Rent	2.15	8.98	7.61	1.77	2.75	1.08
Repair & Maintenance	0.02	3.80	2.28	0.32	2.35	-
ROC Fees	0.18	0.17	-	-	6.06	-
Round off	-	0.02	(0.00)	(0.01)	(0.00)	(0.00)
Service Tax	-	0.76	0.77	0.29	-	-
Security Expenses	0.18	1.55	2.02	0.62	-	-

Particulars	30th June, 2013	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
Telephone Exp.	0.67	2.67	2.95	2.02	1.58	1.38
Tender Fees	-	-	-	-	-	0.02
Tours & Travels	0.46	5.28	3.20	5.30	4.19	1.87
Truck Insurance	-	-	-	-	0.27	0.33
Truck Running Expenses	3.88	22.83	17.13	26.07	21.17	15.61
Pollution Control Expenses	-	-	-	-	0.36	-
Web Space Charges	-	0.14	0.16	0.17	0.18	-
Sub Total(B)	**15.95**	**121.28**	**88.75**	**77.78**	**103.68**	**65.19**
Total (A+B)	**48.49**	**251.12**	**350.26**	**305.83**	**495.64**	**268.48**

ANNEXURE- V
STATEMENT OF SHARE CAPITAL

(₹ in lacs)

Particulars	30th June, 2013	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
Authorised shares						
Equity shares of Rs. 10 each (Numbers)	14000000	14000000	14000000	14000000	12000000	3000000
Equity shares of Rs. 10 each (₹)	1400.00	1400.00	1400.00	1400.00	1200.00	300.00
Issued, subscribed and fully paid up						
Equity shares of Rs. 10 each (Numbers)	6170000	6170000	6000000	6000000	6000000	3000000
Equity shares of Rs. 10 each (₹)	617.00	617.00	600.00	600.00	600.00	300.00
Capital account	617.00	617.00	600.00	600.00	600.00	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	30th June, 2013	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
At the beginning of the period	6,170,000	6,000,000	6,000,000	6,000,000	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**	**6,170,000**	**6,000,000**	**6,000,000**	**6,000,000**	**3,000,000**
Equity shares allotted as fully paid bonus shares by capitalization of securities premium and reserves and surplus	-	-	-	-	3,000,000	-
Number of shares	6,170,000	6,170,000	6,000,000	6,000,000	6,000,000	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 Rs. 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	**30th June, 2013**	**31st March, 2013**	**31st March, 2012**	**31st March, 2011**	**31st March, 2010**	**31st March, 2009**
1. Securities Premium Account						
Opening Balance	34.00	-	-	-	-	-
Add: Premium on issue of equity shares	-	34.00	-	-	-	-
Less: Amount Utilized	-	-	-	-	-	-
Closing Balance	**34.00**	**34.00**	-	-	-	-
2. Surplus/ (deficit) in profit and loss account						
Opening balance	963.60	664.04	436.06	228.07	354.50	204.23
Add: Profit for the year	40.74	299.56	227.98	207.98	173.57	150.27
Add: MAT Credit Entitlement	104.74	104.74	104.74	-	-	-
Less: Amount Utilized towards issue of fully paid bonus shares	-	-	-	-	300.00	-
Closing Balance	**1,109.08**	**1,068.34**	**768.78**	**436.06**	**228.07**	**354.50**
Total Reserves & Surplus	**1,143.08**	**1,102.34**	**768.78**	**436.06**	**228.07**	**354.50**

Notes on adjustments for 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	30th June, 2013	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
Secured Long Term Borrowings *						
Term loan from bank						
SIDBI	76.19	83.38	26.19	49.24	41.82	-
State Bank of India	-	-	-	-	26.73	42.14
Life Insurance Corporation of India	93.65	91.59	-	-	-	-
Intec Capital Ltd. (Secured against personal property of third party)	17.56	34.18	-	-	-	-
Total	**187.39**	**209.15**	**26.19**	**49.24**	**68.55**	**42.14**
Vehicle Loan						
TML Financial Services Ltd.	-	-	-	-	0.01	0.66
ICICI Bank Ltd. (Car)	-	-	-	-	-	0.92
ICICI Bank Ltd. (Truck)	-		-	1.74	6.00	6.22
BMW Financial Services	11.48	12.46	15.96	-	-	-
HDFC Bank Ltd.	1.52	1.98	3.77	5.38	-	-
State Bank of India	10.85	-	-	-	-	-
Total	**23.86**	**14.44**	**19.73**	**7.12**	**6.02**	**7.80**
Unsecured						
HDFC Bank Ltd.	-	-	-	9.64	17.91	-
Bajaj Finance Ltd. (Business Loan)	1.90	7.78	-	-	-	-
Tata Capital Financial Services Ltd. (Term Loan guaranteed by directors and their Personal Property)	-	96.62	-	-	-	-
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
Money Matter Financial Services Ltd. (Term Loan guaranteed by directors and their Personal Property)	225.61	-	-	-	-	-
Capital First Limited	21.34	-	-	-	-	-
Total	**248.85**	**104.40**	**-**	**34.89**	**87.67**	**50.51**

*** 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	**30th June, 2013**	**31st March, 2013**	**31st March, 2012**	**31st March, 2011**	**31st March, 2010**	**31st March, 2009**
Secured						
Working Capital Loan						
Central Bank of India	989.44	948.96	-	-	-	-
Central Bank of India (Current Account-Book Overdraft)	-	9.33	-	-	-	-
State Bank of India	-	15.17	998.45	707.80	707.05	548.86
DCB Bank	-	-	-	-	-	99.80
NSIC Ltd.	192.83	94.94	-	-	-	-
Unsecured						
Tata Capital Ltd.	-	-	230.18	-	-	-
From other Corporates	-	-	470.50	-	-	-
Total	**1,182.27**	**1,068.41**	**1,699.14**	**707.80**	**707.05**	**648.66**

ANNEXURE TO VII (c)

DETAILS OF TERMS AND CONDITIONS OF SECURED LOANS OUTSTANDING AS AT JUNE 30, 2013

(₹ in lacs)

Sr. No	Name of Financial Institution / Banks	Nature of Secured Loan	Amount Sanctioned	Primary Security	Collateral Security	Balance as at 30.06.2013	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	989.44	12.75%	N.A.	N.A.	N.A.
2	National Small Industries Corporation, Delhi	Working Capital Facility under Raw	200.00 Lac	Bank Guarantee of the limit sanctioned i.e. Rs. 200.00 Lac	Nil	192.83	12.95%	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 30.06.2013	Interest Rate	No. of EMI	Amount of EMI	Starting Date of EMI
		Material Assistance Scheme								
3	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 Rs.33.25 Lac	Nil	11.54	11.50%	60	0.43	10/10/2010
4	SIDBI Okhla Industrial Area, New Delhi	Machinery Term Loan	70.00 Lac	First Charge by way of hypothecation of all Plant & Machinery financed under the project for loan amounting Rs.70.00 Lac	Nil	64.65	12.75%	36	1.94	10/4/2013
5	HDFC Bank Ltd. New Delhi	Hire Purchase Loan	3.16 Lac	Hypothication of the vehicle under finance	Nil	1.11	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	2.26	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	15.22	10.84%	60	0.43	1/1/2012
8	State Bank of India	Hire Purchase Loan	12.00 Lac	Hypothication of the vehicle under finance	Nil	12.10	10.45%	83	0.20	7/9/2013
9	LIC of India	Loan against Keyman Policy	85.23 Lac	Nil	Secured with Keyman Policy Bond worth Rs. 250.00 Lac	93.65	9.50%	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 30.06.2013	Interest Rate	No. of EMI	Amount of EMI	Starting Date of EMI
10	Intec Capital Ltd.	Loan against Property	94.50 Lac	First Charge by way of equitable mortgage of Flat no.804, 8th floor, Saikripa Apartment Sector 11,Vasundhara, Ghaziabad (U.P.)	1. Personal Guarantee of Mr. Sanjay Gupta, Mrs. Shakuntla Gupta and Mr. Anurag Gupta (third party and owner of the property) 2. Collateral Money 33% of the Loan Amount i.e. INR 31,18,500/- shall be kept as security deposit. The collateral money bears interest of 6.10% Per Annum and will be payable at the end of the tenure of term loan facility.	68.91	12.34%	24	4.42	16/1/2013

ANNEXURE VIII

STATEMENT OF TANGIBLE & INTANGIBLE ASSETS

(₹ in lacs)

Particulars	30th June, 2013	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
TANGIBILE 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
Less Accumulated Depreciation	-	-	1.83	1.83	1.83	1.83
Net Block	-	-	**16.51**	**16.51**	**16.51**	**16.51**
FACTORY BUILDINGS						
Gross Block	108.10	108.10	108.10	108.10	108.10	98.26
Less Accumulated Depreciation	53.24	51.84	45.59	38.64	30.92	22.67
Net Block	**54.86**	**56.26**	**62.51**	**69.46**	**77.18**	**75.59**
PLANT & MACHINERY						
Gross Block	359.57	267.75	277.42	274.77	238.93	188.98
Less Accumulated Depreciation	138.69	134.61	118.69	94.64	75.26	54.54
Net Block	**220.88**	**133.14**	**158.73**	**180.13**	**163.67**	**134.44**
FURNITURE & FIXTURES						
Gross Block	0.46	0.46	0.46	0.45	0.45	0.45
Less Accumulated Depreciation	0.35	0.35	0.32	0.30	0.26	0.22
Net Block	**0.11**	**0.11**	**0.13**	**0.15**	**0.18**	**0.23**
OFFICE EQUIPMENTS						
Gross Block	10.87	10.67	10.40	9.47	3.67	3.14
Less Accumulated Depreciation	6.48	6.23	4.92	3.21	2.51	2.34
Net Block	**4.39**	**4.44**	**5.48**	**6.25**	**1.16**	**0.80**
VEHICLES						
Gross Block	80.36	65.50	72.53	48.64	40.63	32.58
Less Accumulated Depreciation	41.46	39.42	35.78	27.00	19.17	11.09
Net Block	**38.89**	**26.07**	**36.75**	**21.64**	**21.46**	**21.49**
Total Net Block	**333.28**	**234.17**	**294.27**	**308.30**	**294.33**	**263.21**

Particulars	30th June, 2013	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
Intangible Assets						
Computer Software	0.09	0.09	0.09	-	-	-
Amortized	0.05	0.04	0.01	-	-	-
Balance	**0.04**	**0.05**	**0.08**	-	-	-
Capital Work-in-progress	**30.37**	**127.73**	**30.31**	**24.23**	-	-

ANNEXURE IX

STATEMENT OF TRADE RECEIVABLES

(₹ in lacs)

Particulars	30th June, 2013	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
Debt outstanding for a period exceeding six months						
(Unsecured considered good)						
Considered good	264.22	517.69	411.02	554.28	400.68	30.43
Considered doubtful	-	-	-	-	-	-
Debt outstanding for a period less than six months						
(Unsecured considered good)	2340.14	2,347.48	1,636.27	573.80	1,181.03	1,465.46
Total	**2,604.35**	**2,865.18**	**2,047.29**	**1,128.09**	**1,581.71**	**1,495.89**

ANNEXURE X

STATEMENT OF LONG TERM LOANS AND ADVANCES

(₹ in lacs)

