



TIJARIA POLYPIPES LIMITED

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

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

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

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

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

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

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

THE ISSUE

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

RISK IN RELATION TO THE FIRST ISSUE

This being the first issue of the Equity Shares of Tijaria Polypipes Limited ("our Company"), there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares of the Company is ₹ 10/- per share and the Issue Price is 6 (SIX) times of the face value of the Equity Shares of the Company. The Issue Price (as determined by the Company in consultation with the Lead Manager and as stated herein under the paragraph 'Basis of Issue Price') should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and / or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India (SEBI), nor does SEBI guarantee the accuracy or adequacy of this Prospectus. **Specific attention of the investors is invited to the section titled 'Risk Factors' beginning on Page No. 7 of this Prospectus.**

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through this Prospectus are proposed to be listed on **Bombay Stock Exchange Limited ("BSE")** and **The National Stock Exchange of India Limited ("NSE")**. The in-principle approvals of BSE and NSE for listing of Equity Shares of our Company have been received pursuant to letters dated November 10, 2010 and January 25, 2011 respectively. **BSE shall be the Designated Stock Exchange for the purpose of this Issue.**

IPO GRADING

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

LEAD MANAGER TO THE ISSUE



Hem Securities Limited

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

REGISTRAR TO THE ISSUE



Sharex Dynamic (India) Pvt. Ltd.

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ISSUE PROGRAMME

ISSUE OPENS ON : TUESDAY, SEPTEMBER 27, 2011

ISSUE CLOSURES ON : THURSDAY, SEPTEMBER 29, 2011

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SECTION I - GENERAL

1.1 - DEFINITIONS

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

1.2 - CONVENTIONAL / GENERAL TERMS

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

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

1.3 - ISSUE RELATED TERMS

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

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

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

1.4 - COMPANY AND INDUSTRY RELATED TERMS

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

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

1.5 - ABBREVIATIONS

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

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

SECTION II: RISK FACTORS

2.1 - CERTAIN CONVENTIONS; USE OF MARKET DATA

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

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

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

Such publications generally state that content therein has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although, we believe that the industry data used in this Prospectus is reliable, it has not been verified by any independent source.

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

2.2 - FORWARD-LOOKING STATEMENTS

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

All forward looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others: -

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

For further discussion of factors that could cause our actual results to differ, see the Section titled "Risk Factors" beginning on Page No. 7 of this Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company, and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading Permission by the Stock Exchanges for the Equity Shares allotted pursuant to this Issue.

2.3 - RISK FACTORS

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

Materiality

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

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

Note:

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

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

Internal Risk Factors

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8. Our Company is involved in certain legal proceedings

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

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

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

(₹ In Lacs)

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

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

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

(₹ In Lacs)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(₹ in Lacs)

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

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

Figures in Rupees are based on respective dates.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

External Risk Factors

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

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