Particulars	30th June, 2013	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
Unsecured considered good	-	-	-	-	-	-
Security deposits	1.54	1.74	2.04	1.70	2.73	5.59
Total	**1.54**	**1.74**	**2.04**	**1.70**	**2.73**	**5.59**

ANNEXURE XI

STATEMENT OF OTHER NON CURRENT ASSETS

(₹ in lacs)

Particulars	30th June, 2013	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
Margin Money Deposit with Bank	46.08	46.20	-	-	-	-
Mat Credit Available	78.48	78.48	96.19	-	-	-
Total	**124.56**	**124.69**	**96.19**	**-**	-	-

ANNEXURE XII

STATEMENT OF SHORT TERM LOANS AND ADVANCES

(₹ in lacs)

Particulars	30th June, 2013	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
(Unsecured Considered good unless otherwise stated)						
a) Advance recoverable in cash or kind or value to be received						
Considered Good	3.20	5.79	354.18	7.99	1.61	5.00
b) Balance with government authorities						
Advance Taxes Paid	0.05	-	0.28	6.21	0.78	0.43
Advance to Supplier	190.45	98.42	236.33	22.49	0.74	0.11
VAT Receivable	6.30	-	-	11.43	21.52	39.26
Special Additional Duty Receivable	-	-	9.54	0.46	-	-
Income Tax A.Y. 05-06	1.00	1.00	-	-	-	-
Total	**201.00**	**105.22**	**600.32**	**48.58**	**24.65**	**44.80**

ANNEXURE XIII

STATEMENT OF INVESTMENTS

(₹ in lacs)

Particulars	30th June, 2013	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
QUOTED in equity shares fully paid up	**-**	-	-	-	-	-
UN QUOTED in equity shares						
S.D.Portfolio & Infratech Private Limited	-	-	100.00	-	-	-
A.R.Com Private Limited	-	-	50.00	-	-	-
U.K.B. Electronics Private Limited	200.00	200.00	200.00	-	-	-
Superlink Polyfeb Limited	150.00	150.00	-	-	-	-
Total	**350.00**	**350.00**	**350.00**	**-**	**-**	**-**

ANNEXURE XIV

STATEMENT OF INVENTORIES

(₹ in lacs)

Particulars	30th June, 2013	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
Raw materials-(valued at cost)	472.15	254.63	358.63	285.57	165.80	208.39
Stock in Trade	156.10	23.40	66.82	1.97	163.04	-
Finished goods (valued at lower of cost or net realizable value)	476.56	302.95	286.88	485.60	112.30	69.93
Total	**1,104.82**	**580.99**	**712.34**	**773.14**	**441.14**	**278.32**

ANNEXURE XV

STATEMENT OF CASH AND CASH EQUIVALENTS

(₹ in lacs)

Particulars	30th June, 2013	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
Cash on hand	3.90	17.04	9.25	30.42	3.53	1.91
Balances with banks						
(i) In current accounts	0.008	61.48	0.89	(9.34)	7.05	4.95
(ii) In deposit accounts (held as margin money)	70.40	5.37	41.38	29.32	21.25	86.86
Total	**74.31**	**83.89**	**51.52**	**50.40**	**31.83**	**93.72**

ANNEXURE- XVI

STATEMENT OF OTHER CURRENT ASSETS

(₹ in lacs)

Particulars	30th June, 2013	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
Balance with government authorities	-	-	1.00	1.00	13.19	1.00
Prepaid Expenses	0.53	1.37	-	0.66	0.53	1.14
Interest Accrued	0.89	0.70	-	-	-	-
Other Current Assets	31.19	61.19	-	-	-	-
Total	**32.61**	**63.26**	**1.00**	**1.66**	**13.72**	**2.14**

ANNEXURE – XVII

STATEMENT OF TRADE PAYABLES

(₹ in lacs)

Particulars	30th June, 2013	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
Trade payables						
(a) Due to Micro & Small Enterprises	-	-	-	-	-	-
(b) Due to other Creditors	1062.86	1214.95	976.83	330.93	269.49	663.88
Total	**1062.86**	**1214.95**	**976.83**	**330.93**	**269.49**	**663.88**

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	30th June, 2013	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
Installments of Loans falling due within 12 months	300.02	138.60	41.52	118.32	361.13	83.22
Expenses Payable	119.39	29.22	42.04	16.60	18.47	3.79
Sundry Advances from Parties	13.95	11.48	3.52	7.78	2.21	4.23
VAT/CST Payable	7.83	-	-	-	-	-
Total	**441.19**	**179.31**	**87.08**	**142.70**	**381.82**	**91.24**

ANNEXURE- XIX

STATEMENT OF LONG TERM PROVISIONS

(₹ in lacs)

Particulars	30th June, 2013	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
Gratuity Payable	12.31	12.31	7.59	4.47	-	-
Total	**12.31**	**12.31**	**7.59**	**4.47**	-	-

ANNEXURE- XX

STATEMENT OF SHORT TERM PROVISIONS

(₹ in lacs)

Particulars	30th June, 2013	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
Provision for tax	12.39	81.31	57.02	51.90	35.64	19.66
Total	**12.39**	**81.31**	**57.02**	**51.90**	**35.64**	**19.66**

ANNEXURE XXI

STATEMENT OF OTHER INCOME

(₹ in lacs)

Particulars	30th June, 2013	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
Interest Income	6.58	5.15	2.37	2.40	8.48	2.09
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
Other Miscellaneous Income	0.43	0.00	-	-	-	-
Total	**7.01**	**5.15**	**8.55**	**10.62**	**9.65**	**2.38**

ANNEXURE XXII

STATEMENT OF TAX SHELTER

(₹ in lacs)

Sr. No	Particulars	30th June, 2013	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
A	Profit before tax	52.23	402.81	293.09	260.41	209.73	169.58
B	Tax rate(including surcharge and education cess)	0.32	0.32	0.32	0.34	0.34	0.34
C	Tax there on(including surcharge and education cess	16.95	130.69	95.09	88.51	71.29	57.64
	Adjustments :						
D	**Permanent Differences**						
	Deduction under section 80 IC	(14.68)	(109.91)	(90.59)	(256.92)	(192.47)	(169.57)
	Donation under section 80G	-	-	-	-	-	-
	Dividend exempted	-	-	-	-	-	-
	Adjustments on Profit /Loss on sale of assets	0.72	0.10	-	-	-	-
	Income taxable under other heads	7.01	5.15	5.34	6.57	0.11	7.71
	Total	**(6.96)**	**(104.66)**	**(85.25)**	**(250.35)**	**(192.36)**	**(161.86)**
E	**Timing difference**						
	Difference between book depreciation and tax depreciation as per Return of Income	0.64	6.81	1.39	(1.58)	(1.50)	(1.59)
	provision for Gratuity, Leave encashment and Bonus under section 43B	-	5.51	-	-	-	-
	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	0.64	12.32	1.39	(1.58)	(1.50)	(1.59)
F	**Net adjustments (D+E)**	(6.32)	(92.34)	(83.86)	(251.93)	(193.86)	(163.45)
G	Tax expenses or (savings) thereon (F*B)	(2.05)	(29.96)	(27.21)	(85.63)	(65.89)	(55.56)

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 on account of restatement 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

Particulars	30th June, 2013	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
The company has not provided/declared any dividend for the period as mentioned above.						

ANNEXURE XXIV

STATEMENT OF KEY ACCOUNTING RATIOS

(₹ in lacs)

Sr. No	Particulars	30th June, 2013	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
	Earnings Per Share (In ₹)						
A	Net profit after tax as attributable to equity share holders	40.74	299.56	227.98	207.98	173.57	150.27
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	61.70	60.00	60.00	60.00	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)**	61.70	61.70	60.00	60.00	60.00	30.00
C	**Basic EPS (A/B)**	**0.66**	**4.86**	**3.80**	**3.47**	**2.89**	**5.01**
	Diluted EPS (A/B)	**0.66**	**4.86**	**3.80**	**3.47**	**2.89**	**5.01**
D	Weighted average no. equity shares outstanding during the year after considering impact of bonus issue, sub-division of shares and preferential allotment	61.70	61.70	60.00	60.00	60.00	60.00
	Weighted average no. equity shares outstanding during the year after considering impact of bonus issue, sub-division of shares and preferential allotment (Dilutive)	61.70	61.70	60.00	60.00	60.00	60.00
E	**Basic EPS (A/D)**	**0.66**	**4.86**	**3.80**	**3.47**	**2.89**	**2.50**
	Diluted EPS (A/D)	**0.66**	**4.86**	**3.80**	**3.47**	**2.89**	**2.50**

Sr. No	Particulars	30th June, 2013	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
	Return on Net worth (%) (F/G)	**2.43**	**18.23**	**17.46**	**20.78**	**20.96**	**22.96**
F	Net profit after tax attributable to equity share holders	40.74	299.56	227.98	207.98	173.57	150.27
G	**Net worth**	1,676.95	1,642.92	1,305.92	1,000.73	828.07	654.50
	Net Asset Value Per Equity Share (H/I)(Rs.)	**27.18**	**26.63**	**21.77**	**16.68**	**13.80**	**21.82**
H	Total Assets less total liabilities	**1,676.95**	1,642.92	1,305.92	1,000.73	828.07	654.50
I	Weighted average no. equity shares outstanding during the year.	61.70	61.70	60.00	60.00	60.00	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 (Rs.) = $\frac{\text{Net Profit attributable to equity shareholders}}{\text{Weighted Average number of equity shares outstanding during the period}}$

Net Asset Value Per Share (Rs.) = $\frac{\text{Net Worth excluding revaluation reserve at the end of the period}}{\text{Total Number of equity shares outstanding at the end of the year/period}}$

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 30th June, 2013	Post issue
	Debt		
A	Short Term Debt	1,182.27	1,182.27
B	Long Term Debt *	760.12	760.12
C	**Total Debt**	**1,942.39**	**1,942.39**
	Shareholders' funds		
D	Share capital	617.00	857.00
E	Reserves and surplus	1,059.95	1,251.95
F	**Total Shareholders Fund**	**1,676.95**	**2,108.95**
G	Long Term Debt/Equity(B/F)	0.45	0.36
H	Total Debt/Equity (C/F)	1.16	0.92

Note:

1) * Amount repayable within 1year ₹ **300.02** Lac is included in long term debt.

ANNEXURE XXVI

STATEMENT OF RELATED PARTY TRANSACTION

A. Related parties

Name of related parties & description of relationship

30th June, 2013	31st March, 2013	31st March 2012	31st March 2011	31st March 2010	31st March 2009
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
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	30th June, 2013	31st March, 2013	31st March 2012	31st March 2011	31st March 2010	31st March 2009
Remuneration to key managerial personnel	**3.75**	**15.00**	**13.00**	**12.00**	**15.00**	**12.60**
Sanjay Gupta	1.50	6.00	6.00	6.00	6.00	4.80
Shakuntala Gupta	1.50	6.00	6.00	6.00	6.00	4.80
Anurag Gupta	-	-	-	-	3.00	3.00
Sidhant Gupta	0.75	3.00	1.00	-	-	-
Pay to key managerial personnel other then remuneration						
RENT	**1.50**	**6.00**	**5.50**	-	-	-
Shakuntala Gupta	1.13	4.50	4.50	-	-	-
Rita Gupta	0.38	1.50	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
Investment Made	150.00	150.00	-	-	-	-
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
Sale	-	-	-	-	-	58.7
Purchase of Material	-	-	-	-	-	0.96

ANNEXURE-XXVII

STATEMENT OF CONTINGENT LIABILITIES

CONTINGENT LIABILITY NOT PROVIDED FOR IN RESPECT OF:

(₹ in lacs)

Particulars	**30th June 2013**	**31st March 2013**	**31st March 2012**	**31st March 2011**	**31st March 2010**	**31st March 2009**
Bank Guarantee given to NSIC	200.00	100.00	-	-	-	-

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, 2013	**31st March, 2012**	**31st March, 2011**	**31st March, 2010**
Income				
Revenue from operations	5,853.34	4,010.69	3,680.59	3,629.89
Other income	5.15	8.55	10.62	9.65
Total Income	**5858.49**	**4019.23**	**3691.21**	**3639.54**
Expenses				

Particulars	For the Financial year			
	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010
Cost of raw material and components consumed	2836.64	1853.74	2009.71	2289.96
Purchase of Stock in Trade	1,893.82	1,028.15	1,059.51	606.90
Changed in inventories of finished goods and traded goods	27.35	133.87	(212.23)	(205.41)
Employee Benefits Expenses	140.75	106.06	84.83	59.87
Depreciation and Amortization Expenses	39.55	41.53	40.76	37.24
Finance Costs	266.45	212.53	142.39	145.61
Other Expenses	251.12	350.26	305.83	495.64
Total Expenditure	5455.68	3726.14	3430.80	3429.81
Profit Before Tax	402.81	293.09	260.41	209.73
Less: Tax Expense				
Current tax expense	99.40	65.56	51.90	35.64
Deferred tax (credit)/ charge	3.85	(0.45)	0.53	0.51
Total Tax Expense	103.25	65.11	52.43	36.15
Profit After Taxation	299.56	227.98	207.98	173.58

Comparison of FY 2013 with FY 2012:

Total Income

Total Income for FY 2013 was ₹ 5,858.49 lacs as compared to ₹ 4,019.23 lacs in FY 2012 showing an increase of 45.76%. The increase in income was mainly due to favorable market conditions for PVC Conduit Pipes and PVC Insulated Wires which enabled us to procure more orders from existing and new customers.

Expenditure:

Cost of Raw Materials consumed increased to ₹ 4,757.82 lacs in FY 2013 against ₹ 3,015.76 lacs in FY 2012. The increase of 57.77% in materials consumed was in line with the increase in the production of PVC Conduit Pipes and PVC Wires.

Our employee benefits expenses increased to ₹ 140.75 lacs in FY 2013 against ₹106.06 lacs in FY 2012, showing an increase of 32.71%. The increase in employee benefits expenses was primarily due to the KeyMan Insurance availed by the company during the FY 2012-2013.

Other expenses decreased to ₹ 251.12 lacs in FY 2013 as compared to ₹ 350.26 lacs in FY 2012. The decrease of around 28.30% was on account of decrease in import custom duty, freight & forwarding expenses on account of increase in use of domestic raw material.

Depreciation

Depreciation on fixed assets decreased to ₹ 39.55 lacs in FY 2013 from ₹ 41.53 lacs in FY 2012. This marginal decrease of 4.77% was due to sale of fixed assets to the tune of ₹ 35.62 lacs during FY 2013.

Finance costs

Finance costs increased to ₹ 266.45 lacs in FY 2013 against ₹ 212.53 lacs in FY 2012. An increase of 25.37% was primarily due to increase in loans taken by the Company.

Profit after Tax

PAT increased to ₹ 299.56 lacs in FY 2013 from ₹ 227.98 lacs in FY 2012. An increase of 31.40% in PAT during FY 2013 was due to increase in turnover of the Company.

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.

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.

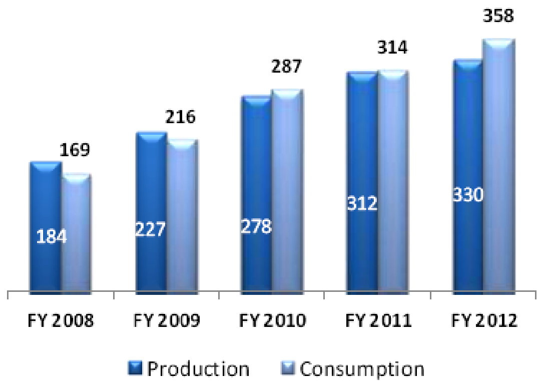
4. **Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known**

   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.

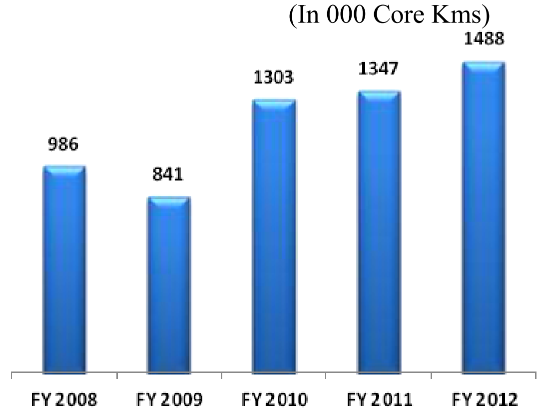
5. **The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices**
   The increase / decrease in turnover is only on account of increase in sales prices and volume.

6. Total turnover of each major industry segment in which the Company operates

PVC Pipe
(in 000 Tons)



PVC Wires & Cables
(In 000 Core Kms)



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 Prospectus and that no litigations have arisen and the Company and its Directors take full responsibility of the information mentioned in the Draft Prospectus.

(a) Cases filed against Sanco

Nil

(b) Cases filed by Sanco

i. Suo Moto Compounding Application

Su 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/- with 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)
Criminal Complaint – For cheque bounce					
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 is 13/01/2014.	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 Examination before the Additional Chief Metropolitan Magistrate. Next date of hearing in the case is 14/03/2014	4.75

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, Utter 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, utter 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	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 againt one of the job worker 'Tirpuati Metal Works'. 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 Poolyfeb Ltd because the unit is enjoying full exemption from all duties for a period of 10 years under Notificaiton No.50/2003-C.E. dated 10/06/2003. 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. 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. 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. While passing of the order by the Appellate Tribunal during the inter-magnum period the Inspector, Central Excise Delhi-II has filed a criminal complaint No.15/1 of 2012 against Mr. Sanjay Gupta before the Additional Chief

Sr. No.	Reference to Case No.	Opposite Party	Brief facts of the case
			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. 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 22/03/2013The next date of hearing in the above matter is 14/01/2014.

(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 March 31, 2013 till the date of the Draft Prospectus

No circumstances have arisen since the date of last financial statement until the date of filing of the 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:

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 August 05, 2013 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 September 06, 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 30^{th} 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 30^{th} 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 No./ Registration 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.
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.

Sl. No.	Description of Approval	Reference No./ Registration No.	Issuing Authority	Date of Issue	Validity / Renewal
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 No./ Registration 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
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	September 03, 2013	September 02, 2015

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)	September 05, 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 electrical installations intended for mounting on walls and ceilings, of non metallic insulating material without apparatus mounting devices 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 / Renewal
	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 23, 2013	August 22, 2016

#**Note**: Our Company has applied to Bureau of Indian Standards for renewal of License vide letter dated October 10, 2013.

We are yet to obtain following registrations:

- Registration under Shops and Establishment Act for our warehouse at 42, Ground floor, Sona Traade 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 Application/Registration	Validity	Class & Description
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	Registered	October 28, 2013	March 17, 2021	Class 17- Rubber, Gutta, Percha, Gum Asbcstos, Mica and Goods made from these materials and not included in other classes; Plastics in Extruded Form for use in Manufacture; Packing, Stopping and Iruulating 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 August 05, 2013. The shareholders have, at the Annual General Meeting of our Company held on September 06, 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 Draft 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 ₹ 2500.00 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 Lead Manager will underwrite more than 15% of the Total Issue Size. For further details pertaining to said underwriting see chapter titled "General Information" on page 10.

2. In accordance with Regulation 106(O) of the SEBI ICDR Regulations, our Company will not file any Draft Prospectus with SEBI nor will SEBI issued any observations on our Draft Prospectus. Also, we shall ensure that the Lead Manager submits a copy of the Prospectus along with a due diligence certificate including additional confirmations as required by SEBI at the time of filing the 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 Lead Manager 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 10.

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 Lead Manager and the Nominated Investors shall not subscribe to the Issue, in any manner except for fulfilling their obligations under their respective agreements with the Lead Manager in this regard.

6. In accordance with Regulation 106P of the SEBI ICDR Regulations, all the underwriting and subscription agreements made by the Lead Manager shall be disclosed in the 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 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 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 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 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 Lead Manager. 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.

The filing of the Prospectus does not, however, absolve our Company from any liabilities under section 34 or section 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up, at any point of time with the Lead Manager any irregularities or lapses in the Draft Prospectus.

All legal requirements pertaining to the issue have been complied with at the time of filing of the Prospectus with the Registrar of Companies, in terms of Section 56, and Section 60 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 34 OF THE COMPANIES ACT, 2013.

Disclaimer statement of our Company, the Lead Manager

The Company, the Directors, and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Prospectus 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 Lead Manager accept no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into among the Lead Manager 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 Lead Manager 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 collection centres etc.

The Lead Manager and their respective associates and affiliates may engage in transactions with and perform services for, our Company, affiliates or associates of our Company or third parties in the ordinary course of business and have engaged and may in future engage, in commercial banking or other financial services with our Company, affiliates or associates or third parties, for which they have received and may in future receive, compensation.

Neither we nor the Lead Manager is liable to the Applicants for any failure in downloading the Applications due to faults in any software/hardware system or otherwise.

Caution

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters, the Lead Manager 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 Underwriters, the Lead Manager 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 (except those having valid demat account, as per Demographic Details provided by Depositories), 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),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 QFIs, Eligible NRIs, AIFs and other eligible foreign investors (viz. FVCIs, multilateral and bilateral development financial institutions), provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company.

The Draft 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 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 Draft Prospectus has been submitted to the Stock Exchange. Accordingly, the Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and the Draft Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Draft Prospectus nor any sale hereunder shall, under any circumstances create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The restrictions as stated above will apply to the Issue, investors are advised to consult their own legal counsel prior to making any offer, resale, pledge or transfer of the Equity Shares.

Disclaimer Clause of the SME platform of the National Stock Exchange of India Limited (NSE)

As required, a copy of the Draft Prospectus has 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 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 Prospectus has not been 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 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, Delhi & Haryana.

Listing

The Equity Shares issued through the Draft 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 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 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 Lead Manager 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 Issue Closing Date.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of Sub-Section (1) of Section 38 of the Companies Act, 2013 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 Lead Manager, 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 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 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 Draft Prospectus 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 32, 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 Lead Manager, printing and distribution expenses, advertisement and marketing expenses and registrar, legal and depository fees among others and are estimated at ₹ 70.00 lacs (approximately 16.20% per cent of the total Issue size) and will be met out of the proceeds of the Issue.

(Amount in ₹ Lacs)

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)#	55.00	78.57	12.73
Advertising, traveling and marketing expenses	4.00	5.71	0.93
Printing and stationery expenses	3.00	4.29	0.69
Statutory and other miscellaneous expenses	8.00	11.43	1.85
Total estimated Issue related expenses	**70.00**	**100.00**	**16.20**

#SCSBs would be entitled to a processing fee of [●] per Application Form, for processing the Application Forms procured by broker and submitted to SCSBs.

#The Brokers and SCSBs would be entitled to a commission of ₹ [●] per eligible application form procured and considered for basis of allotment

Fees payable to the Lead Manager

The total fees payable to the Lead Manager will be as per the Issue Agreement and addendum thereto signed between our Company, Lead Manager and as per the Market Making Agreement signed between our Company, the Lead Manager, 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 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 1,800 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			
	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 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 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, Application Amount blocked, ASBA Account number and the designated branch of the relevant SCSB.

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/ 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 has 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.

Price Information of Past Issues handled by Lead Manager

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 10th calendar day from listing day (₹)	Benchmark index as on 10th calendar days from listing day (Closing)	Closing price as on 20th calendar day from listing day (₹)	Benchmark index as on 20th calendar days from listing day (Closing)	Closing price as on 30th calendar day from listing day (₹)	Benchmark index as on 30th 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% (NSE)	19,229.26 (SENSEX) 5851.50 (NSE)	50.25*	19,255.09* (SENSEX) 5855.75* (NIFTY)	50.15	19580.81 (SENSEX) 5950.85 (NIFTY)	50.50	19663.64 (SENSEX) 5951.30 (NIFTY)

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 10th calendar day from listing day (₹)	Benchmark index as on 10th calendar days from listing day (Closing)	Closing price as on 20th calendar day from listing day (₹)	Benchmark index as on 20th calendar days from listing day (Closing)	Closing price as on 30th calendar day from listing day (₹)	Benchmark index as on 30th calendar days from listing day (Closing)
6.	MITCON Consultancy & Engineering Services Limited (SME Platform – NSE EMERGE)	25.01	61.00	01/11/2013	60.00	51.10	(16.22%) (NSE)	20490.96 (SENSEX) 6078.80 (NSE)	43.05	(NIFTY)	No Trading	20635.13 (SENSEX) 6122.90 (NIFTY)		20898.01 (SENSEX)* 6217.85 (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 30th calendar day from listing day			Nos. of IPOs trading at premium as on 30th 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 Lead Manager

For details regarding the track record of the Lead Manager 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 Lead Manager, Keynote Corporate Services Limited at http://www.keynoteindia.net/track_record.html.

SECTION IX – OFFERING INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued pursuant to the Issue are subject to the provisions of the Companies Act, the SEBI Regulations, the SCRR, our Memorandum and Articles of Association, the terms of this Draft Prospectus, the Prospectus, the Application Form, the Revision Form, the Allocation Advice, the Listing Agreement to be entered into with the Stock Exchange and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, the RoC, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI and/or any other authorities while granting its approval for the Issue.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares of our Company including rights in respect of the dividend. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends, voting rights and other corporate benefits, if any, declared by our Company after the date of Allotment. For further information, please refer to the section "Main Provisions of the Articles of Association" on page 180 of this Draft Prospectus.

Mode of Payment of Dividend

Our Company shall pay dividends to our shareholders in accordance with the provisions of the Companies Act, our Articles of Association and the Listing Agreement to be entered into with the Stock Exchange.

Face Value and Issue Price

The face value of the Equity Shares is ₹ 10 each and the Issue Price is ₹ 18 per Equity Share.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with the SEBI Regulations

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

Rights of the Equity Shareholders

Subject to the applicable laws, rules, regulations and guidelines and the Articles of Association, 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 powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable law, including any RBI rules and regulations; and

- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the Listing Agreement to be entered into with the Stock Exchange and our Company's Memorandum and Articles of Association.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section "Main Provisions of the Articles of Association" on page 180 of this Draft Prospectus.

Joint Holders

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

Market Lot and Trading Lot

In terms of Section 29 of the Companies Act, 2013 the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of our Equity Shares shall only be in dematerialised form for all investors. Since trading of our Equity Shares is in dematerialised form, the trading will happen in the minimum contract size of 8,000 Equity Shares and the same may be modified by the Stock Exchange from time to time by giving prior notice to investors at large. Allotment in this Issue will be only in electronic form in multiples of 8,000 Equity Shares subject to a minimum Allotment of 8,000 Equity Shares. For details of Allotment, please refer to the section "Issue Procedure" on page 153 of this Draft Prospectus.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first Applicant, along with other joint Applicant, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicant, death of all the Applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar to the Issue.

In accordance with Section 109B of the Companies Act, any Person who becomes a nominee by virtue of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or

- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may, at any time, give notice requiring any nominee to choose either to register himself or herself or to transfer the Equity Shares and if the notice is not complied with within a period of 90 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 dematerialised form, 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 investors require change in their nomination, they are requested to inform their respective Depository Participant.

Issue Period

Applicants may submit their applications only in the Issue Period. The Issue Opening Date is [●] and the Issue Closing Date is [●].

Minimum Subscription

If our Company does not receive the subscription of 90% of the Issue through the Prospectus including devolvement of Underwriters within 60 days from the date of closure of the Issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to repay the amount, our Company shall be liable to repay the money, with interest prescribed under Section 73 of the Companies Act.

Migration to Main Board

Our Company may migrate to the Main Board of NSE from the SME Platform on a later date subject to the following:

- If the paid up capital of our Company is likely to increase above ₹ 2,500 lacs by virtue of any further issue of capital by way of rights issue, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders in favour of the proposal amount to at least two times the number of votes cast by shareholders against the proposal and for which our 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

- If the paid up capital of our Company is more than ₹ 1,000 lacs but below ₹ 2,500 lacs, 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 Equity Shares offered though this Issue are proposed to be listed on the Stock Exchange, wherein the Lead Manager shall ensure compulsory market making through the registered Market Makers of the Stock Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing of Equity Shares offered through the Prospectus. For further details of the market making arrangement, please refer to the section "General Information" on page 10 of this Draft Prospectus.

Arrangement for disposal of Odd Lots

The trading of the Equity Shares will happen in the minimum contract size of 8,000 Equity 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 Stock Exchange.

Restriction on transfer of shares

Except for lock-in of the pre-Issue Equity Shares as detailed in "Capital Structure" on page 16 of this Draft Prospectus and except as provided in the Articles, there are no restrictions on transfers and transmission of Equity Shares and on their consolidation/ splitting except as provided in our Articles. For more information, please refer to the section "Main Provisions of our Articles of Association" on page 180 of this Draft Prospectus.

Application by Eligible NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI

As per the extant policy of the Government of India, OCBs cannot participate in this Issue. The 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 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 initial public offering. 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 FVCIs 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 Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager 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 this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

Withdrawal of the Issue

Our Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue any time after the Issue Opening Date but before the Board meeting for Allotment of Equity Shares. 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 NSE and the Lead Manager, through the Registrar to the Issue, 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 Issue Closing Date and thereafter determines that it will proceed with an initial public offering of Equity Shares, our Company shall be required to file a fresh 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.

Issue of Equity Shares in dematerialised form in the Issue

In accordance with the SEBI Regulations, Equity Shares will be issued, transferred and Allotment shall be made only in the dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with competent courts/authorities in Mumbai, Maharashtra, India. 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 applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

ISSUE STRUCTURE

The present Issue of 24,00,000 Equity Shares of ₹ 10 each, at a price of ₹ 18 per Equity Share (including a premium of ₹ 8 per Equity Share) for cash aggregating to ₹ 432.00 lacs (the Issue), of which 1,20,000 Equity Shares of ₹ 10 each will be reserved for subscription by Market Maker (Market Maker Reservation Portion), is being made in terms of Chapter XB of the SEBI Regulations. The Issue less the Market Maker Reservation Portion i.e. Issue of 22,80,000 Equity Shares of ₹ 10 each is hereinafter referred to as the Net Issue. The Issue and the Net Issue will constitute 28.00% and 26.60%, respectively of the post Issue paid up Equity Share capital of our Company.

Particulars	**Non Retail Applicants (including ASBA Applicants)**	**Retail Individual Applicants (including ASBA Applicants)**	**Market Maker Reservation Portion**
Number of Equity Shares(1)	Not more than 11,40,000 Equity Shares or Net Issue less allocation to Non Institutional Applicants and Retail Individual Applicants	Not less than 11,40,000 Equity Shares	1,20,000 Equity Shares
Percentage of Issue Size available for allocation	Not more than 50% of the Net Issue being available for allocation to Non Retail Applicants.	Not less than 50% of the Net Issue	5.00% of the Issue
Basis of allocation, if respective category is oversubscribed	Proportionate.	Proportionate.	Firm allotment
Minimum Application Size	Such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of 8,000 Equity Shares thereafter.	8,000 Equity Shares	8,000 Equity Shares
Maximum Application Size	Not exceeding 24,00,000 Equity Shares	Such number of Equity Shares whereby Application Amount does not exceed ₹ 2,00,000	24,00,000 Equity Shares
Mode of allotment	Compulsorily in dematerialised Form.	Compulsorily in dematerialised Form.	Compulsorily in dematerialised Form.
Trading Lot*	8,000 Equity Shares.	8,000 Equity Shares.	8,000 Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI Regulations.
Who can apply	***As QIBs*** - Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds, VCFs, FVCIs and AIFs registered with SEBI, FIIs and subaccount registered with SEBI (other than a subaccount	Individuals (including Eligible NRIs and HUFs in the name of Karta) applying for Equity Shares such that the Application Amount does not exceed ₹ 2,00,000 in value.	Market Maker

Particulars	Non Retail Applicants (including ASBA Applicants)	Retail Individual Applicants (including ASBA Applicants)	Market Maker Reservation Portion
	which is a foreign corporate or foreign individual), multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDA, provident fund with minimum corpus of ₹2,500 lacs, pension fund with minimum corpus of ₹ 2,500 lacs and National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India. ***As Non Institutional Applicants*** - Resident Indian individuals, HUF (in the name of Karta), companies, Eligible NRIs, corporate bodies, Scientific Institutions, Societies and Trusts, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals.		
Terms of Payment[2]	Full Application Amount at time of submission of Application Form	Full Application Amount at time of submission of Application Form	Full Application Amount at time of submission of Application Form

(1) Allocation to all categories in the Net Issue portion shall be made on a proportionate basis. In the event the Retail Individual Applicants are entitled to more than fifty percent on a proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage. Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company, in consultation with the Lead Manager and the Stock Exchange.

(2) In case of ASBA Applicants, the SCSB shall be authorised to block such funds in the bank account of the ASBA Applicant that are specified in the 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 (₹)	Lot Size (Number of Shares)
Upto 14	10,000
more than 14 upto 18	8,000

Price Band (₹)	Lot Size (Number of Shares)
more than 18 upto 25	6,000
more than 25 upto 35	4,000
more than 35 upto 50	3,000
more than 50 upto 70	2,000
more than 70 upto 90	1,600
more than 90 upto 120	1.200
more than 120 upto 150	1,000
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 1,000	160
above 1,000	100

Further to the Circular, at the initial public offer stage, the Registrar to the Issue, in consultation with the Lead Manager, 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 shall be the IPO lot size at the application / allotment stage, facilitating secondary market trading. The lot size shall not be reduced by the Stock Exchange to below the initial lot size if the trading price is below the IPO issue price. The 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. In case of oversubscription, if the option to retain ten percent of the Net Issue to public for the purpose of making allotment in minimum lots is exercised, then it shall be ensured by the Issuer / Stock Exchange / Lead Manager that the post issue paid up capital of the Issuer does not go beyond ₹ 2,500 lacs.

Withdrawal of the Issue

Our Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue any time after the Issue Opening Date but before the Allotment of Equity Shares. 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 of the Issue Closing Date, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the Applicants who have applied through ASBA process within one day of receipt of such notification. Our Company shall also inform the same to Stock Exchange on which the Equity Shares are proposed to be listed.

Any further issue of Equity Shares by our Company shall be in compliance with applicable laws. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an initial public offering of Equity Shares, our Company shall file a fresh draft prospectus with the Stock Exchange.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approval of the Stock Exchange, which our Company shall apply for after Allotment.

Issue Period

ISSUE OPENS ON	**[●]**
ISSUE CLOSES ON	**[●]**

Applications shall be accepted only between **banking hours** during the Issue Period as mentioned above at the collection centersmentioned in the Application Form or in case of applications submitted through ASBA, the Designated Branches of the SCSBs.

Due to limitation of time available for uploading the applications on the Issue Closing Date, the Applicants are advised to submit their applications one day prior to the Issue Closing Date and, in any case, no later than **banking hours** on the Issue Closing Date. Applications by Applicants applying through ASBA shall be uploaded by the SCSBs in the electronic system to be provided by the Stock Exchange. On the Closing date for Retail Applicants, applications can be uploaded till such time as may be permitted by the Stock Exchange. It is clarified that the applications not uploaded will be rejected. Applicants are cautioned that in the event a large number of applications are received on the Issue Closing Date, as is typically experienced in public offerings, some applications may not get uploaded due to lack of sufficient time. Such applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Working Days. Neither our Company nor any SCSB is liable for any failure in uploading the applications due to faults in any software/hardware system or otherwise.

In case of discrepancy of data between the Stock Exchange and the Designated Branches of the SCSBs, the decision of the Registrar to the Issue, in consultation with the Lead Managers, our Company and the Designated Stock Exchange, based on the physical / electronic records, as the case may be, of the Application Forms shall be final and binding on all concerned. Further, the Registrar to the Issue may ask for rectified data from the SCSBs.

Indicative dates of Issue closing, finalization of Basis of Allotment, credit of Equity Shares to successful Applicant's demat account, initiation of refunds and commencement of trading of Equity Shares:

Activity	Indicative dates
Issue Closing Date	[●]
Finalization 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 Lead Manager. 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 Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by the Company 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 the Applicants. Please note that Non Retail Applicants can participate in the Issue only through the ASBA process. Retail Individual Applicants can participate in the Issue through the ASBA process as well as the non ASBA process. ASBA Applicants should note that the ASBA process involves application procedures that may be different from the procedure applicable to Applicants other than the ASBA Applicants. Applicants applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Applicants (other than ASBA Applicants) are required to make payment of the full Application Amount with the Application Form. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs. All Applicants can submit their applications through the Bankers to the Issue. ASBA Applicants are required to submit their applications through the SCSBs.

Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in applicable laws, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their applications 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 Prospectus.

The Issue is being made in accordance with Regulation 106(M)(1) of Chapter XB of the SEBI Regulations through a Fixed Price process.

Application Form

Pursuant to SEBI Circular dated September 27, 2011 and bearing No. CIR/CFD/DIL/4/2011, the Application Form has been standardized i.e., there will be a single Application Form for ASBA and non-ASBA Applicants. The prescribed colours of the Application Form for various investors applying in the Issue are as follows:

Category	Colour of Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA as well as non ASBA Applicants)[1]	White
Eligible NRIs, FIIs or Foreign Venture Capital Funds, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis (ASBA as well as non ASBA Applicants)	Blue

[1]Application Forms for ASBA Applicants will also be available on the website of the Stock Exchange (www.nseindia.com/emerge) at least one day prior to Issue Opening Date.

Applicants (other than ASBA Applicants) shall only use the specified Application Form bearing the stamp of a Banker to the Issue for the purpose of making an application in terms of the Prospectus. Before being issued to the Applicants, the Application Form shall be serially numbered and date and time stamped at the collection centers and such form shall be issued in duplicate signed by the Applicant and countersigned by the relevant Banker to the Issue. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number.

ASBA Applicants are required to submit their applications only through the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form.

No separate receipts shall be issued for the money payable on the submission of Application Form or Revision Form. However, the collection centre of the Bankers to the Issue or SCSB, as the case may be, will acknowledge the receipt of the Application Forms or Revision Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.

ASBA Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

Upon completion and submission of the Application Form to a Banker to the Issue or the SCSB, the Applicants are deemed to have authorised our Company to make the necessary changes in the Prospectus, without prior or subsequent notice of such changes to the Applicants.

Who can apply?

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid demat account as per Demographic Details provided by Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept applications belonging to an account for the benefit of a minor (under guardianship);

- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: “Name of Sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Applications by HUFs would be considered at par with those from individuals;

- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares under their respective constitutional or charter documents;

- Mutual Funds registered with SEBI;

- Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws. NRIs other than eligible NRIs cannot participate in the Issue;

- Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);

- FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB category;

- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Applicants category;

- VCF and AIFs registered with SEBI;

- FVCIs registered with SEBI;

- Eligible QFIs;

- Multilateral and bilateral development financial institutions;

- State Industrial Development Corporations;

- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in Equity Shares;

- Scientific and/or industrial research organizations authorized in India to invest in Equity Shares;

- Insurance companies registered with IRDA;

- Provident Funds with a minimum corpus of ₹ 2,500 lacs and who are authorised under their constitutional documents to hold and invest in Equity Shares;

- Pension Funds with a minimum corpus of ₹ 2,500 lacs and who are authorised under their constitutional documents to hold and invest in Equity Shares;

- National Investment Fund;

- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;

- Insurance funds set up and managed by the army, navy or air force of the Union of India;

- Insurance funds set up and managed by the Department of Posts, India; and

- Any other person eligible to apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

Applications not to be made by:

- Minors(except those having valid demat account, as per Demographic Details provided by Depositories)

- Partnership firms or their nominations

- Foreign Nationals (except NRIs)

- Overseas Corporate Bodies

Please note that, as per the existing regulations, OCBs cannot apply/participate in this Issue.

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 Application Form, the OCB shall be eligible to be considered for share allocation.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Participation by associates of the Lead Manager

The Lead Manager shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations or market making obligations. However, associates and affiliates of the Lead Manager may subscribe to or purchase Equity Shares in the Issue on a proportionate basis. Such holding or subscription may also be on behalf of their clients.

Applications by Mutual Funds

With respect to applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to reject any application without assigning any reason thereof.

Applications by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such applications are made.

In case of a Mutual Fund, a separate application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple applications provided that the applications clearly indicate the scheme concerned for which the application has been made.

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.

Applications by Eligible NRIs

Eligible NRIs may apply through any of the following ways:

- In case of applications on repatriation basis shall use the Application Form meant for Non Resident Indians (Blue in colour) or

- In case of applications on non repatriation basis shall use the Application Form meant for resident Applicants (White in colour)

Eligible NRIs may please note that only such applications as are accompanied by payment through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance shall be considered for Allotment under the Eligible NRI category on a repatriable basis.

In case the application is on non-repatriation basis, the application should be accompanied by payment through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of an NRO Account of a Non-Resident Applicant applying on a non-repatriation basis.

Applications by Eligible NRIs for an Application Amount of up to ` 2,00,000 would be considered under the Retail Portion for the purposes of allocation and applications for an Application Amount of more than ` 2,00,000 would be considered under Non- Institutional Portion for the purposes of allocation.

Eligible NRIs can obtain Application Form from the Bankers to the Issue or SCSBs and from Registered Office of our Company.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011, all Applicants who are Non Retail Applicants or are applying in this Issue for Equity Shares for an amount exceeding ₹ 2,00,000 shall mandatorily make use of ASBA facility.

Applications 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. Under the portfolio investment scheme, the aggregate issue of equity shares to FIIs and their sub-accounts should not exceed 24% of post-issue paid-up equity capital of a company. As of now, the aggregate FII holding in our Company cannot exceed 24% of our total issued capital. With the approval of the board and the shareholders by way of a special resolution and subject to prior intimation to RBI, the aggregate FII holding can go up to 100%. However, as on this date, no such resolution has been recommended to the shareholders of our Company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended by the SEBI (Foreign Institutional Investors)(Amendment) Regulations, 2008 (SEBI FII Regulations), an FII as defined in the SEBI FII Regulations or its sub account may issue, deal or hold, off shore derivative instruments (defined under the SEBI FII Regulations), as any instrument, by whatever name called, which is issued overseas by a FII against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying, directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. Associates and affiliates of the underwriters, including the Lead Manager, that are FIIs, may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue. Any such Offshore Derivative Instrument does not constitute any obligation or claim on or an interest in, our Company.

Applications by SEBI registered VCFs, FVCIs and AIFs

The SEBI (Venture Capital Funds) Regulations, 1996 **(VCF Regulations)** and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 **(FVCI Regulations)**, as amended inter alia prescribe, amongst others, investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs.

Accordingly, the holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. A FVCI can invest its entire funds committed for investment into India in one venture capital undertaking. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription in an initial public offering of a venture capital undertaking whose shares are proposed to be listed.

The 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 VCF registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its 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.

Applications by Eligible QFIs

In terms of circular dated January 13, 2012 SEBI and RBI have permitted Eligible QFIs to purchase equity shares of Indian companies on a repatriation basis subject to certain terms and conditions. Eligible QFIs shall be included under the Non Institutional Applicants category. Eligible QFIs have been permitted to invest through SEBI registered qualified Depository Participants in equity shares of Indian companies which are offered to the public in India in accordance with the SEBI Regulations and other applicable circulars. The individual and aggregate investment limits for Eligible QFIs in an Indian company are 5% and 10% of the paid-up capital, 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.

Eligible QFIs are required to instruct their DPs to make the application on their behalf for the Issue. DPs are advised to use the Application Form meant for Non-Residents (blue in colour). DPs are required to utilise the ASBA process to participate in the Issue. Eligible QFIs are not permitted to issue off-shore derivative instruments or participatory notes.

Eligible QFIs shall open a single non interest bearing Rupee account with an 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.

Applications by insurance companies

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 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;

- The entire group of the investee company: the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPs); and

- 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).

Applications made by Provident Funds / Pension Funds

In case of the applications made by provident funds / pension funds, subject to applicable law, with minimum corpus of ₹ 2,500 lacs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund / pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason thereof.

Applications by Limited Liability Partnerships

In case of applications 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 Application Form. Failing this, our Company reserves the right to reject any application without assigning any reason thereof.

Applications under Power of Attorney

In case of applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a 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 bye laws must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason thereof.

In addition to the above, certain additional documents are required to be submitted by the following entities:

1. With respect to applications by VCFs, AIFs, FVCIs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form.

2. With respect to applications 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 along with the Application Form.

3. With respect to applications made by provident funds with a 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 Application Form.

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 Application Form, subject to such terms and conditions that our Company and the Lead Manager may deem fit.

Our Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue, that for the purpose of printing particulars on the refund order and mailing of the refund order/ Allotment Advice or refunds through electronic transfer of funds, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the Applicants). In such cases, the Registrar to the Issue shall use Demographic Details as given in the Application Form instead of those obtained from the Depositories.

Maximum and Minimum Application Size

1. **For Retail Individual Applicants**: The application must be for a minimum of such number of Equity Shares such that the Application Amount shall not be less than ₹ 1,00,000 and in multiples of 8,000 Equity Shares thereafter so as to ensure that the Application Amount payable by them does not exceed ₹ 2,00,000. In case of revision of applications, the Retail Individual Applicants have to ensure that the Application Amount does not exceed ₹ 2,00,000 and does not fall below ₹ 1,00,000. In case the Application Amount is over ₹ 2,00,000 due to revision of the application, the application would be considered for allocation under the Non Retail Portion. In the case of non ASBA applications, if the Application Amount is over ₹ 2,00,000, the application is liable to be rejected. In case the Application Amount is below ₹1,00,000 due to revision of the application, the application would be liable to be rejected.

2. **For Non Retail Applicants:** The application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds ₹ 2,00,000 and in multiples of 8,000 Equity Shares thereafter. An application cannot be submitted for more than the Issue Size. However, the maximum application by a QIB should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a Non Retail Applicant cannot withdraw its application nor lower the size of its application after the Issue Closing Date and are required to pay the Application Amount upon submission of the application.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and Applicants are advised to ensure that any single application from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.

Information for the Applicants:

1. Our Company and the Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in one regional language newspaper with wide circulation. This advertisement shall be in the prescribed format.

2. Our Company will file the Prospectus with the RoC at least three days before the Issue Opening Date.

3. Copies of the Application Form and copies of the Prospectus will be available with the Bankers to the Issue. For ASBA Applicants, physical Application Forms will be available with the Designated Branches of the SCSBs and at the Registered Office of our Company. For ASBA Applicants, electronic Application Forms will also be available on the websites of the Stock Exchange and the Designated Branches of the SCSBs.

4. Any Applicant who would like to obtain the Prospectus and/or the Application Form can obtain the same from our Registered Office.

5. Eligible Applicants who are interested in subscribing to the Equity Shares should approach the Lead Manager or Bankers to the Issue or their authorised agent(s) to register their applications. Applicants who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their applications.

6. Applications should be submitted in the prescribed Application Form only. Application Forms submitted to the Bankers to the Issue should bear the stamp of the Broker. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application Forms submitted by Applicants whose beneficiary account is inactive shall be rejected.

7. In case of ASBA Applicants, the Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained. SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account.

8. ASBA Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB, where the ASBA Account is maintained. For ASBA applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form, before entering the ASBA application into the electronic system.

9. The Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax 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 Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Applicants.

The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange by the Bankers to the Issue do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.

Method and Process of Applications

1. The Bankers to the Issue and the SCSBs shall accept applications from the Applicants during the Issue Period.

2. The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days.

3. During the Issue Period, Applicants (other than QIBs) who are interested in subscribing to the Equity Shares should approach the Bankers to the Issue or their authorised agents to register their application. The Bankers to the Issue shall accept applications from all Applicants and they shall have the right to vet the applications during the Issue Period in accordance with the terms of the Prospectus. Applicants who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their applications.

4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to any Banker to the Issue or the SCSBs (in case of ASBA Applicants). Submission of a second Application Form to either the same or to another Banker to the Issue or the SCSB will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue.

5. The Bankers to the Issue / the SCSBs will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the Applicant.

6. Along with the Application Form, all Applicants (other than ASBA Applicants) will make payment in the manner described under "Payment into Escrow Account for Applicants other than ASBA Applicants" on page 168 of this Draft Prospectus.

7. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.

8. If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such applications and shall not upload such applications with the Stock Exchange.

9. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Applicant on request.

10. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Application 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 Applicants 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.

Escrow Mechanism, terms of payment and payment into the Escrow Accounts

For details of the escrow mechanism, terms of payment and payment into Escrow Accounts, please refer to the section "Issue Procedure - Payment Instructions" on page 168 of this Draft Prospectus.

Electronic Registration of Applications

1. The SCSBs will register the applications using the on-line facilities of the Stock Exchange.

2. The SCSBs will undertake modification of selected fields in the application details already uploaded within one Working Day from the Issue Closing Date.

3. The SCSBs shall be responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the applications accepted by the Bankers to the Issue and the SCSBs, (ii) the applications uploaded by the Bankers to the Issue and the SCSBs, (iii) the applications accepted but not uploaded by the SCSBs or (iv) with respect to applications by ASBA Applicants, applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for applications uploaded by the SCSBs, the Application Amount has been blocked in the relevant ASBA Account. With respect to applications by ASBA Applicants, the Designated Branch of the relevant SCSB, which receives the relevant schedule (along with Application Forms), will be responsible for blocking the necessary amounts in the ASBA Accounts.

4. Neither the Lead Manager nor our Company nor the Registrar to the Issue shall be responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the applications accepted by a Banker to the Issue or the SCSBs, (ii) the applications uploaded by the SCSBs or (iii) the applications accepted but not uploaded by the SCSBs.

5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of the Bankers to the Issue and the SCSBs and their authorised agents during the Issue Period. The Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities on a regular basis. On the Issue Closing Date, the Bankers to the Issue and the Designated Branches of the SCSBs shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.

With respect to applications by ASBA Applicants, at the time of registering such applications, the Designated Branches of the SCSBs shall enter the following information pertaining to the ASBA Applicants into the on-line system:

- Name of the ASBA Applicant (s);
- Application Form number;
- PAN (of the sole/first ASBA Applicant), except for applications on behalf of Central and State Governments, residents of the State of Sikkim and officials appointed by the courts;
- Investor Category and Sub-Category:

Retail	Non-Institutional	QIB
(No sub category)	Individual Corporate Others	Mutual Funds Financial Institutions Insurance companies Foreign Institutional Investors other than corporate and individual sub-accounts Others

- DP ID and client identification number of the beneficiary account of the Applicant;
- Number of Equity Shares applied for;
- Quantity;
- Application Amount; and
- Bank account number.

6. A system generated TRS will be given to the Applicant as a proof of the registration of each of the application options. It is the Applicant's responsibility to obtain the TRS from the Bankers to the Issue or the Designated Branches of the SCSBs. The registration of the application by the Bankers to the Issue or the Designated Branches of the SCSBs does not guarantee that the Equity Shares shall be allocated / Allotted either by the Bankers to the Issue or our Company.

7. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

8. In case of Non Retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds listed on page 171 of this Draft Prospectus. The SCSBs shall have no right to reject applications, except on technical grounds.

9. The permission given by the Stock Exchange to use its network and software of the online IPO connectivity system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchange; 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, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchange.

10. The SCSBs will be given up to one day after the Issue Closing Date to verify DP ID and Client ID uploaded in the online IPO system during the Issue Period after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such applications are liable to be rejected.

11. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for ASBA applications.

Allocation of Equity Shares

1. The Issue is being made through the Fixed Price Process wherein 1,20,000 Equity Shares shall be reserved for Market Maker. 11,40,000 equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on a proportionate basis to Non Retail Applicants.

2. Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

3. Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

4. In terms of the SEBI Regulations, Non Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.

5. Allotment status details shall be available on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

1. Our Company and the Underwriters shall enter into an Underwriting Agreement.

2. After signing the Underwriting Agreement, our Company will update and file the updated Prospectus with the RoC in accordance with the applicable law. The Prospectus would have details of the Issue Opening and Issue Closing Date and underwriting arrangements and will be complete in all material respects.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in two national newspapers (one each in English and Hindi) and in one regional language newspaper 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 Opening Date and Issue Closing Date. Any material updates between the date of this Draft Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Allotment Advice

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue.

2. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.

Designated Date and Allotment of Equity Shares

1. Our Company will ensure that the (i) Allotment of Equity Shares; and (ii) credit to the successful Applicant's depositary account is done within 12 Working Days of the Issue Closing Date. Our Company would ensure the credit to the successful Applicants Depository Account within 12 Working Days of the Issue Closing Date.

2. In accordance with the SEBI Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.

3. 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.

Applicants 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:

1. Check if you are eligible to apply;

2. Ensure that you have applied at the Issue Price;

3. Read all the instructions carefully and complete the Application Form;

4. Ensure that the details about the PAN, Depository Participant and the beneficiary account are correct and the Applicant's Depository Account is active as Allotment of Equity Shares will be in the dematerialised form only;

5. Ensure that the applications are submitted at the collection centres only on forms bearing the stamp of a Broker or with respect to ASBA Applicants, ensure that your application is submitted at a Designated Branch of the SCSB where the ASBA Applicant or the person whose bank account will be utilised by the Applicant for applying, has a bank account;

6. With respect to applications by ASBA Applicants, ensure that the Application 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 Application Form;

7. Non Retail Applicants should submit their applications through the ASBA process only;

8. Ensure that full Application Amount is paid for the applications submitted to the Bankers to the Issue and funds equivalent to Application Amount are blocked in case of applications submitted through SCSBs;

9. Ensure that you have funds equal to the Application Amount in your bank account maintained with the SCSB before submitting the Application Form to the respective Designated Branch of the SCSB or a Banker to the Issue, as the case may be;

10. Instruct your respective banks to not release the funds blocked in the bank account under the ASBA process;

11. Except for applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market and (ii) applications by persons resident in the State of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, for applications of all values, ensure that you have mentioned your PAN allotted under the Income Tax Act in the Application Form. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by

a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same;

12. Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;

13. Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form;

14. Ensure that the category is indicated;

15. Ensure that in case of applications under power of attorney or applications by limited companies, corporate, trusts etc., relevant documents are submitted;

16. Ensure that applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

17. Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange by the SCSBs match with the DP ID, Client ID and PAN available in the Depository database;

18. In relation to the ASBA applications, ensure that you use the Application Form bearing the stamp of the relevant SCSB and/ or the Designated Branch;

19. In relation to the ASBA applications, ensure that your Application Form is submitted at a Designated Branch of a SCSB where the ASBA Account is maintained or to our Company or the Registrar to the Issue;

20. Ensure that you have mentioned the correct ASBA Account number in the Application Form;

21. In relation to the ASBA applications, ensure that you have correctly signed the authorization/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form; and

22. In relation to the ASBA applications, ensure that you receive an acknowledgement from the Designated Branch for the submission of your Application Form.

Don'ts:

1. Do not apply for a price other than the Issue Price;

2. Non Retail Applicants should neither withdraw nor lower the size of their applications at any stage;

3. Do not apply on another Application Form after you have submitted an application to the Bankers to the Issue or the SCSBs, as applicable;

4. Do not pay the Application Amount in cash, by money order or by postal order or by stockinvest;

5. Do not send Application Forms by post; instead submit the same to a Banker to the Issue or the SCSB, only;

6. Do not apply for an Application Amount exceeding ₹ 2,00,000 (for applications by Retail Individual Applicants);

7. Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

8. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;

9. Do not submit the applications without the full Application Amount;

10. Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;

11. Do not submit applications on plain paper or incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant; and

12. Do not apply if you are not competent to contract under the Indian Contract Act, 1872, as amended.

Instructions for completing the Application Form

Applications must be:

1. Made only in the prescribed Application Form.

2. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Application Form. Incomplete Application Forms are liable to be rejected. Applicants should note that the Bankers to the Issue and/or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Application Forms.

3. Information provided by the Applicants will be uploaded in the online IPO system by the Bankers to the Issue and the SCSBs, as the case may be and the electronic data will be used to make allocation/ Allotment. The Applicants should ensure that the details are correct and legible.

4. For Retail Individual Applicants, the application must be for a minimum of 8,000 Equity Shares and in multiples of 8,000 thereafter subject to a maximum Application Amount of ₹ 2,00,000.

5. For Non Retail Applicants, applications must be for a minimum of such number of Equity Shares that the Application Amount exceeds or equal to ₹ 2,00,000 and in multiples of 8,000 Equity Shares thereafter. Applications cannot be more than the size of the Issue. Applications must be submitted through the ASBA process only.

6. In single name or in joint applications, only the name of the First Applicant (which should also be the first name in which the beneficiary account is held) should be provided in the Application Form.

7. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Applicant's Depository Account and Bank Account Details

Applicants should note that on the basis of name of the Applicants, PAN of the Applicants, DP ID and beneficiary account number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the Demographic Details including address, Applicants bank account details, MICR code and occupation. These bank account details would be used for giving refunds (including through physical refund warrants, direct credit, NECS, NEFT and RTGS) or unblocking the ASBA Accounts. Hence, Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch/credit of refunds to Applicants or unblocking of ASBA Account at the Applicant's sole risk and neither the Lead Manager nor

the Registrar to the Issue nor the Escrow Collection Banks or the SCSBs nor our Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form.

IT IS MANDATORY FOR ALL THE APPLICANTS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL APPLICANTS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the allocation advice and refund orders and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorised the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/allocation advice would be mailed at the address of the Applicant as per the Demographic Details received from the Depositories. Applicants may note that delivery of refund orders/ allocation advice may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Applicant (other than ASBA Applicants) in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Applicant's sole risk and neither our Company nor the Escrow Collection Banks, the Registrar to the Issue or the Lead Manager shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, PAN of the sole/First Applicant (including the order of names of joint holders), the DP ID and the beneficiary's identity, then such applications are liable to be rejected.

Applications by Non-Residents including Eligible NRIs, FIIs, Eligible QFIs and Foreign Venture Capital Investors on a repatriation basis

Applications and revision to applications must be made in the following manner:

1. Application Form or the Revision Form, as applicable should be Blue in colour and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. In a single name or in case of joint applications, only the name of the First Applicant (which should also be the first name in which the beneficiary account is held) should be provided in the Application Form.

3. Applications on a repatriation basis shall be in the names of individuals, or in the name of FIIs, Eligible QFIs or FVCIs but not in the names persons not competent to contract under the Indian Contract Act, 1872, as amended, OCBs, firms or partnerships, foreign nationals (excluding Eligible NRIs or Eligible QFIs) or their nominees.

Non Retail Applicants shall neither withdraw nor lower the size of their applications at any stage.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only at the rate of exchange prevailing at the time of remittance and net of bank charges and / or commission. In case of Applicants who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the

RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Applicants so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Application Form. Our Company and the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, Eligible QFIs and FIIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

Payment Instructions

Escrow Mechanism for Applicants other than ASBA Applicants

Our Company, Registrar to the Issue and the Escrow Collection Banks shall enter into an Escrow Agreement pursuant to which Escrow Account(s) with one or more Escrow Collection Bank(s) will be opened in whose favour the Applicants shall make out the cheque or demand draft in respect of his or her application. Cheques or demand drafts received for the full Application Amount from Applicants would be deposited in the Escrow Account. Please note that escrow mechanism is applicable only to Applicants applying by way of non ASBA process.

The Escrow Collection Banks will act in terms of the Prospectus and the Escrow Agreement. The Escrow Collection Bank (s) for and on behalf of the Applicants shall maintain the monies in the Escrow Account until the Designated Date. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Applicants. On the Designated Date, the Escrow Collection Bank(s) 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 Banker(s) 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 Applicants shall also be made from the Refund Account as per the terms of the Escrow Agreement and this Draft Prospectus.

The Applicants should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Applicants.

Payment mechanism for ASBA Applicants

The ASBA Applicants shall specify the bank account number in the Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the application by the ASBA Applicant, as the case may be.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011, all Applicants who are Non Retail Applicants or are applying in this Issue for Equity Shares for an amount exceeding ₹ 2,00,000 shall mandatorily make use of ASBA facility.

Payment into Escrow Account for Applicants other than ASBA Applicants

Each Applicant shall draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the amount payable on the application as per the following terms:

1. All Applicants would be required to pay the full Application Amount at the time of the submission of the Application Form.

2. The Applicants (excluding ASBA Applicants) shall, with the submission of the Application Form, draw a payment instrument for the Application Amount in favour of the Escrow Account and submit the same to the Bankers to the Issue. If the payment is not made favouring the Escrow Account along with the Application Form, the application of the Applicant shall be rejected.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

   - In case of Resident Retail: "**Escrow Account – Sanco Industries Limited - Public Issue - R**"

   - In case of Non-Resident Retail: "**Escrow Account – Sanco Industries Limited - Public Issue - NR**"

4. In case of applications by Eligible NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of an NRO Account of Non-Resident Applicant applying on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.

5. In case of applications by Eligible NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of an NRO Account of a Non-Resident Applicant applying 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. In case of applications by FIIs/FVCIs/multilateral and bilateral financial institutions, the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.

7. The monies deposited in the Escrow Account will be held for the benefit of the Applicants (other than the ASBA Applicants) till the Designated Date.

8. 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.

9. Payments should be made by cheque, or demand draft drawn on any Bank (including a Co-operative Bank), which is situated at and is a member of or sub-member of the bankers' clearing house located at the centre where the Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ stockinvest/money orders/postal orders will not be accepted.

10. Payments made through cheques without the Magnetic Ink Character Recognition (MICR) code will be rejected.

11. Applicants are advised to provide the number of the Application Form on the reverse of the cheque or bank draft to avoid misuse of instruments submitted with the Application Form.

Submission of Application Form

All Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the Bankers to the Issue at the time of submission of the application. With respect to the ASBA Applicants, the Application Form or the Revision Form shall be submitted to the Designated Branches of the SCSBs.

No separate receipts shall be issued for the money payable on the submission of Application Form or Revision Form. However, the collection centre of the Bankers to the Issue will acknowledge the receipt of the Application Forms or Revision Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as a duplicate of the Application Form for the records of the Applicant.

OTHER INSTRUCTIONS

Joint applications in the case of Individuals

Applications may be made in single or joint names (not more than three). However, the Application Form should contain only the name of the First Applicant. In the case of joint applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Applications

An Applicant should submit only one application (and not more than one). Two or more applications will be deemed to be multiple applications if the sole or First Applicant is one and the same.

In case of a Mutual Fund, a separate application may be made in respect of each scheme of the Mutual Fund and such applications in respect of over one scheme of the Mutual Fund will not be treated as multiple applications provided that the applications clearly indicate the scheme concerned for which the application has been made.

After submitting an application to SCSB using an Application Form either in physical or electronic mode, an ASBA Applicant cannot apply, either in physical or electronic mode, whether on another Application Form, to either the same or another Designated Branch of the SCSB. Submission of a second application in such manner will be deemed a multiple application and would be rejected either before entering the application into the electronic collecting system or at any point of time prior to the allocation or Allotment of the Equity Shares in the Issue.

More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple applications and are liable to be rejected.

Our Company, in consultation with the Lead Manager, reserves the right to reject, in its absolute discretion, all (or all except one) multiple application(s) in any or all categories. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications will be checked for common PAN as per the records of Depository. For Applicants other than Mutual Funds and FII sub-accounts, applications bearing the same PAN will be treated as multiple applications and will be rejected.

2. The applications from Mutual Funds and FII sub-accounts, which were submitted under the same PAN, as well as applications on behalf of the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, for whom the submission of PAN is not mandatory, the applications will be scrutinised for DP ID and beneficiary account numbers. In case such applications bear the same DP ID and beneficiary account numbers, these were treated as multiple applications and will be rejected.

Permanent Account Number or PAN

Except for applications on behalf of the Central or State Government and the officials appointed by the courts, the Applicants, or in the case of an application in joint names, each of the Applicants, should mention his/ her Permanent Account Number (PAN) allotted under the Income Tax 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 Application Form without the PAN is liable to be rejected, except for resident in the State of Sikkim, on behalf of the Central or State Governments and the officials appointed by the courts, may be exempted from specifying their PAN for transactions in the securities market. It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground. However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants verifying the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.

Further the beneficiary accounts of the Applicants 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 Applicants.

REJECTION OF APPLICATIONS

In case of Non -Retail Applicants and Retail Individual Applicants, our Company has a right to reject applications based on technical grounds. Consequent refunds shall be made by RTGS / NEFT / NES / Direct Credit/cheque or pay order or draft and will be sent to the Applicant's address at the Applicant's risk. With respect to applications by ASBA Applicants, the Designated Branches of the SCSBs shall have the right to reject applications by ASBA Applicants if at the time of blocking the Application Amount in the Applicant's bank account, the respective Designated Branch ascertains that sufficient funds are not available in the Applicant's bank account maintained with the SCSB. Subsequent to the acceptance of the applications made by ASBA Applicants by the SCSB, our Company would have a right to reject the applications by ASBA Applicants only on technical grounds.

Grounds for Technical Rejections

Applicants are advised to note that applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the value of Equity Shares applied for. With respect to applications by ASBA Applicants, the amounts mentioned in the Application Form does not tally with the amount payable for the value of the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, including minors (except those having valid demat account, as per Demographic Details provided by Depositories);
- PAN not mentioned in the Application Form, except for applications by or on behalf of the Central and State Government and the officials appointed by the courts and by investors residing in the State of Sikkim;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Submission of more than five Application Forms per bank account, in case of applying under the ASBA process;
- Applications by Applicants whose demat accounts have been 'suspended for credit';
- Applications for number of Equity Shares which are not in multiples of 8,000;
- Applications for an Application Amount less than ₹ 1,00,000 by a Retail Individual Applicant;

- Category not indicated;
- Multiple applications as defined in the Draft Prospectus;
- In case of applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Applications accompanied by stockinvest / money order / postal order/cash;
- Signature of sole Applicant missing;
- Application Forms does not have Applicant's Depository Account details;
- Application Forms are not delivered by the Applicants within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the DP ID and the beneficiary's account number;
- With respect to applications by the ASBA Applicants, if there are inadequate funds in the bank account to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the bank account;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications in respect where the Application Form do not reach the Registrar to the Issue prior to the finalisation of the Basis of Allotment;
- Applications where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- Application Forms submitted under the ASBA process not having details of the ASBA Account to be blocked;
- Application Forms not containing the authorizations for blocking the Application Amount in the bank account specified in the Application Form;
- Applications by Non Retail Applicants not submitted through ASBA process;
- Applications by Non Retail Applicants accompanied by cheque(s) or demand draft(s);
- Signature of the Applicant not matching with his signature on record with the SCSB in the event an Application Form is submitted through a Banker to the Issue;
- Applications by any person outside India if not in compliance with applicable foreign and Indian Laws; and
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority.

IN CASE THE DP ID, CLIENT ID AND PAN MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC COLLECTING SYSTEM OF THE STOCK EXCHANGE OR THE BANKERS TO THE ISSUE /THE SCSBs DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITORIES, THE APPLICATION FORM IS LIABLE TO BE REJECTED.

Equity Shares in dematerialised form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment of Equity Shares in this Issue shall be only in a dematerialised form (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

1. Agreement dated April 3, 2013 between NSDL, our Company and the Registrar to the Issue; and

2. Agreement dated April 18, 2013 between CDSL, our Company and the Registrar to the Issue.

Our Company's International Securities Identification Number (ISIN) is INE782L01012.

All Applicants can seek Allotment only in dematerialised mode. Applications from any Applicant without relevant details of his or her Depository Account are liable to be rejected.

i) An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the application.

ii) The Applicant must necessarily fill in the details (including the beneficiary account number and Depository Participant's identification number) appearing in the Application Form.

iii) Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.

iv) Names in the Application 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.

v) If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.

vi) The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis-à-vis those with his or her Depository Participant.

vii) Equity Shares in electronic form can be traded only on the stock exchange having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.

viii) 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.

ix) Non transferable advice or refund orders will be directly sent to the Applicants by the Registrar to the Issue.

Communications

All future communications in connection with applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application Form, name and address of the Bankers to the Issue or the Designated Branch of the SCSBs where the application was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA applications, bank account number in which the amount equivalent to the Application Amount was blocked.

Applicants can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of allotted Equity Shares in the respective beneficiary accounts, refund orders etc. In case of ASBA applications submitted with the Designated Branches of the SCSBs, Applicants can contact the Designated Branches of the SCSBs.

Payment of Refund

Applicants other than ASBA Applicants must note that on the basis of the names of the Applicant's DP ID and beneficiary account number provided by them in the Application Form, the Registrar to the Issue will obtain, from the Depositories, the Applicants' bank account details, including the nine digits MICR code as appearing on a cheque leaf.

On the Designated Date and no later than 12 Working Days from the Issue Closing Date, the Escrow Collection Banks shall dispatch refund orders for all amounts payable to unsuccessful Applicants (other than ASBA Applicants) and also the excess amount paid on applying, if any, after adjusting for allocation/Allotment to such Applicants.

Mode of making refunds for Applicants other than ASBA Applicants

The payment of refund, if any, for Applicants other than ASBA Applicants would be done through various modes 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 centres where such facility has been made available, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS.

2. Direct Credit – Applicants having bank accounts with the Refund Banker(s), as mentioned in the Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Banker(s) for the same would be borne by our Company.

3. RTGS – Applicants having a bank account at any of the centres where clearing houses are managed by the RBI and whose refund amount exceeds ₹ 2,00,000 will be considered to receive refund through RTGS. For such eligible Applicants, Indian Financial System Code (IFSC) will be derived based on the MICR code of the Applicant as per depository records/RBI master. In the event the same is not available as per depository records/RBI master, refund shall be made through NECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. NEFT – Payment of refund shall be undertaken through NEFT wherever the Applicants' bank has been assigned the IFSC, which can be linked to a MICR, if any, available to that particular bank branch. IFSC will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC of that particular bank branch and the payment of refund will be made to the Applicants through this method.

For all other Applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched 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 applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

Investors are requested to note that the Government of India has discontinued the facility of dispatch of refund orders of value up to ₹ 1,500 under certificate of posting.

Mode of making refunds for ASBA Applicants

In case of ASBA Applicants, the Registrar to the Issue shall instruct the relevant SCSBs to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA applications within 12 Working Days of the Issue Closing Date.

Disposal of applications and application moneys and interest in case of delay

With respect to Applicants other than ASBA Applicants, our Company shall ensure dispatch of allotment advice, refund orders (except for Applicants 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 from the Issue Closing Date.

In case of Applicants who receive refunds through NECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 12 Working Days from the Issue Closing Date. A suitable communication shall be sent to the Applicants receiving refunds through this mode within 12 Working Days of Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall ensure that all the steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange where the Equity Shares are proposed to be listed, are taken within 12 Working Days from the Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, our Company further undertakes that:

1. Allotment of Equity Shares shall be made only in dematerialised form within 12 Working Days of the Issue Closing Date; and

2. With respect to Applicants other than ASBA Applicants, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 Working Days of the Issue Closing Date would be ensured. With respect to the ASBA Applicants, instructions for unblocking of the ASBA Applicant's Bank Account shall be made within 12 Working Days from the Issue Closing Date.

Our Company shall pay interest at 15% per annum for any delay beyond the 12 Working Days time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 12 Working Days time period prescribed above. If such money is not repaid within eight days from the day our Company becomes liable to repay, our Company and every Director of our Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under the applicable law.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, 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."

Basis of Allotment

1. ***For Retail Individual Applicants***

- Applications received from the Retail Individual Applicants at the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Applicants will be made at the Issue Price.

- 11,40,000 equity shares shall be available for Allocation to Retail Individual Applicants who have applied at the Issue Price.

- If the aggregate demand in this category is less than or equal to 11,40,000 Equity Shares at the Issue Price, full Allotment shall be made to the Retail Individual Applicants to the extent of their valid applications.

2. ***For Non Retail Applicants***

- Applications received from Non Retail Applicants at the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non Retail Applicants will be made at the Issue Price.

- The Net Issue size less Allotment to Retail Portion shall be available for Allotment to Non Retail Applicants who have applied at the Issue Price.

- If the aggregate demand in this category is less than or equal to 11,40,000 Equity Shares at the Issue Price, full Allotment shall be made to Non Retail Applicants and to the extent of their demand;

- In case the aggregate demand in this category is greater than 11,40,000 Equity Shares at the Issue Price, Allotment shall be made on a proportionate basis. For the method of proportionate basis of Allotment, refer below.

Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, our Company shall finalise the basis of Allotment in consultation with the Designated Stock Exchange. The executive director (or any other senior official nominated by them) of the Designated Stock Exchange along with the Lead Manager and the Registrar to the Issue shall be responsible for ensuring that the basis of Allotment is finalised in a fair and proper manner.

The Allotment shall be made in marketable lots, on a proportionate basis as explained below:

1. Applicants will be categorised according to the number of Equity Shares applied for.

2. 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 Applicants in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

3. Number of Equity Shares to be allotted to the successful Applicants will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Applicant in that category multiplied by the inverse of the over-subscription ratio.

4. In all applications where the proportionate Allotment is less than 8,000 Equity Shares per Applicant, the Allotment shall be made as follows:

    - The successful Applicants out of the total Applicants 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 2 above; and

    - Each successful Applicant shall be allotted a minimum of 8,000 Equity Shares.

5. If the proportionate Allotment to an Applicant is a number that is more than 8,000 but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.

6. If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Applicants 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 Applicants in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Applicants applying for minimum number of Equity Shares.

Letters of Allotment or Refund Orders

Our Company shall credit the Allotted Equity Shares to the beneficiary account with Depository Participants within 12 Working Days from the 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 and RTGS. Our Company shall ensure dispatch of refund orders, if any, by registered post or speed post at the Applicant's sole risk within 12 Working Days of the Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 12 Working Days of the Issue Closing Date. In case of ASBA Applicants, the Registrar shall instruct the relevant SCSBs to, on the receipt of such instructions from the Registrar unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Form or the relevant part thereof, for withdrawn, rejected or unsuccessful or partially successful ASBA applications within 12 Working Days of the Issue Closing Date.

Interest in case of delay in dispatch of Allotment Letters or Refund Orders/ instruction to the SCSBs by the Registrar

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, our Company agrees that as far as possible Allotment of Equity Shares to the public and credit to the successful Applicants' Depository Accounts will be completed within 12 Working Days from the Issue Closing Date. Our Company further agrees that they shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if Allotment is not made, refund orders are not dispatched and/or demat credits are not made to investors within the 12 Working Day time prescribed above. However applications received after the closure of the Issue in fulfillment of underwriting obligations to meet the minimum subscription requirement, shall not be entitled for the said interest.

Our Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

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 applications are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

Undertakings by our Company

Our Company undertakes the following:

1. That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;

2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange where the Equity Shares are proposed to be listed within 12 working from the 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 the Issuer;

4. That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 Working Days of the Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. That if our Company does not proceed with the Issue after the Issue Closing Date, the reason thereof shall be given as a public notice within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The Stock Exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
6. That the certificates of the securities/ refund orders to the eligible NRIs shall be dispatched within specified time;
7. That no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or until the application monies are refunded on account of non-listing, under-subscription etc.; and
8. That adequate arrangement shall be made to collect all Application Forms and to consider them similar to non-ASBA applications while finalizing the basis of allotment.

Our Company shall not have recourse to the Issue proceeds until the receipt of final listing and trading approval for trading of the Equity Shares from the Stock Exchange where listing is sought.

Utilisation of Issue proceeds

Our Board of Directors certifies that:

1. All monies received out of the Issue 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;
2. Details of all monies utilised out of Issue shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilised, under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised; and
3. Details of all unutilised monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilised monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are FIPB and RBI.

Subscription by foreign investors (NRIs/FIIs)

FIIs are permitted to subscribe to equity shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

The transfer of equity shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (FDI) Policy and transfer does not attract the provisions of the Takeovers Code (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

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.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the Securities Act, or any state securities laws of the United States and unless so registered, may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares may be offered and sold outside the United States in offshore transactions in reliance on Regulation S under the 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 applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the applications are not in violation of laws or regulations applicable to them.

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 Section111 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 teat 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 with hold 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 declare 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 annual 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 of 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 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 of 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 meting 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 sin 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 its 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 very 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 it undertaking, property (both present and future) and uncalled capital, or any part hereto 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 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 issued 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 fee 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 of 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 equally of votes, the Chairman of the meeting shall have a second or casting vote.

112.The continuing Directors may act notwithstanding any vacany 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 chose 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, revokes 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 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 and 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 there of by any person acting as a Director shall, not with standing that it shall after wards 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 of had vacated office or were not entitle 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 a 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 be140. 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 two 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, mystry of trade of 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 now 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 proceedindg 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 Draft Prospectus), 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 Draft Prospectus 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 Draft Prospectus 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, Lead Manager to the Issue and addendum thereto.

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 Lead Manager, the Escrow Collection Banks and the Registrar to the Issue.

4. Underwriting Agreement dated [•] between the Company and the Lead Manager.

5. Market Making agreement dated [●] between our Company, the Lead Manager and the Marker Maker to the Issue.

6. Copy of Tripartite agreement dated January 03, 2011 entered into between the Company, CDSL and Registrar to the Issue.

7. 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 August 05, 2013 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 September 06, 2013 approving the Issue;

3. Audited Balance sheets and Profit and Loss Accounts of the Company for the financial years ending on March 31, 2013, 2012, 2011, 2010 and 2009 and 3 months period ended June 30, 2013.

4. Consents of Auditors, Bankers to the Company, Lead Manager, Registrar to the Issue, Directors of our Company, Company Secretary & Compliance Officer as referred to, in their respective capacities.

5. Copy of certificate dated December 11, 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 September 06, 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 December 10, 2013, 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 Lead Manager;

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 Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We 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 *Managing Director*	Sd/-
Shakuntla Gupta *Whole Time Director*	Sd/-
Sidhant Gupta *Whole Time Director*	Sd/-
Deepak Gupta *Independent Director*	Sd/-
Saurabh Gupta *Independent Director*	Sd/-
Sanjeev Kumar Jain *Independent Director*	Sd/-
Vipul Singhal *Chief Financial Officer*	Sd/-

Place: New Delhi

Date: December 12, 2013